**PARTICIPATION AGREEMENT**

THIS AGREEMENT, dated January \_\_, 2017, is made by and between Transfac Capital, whose address is 257 East 200 South, Ste 350, Salt Lake City, UT 84111 (the "Transfac") and **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,** whose address is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the "Participating Entity").

**RECITALS:**

WHEREAS, Transfac is in the business of factoring/purchasing accounts of companies who become clients or otherwise extending credit to clients;

WHEREAS, Transfac is interested in developing a business relationship with Affiliate, whereby Affiliate will sell, assign and transfer Purchase and Sale Agreements that the Affiliate enters into with its Factoring Client (as defined herein) to Transfac, whereby Transfac will perform factoring services to the client;

WHEREAS, Transfac is interested in developing a business relationship with Affiliate, whereby Affiliate will refer Factoring Clients (as defined herein) to Transfac, whereby Transfac will perform factoring services to the client;

WHEREAS, Transfac and Affiliate are entering into a Private Label Affiliate Agreement contemporaneously with this Agreement which will also addresses Affiliate’s participation in the account of Factoring Client;

WHEREAS, Affiliate wants Transfac to pay the Participating Entity the Affiliate Fee (as defined in the Private Label Affiliate Agreement) as consideration for Affiliate entering into the Purchase and Sale Agreement with a Factoring Client that is transferred to Transfac hereunder, or for Affiliate referring Factoring Clients to Transfac hereunder;

WHEREAS, Participating Entity may, in its sole discretion participate in the factoring of a Factoring Client in such percentage as determined in Participating Entity’s sole discretion;

WHEREAS, any capitalized terms not otherwise defined herein shall have that meaning as set forth in the PSA (as defined herein), the Participation Agreement, or the Uniform Commercial Code as enacted in Utah;

**STATEMENT OF AGREEMENT:**

**NOW, THEREFORE,** for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Participation. Subject to the terms and conditions of this Agreement, the Participating Entity may, in its sole discretion, participate in the financing of any Factoring Client, pursuant to a PSA by contributing a percentage of the monies issued to a Factoring Client pursuant to a PSA.

2. Participation in all Benefits and Payments. Upon the Participating Entity's payment of its determined , Participation amount, said payment shall, without more, and without further action by either of the parties hereto, constitute a sale and purchase of such Participation and will confer on the Participating Entity a share equal to the extent of its Participation in the transaction with the Factoring Client, pursuant to a PSA, in all the rights and benefits of Transfacunder the provisions of the PSA with the Factoring Client.

3. Servicing, Collection and Expenses.

3.1 Servicing.

Transfachas the exclusive right to service the the Parties’ obligations under a PSA with a Factoring Client and will do so in accordance with its usual practices in the ordinary course of business and will accept payment of any amount due under a PSA from a Factoring Clientand/or , other third parties liable therefore. The Participating Entity irrevocably authorizes the Transfac to take all actions on t e Participating Entity's behalf and to exercise such powers as are specifically, generally or by implication delegated to Transfacby the terms of this Participation Agreement together will all rights, powers and directions as are incidental or related thereto.

3.2 Administration Expenses. All costs and expenses of administration and collection of the amounts due under a PSAwill be paid by the Transfac, except that any out-of-pocket costs and expenses of administration or collection incurred by reason of the employment or retention of outside third party service providers, suppliers, contractors agencies or attorneys, including reasonable attorneys' fees will be paid by the Transfacand the Participating Entity on a pro rata basis in accordance with their respective Participations in the PSAat the time such cost or expense was incurred.

4. Collections, Disbursements to the Participating Entity.

4.1 Interest Earned by the Participating Entity. After the purchase by the Participating Entity of the Participation, the Participating Entity will earn interest on its Participation at a rate equal to that which is set forth in the PSA with a Factoring Client (the "Interest Rate"). Provided the funds have been collected, Transfac will pay to the Participating Entity, on the tenth (15th) day of each month in , an amount equal to Participating Entity's share of the previous month's accrue1d interest.

4.2 Collections of Payments by Transfac. Transfac has the exclusive right to collect all sums due under a PSA

5. Transfac Not a Fiduciary. Transfac will not be deemed to be a trustee or other fiduciary for the Participating Entity in connection with the Participation or the PSA Transfac has no duties to the Participating Entity except those expressly set forth in this Participation Agreement and related Agreements being contemporaneously signed herewith.

6. Examination of Records. Transfac will indicate in its records the Participating Entity's interest in and Participation in the PSA. The Participating Entity may at any time, and from time to time, during business hours examine the books, records and accounts of Transfac relating to a PSA and other matters connected with the PSA or herewith.

7. Enforcement. Transfac may, in its sole discretion, administer the PSA and enforce the remedies provided therein, including: (i) giving or withholding waivers, consents, extensions, adjustments, compositions or compromises under the PSA; (ii) amending or refusing to amend the PSA or other agreements relating thereto; (iii) declaring a Default (as defined in the PSA), exercising or refraining from exercising remedies, or taking or refraining from taking action with respect to the PSA or other agreements. All of the preceding actions or inactions may be taken in the Transfac's sole discretion. Transfac will not, however, without the consent of the Participating Entity, (i) agree to any amendment or modification of any of the PSA that would change the demand nature of the PSA or reduce the interest on or fees payable with respect to the PSA, or release any guarantor of, the obligations under the PSA, (ii) waive any Default relating to late payment, if such Default remains uncured for twenty (20) business days.

If Transfac requests the Participating Entity's written consent to any of the events set forth above, and the Participating Entity does not respond to the request, in writing, within five (5) days of the making of such request, the Participating Entity will be deemed to have given its consent.

8. Purchase of Participation. No amounts paid by the Participating Entity to the Transfac for the purchase of the Participation will be considered a loan of any kind or nature by the Participating Entity to the to Transfac, and each party to this Agreement will look only to the third-party guarantor for the repayment of any amounts due under the PSA, or other third parties liable therefore or any guarantor of the Factoring Client.

9. Participation Not a Security. Notwithstanding anything to the contrary contained herein, the parties hereto expressly intend for and agree that the Participation evidenced by this Participation Agreement is not a security under the federal securities laws.

10. Assignment; Transfers.

10.1 Acquiring for Own Account. The Participating Entity represents and agrees that it is acquiring the Participation for its own account for investment purposes, with no present intention of distributing or reselling all or any part thereof. The Participating Entity will not sell, assign, transfer, mortgage, pledge or otherwise dispose of any or all of its interest in a PSA, the collateral for the PSA, if any, the PSA or this Participation Agreement, without the prior written consent of the Transfac, which consent shall not be unreasonably withheld. Notwithstanding anything contained herein, no sale, assignment, transfer, mortgage, pledge or other disposal will be made by the Participating Entity of its interest in the PSA that would violate the terms of any such documents, statutes of the State of Utahor the United States government, or any rules, regulations or interpretations thereunder.

10.2 Permitted Sales. Either party has the right at any time and from time to time to sell all or any portion of its respective Participation to any parent, subsidiary or affiliate of such party ("Permitted Transferee").

10.3 Transfers. Transfac may transfer its right to service and manage the PSA to a Permitted Transferee, or to any third party the deposits of which are insured by an agency of the United States of America. If Transfac does so, then within thirty (30) days of the transfer, it will notify The Participating Entity of the name, address and telephone number of the new servicer, the name of the person at the new servicer to contact about the Loan, and the date on which the transfer was effective. The new servicer will automatically succeed to all of Transfac's rights and responsibilities under this Agreement with respect to servicing and managing a PSA. Transfac will have no responsibility or liability for the acts or failures to act of the new servicer from the effective date of the transfer.

11. Liability. The Participating Entity does not assume and will not have any liability whatsoever to Transfac for repayment of the amounts due under a PSA by Factoring Client, guarantor or liable third party. Transfac further agrees that the Participating Entity does not assume, and Transfac hereby releases and exonerates the Participating Entity from, any and all responsibility or liability to Transfac, express or implied, arising in whole or in part from a PSA, including but not limited to claims for (i) failure to realize upon the Collateral, (ii) failure or delay in collecting or receiving payment of any sums owing under a PSA from the Factoring Client or others, (iii) any mistake, omission or error of judgment involving the Collateral or a PSA, or (iv) granting extensions, indulgences or modifications to a Factoring Client. Neither Participating Entity nor Transfac will be liable to the other for any oversight or error, neglect, failure, mistake or omission or act of any of their employees, agents, examiners or attorneys, or the consequences thereof, with respect to a Factoring Client or PSA except for Participating Entity's or Transfac's gross negligence or willful misconduct.

12. Successors and Assigns. This Agreement will be binding upon and will inure to the benefit of the successors and assigns of the parties hereto.

13. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter of this Agreement and can only be changed by a writing signed by both Transfac and the Participating Entity. Any failure or delay to exercise any right hereunder will not constitute a waiver thereof or bar either party from exercising any of its rights hereunder at any time. This Agreement may be executed in counterparts each of which will be deemed an original for all purposes and all of which constitute, collectively, one agreement.

14. Validity and Enforceability. The invalidity or unenforceability of any one or more provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement.

15. No Third Party Beneficiaries. None of the provisions of this Agreement will inure to the benefit of any other person other than the parties hereto. No person other than the parties hereto will be entitled to rely upon or raise as a defense, in any manner whatsoever, the failure of either party hereto to comply with the provisions of this Agreement.

16. Disgorgement. Notwithstanding anything contained in this Agreement to the contrary, (i) to the extent that any proceeds paid to Transfac or Participating Entity are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored under the terms of a PSA, a trustee, receiver or any other person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause), then to the extent of any such payment is made, Transfac or the Participating Entity will pay the party required to refund the money so that the money ultimately received by Participating Entity and/or Transfac is in proportion to the Participation after all applicable money has been refunded.

17. Interpretation of Agreement. The parties acknowledge and agree that except as to words or phrases expressly defined in this Agreement, all words and phrases selected to state the terms of this agreement are to be interpreted in accordance with their plain and generally prevailing meaning and not with regard to any different meaning that either or both of the parties might otherwise attach to a particular word or phrase.

**IN WITNESS WHEREOF,** this Agreement has been executed as of the day and year first above written by the duly authorized officer of the parties hereto.

**PARTICIPATING ENTITY: TRANSFAC CAPITAL**

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

John Thompson

Its: Chief Financial Officer

**ORIGINATING ENTITY: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

By: \_

[name]

Its: [title]

EXHIBIT A PARTICIPATION CERTIFICATE