



Principis Capital LLC (DBA "First Funds")
 132 West 31st Street, New York, NY 10001

ISO Code	ISO Name
Agreement No.	

**Purchase and Sale of Future Receivables Agreement ("Agreement")
 between
 Principis Capital LLC ("Purchaser") and the seller identified below ("Seller").**

SELLER INFORMATION

Seller's Legal Name: _____

D/B/A: _____ State Business is registered: _____

Type of entity (check one): Corporation Limited liability company Partnership
 Limited partnership Limited liability partnership Sole proprietorship

Physical address: _____ City: _____ State: _____ Zip: _____

Mailing address: _____ City: _____ State: _____ Zip: _____

Federal ID or SS#: _____ Web site: _____

Contact name: _____ Title: _____

Phone: _____ Fax: _____ Email: _____

Bank name: _____ ABA Routing: _____ Account No.: _____

Purchaser agrees to purchase from Seller and the Seller agrees to sell to Purchaser, in consideration of the purchase price specified below (the "Purchase Price"), Seller's interest in the percentage specified below (the "Specified Percentage") of each of its future credit card receivables (the "Future Receivables") due to Seller from the credit card processor identified below ("Processor") until the amount specified below (the "Specified Amount") of Future Receivables has been collected by Purchaser according to the additional terms and conditions set forth in this Purchase and Sale Agreement ("Agreement").

Purchase Price = \$ _____

Specified Percentage = _____%

Specified Amount = \$ _____

Processor (Name/Address) = _____

Please carefully read all 9 pages of this Agreement for all its terms and conditions, and initial each page. The undersigned represents that he or she is authorized to sign this Agreement for Seller, has read and understands all its terms and conditions and agrees to be bound by all such terms and conditions:

SELLER

By: _____ (Print Name & title) _____ (Signature) _____ (Date)

By: _____ (Print Name & title) _____ (Signature) _____ (Date)

PURCHASER

PRINCIPIS CAPITAL LLC

By: _____ (Print Name & title) _____ (Signature) _____ (Date)

The undersigned principal(s) of Seller (such principals, whether shareholders, partners or other owners are referred to herein as the "Guarantor") hereby unconditionally, jointly and severally, guarantee Seller's performance and satisfaction of all the covenants, representations and warranties set forth in Section 3 of the Agreement. This guarantee is continuing and shall bind Guarantor's heirs, successors and assigns, and may be enforced by or for the benefit of any assignee or successor of Purchaser. Purchaser shall not be obligated to take any action against the Seller prior to taking any action against the Guarantor. Guarantor shall pay Purchaser for all its overhead and expenses incurred in enforcing this guarantee and underlying Agreement, including all Purchaser's reasonable attorney's fees. The release and/or compromise of any obligation of Seller or any other obligors and guarantors shall not in any way release Guarantor from his or her obligations under this guarantee. This guarantee shall be governed and construed according to the laws of the State of New York. ALL ACTIONS, PROCEEDINGS OR LITIGATION RELATING TO OR ARISING FROM THIS GUARANTEE OR UNDERLYING AGREEMENT SHALL BE INSTITUTED AND PROSECUTED EXCLUSIVELY IN THE FEDERAL OR STATE COURTS LOCATED IN THE STATE AND COUNTY OF NEW YORK NOTWITHSTANDING THAT OTHER COURTS MAY HAVE JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER, AND GUARANTOR FREELY CONSENTS TO THE JURISDICTION OF THE FEDERAL OR STATE COURTS LOCATED IN THE STATE AND COUNTY OF NEW YORK. Service of process by certified mail to Guarantor's address listed below or such other address that Guarantor may provide Purchaser in writing from time to time will be sufficient for jurisdictional purposes. GUARANTOR FREELY WAIVES, INSOFAR AS PERMITTED BY LAW, TRIAL BY JURY IN ANY ACTION, PROCEEDING OR LITIGATION ARISING FROM OR IN ANY WAY RELATING TO THIS GUARANTEE. GUARANTOR WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO PURSUE A CLAIM AGAINST PURCHASER OR ITS ASSIGNS AS PART OF A CLASS ACTION, PRIVATE ATTORNEY GENERAL ACTION OR OTHER REPRESENTATIVE ACTION. Guarantor grants continued authority to Purchaser and its agents and representatives and any credit reporting agency employed by Purchaser to obtain Guarantor's credit report and/or other investigative reports, and to investigate any references given or any other statements or data obtained from or about Guarantor or Seller or any of Seller's principals for the purpose of this guarantee, Agreement or renewal thereof.

Guarantor's Signature Print Name Date Social Security No.

Home Address, City, State & Zip Home Phone

Guarantor's Signature Print Name Date Social Security No.

Home Address, City, State & Zip Home Phone

ADDITIONAL TERMS AND CONDITIONS OF AGREEMENT

1. Methods of Collection; Use of Approved Processor.

Purchaser shall collect the cash attributable to the Specified Percentage in one of the following ways: (i) directly from Seller's credit card processor; (ii) by debiting the Seller's credit card processing deposit account or another of Seller's accounts that has been approved by Purchaser; or (iii) by debiting an account established by the Seller with Purchaser's approval specifically to hold funds that are due to Purchaser ("Dedicated Account"). Purchaser may decide in its sole discretion which of the three methods it will accept for the remittance of the Specified Percentage. If Purchaser elects to use method (i) or (ii), then Seller agrees to enter into an agreement with a credit card processor acceptable to Purchaser ("Approved Processor"). Purchaser reserves the right to change the collection method at any time, with five (5) days notice to Seller, if it is unable to collect funds on a consistent basis through the collection method initially selected.

1.1 Collection Directly from Processor.

If Purchaser agrees to accept the remittance of the Specified Percentage directly from the Seller's Approved Processor, then Seller authorizes the Approved Processor to pay the Specified Percentage directly to Purchaser rather than to Seller until the Specified Amount has been received by the Purchaser from the Approved Processor. This authorization is irrevocable, absolute and unconditional. Seller further acknowledges and agrees that the Approved Processor will be acting on behalf of Purchaser to collect the Specified Percentage. Seller hereby irrevocably grants Approved Processor the right to hold the Specified Percentage and to pay Purchaser directly (at, before or after the time Approved Processor credits or remits to Seller the balance of the Future Receivables not sold by Seller to Purchaser) until the entire Specified Amount has been received by Purchaser. Seller acknowledges and agrees that the Approved Processor may provide Purchaser with Seller's credit card, debit card and other payment card and instrument processing history, including without limitation Seller's chargeback experience and any communications about Seller received by Approved Processor from a card processing system, as well as any other information Purchaser deems pertinent. Seller understands that Purchaser does not have any power or authority to control the Approved Processor's actions with respect to the authorization, clearing, settlement and other processing of transactions and that Purchaser is not responsible for the Approved Processor's actions. Seller agrees to hold Purchaser harmless for the Approved Processor's actions or omissions.

1.2 Collection via ACH Withdrawals.

If Purchaser agrees to accept the remittance of the Specified Percentage by debiting the Seller's credit card processing deposit account, then Seller (i) irrevocably authorizes the Approved Processor or their representative to provide daily reports to Purchaser regarding Seller's credit card processing batch amounts, and (ii) irrevocably authorizes

Purchaser, or its designated successor or assign to withdraw the Specified Percentages of the Future Receivables and any other amounts now due, hereinafter imposed, or otherwise owed in conjunction with this Agreement by initiating via the Automatic Clearing House (ACH) system debit entries to Seller's account at the bank listed above or such other bank or financial institution that Seller may provide Purchaser with from time to time ("Bank Account"). In the event that Purchaser withdraws erroneously from the Bank Account, Seller authorizes Purchaser to credit the Bank Account for the amount erroneously withdrawn via ACH. Purchaser shall not be required to credit the Bank Account for amounts withdrawn related to credit card transactions which are subsequently reversed for any reason. Purchaser, in its sole discretion, may elect to offset any such amount from collections from Future Receivables. Seller represents that the Bank Account is established for business purposes only and not for personal, family, or household purposes. Seller understands that the foregoing ACH authorization is a fundamental condition to induce Purchaser to enter into this Agreement.

Before 2:00 P.M. EST of the day following each day that Seller conducts business, Seller shall cause Approved Processor or Approved Processor's agent to deliver to Purchaser, in a format acceptable to Purchaser, a record from Approved Processor reflecting the total gross dollar amount of the preceding day's credit card transactions processed by Approved Processor for Seller, irrespective of whether such amount consists of sales, taxes or other amounts collected by Seller from its customers ("Daily Batch Amount"). In the event that Seller is unable to procure Approved Processor's compliance in a timely manner or as otherwise required under this section, within two (2) business days' written notice by Purchaser to Seller of the same via facsimile to Seller at the fax number listed herein, Seller shall at its sole expense terminate its relationship with Approved Processor and exclusively engage the services of an alternative credit card processor that Purchaser approves in writing and enter into any merchant credit card processing agreement as the alternative credit card processor may require, which credit card processor shall thereafter be referred to and included within the meaning of "Approved Processor" herein. Alternatively, in the event of Approved Processor's noncompliance, Purchaser is hereby authorized to estimate the Daily Batch Amount based upon Purchaser's analysis of Seller's historical experience and to collect the Specified Percentage of the Future Receivables as provided in Section 2 of this Agreement based upon such estimate. Purchaser will make appropriate adjustments upon the submission by Seller of statements with respect to the period of Approved Processor's non-compliance. Further, Seller hereby irrevocably authorizes Purchaser to obtain information regarding its other bank account(s) from Approved Processor and/or from the sales agent, and to debit such bank account(s) in the event that Purchaser is unable to debit the Specified Percentage from Seller's credit card processing account.

1.3 Collection from a Dedicated Account.

If Purchaser agrees to accept the remittance of the Daily Percentage by debiting a Dedicated Account, Seller agrees to complete all necessary forms to establish the Dedicated Account. Seller (i) irrevocably authorizes and will require Seller's processor to deposit directly into the Dedicated Account a daily amount corresponding to Seller's Daily Batch Amount multiplied by the Specified Percentage; and (ii) acknowledges and agrees that any funds deposited into the Dedicated Account by Seller's processor will remain in the Dedicated Account until the Specified Percentage is withdrawn by Purchaser and then the remaining funds, minus any amount required to maintain the minimum balance for the account, will be forwarded to Seller's Bank Account. If the Dedicated Account requires a minimum account balance, Purchaser may, in its sole discretion, fund the required minimum balance for the Dedicated Account out of the Purchase Price. Seller acknowledges and agrees that it shall not have the right to directly withdraw funds from the Dedicated Account.

2. Processing Trial; Commencement of Agreement. After this Agreement has been signed by Seller but prior to Purchaser's acceptance, the parties shall conduct a processing trial of four or fewer business days in order to ensure that the Seller's credit card transactions are being correctly processed through Approved Processor and that Purchaser timely receives the Daily Batch Amount in a satisfactory manner and format. Nothing herein shall create an obligation upon Purchaser to enter into this Agreement. The Agreement shall commence upon Purchaser's payment to Seller of the Purchase Price.

3. Seller's Covenants, Representations and Warranties. Seller and Guarantor represent, warrant and covenant the following as of this date and during the term of this Agreement:

- a) Seller represents that it is not contemplating closing its business.
- b) Seller represents that it has not commenced any case or proceeding seeking protection under any bankruptcy or insolvency law, or had any such case or proceeding commenced against it, and it is not contemplating commencing any such case or proceeding.
- c) Seller represents that the Future Receivables are free and clear of all claims, liens or encumbrances of any kind whatsoever.
- d) Seller represents that it does not intend to temporarily close its business for renovations or other reasons during the next twelve months.
- e) Seller shall not take any action to discourage the use of credit cards which are settled through its processor or to permit any event to occur which could have an adverse effect on the use, acceptance or authorization of credit cards for the purchase of Seller's services and products;

- f) Seller shall not change its arrangements with its credit card processor in any way which is adverse to Purchaser;
- g) Seller shall not change the credit card processor through which the major credit cards are settled from Approved Processor to another credit card processor or to permit any event to occur that could cause a diversion of any of Seller's credit card transactions to another processor without Purchaser's prior written consent;
- h) Seller represents that as of this date, all Seller's credit card sales and transactions are being processed exclusively with Approved Processor or are being deposited exclusively into a Dedicated Account;
- i) Seller shall not sell, dispose, convey or otherwise transfer its business or assets without the express prior written consent of Purchaser; Seller shall not enter into a concurrent agreement for the purchase and sale of future receivables with any purchaser aside from First Funds.
- j) Seller shall furnish Purchaser with the bank statements for its Bank Account and any and all other accounts to which proceeds from Seller's sales are deposited within seven (7) days' of any such request by Purchaser;
- k) Seller shall unconditionally ensure that the cash Seller receives from Approved Processor attributable to the Specified Percentage of the Future Receivables is immediately thereafter available to Purchaser for collection via ACH from Seller's Bank Account;
- l) Seller shall not attempt to revoke its ACH authorization to Purchaser set forth in this Agreement or otherwise take any measure to interfere with Purchaser's ability to collect the cash that Seller receives (i) from Approved Processor attributable to the Specified Percentage of the Future Receivables or (ii) from the Dedicated Account;
- m) Seller shall not close its Dedicated Account, or close or change the bank account into which Approved Processor deposits the Future Receivables to another account without Purchaser's prior written consent;
- n) Seller shall not conduct its businesses under any name other than as disclosed to Purchaser or change any of its places of business without Purchaser's prior written consent; and
- o) Seller represents that the information it furnished Purchaser in this Agreement and preceding application, including without limitation, Seller's processing statements, is true and accurate in all respects and fairly represents the financial condition, result of operations and cash flows of Seller at such dates, and since the dates therein, there has been no material adverse change in the business or its prospects or in the financial condition, results of operations, or cash flows of Seller.

4. Agency; Modifications & Amendments; Entire and Final Agreement. Purchaser does not have any power or authority or control over Approved Processor's actions with respect to the processing of Seller's credit card

transactions. Purchaser is an entirely separate and independent entity from the Processor and ISO (if any) and their respective agents. Neither Approved Processor nor ISO (if any) is Purchaser's agent and neither is authorized to waive or alter any term or condition of this Agreement and their representations shall in no way affect Seller's or Purchaser's rights and obligations set forth herein. This Agreement contains the entire and final expression of the agreement between the parties, and may not be waived, altered, modified, revoked or rescinded except by a writing signed by one of Purchaser's executive officers. All prior and/or contemporaneous oral and written representations are merged herein. No attempt at oral modification or rescission of this Agreement or any term thereof will be binding upon the parties.

5. Governmental Approvals. Seller possesses and is in compliance with all permits, licenses, approvals, consents and other authorizations necessary to own, operate and lease its properties and to conduct the business in which it is presently engaged. Seller is in compliance with any and all applicable federal, state, and local laws and regulations, including, without limitation, all laws and regulations relating to the prosecution of the confidentiality of information received from credit card users.

6. Exclusive Use of Processor. Seller understands that services of Approved Processor are the exclusive means by which Seller may process its credit card transactions, unless it has set up a Dedicated Account, in which case all of Seller's credit card processing must be subject to daily withholding of the Specified Percentage in the Dedicated Account.

7. Sale of Future Receivables; Non-Consumer Transaction. Seller and Purchaser agree that the Purchase Price paid by Purchaser in exchange for the Specified Amount of Future Receivables is for the purchase and sale of the Specified Amount of Future Receivables and is not intended to be, nor shall it be construed as, a loan or an assignment for security from Purchaser to the Seller. Seller and Guarantor hereby acknowledge and agree that neither party is a "consumer" with respect to this Agreement and underlying transaction, and neither this Agreement nor any guarantee thereof shall be construed as a consumer transaction.

8. No Right to Repurchase. Seller acknowledges that it has no right to repurchase the Specified Amount of Future Receivables from Purchaser.

9. Sale of Additional Future Receivables; Schedules; Right of First Refusal. Nothing herein shall obligate either party to sell and purchase future credit card receivables; however, Seller grants Purchaser the right of first refusal to purchase any such additional future credit card receivables that Seller may wish to sell during the term of this Agreement and during the period ending ninety (90) days after termination of this Agreement. Under such right of first refusal, if Seller desires to sell additional future credit card receivables, Seller agrees to sell such receivables to

Purchaser only, and not to any other prospective purchaser, so long as Purchaser purchases such future credit card receivables on terms that are no less favorable to Seller as the terms and conditions of this Agreement.

10. Default. A "Default" shall include, but not be limited to, any of the following events: (a) The breach by Seller of any covenants contained in this Agreement; (b) Any representation or warranty made by the Seller in this Agreement, proving to have been incorrect, false or misleading in any material respect.

11. Remedies. In the event of a Default, Purchaser shall be entitled to all remedies available under law. Without limiting the generality of the foregoing, in the event of Seller's default under Section 10 herein, Purchaser will be entitled to require Seller to purchase the remaining Future Receivables for an amount equal to the amount by which the Specified Amount of Future Receivables exceeds the amount of cash received from Future Receivables that Purchaser had previously collected under this Agreement, which amount Purchaser may automatically debit from Seller's Bank Account via ACH without notice to Seller. No failure on the part of Purchaser to exercise, nor any delay in exercising any right under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of any other right. The remedies provided hereunder are cumulative and not exclusive of any remedies provided by law or equity.

12. UCC-1 Financing Statements. Seller authorizes Purchaser to file one or more UCC-1 Financing Statements prior to each sale of Future Receivables for purposes of providing public notice of the purchase by Purchaser from Seller of the Specified Amount of Future Receivables. The UCC-1 Financing Statements will state that the sale of the Future Receivables is an outright sale and not an assignment for security.

13. Notices. All notices, requests, demands and other communications hereunder, including disputes or inaccuracies concerning information furnished to credit reporting agencies shall be, unless otherwise provided herein, in writing and shall be delivered by mail, overnight delivery or hand delivery to the respective parties to this Agreement at their respective addresses listed on the face of this Agreement or at such other address that either may provide to the other in writing from time to time.

14. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of Seller, Purchaser and their respective successors and assigns, except that Seller shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of Purchaser which consent may be withheld at Purchaser's sole discretion. Purchaser may assign this Agreement without notice to Seller.

15. Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of New York. Seller consents to the jurisdiction of the federal and state courts located in the State and County of New York and agrees that such courts shall be the exclusive forum for all actions, proceedings or litigation arising out of or relating to this Agreement or subject matter thereof, notwithstanding that other courts may

have jurisdiction over the parties and the subject matter thereof. Service of process by certified mail to Seller's address listed on the face of this Agreement will be sufficient for jurisdictional purposes.

16. Purchaser's Costs of Enforcement; Attorney's Fees. Purchaser shall be entitled to receive from Seller and Seller shall pay to Purchaser, all Purchaser's costs and expenses, including Purchaser's collections overhead and Purchaser's reasonable attorney's fees, in enforcing any of the terms of this Agreement, regardless of whether or not a legal action has been commenced. If Seller files action against Purchaser and the matter is dismissed or Purchaser prevails in the matter, Seller agrees to pay all of Purchaser's attorney fees and costs incurred whether in court or arbitration.

17. Severability. In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby.

18. Limitation of Liability. In no event will Purchaser be liable for any claims asserted by Seller under any theory of law, including any tort or contract theory for lost profits, lost revenues, lost business opportunities, exemplary, punitive, special, incidental, indirect or consequential damages, each of which is hereby expressly waived to the fullest extent permitted by law by Seller.

19. Waiver Of Jury Trial; Limitation On Action. PURCHASER AND SELLER KNOWINGLY, WILLINGLY AND VOLUNTARILY WAIVE, INSOFAR AS PERMITTED BY LAW, TRIAL BY JURY IN ANY ACTION, PROCEEDING OR LITIGATION BROUGHT BY PURCHASER, SELLER OR GUARANTOR HERETO ARISING FROM OR IN ANY WAY RELATING TO THIS AGREEMENT OR THE UNDERLYING TRANSACTION. SELLER SHALL COMMENCE ANY ACTION OR COUNTERCLAIM BASED IN CONTRACT, TORT OR OTHERWISE ARISING FROM OR IN ANY WAY RELATING TO THIS AGREEMENT OR THE UNDERLYING TRANSACTION WITHIN ONE YEAR OF THE ACCRUAL OF THAT CAUSE OF ACTION AND NO SUCH ACTION MAY BE MAINTAINED WHICH IS NOT COMMENCED WITHIN THAT PERIOD. SELLER KNOWINGLY, WILLINGLY AND VOLUNTARILY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO PURSUE A CLAIM AGAINST PURCHASER AS PART OF A CLASS ACTION, PRIVATE ATTORNEY GENERAL ACTION OR OTHER REPRESENTATIVE ACTION.

End of Agreement