May 18, 2017

**Anthony Collins**

**Smart Business Funding**

601 Ocean Parkway #8E  
Brooklyn , NY 11218

Dear Anthony,

Congratulations on Michal Brooks with Transaction Corp. has been **pre**-qualification with Transfac Capital, Inc. We are pleased to offer the attached Letter of Intent (“LOI”) to purchase your accounts receivable. Please be advised that this Letter of Intent should not be considered a commitment on Transfac’s part to provide Account receivable funding to Client.

Once you have approved the proposed terms, please sign and return. When we receive it, here’s what you can expect:

1. Within one business day, you should receive a Purchase and Sale Agreement (“PSA”) for your review and signature.
2. If there are tax liens or other liens on your invoices, our underwriting team or your sales representative will contact your for clarification and resolution.
3. When you sign and return the PSA, we will work to resolve any outstanding issues and if there are none, we will begin to verify your amounts owed. Once verified, we will send the purchase money to your designated account.
4. Normally, you will receive your money within 24 to 48 hours of our receipt of the PSA.

In the interim, please do not hesitate to contact us with any questions that may arise. We’re here to help.

Sincerely,

Nathan Lystrup

Senior Sales

For Transfac Capital Inc.

385.715.7207

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| --- | --- |
| **Maximum Advances:** | One Million, five hundred Dollars ($1,500,000) |
| **Advance Rate:** | Eighty Five Percent (85%) of the approved net collectible value of each Account that Transfac elects to purchase. |
| **A/R and A/P Services:** | We provide a comprehensive A/R management and back office services which includes credit management, collections, cash application access to real-time online reporting and, if requested, some A/P services. The service fee is One point five percent (1.5%) of the face amount of each invoice for the first thirty (30) days aging; half point (.500) for each additional 15 days. |
| **Daily Funds Rate:** | The fee for funds advanced against purchased accounts will be the prevailing Prime Rate as announced by JP Morgan Chase Bank, NA., plus 3% per annum. |
| **Recourse/ Non-recourse:** | All Accounts are purchased from Client with a Ninety (90) day recourse/chargeback provision. The Agreement is [ ] Recourse [x ] Non-recourse |
| **Due Diligence Fee:**  **(If applicable)** | Client shall pay Transfac a non-refundable documentation and due diligence fee of Two Hundred dollars ($200) at the time of Client’s acceptance of this proposal; upon receipt, Transfac will begin its credit/underwriting, due diligence and documentation preparation. |
| **Audit:** | Transfac may require audits from time to time which Client agrees to pay Transfac for all reasonable out-of-pocket expenses for performing such audit. |
| **Contract Term:** | The contract term shall be 2 years from the date of the initial purchase of Accounts. |
| **Collateral:** | Client will grant a blanket assignment of all assets including a first priority perfected security interest in Client’s accounts receivable, proceeds thereof, deposit accounts and general intangibles. |
| **Other:** | * Facility shall be cross-collateralized and cross-defaulted to any other obligations Client may have now or in the future with Transfac, its subsidiaries or affiliates; * Support documentation that services have been rendered or product has been delivered. * Authorization to access bank information electronically or copies of last 3 months’ bank deposits. |
| **Guarantees:** | Guaranty from principal shareholder(s); Corporate Guarantees from parent company and all wholly-owned subsidiaries and affiliates, if applicable. |

**If you accept the proposed terms above please return a signed copy of this Letter of Intent and remit the due diligence fee within two weeks of the date hereof (ten business days). If we do not receive the signed documents and the due diligence fee within that time, this proposal will become null and void and a new proposal may be offered. By executing this Letter of Intent of proposed terms, Client and Client’s principal owners authorize all companies with whom it conducts business, all consumer reporting agencies, background reporting agencies and other persons or organizations, and all banks or other financial institutions, to release to Transfac, any and all credit and financial information relating to Client and Client’s principal owners that Transfac deems necessary, and Client authorizes Transfac to file UCC-1 financing statements on the collateral in order to expedite the process.**

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| **Accepted and Agreed:** | | **Signed** |  |
| **Company Name** |  | **Title** |  |
|  |  | **Date** |  |