

## MODIFICATION AGREEMENT

THIS AGREEMENT (the "Agreement") is entered into this June 6, 2018 ("Effective Date"), by and among [REDACTED] (referred to collectively as "Merchants") and [REDACTED] (referred to collectively as "Guarantors"). [REDACTED] Merchants and Guarantors may be referred to herein as a "Party" or collectively as the "Parties."

### BACKGROUND

WHEREAS, [REDACTED] entered into four contracts with Merchants on various dates under which [REDACTED] agreed to provide financing to Merchant which, in return, pledged receivables to [REDACTED] (the "Contracts"); and

WHEREAS, Merchants' obligations of payment and performance in connection with the financing are guaranteed by Guarantors pursuant to the personal guarantees contained in the Contracts; and

WHEREAS, [REDACTED] contends that Merchants and Guarantors are in default of their obligations to [REDACTED] for failure to allow [REDACTED] to debit Merchants' bank accounts at the timetable contractually agreed upon, (the "Default"); and

WHEREAS, Merchants and Guarantors contend that the Contracts, and/or portions thereof, are unenforceable; and

WHEREAS, [REDACTED] has obtained certain judgments against Merchants and Guarantors in the Supreme Court of the State of New York, County of Richmond, Index No. [REDACTED] (the "Judgment"); and

WHEREAS, [REDACTED] is willing to extend the time period for its retrieval of purchased receivables and will accept the compromised timetable for the retrieval of its funds from Merchants and Guarantors and will release Merchants and Guarantors for any further obligations under the Contracts, the Judgments, or otherwise, provided that all terms of the payment plan as outlined below are adhered to in their entirety; and

WHEREAS, Merchants and Guarantors are willing to waive any claims they may have regarding the enforcement of the Contracts and/or release [REDACTED] from any claims they may have provided that all terms of the payment plan as outlined below are adhered to in their entirety.

### AGREEMENT

NOW THEREFORE, in consideration of the foregoing, and of the mutual covenants and promises set forth below, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties hereto, intending to be legally bound hereby, agree as follows:

[REDACTED] agrees to accept and Merchants agree to pay as follows:

[REDACTED]

- (a) [REDACTED] will accept a total of \$357,820.79 (\$275,246.76 in principal and the remainder being interest) in payments from Merchants in accordance with the below-given timeline.
- (b) Commencing July 6, 2018, and continuing for 78 Fridays thereafter, Merchants shall pay [REDACTED] \$4,587.45, provided, however, that no payments will be made on November 23, 2018 as that is a federal holiday and, as such, said payment shall be made on Monday, November 26, 2018.
- (c) Upon receipt of a copy of this Agreement executed by Merchants and Guarantors, [REDACTED] shall cease all efforts to collect on the Judgment and shall undertake no further efforts to enforce any of its rights under the Contracts unless or until a General Default occurs as set forth in paragraph (e).
- (d) At their option, Merchants may make larger or additional payments than those set forth in paragraph (b). In the event Merchants pay the total owed (1) within three (3) months of the date of this Agreement, the total due will be \$288,246.76 (\$275,246.76 in principal and \$13,000 in interest); (2) within six (6) months of the date of this Agreement, the total due will be \$300,246.76 (\$275,246.76 in principal and \$25,000 in interest); or (3) within 12 months, of the date of this Agreement, the total due will be \$325,246.76 (\$275,246.76 in principal and \$50,000 in interest). Otherwise, the total amount due will be \$357,820.79.
- (e) In the event Merchants fail to make a payment as required herein, [REDACTED] may provide notice of said default to [REDACTED] Inc., via email at [REDACTED]. Should Merchants' account thereafter remain in default for a period of time exceeding three business days, it shall be considered a General Default of this Agreement.
- (f) Should General Default occur, the parties shall cease to be bound by any of the terms of this Agreement and [REDACTED] may seek the full amounts due under the outstanding Contracts and/or Judgments against both the Merchants and the individual Guarantors for the full amounts outstanding under the terms of said Contracts and/or Judgments deducting any payments received under this Agreement. At the same time, Merchants and Guarantors shall retain any defenses they may have to [REDACTED] claims for repayment under the Contracts and/or Judgments.
- (g) [REDACTED] represents and warrants that it maintains the right to enforce the Contracts and/or Judgments and that none of its rights under said Contracts and/or Judgments have been transferred, assigned, or otherwise disposed of to another entity or individual.
- (h) Upon [REDACTED] receipt of the final payment provided for in paragraphs (b) and/or (d) above, but only upon receipt of said payment, the Parties, on behalf of themselves and their current and former parents, subsidiaries, related companies, partnerships, or joint ventures, and, with respect to each of them, their predecessors and successors; and, with respect to each such entity, all of its past, present, and future employees, officers, directors, stockholders, owners, representatives, assigns, attorneys, agents, insurers, and any other persons acting

[REDACTED]

by, through, under or in concert with any of the persons or entities listed in this subsection, hereby fully and irrevocably release, waive and forever discharges the other Party and their current and former parents, subsidiaries, related companies, partnerships, or joint ventures, and, with respect to each of them, their predecessors and successors; and, with respect to each such entity, all of its past, present, and future employees, officers, directors, stockholders, owners, representatives, assigns, attorneys, agents, insurers, and any other persons acting by, through, under or in concert with any of the persons or entities listed in this subsection, and their successors, and each of them, from any and all claims, demands, liens, actions, agreements, suits, rights, causes of action, proceedings, obligations, debts, sums of money, accounts, bills, dues, covenants, undertakings, promises, required notices or other informational disclosures, charges, complaints, controversies, damages, judgments, debts, costs, attorneys' fees, expenses, orders, grievances and/or liabilities of whatever kind or nature in law, equity or otherwise, whether now known or suspected, which have existed or may have existed, from the beginning of time, or which do exist or which hereafter can, shall, or may exist, whether vested or contingent, accrued or unaccrued, which any of them had, now has, or may hereafter have against the others, or any of them, directly or indirectly arising out of, proximately caused by or resulting from, connected with, or based upon or in any manner related to or arising out of, in the past, or at present, relating to the Agreements and/or the Judgments; provided however, that this release shall not apply to any claim arising under the enforcement of this Agreement or any of the representations and warranties set forth herein.

- (i) Within five business days of [REDACTED]'s receipt of the final payment provided for in paragraph (b) and/or (c) above, [REDACTED] shall file a satisfaction of judgment for the Judgments in the proper court.

IN WITNESS, WHEREOF, the undersigned representatives of the Parties represent and warrant that they have the authority to sign this Agreement on behalf of the entities so identified and that they have read and agree to be bound by the above terms and conditions and have entered into this Agreement effective as of the Effective Date set forth above.

[REDACTED]

By: [REDACTED]

[REDACTED] President

By: [REDACTED]

Managing Member

[SIGNATURES CONTINUED ON NEXT PAGE]

[REDACTED]

[REDACTED]

By: [REDACTED]

[REDACTED]-Individually as Guarantor and as a Managing Member of [REDACTED] and  
an authorized officer of [REDACTED]

By: [REDACTED]

[REDACTED] individually as Guarantor and as a Managing  
Member of [REDACTED] and an authorized officer of  
[REDACTED]