

Parafin Flex Loan Program

Loan Agreement

Your business loan under this Loan Agreement is being offered by Celtic Bank.

LOAN SUMMARY

Merchant:	{{business_name}}
Lender:	Celtic Bank
Loan Amount:	{{accepted_amount}}
Fixed Fee:	{{capital_fee}}
Total Repayment Amount	{{total_amount}}
Loan Term (Estimated)	{{term}}
Final Repayment Date (Estimated)	{{final_repayment_date}}
Origination Approval Date	{{origination_approval_date}}
Repayment Start Date	{{repayment_start_date}}
Repayment Frequency	{{repayment_frequency}}
Repayment Rate (Percentage of Sales)	{{repayment_rate}}
Minimum Payment Amount	{{minimum_payment_amount}}
Minimum Payment Due Date	30 Days
Interest Charged	0%
Late Fees	\$0
Personal Guarantee	No

Prepayment	There is no interest charged on this Loan. Rather you are charged a flat fee at the time of borrowing. If you pay off this Loan faster than anticipated, you will still be required to pay the Fixed Fee.
Other Fees:	Returned Payment Fee: \$25.00

The Parafin Program ("**Program**") is a business loan program for Parafin ("**Parafin**") customers who may apply for and receive commercial-purpose loans from Celtic Bank.

This Loan Agreement ("**Agreement**") is a contract between Celtic Bank ("**Bank**", "**we**," "**us**," and "**our**"), as the originator and issuer of your loan, Parafin, as the service provider to Bank, and {{business_name}} ("**Merchant**," "**you**" and "**your**"), and each a Party ("**Party**") and collectively the Parties ("**Parties**") to this Agreement.

For avoidance of doubt, Celtic Bank (and not its agents and assignees) is the originator and creditor of your Loan.

THIS IS A COMMERCIAL LOAN. YOU AGREE NOT TO USE ANY PORTION OF THE AMOUNT LOANED FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES AND NOT TO REPAY US FROM ANY CONSUMER ACCOUNT.

Subject to this Agreement, you may receive a business-purpose loan ("**Loan**") from Bank. After funding, Parafin will automatically withhold the agreed upon Repayment Rate of your Merchant Receivables based on the Repayment Frequency until the Total Repayment Amount is transferred to fully repay the Loan. Your Loan terms are summarized in the boxes above, and described in detail in the following text. When calculating the Total Repayment Amount and the Prior Outstanding Balance, and at any time thereafter while you have an Outstanding Balance, we have the right to waive a portion of your fixed fee at our sole discretion.

1. Definitions

- a. "**Account**" means, collectively, all accounts that are used by you (as Merchant) including those you set up or maintain with Parafin to apply for, service, and repay your Loan.
- b. "**ACH**" means the Automated Clearing House
- c. "**Bank**" means Celtic Bank, its agents, and assignees.
- d. "**Disbursement Date**" means the date the Net Loan Proceeds are approved to be disbursed to your Account.
- e. "**Final Repayment Date**" means the date, as specified in the summary box above, on which the Outstanding Balance is due and payable in full.
- f. "**Fixed Fee**" means the one-time fee assessed by Bank and represents the total cost of your Loan. The Fixed Fee is specified in the summary box above.
- g. "**Governmental Authority**" means any governmental or self-regulatory body that has jurisdiction over you, us, or the Program, including: (i) any

federal, state, local, foreign or other court; and (ii) any governmental department, bureau, or agency.

- h. **“Linked Bank Account”** means any transaction account linked to your Account, which must not have been established primarily for personal, family, or household purposes. For the avoidance of doubt, your Linked Bank Account is also the account that you use for your Marketplace transactions.
- i. **“Loan”** has the meaning found in the introduction.
- j. **“Loan Amount”** is the dollar amount of funds extended to you by Bank under this Agreement. If you have a Prior Outstanding Balance, the Loan Amount may differ from the Net Loan Proceeds.
- k. **“Marketplace”** is an online e-commerce site and/or mobile application where Merchant sells its goods and/or services to their end customers.
- l. **“Merchant,” “you” or “your”** has the meaning set forth in the introduction.
- m. **“Merchant Receivables”** means all payments made by cash, check, electronic transfer or other form of monetary payment from Marketplace to Merchant in the ordinary course of Merchant’s business for goods or services provided by Merchant to Marketplace customers
- n. **“Minimum Payment Amount”** means the amount specified in the summary box above. The Minimum Payment Amount is due to Bank by the end of each 30-day period, beginning on the Repayment Start Date.
- o. **“Minimum Payment Due Date”** means the date which each Minimum Payment Amount is due. The first Minimum Payment Due Date will be 30 days after the Repayment Start Date, and each Minimum Payment Due Date will occur 30 days thereafter until the Final Repayment Date.
- p. **“Net Loan Proceeds”** is the Loan Amount less the Prior Financing Balance, if applicable. The Net Loan Proceeds represents the actual amount of funds that you will receive in your Linked Bank Account.
- q. **“Obligations”** has the meaning set forth in Section 6(a).
- r. **“Origination Approval Date”** means the date on which the Loan Amount is advanced to you that you and the Bank enter into this Agreement. The Origination Approval Date is found in the summary box above, and will say “TBD” if you are reviewing as part of your application.
- s. **“Outstanding Balance”** is the Total Repayment Amount less any repayments you have made toward your Loan. The Outstanding Balance represents the total amount of funds that you are obligated to repay to Bank at any given point in time.
- t. **“Parafin”** has the meaning set forth in the introduction, together with any successors and assigns.
- u. **“Parties”** means, collectively, Merchant, Bank, and Parafin.
- v. **“Principal Owner”** means, with respect to a legal entity: (1) each individual, if any, who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25 percent or more of the equity interests of the legal entity; and (2) one individual with significant responsibility for managing the legal entity, such as an executive officer or senior manager (e.g., Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner,

President, Vice President, Treasurer) or any other individual who regularly performs similar functions.

- w. **"Repayment Acceleration"** means a temporary or permanent increase in your Repayment Rate or request for additional payments on the Outstanding Balance. The terms and duration of any Repayment Acceleration will be determined at our discretion.
- x. **"Repayment Rate"** means the percentage of sales volume to be debited from each transaction of your Merchant Receivables in order to repay your Loan. Such amounts will be debited from your Merchant Receivables and will be applied toward your Outstanding Balance until the Total Repayment Amount is paid in full.
- y. **"Repayment Amount"** means the amount at any time that equals your Merchant Receivables times your Repayment Rate.
- z. **"Repayment Start Date"** means the first date that we will begin withholding funds equal to the Repayment Rate from your Merchant Receivables. Your Repayment Start Date is specified in the summary box above.
- aa. **"Total Repayment Amount"** is the total sum of the Loan Amount and the Fixed Fee. The Total Repayment Amount is set forth in the summary box above.

2. Relationship of the Parties

- a. **Unaffiliated Parties.** Parafin and Bank are not affiliated.
- b. **Independent Contractors.** Merchant and Bank (and its agents including Parafin) are independent contractors and no joint venture, partnership, employment, or agency relationship or lender-merchant relationship exists as a result of applying for or receiving a Loan
- c. **Obligation to Provide Transactional Information.** Merchant agrees to provide to Bank and Parafin, upon request, transaction files maintained by Merchant, and any other information related to past payment processing volumes or the transactions contemplated by this Agreement.
- d. **Further Inquiries.** If Bank or Parafin requires additional information You will respond to those requests in the time frame requested.

3. Information About Your Loan

- a. **Commercial Purpose.** Bank is extending the commercial-purpose Loan to you in the Loan Amount, and the amount of funds you will receive is equal to the Net Loan Proceeds. You agree to receive the Net Loan Proceeds in your Account.
- b. **Duly Organized/Use of Proceeds.** You represent that you are a commercial business enterprise organized in the United States, and you agree that your Loan will be for your business purposes only. You acknowledge that legal protections for consumers do not apply to your Loan. You further agree and understand that we will be unable to confirm whether the use of the Loan conforms to this Section. You agree that a breach by you of the provisions of this Section will not affect our right to (i) enforce your promise to pay for all amounts owed under this Agreement, regardless of the purpose for which the Loan is in fact obtained or (ii) use any remedy legally available to us, even if that remedy would not have been available had the Loan been made for personal, family, or household purposes.

4. **Loan Repayment**

- a. **Prior Financing Balance.** If you have a Prior Financing Balance, we will first apply the Loan Amount to repay any Prior Financing Balance outstanding as of the Disbursement Date. The remaining funds, which are equal to the Net Loan Proceeds, will be deposited to your Account. Any prior agreements related to a Prior Financing Balance are hereby superseded and replaced by this Agreement.
- b. **Repayment Periods.** You agree (i) at all times to pay the Repayment Amount regardless of whether you have paid a Minimum Payment, (ii) to pay the Minimum Payment Amount on each Minimum Payment Due Date, and (iii) to continue to pay the Repayment Rate of your sales until the Total Repayment Amount is repaid in full by the Final Repayment Date.
- c. **Reconciliation of Sales.** You agree that you are responsible at all times to ensure that Parafin has received your Repayment Amount. Even if you have made a Minimum Payment to Parafin on the Minimum Payment Date, you agree that Parafin may debit your Linked Account at any time to debit for a Repayment Amount. If Parafin is provided data from you or your Marketplace or otherwise learns that that you have earned additional sales during that repayment period that have not yet been collected ("Missing Payments"), you agree that Parafin may debit those Missing Payments to ensure that you have properly paid your Repayment Amount. You further agree that if you have made a Minimum Payment and Parafin debits Missing Payments from your Linked Account, you will not be refunded the difference between the Minimum Payment and the Missing Sales and the Missing Sales will not count towards any other period's Minimum Payment.
- d. **Repayment Method.** Beginning on the Repayment Start Date, you authorize us to withhold funds each repayment period in the amount of the Repayment Rate from your Merchant Receivables for purposes of repaying your Loan. Under no circumstances are we obliged to return withheld Merchant Receivables that are transferred to us, including in the event that one or more of the transactions that created a portion of the Merchant Receivables are subject to refund, return, or dispute.
- e. **ACH Authorization.** You expressly authorize Bank to credit Your Linked Bank Account with Your Loan Amount (less any Prior Loan Balance) or where otherwise required for servicing. You also expressly authorize Bank or Parafin, as the Bank's agent, to debit your Linked Bank Account for any repayment amounts as necessary, including on a daily or weekly basis based on your Repayment Rate or for any then current Repayment Amount. Further, you expressly authorize Parafin, as the Bank's agent, to elect via ACH to debit a periodic amount ("Periodic Amount") intended to represent the dollar value of the estimated amount of your revenue multiplied by the Repayment Rate in situations where your processing information is unable to be communicated to Parafin. If You decide to prepay Your Loan Balance, or need to make payment to satisfy Your Minimum Payment Amount or other amounts due under this Agreement, You authorize Parafin, as the Bank's agent to debit any Linked Bank Account. If any debit attempt to Your Linked Bank Account fails, You grant Parafin at each instance a new, original authorization to make new debit attempts in an amount equal to or lesser than the amount then currently due or an amount reduced from the previous debit from Your Linked Bank Account. You acknowledge and agree to be bound by NACHA's rules for business-related ACH debits and credits.
- f. **Increased Debits; Increased Repayment Rate.** If (i) your withheld Merchant Receivables do not equal at least your Repayment Amount at any time, or (ii) your withheld Merchant Receivables for any applicable payment period do not equal the Minimum Payment Amount by the

applicable Minimum Payment Due Date, or (iii) any attempts to reconcile for Missing Payments fail, you authorize us to (a) increase the Repayment Rate of your Merchant Receivables in an amount equal to the amount necessary to reach your Repayment Amount, or (b) increase the Repayment Rate of your Merchant Receivables in an amount equal to the difference between the Minimum Payment Amount and the withheld Merchant Receivables until your Minimum Payment Amount is reached, or (c) debit your Linked Bank Account in an amount equal to the difference between the Minimum Payment Amount and the withheld Merchant Receivables, or (d) debit your Linked Bank Account in an amount equal to the difference between the current amount of Merchant Receivables debited and the actual Repayment Amount. If we are unable to successfully debit your Linked Bank Account or if we are notified that your Linked Bank Account has insufficient funds to complete the debit, we may re-attempt to debit your Linked Bank Account as necessary to obtain your Repayment Amount or Minimum Payment Amount. You agree that we will have no liability if we cannot successfully debit your Linked Bank Account or if your Linked Bank Account has insufficient funds when we attempt (or re-attempt) to debit your Linked Bank Account. If we cannot successfully debit your Linked Bank Account or if your Linked Bank Account has insufficient funds, you authorize us to debit or setoff funds you owe us from future amounts processed. You acknowledge and agree to be bound by National Automated Clearing House Association's rules for business-related ACH debits and credits.

- g. **Fees.** You may be assessed returned payment fees related to any insufficient funds transaction. You understand that you are responsible for ensuring that an amount equal to your Repayment Rate remains in the Linked Bank Account to be debited by Parafin on a daily or weekly basis and you will be held responsible for any fees incurred by Parafin resulting from a rejected ACH attempt or an Event of Default (as defined herein). Parafin is not responsible for any overdrafts or rejected transactions, or overdraft or insufficient funds fees that may result from Parafin ACH debiting the specified amounts under the terms of this Agreement
- h. **Order of Payments.** Until the Total Repayment Amount is paid off, your Loan repayments will be applied to the Outstanding Balance in the following order, *first*, to repay any past-due amounts, and returned payments fees, if any, and *second*, to repay current amounts due.
- i. **Early Repayment.** You may repay your Outstanding Balance in full or in part at any time without penalty by making additional payments in Your Dashboard, or by contacting Support to arrange for repayment. You will still owe the full amount of the Fixed Fee documented in this Agreement.
- j. **Promise to Pay.** You agree to pay us the Total Repayment Amount shown above in the Summary Box in accordance with the terms of this Agreement.
- k. **Past-Due.** If you do not meet your Minimum Payment amount by the Minimum Payment Date or you do not at any time match the then current Repayment Amount, your Account will be considered "Past-Due".
- l. **Alternative Payment Methods.** If you know that for any reason we, or Parafin as servicer to your Loan, will be unable to process a payment automatically under the terms of this Agreement, you must either restore sufficient funds such that the missed payment can be collected, or promptly mail or deliver a check to us in the amount of the missed payment or, if offered, make the missed payment by any arrangements that Parafin as servicer may make available from time to time. If you send payments by postal mail, then you agree to send such payments to Parafin, Inc. 301 Howard Street, Suite 1500 San Francisco, CA 94105, Attn: Loan Servicing Department. All alternative payments must be made in good funds by

check, money order, wire transfer, automatic transfer from an account at an institution offering such service, or other instrument in U.S. Dollars. You understand and agree that payments made at any other address than as specified by us may result in a delay in processing and/or crediting. If you make an alternative payment on your Loan by mail or by any other service that we, or Parafin, may make available, we may treat such payment as an additional payment and at our discretion continue to process your payments in the normal course of this Agreement or we may reduce any scheduled payment by the amount of any such additional payment received.

5. **Cancellation**

- a. **Cancellation Due to Unsuccessful Funds Transfer.** If we are unable to transfer your Loan funds to your Account or to your Linked Bank Account, we will make best efforts to contact you to resolve the matter. If within a reasonable time you have not (i) responded to our request or (ii) otherwise given us instructions to initiate a successful transfer, this Agreement will be canceled.

6. **Your Obligations**

- a. While your Loan has an Outstanding Balance, you will:
 - i. Maintain or increase the proportion of your business that you conduct through your Marketplace (measured as of the Origination Date) and conduct your business under the same name and in a manner consistent with past practice.
 - ii. Prevent the diversion of Merchant Receivables to any other Marketplace, and not cause the dollar amount of Receivables processed through your Account to be diverted to another Marketplace.
 - iii. In any thirty (30) day period, generate revenue on your Marketplace at no less than fifty percent (50%) of the lowest dollar amount of Receivables that you generated in any month in the prior twelve (12) months.
 - iv. Cooperate fully with us to take all actions necessary to meet each obligation in this Agreement and to enable us to exercise our rights under this Agreement, including by:
 1. Providing a full response to us within two business days of receiving a request for information about your business (including financial and bank account statements, transaction files, and any other information related to your business's payment processing volumes or Merchant Receivables) or your compliance with this Agreement;
 2. Promptly signing documents that we deem necessary; and
 3. Maintain your Account in good standing.
- b. While your Loan has an Outstanding Balance, you hereby covenant and agree to not, without the prior written consent of Bank:
 - i. Engage in any business activities that are substantially different in nature or character from your current business as in existence on the Origination Date .

- ii. Decrease or otherwise limit the types or quantities of products and services that you offer as of the Origination Date .
- iii. Decrease or otherwise limit the number or type of physical and online sales channels used by your business as of the Origination Date .
- iv. Take any action that would discourage the use of any payment methods facilitated by Parafin's services or the payment services offered through your Marketplace. However, you may impose certain charges on credit card transactions permitted by card network rules.
- v. Allow another party to assume or take over the operation or control of your business or business location, whether physical or virtual.
- vi. Sell, dispose, convey, or otherwise transfer any of your business or assets (other than in the ordinary course of business).
- vii. Terminate your Account.

7. Security Interest

- a. **Collateral.** As security for your obligation to pay the Total Repayment Amount, along with the payment and performance of all your other obligations under this Agreement, including (but not limited to): (i) reasonable attorney's fees and expenses under Section 9(a), and (ii) any fees or expenses related to a bankruptcy or other insolvency proceeding under Section 6(a) (collectively, the "Obligations") you hereby grant to Bank and each subsequent owner of any portion of the Loan a security interest in the following, whether existing now or in the future, and wherever located:
 - i. all Merchant Receivables and all accounts and payment intangibles (as those terms are defined in the Uniform Commercial Code as in effect in the State of Utah) related thereto;
 - ii. your Account and all funds held therein from time to time; and
 - iii. all proceeds of any of the aforementioned items.
- b. **Perfecting Security Interest.** Bank hereby irrevocably appoints Parafin as its secured party representative with full power and authority on behalf of Bank to receive and perfect the security interest in the collateral granted hereunder and to enforce Bank's rights and remedies with respect thereto, and Parafin accepts such appointment. Parafin, as secured party representative on behalf of Bank and each subsequent owner of any portion of the Loan, will have the exclusive rights to:
 - i. Require that any bank or securities intermediary where any collateral is located to acknowledge Bank's security interest in and control of the collateral.
 - ii. Direct and provide instructions to such bank or securities intermediary as to the disposition of the account collateral to fulfill your obligations under this Agreement.
- c. In addition, you authorize us to file at any time (and from time to time) any financing statements describing the collateral set forth above, along with all amendments to financing statements, continuation financing statements, and all other documents and instruments, for the purpose of perfecting and maintaining the priority of Bank's security interest in such collateral.

Additionally, you agree to cooperate with Bank or Parafin or their agents or assigns as may be necessary to accomplish said filing and authorizes Bank or Parafin or their agents or assigns to sign your name to effect the filing or continuation of any such filings.

8. **Data Protection and Privacy**

- a. Bank will use and care for your data in the manner described in the Celtic Bank Privacy Policy. Parafin will use and care for your data in the manner described in the Parafin Privacy Policy.

9. **Termination and Default**

- a. **Termination of Agreement.** This Agreement will remain in effect until the entire Total Repayment Amount and all other obligations have been repaid in full, unless terminated under the terms of this Section.
- b. **Events of Default.** We may determine that you are in default of this Agreement if you: (i) breach this Agreement (including any representation or covenant herein), (ii) at any time do not pay the then current Repayment Amount, (iii) fail to allow us to reconcile Missing Payments, (iv) do not repay your Minimum Payment Amounts owed when due, (v) do not pay Repayment Acceleration amounts when due, (vi) do not repay your Outstanding or Past-Due Balance when due, (vii) file for dissolution or bankruptcy; (viii) misrepresent a fact in your Loan application, or use or maintain an Account using inaccurate or false information; (vii) pose an unacceptable regulatory, reputational, or financial risk, (ix) cause your sales to be remitted an account other than your Linked Bank Account; (x) engage in any fraudulent behavior or illegal activity, (xi) withhold or revoke access to any Marketplace Data from Bank or Parafin, as agent of the Bank, (xii) leave, suspend, shut down, or discontinue using your Marketplace in any manner, (xiii) or attempt to only pay Minimum Payments while you are still soliciting Merchant Receivables. You will pay any legal fees we incur and all other reasonable costs we incur while collecting amounts owed by you under this Agreement. Subject to applicable law, you agree that we have the right to set-off or recoup any amount you owe under this Agreement or any related claim against or from any amounts processed.
- c. **Additional Rights upon Default.** If we determine you are in default of this Agreement, we may (i) initiate Repayment Acceleration, (ii) demand immediate repayment of the Outstanding Balance; (iii) debit any past due amounts from your Linked Bank Account; and/or (iv) temporarily or permanently increase your Repayment Rate, up to and including 100% of your daily sales. In addition to the foregoing, you agree to provide any information necessary to monitor your business activity, including bank statements and screenshots or copies of statements from any other payment processors you may use for your business.
- d. **Enforcement and Security Interest.** If you do not repay your Repayment Amount, Missing Payments, Outstanding Balance, or Minimum Payment Amounts when due, we may enforce our rights solely against your business assets, including the security interests described in Section 7. Regardless of whether we enforce our rights against your business assets, your duty to repay your Loan and our enforcement rights remain unchanged.

10. **Indemnification**

- a. You will, at your own expense, hold harmless, defend, protect, and indemnify us from and against all losses, claims, breaches, suits, damages, liabilities, costs, charges, reasonable attorneys' fees, judgments, fines, court costs and expenses, amounts paid in settlement, fees or expenses related to a bankruptcy or other insolvency proceeding, and all other liabilities of every nature, kind, and description regardless of the form

of action or legal theory incurred by us, related to any action or threatened action, suit, claim, proceeding or regulatory action, regardless of merit brought by any third party against us caused or incurred by, resulting from, arising out of, or related to your: (i) material breach of any obligation, representation, warranty or covenant in this Agreement; (ii) any actual or alleged infringement, violation, or misappropriation of a third party's intellectual property or proprietary rights; (iii) gross negligence, fraud or intentional misconduct; or (iv) violation of applicable law.

- b. To the extent any amounts are owed to us pursuant to paragraph (a) of this Section, we shall have the right to (i) withhold Merchant Receivables, (ii) withdraw funds from your Account or Linked Bank Account, and/or (iii) temporarily or permanently increase your Repayment Rate until such amounts are paid in full. The rights listed in this paragraph are not exhaustive and we may seek other remedies or means of payment for any amounts owed to us.

11. Your Account

- a. **Effect of Parafin Ceasing to Withhold Loan Payments.** In the event that we are unable to withhold your Merchant Receivables or otherwise unable to debit your Linked Bank Account to repay your Loan, we may assign or transfer the servicing obligations of this Agreement, and our rights and remedies under this Agreement, without prior notice to you. If such a transfer is made, you agree:
 - i. To make all payments including the Repayment Amount, Missing Payments, and the Minimum Payment Amount to the designated servicer either when due or on the Minimum Payment Due Date;
 - ii. To comply with additional instructions and methods as provided by the new servicer;
 - iii. To execute any necessary authorization in order for such payments to be made; and
 - iv. That any new service provider is authorized to make any such debit to your Linked Bank Account, provided that such new service provider affords you with a reasonable notification of any alternative payment timing and instructions.
- b. **Maintain Your Parafin Account in Good Standing.** While You have an outstanding Loan Balance, Merchant will maintain Merchant's Parafin Account and any Marketplace Accounts in good standing.
- c. **Effect of Multiple Parafin Accounts.** Any attempt to receive your Marketplace transactions through multiple Parafin Accounts (irrespective of whether such Parafin Accounts are associated with the Location ID set forth in the summary box above) will entitle Parafin to consider any such Accounts as part of your Parafin Account for purposes of this Agreement. Parafin may, at its option, (i) provide you with notice that such additional Accounts are now considered part of your Parafin Account under this Agreement and apply the Repayment Rate to such consolidated Account or (ii) exercise its other remedies under this Agreement.

12. Representations and Warranties

- a. **Merchant Representations and Warranties.** You represent and warrant that as of the Origination Date and until full repayment of the Total Repayment Amount:
 - i. You have the power and authority to enter into and perform Merchant's duties and obligations under this Agreement. You have

any documents required to facilitate the transactions contemplated by this Agreement. You have taken all necessary action to authorize their respective execution and delivery of, and performance under, this Agreement. You are not a party to any contract or aware of any existing situation that would prevent you from entering into or performing your obligations under this Agreement.

- ii. The individual executing this Agreement is authorized on behalf of Merchant to do so, is at least 18 years of age, and has the legal capacity and all necessary authority to bind Merchant to this Agreement.
- iii. Your Merchant Receivables (x) have not been sold as of the Origination Date, and (y) are not subject to any claims, charges, liens, restrictions or security interests where the third party holding a security interest in Merchant Receivables is currently exercising its remedies.
- iv. You possess and are in compliance with all permits, licenses, approvals, consents and any other authorizations necessary to conduct your business.
- v. The execution of this Agreement will not conflict with (x) any applicable federal, state, or local laws or regulations, (y) any agreements to which you are a party, and (z) your articles or certificate of incorporation, bylaws, or other organizational documents.
- vi. You possess all requisite permits, authorizations and licenses to own, operate, and lease your properties and to conduct the business in which it is presently engaged.
- vii. You have timely filed and paid, and will timely file and pay, all federal, state, local, and foreign tax returns and tax reports. All such returns and reports are and will be true, correct, and complete.
- viii. You have no material liabilities that would prevent you from performing or satisfying your obligations under this Agreement and, to the best of your knowledge, know of no material contingent liabilities, except current liabilities incurred in the ordinary course of business, that would prevent you from performing or satisfying your obligations under this Agreement.
- ix. Your performance under this Agreement does not and will not conflict with other agreements to which you are a party or beneficiary. Additionally, your performance under this Agreement will not result in (i) any violation or default of other agreements; (ii) any entitlement of any person or entity to receipt of notice or right of consent; (iii) a right of termination, cancellation, guaranteed rights, or acceleration of any obligation or to loss of a benefit; or (iv) the creation of any claim on the properties or assets of Merchant.
- x. There is no action, suit, claim, investigation, or legal, administrative, or arbitration proceeding pending or currently in existence, filed, or threatened (whether at law or in equity) or before any Governmental Authority against Merchant.
- xi. Merchant has not declared bankruptcy within the past seven years and is not currently contemplating the filing of a bankruptcy proceeding or closing or materially modifying Merchant's business. Merchant is solvent and financially capable of fulfilling its obligations under this Agreement.

- xii. Merchant is validly existing and in good standing under any applicable laws of Merchant's state of organization.
- xiii. Merchant is in compliance with all applicable laws, statutes, rules, regulations, orders, or restrictions, including those of all applicable Governmental Authorities.
- xiv. You are applying for credit solely for business purposes and not for personal, family or household use. Any credit extended under this Agreement, including the Loan Amount, is solely for business purposes and not for personal, family or household use. Additionally, your Linked Bank Account was not established primarily for personal, family, or household purposes.
- xv. You, your Principal Owners, and your employees are not currently and will not become subject to a U.S. Office of Foreign Asset Control list, or any law, regulation, or other list of any government agency that prohibits or limits us from providing Accounts or Cards to you or from otherwise conducting business with you.
- xvi. You will not sell or transfer your business to another owner while your Loan is outstanding without the explicit consent of Parafin in writing from an authorized representative with the requisite authority to grant such consent. You will not need to obtain Parafin's prior written consent should you pay off your Loan in full prior to any sale or transfer of your business.

13. Access to Marketplace Information

- a. Merchant authorizes the Marketplace(s) to share information about you and your selling activity on such Marketplace(s) ("Marketplace Data") with Parafin, and agree that all information you have provided to the Marketplace that may be provided to Parafin or that you otherwise provide directly to Parafin is accurate, current and complete information. Merchant agrees that sharing such data from the Marketplace is valuable consideration not only for obtaining a Loan but for ongoing servicing of the Loan. Should access to Marketplace Data be withheld or revoked by the Merchant, such withholding or revocation would be considered an Event of Default.

14. Disputes and Governing Law

- a. **Governing Law.** This Agreement, and any claims or controversies arising hereunder, are governed by Utah law, without regard to Utah's conflict of law principles.
- b. **Dispute Resolution.**
 - i. You, Bank, Parafin and any successors or assigns agree to arbitrate all disputes, claims and controversies other than those related to payments issues, arising out of or relating to statutory or common law claims, the breach, termination, enforcement, interpretation or validity of any provision of this Agreement (collectively a "Dispute"). Any Dispute will be determined by arbitration in Salt Lake City, Utah before a single arbitrator. The arbitration will be administered by the American Arbitration Association under its Commercial Arbitration Rules. The Expedited Procedures of the American Arbitration Association's Commercial Arbitration Rules will apply for cases in which no disclosed claim or counterclaim exceeds \$75,000 (exclusive of interest, attorneys' fees and arbitration fees and costs). Where no party's claim exceeds \$25,000 (exclusive of interest, attorneys' fees and arbitration fees

and costs), and in other cases in which the parties agree, Section E-6 of the Expedited Procedures of the American Arbitration Association's Commercial Arbitration Rules will apply. The arbitrator will apply the substantive law of the State of Utah, without regard to its conflict or choice of law rules. If the American Arbitration Association is no longer in business, or refuses or declines to administer any dispute between the parties brought before it, either party may petition the United States District Court for the District of Utah to appoint the arbitrator. Nothing in this paragraph will preclude the parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The parties acknowledge that this Agreement evidences a transaction involving interstate commerce. Notwithstanding the provisions in this paragraph referencing applicable substantive law, the Federal Arbitration Act (9 U.S.C. §§ 1-16) will govern any arbitration conducted pursuant to the terms of this Agreement.

- c. Notwithstanding the foregoing, You, Bank, Parafin and any successors or assigns agree that any and all disputes that arise from any issues around or related to payments due to Parafin, or non-payments of monies owed to Parafin (collectively "Payments Dispute") will be submitted to the exclusive jurisdiction and venue of the courts in Salt Lake City, Utah or the United States District Court for the District of Utah. You agree that neither Bank nor Parafin are required to bring an arbitration action with regard to any Payments Dispute(s) and shall resolve any Payments Dispute through a court of competent jurisdiction.
- d. **Commencement.**
 - i. **Dispute:** Any party may commence a cause of action on a Dispute by providing to the American Arbitration Association and the other party to the dispute a written demand for arbitration, setting forth the subject of the dispute and the relief requested
 - ii. **Payments Dispute:** Parafin or Bank may commence a cause of action on a Payments Dispute by filing a complaint in state or federal court in Utah (as set forth in Section 14b(ii))
- e. **Service of Process.** Each party hereby irrevocably and unconditionally consents to service of process through personal service at their corporate headquarters, registered address, or primary address (for individuals or sole proprietors). Nothing in this Agreement will affect the right of any party to serve process in any other manner permitted by Law.
- f. **Class Waiver.** To the fullest extent permitted by Law, each of the parties agrees that any dispute arising out of or in connection with this Agreement, whether a Dispute or Payments Dispute, whether in arbitration or in court, will be conducted only on an individual basis and not in a class, consolidated or representative action.
- g. **Waiver of Jury Trial. ALL PARTIES TO THIS AGREEMENT, EACH, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IRREVOCABLY AND EXPRESSLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT.**
- h. **Provision of an Arbitration Award.** Subject to the limitations of liability identified in this Agreement, the appointed arbitrators may award monetary damages and any other remedies allowed by the laws of the State of Utah . In making an arbitration determination, the arbitrator will not have the authority to modify any term or provision of this Agreement. The arbitrator will deliver a reasoned written decision with respect to the dispute (the

“Award”) to each party, who will promptly act in accordance with the Award. Any Award (including interim or final remedies) may be confirmed in or enforced by a state or federal court located in Salt Lake City, Utah. The decision of the arbitrator will be final and binding on the parties, and will not be subject to appeal or review.

i. **Fees.**

i. For any Dispute, each party will advance one-half of the fees and expenses of the arbitrators, the costs of the attendance of the arbitration reporter at the arbitration hearing, and the costs of the arbitration facility. In any arbitration arising out of or related to this Agreement, the arbitrators will award to the prevailing party, if any, the costs and attorneys’ fees reasonably incurred by the prevailing party in connection with those aspects of its claims or defenses on which it prevails, and any opposing awards of costs and legal fees awards will be offset.

ii. For any Payments Dispute, each party shall bear the costs of litigation separately and on their own behalf. Notwithstanding the foregoing, the prevailing party shall be entitled to any and all costs, attorney’s fees, and expenses it has reasonably incurred in connection with all aspects of its claims or defenses upon which it prevails. Any opposing awards of costs and legal fees awards will be offset.

j. **Confidentiality.** The parties will maintain the confidential nature of the Dispute or Payments Dispute, including, but not limited to, the arbitration proceeding, the hearing and the Award, and any and all settlement negotiations and settlement agreements, except (i) as may be necessary to prepare for or conduct the arbitration hearing or trial on the merits, (ii) in connection with a court application as contemplated above for a preliminary remedy, or confirmation of an Award or a judgment or its enforcement, (iii) our disclosure of an Award or judgment in confidential settlement negotiations, or (iv) as otherwise required by applicable Laws. The parties, witnesses, and arbitrator will treat as confidential and will not disclose to any third person (other than witnesses or experts) any documentary or other evidence produced in any arbitration hereunder, except as required by Law or except if such evidence was obtained from the public domain or was otherwise obtained independently from the arbitration.

k. **Conflict of Rules for Arbitration.** For any Dispute, in the case of a conflict between the provisions of this Section and the rules governing arbitration identified above, the provisions of this Section will prevail. If any provision of this Agreement to arbitrate is held invalid or unenforceable, it will be so held to the minimum extent required by Law and all the other provisions will remain valid and enforceable.

15. **Limitation of Liability**

a. **YOUR USE OF THE PARAFIN PROGRAM IS AT YOUR OWN RISK. NEITHER PARAFIN NOR BANK NOR ANY OF THEIR OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR OTHER REPRESENTATIVES WILL BE LIABLE FOR ANY DAMAGES OF ANY TYPE OR KIND, WHETHER DIRECT, PUNITIVE, SPECIAL, COVER, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL, OR INDIRECT (INCLUDING FOR EXAMPLE, LOSS OF GOODWILL, DATA, REVENUE, PROFITS, SAVINGS, USE, OR ECONOMIC ADVANTAGE), OR CLAIMS OF THIRD PARTIES ARISING OUT OF, OR RELATING TO, YOUR USE OF OR ACCESS TO THE PROGRAM OR ANY LOANS TAKEN BY YOU, HOWEVER CAUSED, WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), PROPRIETARY RIGHTS**

INFRINGEMENT, PRODUCT LIABILITY, OR OTHERWISE AND YOU HEREBY WAIVE ANY AND ALL RELATED CLAIMS AGAINST BANK, PARAFIN, AND THEIR AFFILIATES, AGENTS, REPRESENTATIVES, AND/OR LICENSORS.

16. **Consent for Electronic Signatures; Additional Communications**

- b. **Electronic Signature.** In order to receive the Loan Amount, Bank must provide you certain disclosures required by law. By submitting your application and agreeing to the terms of this Agreement, which you collectively adopt as your electronic signature, you consent and agree that:
- i. Bank can provide all disclosures required by law and other information about your legal rights and duties to you electronically, including by e-mail, a Website portal or mobile phone application.
 - ii. Your electronic signature on agreements and documents has the same effect as if you signed them in ink and is evidence of your intention to be bound by this Agreement.
 - iii. Electronic disclosures have the same meaning and effect as if you were provided paper disclosures.
 - iv. Disclosures are considered received by you within 24 hours of the time posted to Bank's website, or within 24 hours of the time emailed to you unless Bank receives notice that the email was not delivered.
 - v. Bank reserves the right to cancel this electronic disclosure service, change the terms of use of this service or send disclosures in paper form at any time.
 - vi. Bank is responsible for sending notice of the disclosures to you electronically, but Bank is not responsible for any delay or failure in your receipt or review of the email notices.
- c. **Access to Disclosures.** You understand that in order to access and retain the electronic disclosures you will need the following:
- i. A computer or mobile device with Internet or mobile connectivity.
 - ii. For desktop website-based access:
 1. Latest web browser that includes 256-bit encryption.
 2. The browser must have cookies enabled. Use of browser extensions may impair full website functionality.
 3. Minimum recommended browser standards are the most recent versions of Mozilla Firefox (see <http://www.mozilla.com> for latest version), Apple Safari (see <http://www.apple.com/safari> for latest version), or Google Chrome (see <http://www.google.com/chrome> for latest version)..
 - iii. For mobile-based access:

1. A latest device operating system that supports text messaging, downloading, and applications from the Apple App Store or Google Play store; and
 2. The latest version of Safari or Chrome on iOS or the latest version of Chrome for Android.
- iv. A valid email address and access to the email address used to create your Parafin Account.
 - v. Sufficient storage space to save disclosures and/or a printer to print them.
 - vi. Use of spam filters may block or re-route emails from senders not listed in your email address book. You must also have a valid email address, sufficient storage space to save disclosures or the capability to print the disclosures from the device on which you view them.
- d. **Confirmation.** You agree and confirm that you have access to the necessary equipment to receive, access and print any disclosures that may be provided in electronic form. Your access to this page through your device verifies that your device meets these requirements.
- e. **Withdrawal.** You will not seek to withdraw your consent for electronic signature and disclosures while You have an outstanding Loan Balance.
- f. **Additional Communications.** You consent to accept and receive communications from Bank and Parafin, including e-mail, SMS messages (text messages), telephone calls, and push notifications to the cellular telephone number you provide. These non-telemarketing communications may be generated by automatic telephone dialing systems which will deliver pre-recorded messages, including for the purposes of, but not limited to, secondary authentication, receipts, reminders and other notifications. You certify, warrant and represent that the telephone number you have provided to us is your business contact number and not someone else's. You represent that you are permitted to receive calls and text messages at the telephone number you have provided to us. You agree to promptly alert us whenever you stop using a telephone number. Standard message and data rates applied by your cell phone carrier may apply to the text messages Bank or Parafin sends you. We may modify or terminate our SMS messaging services from time to time, for any reason, and without notice, including the right to terminate SMS messaging with or without notice, without liability to you. You may only opt-out of receiving text message communications by replying STOP to text messages.

17. OFAC

- a. You represent and warrant that:
- i. You are not, nor are you owned or controlled directly or indirectly by, any person, group, entity or nation named on any list issued by the Department of the Treasury's Office of Foreign Asset Control ("OFAC"), or any similar list or by any law, order, rule or regulation or any Executive Order of the President of the United States, as a "Specially Designated National and Blocked Person", terrorist, or other banned or blocked person (any such person, group, entity or nation being hereinafter referred to as a ("Prohibited Person"))

- ii. You are not, nor are you owned or controlled, directly or indirectly, by any person, group, entity or nation which is, acting directly or indirectly for or on behalf of any Prohibited Person.
 - iii. You, and any person, group, or entity which you control, directly or indirectly, have not conducted nor will conduct business nor have engaged nor will engage in any transaction or dealing with any Prohibited Person in violation of the U.S. Patriot Act or any OFAC rule or regulation, including, without limitation, the making or receiving of any contribution of funds, good or services to or for the benefit of a Prohibited Person in violation of the U.S. Patriot Act or any OFAC rule or regulation.
 - iv. You are not prohibited by any sanctions program as maintained by OFAC from transacting with Parafin.
- b. In connection with the foregoing, it is expressly understood and agreed that the representations and warranties contained in this subsection shall be continuing in nature.

18. Titles and Headings

The headings and titles of sections to this Agreement have been inserted for the convenience of reference for the parties and are for informational purposes only and shall not be deemed to be a part of the language of this Agreement. Neither Provider nor Parafin shall rely on, or interpret substantively, the headings when construing the meaning of each section or the Agreement as a whole.

19. Miscellaneous

- a. **Modifications; Amendments.** Any changes to these terms sought by You will be in writing and must be agreed to by the Bank or Parafin to become effective. Bank and Parafin reserves the right to amend this Agreement at any time. If material modifications are made to this Agreement, You will be notified of the changes, and any such changes will become effective no earlier than 30 days from the date You are notified. Your continued use of the Program or the continuation of any Loan product you may be in repayment of constitutes Your agreement to be bound by any such changes. Bank or Parafin may terminate, suspend, change, or restrict access to all or any part of the Program without notice or liability.
- b. **Assignment.** You may not assign or transfer your rights or obligations under this Agreement, but our rights (collectively or individually) may be assigned by us without restriction.
- c. **Notices.** Except as otherwise stated, notices to us may be sent to us via Parafin Support: support@parafin.com
- d. **Severability.** If any provision of this Agreement is deemed invalid or unenforceable under any law, rule, or regulation, the remainder of the Agreement will remain in effect.

- e. **Complete Agreement.** This Agreement represents the entire agreement between the Parties pertaining to the Loan.
- f. **Survival.** The obligations in Section 10 (Indemnification), 14 (Disputes and Governing Law), this Section 19 (Miscellaneous) will survive any expiration or termination of this Agreement.
- g. **Register.** You hereby appoint Parafin, on your behalf, for the purpose of maintaining a register or system in order to record the amount of the Outstanding Balance of the Loan (which will set forth the Loan Amount and the Fixed Fee on the Loan) and the name and address of any owner of the Loan (including any assignee or transferee, if any, who becomes the subsequent owner of any portion of the Loan) (the “**Register**”). The Parties hereto agree that the person(s) whose name and address is recorded in the Register as the current owner of the Loan is treated as the person entitled to the Outstanding Balance (which is comprised of the Loan Amount and the Fixed Fee on the Loan) of the Loan. The Register must be updated for any transfer of the right to receive any of the Outstanding Balance (which is comprised of the Loan Amount and Fixed Fee on the Loan) of the Loan to be effected.
- h. **No Waiver.** Your breach of any part of this Agreement will not affect our right to (a) enforce your promise to pay all amounts owed under this Agreement, or (b) use any remedy legally available to us.
- i. **Confidentiality.** This Agreement constitutes our confidential information, and you may not use or disclose this information without the Bank’s prior written consent.
- j. **Change In Legal Status.** Without our consent, you represent and agree that Merchant will not (i) change your name, your place of business or, if more than one, chief executive office, your mailing address, or taxpayer identification number, or (ii) change your type of organization, jurisdiction of organization or other legal structure.

{{business_name}}

By: {{signature}}

Date: {{date}}