



## Company Overview

**Stalwart Contract Finance**, a Utah LLC (fma: ACC Contract Finance), provides funding for the equipment and working capital needs of a large variety of clients who are in the business of providing services or usage agreements to other businesses. In short, Stalwart can convert revenue coming from future, multi year contracts into cash **NOW**. This is extremely important to companies who have won large contracts but don't have the equipment or working capital to fulfill them. Many of Stalwart's clients are simply not bankable credits. Stalwart's specialty is helping these companies by providing financing that is only slightly higher than bank rates and many, many times cheaper than equity.

Stalwart is headquartered in Salt Lake City Utah where employees are able to assist with a wide range of products and services, and are adept at structuring complex Contract Finance programs and transactions.

Stalwart's Contract Finance product (monetization of service and usage contracts) is often structured as an off balance sheet transaction. The customized and flexible structures available for your customer's contract transactions can be structured as non recourse to the provider company (your customer). This powerful combination of non recourse financing for the provider and off balance sheet accommodation for the end user makes monetizing service and usage contracts a powerful tool in today's challenging financial markets. This really gives you a new incredibly versatile tool to help customers that may not qualify for conventional financing, or to create a customized vendor program.

## **Loni L Lowder**

Loni L. Lowder is manager of Stalwart Contract Finance. Mr. Lowder founded ACC Capital Corporation, an equipment lease and finance company in 1978. Stalwart Contract Finance, LLC has been active in the monetizing of contracts for vendor/providers who deliver bundled services to their customers. Mr. Lowder began his professional career with IBM Corporation and later acted as head of Zions Credit Corporation for Zions Bank Corp. Mr. Lowder was also a principal partner and member of the board of directors of Amembal and Associates (the world leader in lease education and consulting during the 1980's and early 90's). Mr. Lowder also placed as a finalist for the Ernst and Young Entrepreneurial of the year award in Utah.

Mr. Lowder has conducted sales, seminars and technical presentations on leasing in major cities throughout the world. He has also appeared numerous times as a guest speaker at the World Leasing Conference as well as other speaking assignments for the African and Asian leasing associations. During his time as a partner at Amembal and Associates he created a number of leasing related sales seminars including Technical Leasing for Sales Success and Leasing: Winning the deal. Mr. Lowder is a contributing author to the book "International Leasing" and has published numerous articles with industry magazines and journals.

Mr. Lowder received his B.S. from Brigham Young University and his MBA from the University of Utah. Mr. Lowder is a pioneer in structuring equipment related monetized service agreements. Mr. Lowder currently resides in Salt Lake City, Utah with his wife and four of their children.



## **COMPONENTS OF CONTRACT FINANCING**

Even though we have brought new programs to the Contract Financing market, the basic components of a Contract Finance transaction have not changed. A potential Contract Finance deal will have the following:

1. A vendor/service provider who offers service and/or product to their customers under a fixed term contract of at least 2 years.
2. An equipment component that is necessary to fulfill the contracted service or produce the contracted product.
3. A predetermined fixed minimum payment stream; unconditionally guaranteed by the end-user.
4. A credit worthy end-user (customer).

Minimum transaction of \$1 Million.

Please feel free to contact your STALWART Rep with any questions.

**800-409-5008**



**STALWART**  
CONTRACT FINANCE, LLC

**Contract Finance an elegantly simple solution to today's tight credit markets.**

The contract finance solution has been lauded as both innovating and exceptional by our customers. Contract financing has opened the door for them to pursue larger more profitable, service and usage contracts. Most of our customers have come to us after being turned down time and time again for more conventional forms of financing. Contract Finance enables many small providers (vendors) to do business with large credit worthy end-users (customers). STALWART Now offers application only and middle market contract finance programs.



An unconditional guarantee from our customer's end-users, for a minimum portion of the future contract revenues, is easier to get than you might think. Specific components of the contract finance structure act as major inducements for the end-users to say yes. Contract finance is not for every situation; the equipment provided or service utilized must be somewhat unique, and the end-user must be motivated to enter in to a contractual agreement. In many ways it is no different than selling a lease payment to the end-user, **although because the deal is structured as a service or usage agreement it is much easier to keep off the balance sheet of the end-user.** The contract finance structure usually keeps the service/usage payment as an operating expense which is exactly what most large end users are looking for.



The average contract finance deal is over \$5 Million, this nets the financial intermediary as much as \$100,000 in commissions per deal!

## How to find and milk that CONTRACT FINANCE Continuous Cash Cow



We recommend focusing on vendors who provide a technology product and/or service:

- A. That has not saturated the industry or market and enhances the end users' competitive advantage
- B. In which they don't want the end-user to attain rights of ownership

Ole' Bessy enjoyed a long life on grandad's farm because she was a producer. From year to year she kept milk, butter and cheese on the table. Likewise, one good vendor, who provides a technology product and/or service with the above mentioned qualities, for end users from small ticket to middle market, can provide years of repeat business. We understand that the market is tight and that prospecting has become more difficult. However, if you are going to prospect, why not focus on customers who can lead to repeat business rather than "one and done"?



This is why **CONTRACT FINANCE** is a perfect fit to provide off balance sheet treatment without operating lease issues.

*Bringing your future  
Dollars to you today!*



**STALWART**  
CONTRACT FINANCE, LLC

**Major Improvements in the scope of Stalwarts contract finance product!!**



Wider range of collateral:

In the past, there was a mandatory requirement for equipment or software, that's gone. We still do those deals but now Stalwart can use a much wider range of collateral like real estate, term notes, buyout contracts etc. Total funding must be greater than \$5 million

International:

We can provide contract financing in most countries that have a sovereign investment grade bond rating. The assumption is that the sovereign rating is an indicator of the country's stability and over all climate as it pertains to commerce and financial infrastructure. Total funding must be greater than \$10 million.

Transactions from \$1 million to \$5 million still require a component of equipment or software.

**Sales, Marketing & Corporate Office**

111 East Broadway STE 170  
Salt Lake City, UT 84111

**Operations & Servicing**

4656 West 6200 South #455  
Salt Lake City, UT 84118

800-409-5008

[www.stalwartcontractfinance.com](http://www.stalwartcontractfinance.com)



# STALWART

CONTRACT FINANCE, LLC

## CONTRACT FINANCING CHECKLIST

Yes  No

***Is there a component of equipment necessary to fulfill the contract?***

What is equipment? \_\_\_\_\_

Yes  No

***Deal Size:*** \_\_\_\_\_

Does the PV of the payments = \$1,000,000.00+? (multiple takedowns OK)

***Parties to the Deal:***

Lessee/Service (equipment) Provider \_\_\_\_\_

End User \_\_\_\_\_

Yes  No

Is the End User a larger credit worthy company? (investment grade or has an annual gross revenue of \$10M - \$500M)

***Type of Contract:*** \_\_\_\_\_

Yes  No

Is it signed?

Yes  No

If so, will we be able to obtain addendum if necessary to make it assignable?

Yes  No

Are fixed, non-cancelable minimum payments possible?

How are End User Payments computed? \_\_\_\_\_

***Term/Structure of Contract:***

Yes  No

Is the contract term at least two years? Length: \_\_\_\_\_

Minimum Payment \_\_\_\_\_

Is this a new acquisition, refi/sale-leaseback or both? \_\_\_\_\_

Yes  No

Do minimum payments cash flow debt/lease payments? \_\_\_\_\_

***Service Provider Management:***

Yes  No

Is the service provider willing to go to the end user to negotiate or re-negotiate the contract verbiage?

Yes  No

Is the service provider open to the possibility of giving something up in order to gain end user agreement? (i.e. a discount, special rights, term modification, etc.)

***Motivation of end user:*** \_\_\_\_\_

Yes  No

Is this a unique product or service? \_\_\_\_\_

Yes  No

Is the end user in need of an off-balance sheet transaction?

Yes  No

Is there strong motivation for the end user to enter into the contract?



Stalwart Contract Finance, LLC  
111 E. Broadway STE 170  
Salt Lake City, UT 84111  
800-409-5008  
www.stalwartcontractfinance.com

**BROKER PROFILE**

COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ CITY/ZIP \_\_\_\_\_

PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_

TIME IN BUSINESS: \_\_\_\_\_ CONTACT NAME: \_\_\_\_\_

TAX ID #: \_\_\_\_\_ EMAIL: \_\_\_\_\_

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Association/Trade memberships: \_\_\_\_\_  
\_\_\_\_\_

Have you completed any leasing training programs? \_\_\_\_\_ Program completed: \_\_\_\_\_

We specialize in the following equipment/industries:

Equipment Type:

\_\_\_\_\_ is \_\_\_\_\_ % of our annual volume.  
\_\_\_\_\_ is \_\_\_\_\_ % of our annual volume.  
\_\_\_\_\_ is \_\_\_\_\_ % of our annual volume.  
\_\_\_\_\_ is \_\_\_\_\_ % of our annual volume.

Generally, the range of equipment cost we originate is between \$ \_\_\_\_\_ and \$ \_\_\_\_\_.

Last year we originated \$ \_\_\_\_\_ (equipment cost) in \_\_\_\_\_ transactions. Of this \_\_\_\_\_ % was held in our own portfolio. Do you have any warehouse lines? \_\_\_\_\_.

**FUNDING SOURCE REFERENCES:**

NAME AND ADDRESS

1.) \_\_\_\_\_ CONTACT: \_\_\_\_\_  
\_\_\_\_\_ PHONE: \_\_\_\_\_  
\_\_\_\_\_ RELATIONSHIP SINCE: \_\_\_\_\_  
\_\_\_\_\_ VOLUME FINANCED: \_\_\_\_\_

2.) \_\_\_\_\_ CONTACT: \_\_\_\_\_  
\_\_\_\_\_ PHONE: \_\_\_\_\_  
\_\_\_\_\_ RELATIONSHIP SINCE: \_\_\_\_\_  
\_\_\_\_\_ VOLUME FINANCED: \_\_\_\_\_

3.) \_\_\_\_\_ CONTACT: \_\_\_\_\_  
\_\_\_\_\_ PHONE: \_\_\_\_\_  
\_\_\_\_\_ RELATIONSHIP SINCE: \_\_\_\_\_  
\_\_\_\_\_ VOLUME FINANCED: \_\_\_\_\_

**BANK NAME AND ADDRESS**

\_\_\_\_\_ PHONE: \_\_\_\_\_  
\_\_\_\_\_ ACCT #: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The officer who is most familiar with our relationship is \_\_\_\_\_ and can be reached at this phone number, \_\_\_\_\_.

**The following is a list of all persons who have a financial interest in the firm.**

**NAME AND ADDRESS**

1.) \_\_\_\_\_ PHONE #: \_\_\_\_\_  
\_\_\_\_\_ SOCIAL SECURITY #: \_\_\_\_\_  
\_\_\_\_\_ % OWNER: \_\_\_\_\_  
\_\_\_\_\_

2.) \_\_\_\_\_ PHONE #: \_\_\_\_\_  
\_\_\_\_\_ SOCIAL SECURITY #: \_\_\_\_\_  
\_\_\_\_\_ % OWNER: \_\_\_\_\_  
\_\_\_\_\_

3.) \_\_\_\_\_ PHONE #: \_\_\_\_\_  
\_\_\_\_\_ SOCIAL SECURITY #: \_\_\_\_\_  
\_\_\_\_\_ % OWNER: \_\_\_\_\_  
\_\_\_\_\_

(attach an extra sheet if necessary)

We have attached copies of our last two year-end financial statements and other information, which helps explain our business including the work history of the principals.

I (we) grant permission to STALWART to verify all information in this statement and to provide any information requested by my (our) other creditors and/or funding sources. I also grant STALWART permission to obtain a credit report on me in connection with this relationship for all legitimate purposes. Such purposes include assisting in making a decision to provide funding and reviewing our relationship. I (we) also grant permission to those creditors and/or funding sources to provide all information requested by STALWART.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date



## Broker Operating Agreement

This Agreement sets forth the agreement between STALWART Contract Finance, LLC (hereinafter "STALWART") with offices 111 E. Broadway Suite 170, Salt Lake City, Utah and \_\_\_\_\_ (hereinafter "Broker"), with offices located \_\_\_\_\_, with respect to any contract finance, lease, loan, conditional sale or similar transaction (hereinafter, each a "Transaction") with a customer (hereinafter, each a "Customer") acceptable to STALWART, relating to equipment (hereinafter "Equipment"), that may be submitted to STALWART by Broker. STALWART and Broker unconditionally agree as follows:

1. Scope. This Agreement applies to all applications for Transactions and/or Transactions submitted by Broker to STALWART until such time as this Agreement is terminated or superseded by another agreement.
2. STALWART's Agreement to Finance. STALWART agrees to finance Customer Transactions as provided in this Agreement, STALWART shall have no obligation of any kind to Broker or to any other party to accept or enter into any Transaction submitted or offered by Broker. STALWART shall have the right, in its sole and absolute discretion, to accept or reject or to modify the terms of any Transaction presented or submitted to it by Broker.
3. Disclosure of Information. Broker shall disclose to STALWART any and all information or knowledge that relates to or affects in any way any Transaction, including but not limited to information regarding the proposed Customer and the proposed Customer's creditworthiness, an any vendor and the Equipment. This duty shall survive submission, documentations and funding of any Transaction.
4. Documentation and Fees. All Transactions shall be documented to STALWART's complete satisfaction in form acceptable to STALWART, in STALWART's sole discretion. Broker agrees to hold all documentation fees received by it for Transactions in trust for the benefit of STALWART and immediately to remit each such fee to STALWART.
5. Notices to Applicant. In the event any federal law or regulation requires that certain notices be provided to proposed Customers, Broker warrants that all such notices will have been provided to the proposed Customer, or will be provided at the appropriate time as prescribed, and comply or will comply in all respects with all such laws and regulations.
6. Broker Warranties. Broker hereby represents and warrants to STALWART as follows, based on its independent inquiry and knowledge, with regard to this Agreement and with regard to each Transaction:
  - a. Each Transaction is a bona fide obligation of the applicable Customer and any co-obligors or co-lessees and will be valid and enforceable according to its terms. Each guarantee thereof is a bona fide obligation of the applicable guarantor or guarantors and will be valid and enforceable according to its terms. All documents provided in connection with each Transaction shall be duly executed by the appropriate party or parties thereto, who will have been duly authorized to execute same, and will be enforceable in accordance with their respective terms.
  - b. Each Transaction will be for business or commercial purposes only and not for personal, family or household purposes.
  - c. Broker has no knowledge that any item of Equipment has suffered any loss or damage that has not been satisfactorily repaired.
  - d. The agreement evidencing each Transaction shall be the sole and complete agreement with regard to the Equipment subject thereto, and there will be no other agreements in

- force with respect to such Equipment or the lease, loan or conditional sale thereof, whether as a result of representations or warranties made by Broker or otherwise.
- e. The Transaction is not “rebrokered” as such term is generally understood in the industry. Without limiting the generality of the foregoing, the term “rebrokered” applies to any transaction in which it is contemplated that remuneration will be paid by Broker to any party other than employees of Broker.
  - f. The person signing this Agreement has the authority to do so.
  - g. Every signature on any document submitted to STALWART is an actual original signature of the signer.
  - h. There has been no fraud on the part of Broker and to the best of Broker’s knowledge there has been no fraud of any party to any Transaction submitted to STALWART.
  - i. No down payment has been advanced to the Customer by Broker or, to Brokers’ knowledge, any other person.
  - j. To the best of Broker’s knowledge, all statements in any application given in connection with a Transactions and in each Transaction agreement are true and correct and not materially misleading in any respect.
  - k. Broker is independent of the Equipment vendor and the Customer, and any and all Transactions between Broker, the Equipment and the Customer have been negotiated and consummated at arm’s length.
  - l. Broker is a validly organized, licensed, registered and existing entity in good standing in its state of registration, and is duly qualified to transact business in all jurisdiction in which it is transacting business.
7. Breach of Warranty or Representation. If Broker breaches any of the above warranties or representation, or if Broker has participated in a fraud against STALWART, then Broker will repurchase each Transaction to which the breach of fraud relates. The repurchase price in each case shall include the unpaid balance on such Transaction, as shown on STALWART’s books and records, including all fees paid to Broker in connection with Transactions, plus STALWART’s costs and expenses including attorney’s fees incurred to enforce this Agreement.
  8. Authority of Broker. Broker is, and shall act an independent contractor. Broker shall have no authority to incur any obligations or to make any statements or representations on behalf of STALWART.
  9. Indemnity. Broker shall defend, indemnify and hold harmless STALWART, its directors, officers, employees, agents successors and assigns, from and against all loss, costs, expenses and damages which STALWART may incur, pay or suffer as a direct or indirect result of its relationship with Broker, and Broker’s principals, employees or representatives, with respect to any breach of warranty or representation or other acts by Broker.
  10. Compensation of Broker. Upon the funding of a Transaction submitted by Broker, Broker shall be entitled to a commission on such Transaction equal to the additional percentage (points) added by it to STALWART’s broker buy rate; provided that Broker’s commission shall in no event exceed STALWART’s maximum allowed commission is determined on a case-by-case basis.
  11. Compensation Refund. Broker expressly agrees that in the event of a fraud by Broker or any party to a Transaction submitted to STALWART, in addition to any other rights or remedies that STALWART may possess including its rights under Section 7 hereof and termination of this Agreement, STALWART shall be entitled to recover any and all sums paid or payable to Broker under this Agreement . In addition, if STALWART shall declare a default under any Transaction submitted hereunder by Broker during the first 120 days of the term thereof (First Payment Default), Broker agrees to repay to STALWART, upon demand, any commission paid to Broker by STALWART in connection with such Transaction.
  12. Non-Circumvention. The parties hereby mutually agree not to circumvent each other with regard to entities related to any submitted transaction including but not limited to lessee(s), guarantor(s), vendor(s), bank(s) and debt source(s).
  13. Duration of Agreement. This Agreement shall be effective upon execution by STALWART and shall continue in effect until terminated by either party upon written notice to the other. All rights and obligations of the parties hereunder with respect to Transactions originated prior to termination of this Agreement shall survive such termination.

14. Qualification of Broker. Upon request by STALWART, Broker will submit such information to STALWART as STALWART deems appropriate in order to assure STALWART that Broker meets STALWART's standards with respect to qualification to transact business with STALWART.
15. Governing Law. This Agreement shall be governed by the State of Utah. Broker, unconditionally consents to the personal jurisdiction of the State of Utah. The parties agree to and do waive the right to a trial by jury, so that argument and a decision based thereon can be exclusively within the control of the judge.
16. Assignment by Broker. This Agreement and the rights, duties and obligations hereunder may not be assigned or delegated by Broker without the prior written consent of STALWART, or its successors or assigns.
17. Assignment by STALWART. STALWART may at any time, without obtaining the consent of Broker, assign this Agreement and rights, duties and obligations of STALWART hereunder to any successor or assigns of STALWART, whether by way of merger, consolidation, operation of law, assignment or purchase or other acquisition of all or substantially all of STALWART's assets or business.
18. Entire Agreement. The terms of this Agreement are intended by the parties as a final expression of their agreement with respect to such terms as are included in this Agreement and may not be contradicted by evidence of any prior or contemporaneous agreements. The parties further intend that the provisions of this Agreement constitute the complete and exclusive statement of the terms of this Agreement and that no extrinsic evidence maybe introduced in any judicial proceeding involving this Agreement.

**BY SIGNING THIS OPERATING AGREEMENT, BROKER ACKNOWLEDGES THAT BROKER HAS READ AND DOES UNDERSTAND ALL TERMS AND PROVISIONS OF THIS OPERATING AGREEMENT.**

Agreed and accepted by:

STALWART Contract Finance, LLC

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Broker Name: \_\_\_\_\_

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

Print  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## NON-DISCLOSURE AND NON-CIRCUMVENTION AGREEMENT

This Agreement (this "Agreement") dated as of \_\_\_\_\_, 2011 is made by and between: (1) Stalwart Contract Finance, LLC, a Utah limited liability company ("STALWART"); and (2) [Company Name], a corporation/LLC/partnership and [IntContact001Name] (collectively the "Broker"), STALWART and Broker individually each a "Party" and collectively the "Parties." Capitalized terms that are used in this Agreement are defined herein by underlining.

- Background. STALWART and Broker have expressed an interest in engaging in possible business transactions (collectively the "Transactions") relating to the monetizing of certain service, supply, purchase or other agreements and any related statements of work (collectively the "EUA") between: (a) one or more companies introduced (or to be introduced) to STALWART by Broker (collectively the "Company"); and (b) certain end users (the "End Users") under which the End Users are obligated to make periodic payments to Company. In the course of the Transactions, either Party (the "Disclosing Party") might disclose or deliver proprietary information to the other Party (the "Recipient"). The Parties have entered into this Agreement in order to assure the confidentiality of such information and to prevent circumvention of STALWART in Company's monetizing of the EUA for Company's benefit. If the Transactions are successful, then: (i) STALWART and Company might enter into a commitment letter and term sheet for a specific financing Transaction proposed by STALWART (the "Commitment"), which might then lead to definitive financing documents; and (ii) upon the closing of any monetization transactions under the Commitment, STALWART shall be obligated to pay Broker a fee pursuant to the terms and conditions of any separate brokerage agreement between Broker and STALWART (the "Brokerage Agreement"). This Agreement shall be applicable also to the Brokerage Agreement. STALWART intends to enter into a separate Non-Disclosure and Non-Circumvention Agreement with Company, and STALWART's rights under that agreement shall be in addition to STALWART's rights under this Agreement. Broker shall not be entitled to receive any information under the Commitment.
- Proprietary Information. As used in this Agreement, the term "Proprietary Information" shall mean all information of a Disclosing Party (including all pricing, proposals, business methods, contracts, customers and process information concerning a Disclosing Party and any other confidential or proprietary information with respect to the technical information and methods of production) that: (a) has been designated as confidential by the Disclosing Party prior to or at the time of disclosure of such information by the Disclosing Party to the Recipient; (b) is disclosed under conditions in which a reasonable recipient would realize that the information is confidential; and/or (c) has been loaded into the Disclosing Party's databases or is otherwise discernible from the Disclosing Party's information systems in electronic or other format and by authorization of the Disclosing Party is made available to or accessible by the Recipient. Without limiting the generality of the foregoing, STALWART's Proprietary Information includes its processes for monetizing an EUA, as set forth in a Commitment or otherwise (the "Monetization Process") and the identity of Protected Sources.
- Disclosure of Proprietary Information. The Recipient shall hold in confidence and shall not disclose (or permit or suffer its Personnel or Representatives to disclose) to any person any Proprietary Information of the Disclosing Party, except as is expressly provided herein. The Recipient and its Personnel and Representatives shall use the Disclosing Party's Proprietary Information only for the Transactions and shall not use or exploit such Proprietary Information for its own benefit or for the benefit of another without the express prior written consent of the Disclosing Party. The Recipient shall disclose Proprietary Information received by it from the Disclosing Party only to: (a) Personnel within its organization who have need to know such Proprietary Information in the course of the performance of their duties in connection with the Transactions; or (b) to Recipient's legal counsel, accountants, contractors and other professional advisors (collectively referred to herein as "Representatives") who have a need to know such Proprietary Information in the course of performance of their duties to the Recipient in connection with the Transactions. The Recipient shall adopt and maintain programs and procedures that are reasonably calculated to protect the confidentiality of the Proprietary Information. The Recipient: (i) shall be responsible to the Disclosing Party for (and shall indemnify and defend the Disclosing Party against any claims, damages or losses arising from) any disclosure or misuse of Proprietary Information by the Recipient and its Personnel and Representatives that results from a failure to comply with this section; and (ii) will promptly take all reasonable further steps requested by the Disclosing Party to prevent, control or remedy any such violation. All references to a Party under this section will, as appropriate, include that Party's owners, shareholders, employees, officers, agents and affiliates (collectively the "Personnel"). Furthermore, a Recipient will provide Proprietary Information of the Disclosing Party to the Recipient's Personnel and Representatives only after informing such Personnel and Representatives of the confidential nature of the Proprietary Information and of the obligation of the Personnel and Representatives to maintain the confidential nature of the Proprietary Information in accordance with this Agreement. Each Recipient represents, warrants and covenants to the Disclosing Party that the Recipient has and will

maintain agreements with its Personnel and Representatives sufficient to permit the protection of the Disclosing Party's Proprietary Information as set forth in this Agreement.

4. Limitation on Obligations. The obligations of the Recipient specified in section 3 shall not apply to (and the Recipient shall have no further obligations under this Agreement with respect to) any Proprietary Information of the Disclosing Party to the extent that the Recipient can demonstrate, by clear and convincing evidence, that such Proprietary Information:
  - a. Is generally known to the public at the time of disclosure or becomes generally known thereafter through no wrongful act on the part of the Recipient;
  - b. Is in the Recipient's possession at the time of disclosure otherwise than as a result of the Recipient's breach of any legal obligation;
  - c. Is independently developed or discovered by the Recipient without use or reference to or reliance upon the Proprietary Information; and substantiated by providing the disclosing party written evidence of such within two (2) business days and/or
  - d. Is required to be disclosed by the Recipient in order to comply with: (i) orders from courts of appropriate jurisdiction, (ii) applicable laws or (iii) governmental regulations, provided that in each such event the Recipient first: (1) provides reasonable prior written notice to the Disclosing Party of such intended disclosure; (2) takes reasonable and lawful actions to avoid and/or to minimize the extent of such disclosure; and (3) cooperates with the Disclosing Party in the Disclosing Party's seeking an order or other remedy protecting the confidentiality of that Proprietary Information.
5. Ownership of Proprietary Information. The Recipient agrees that the Disclosing Party is and shall remain the exclusive owner of the Proprietary Information.
6. Misappropriation. If the Recipient has knowledge of the use or disclosure of the Disclosing Party's Proprietary Information contrary to this Agreement, then the Recipient shall give the Disclosing Party prompt written notice thereof and shall reasonably cooperate with the Disclosing Party to regain possession, and to prevent the further unauthorized disclosure or use, of that Proprietary Information.
7. Return of Proprietary Information. Upon the termination of this Agreement or the termination or expiration of all Transaction negotiations between the Parties, the Recipient shall return to the Disclosing Party or destroy (as directed by the Disclosing Party) all of the Disclosing Party's Proprietary Information, including drawings, documents and other tangible manifestations of the Disclosing Party's Proprietary Information received by the Recipient pursuant to this Agreement (and all copies and reproductions thereof); provided, however, that the Recipient may retain one copy of the Proprietary Information for historical, compliance, warranty and/or legal purposes, subject to continuing obligations of confidentiality under this Agreement.
8. Non Circumvention. Broker acknowledges that in reliance upon this Agreement, STALWART will expend considerable efforts in underwriting, due diligence, coordinating with assignees/nominees and documentation and other activities with respect to the Transactions. In consideration of STALWART's efforts, and acknowledging that STALWART is entitled to protection from circumvention, the Parties agree as follows:
  - a. The term "Protected Source" means and includes: (i) every potential investor that STALWART introduces to Broker on or after the date of this Agreement; and (ii) every potential investor identified by STALWART in a written notice to Broker and to which STALWART seeks or intends to offer an assignment of all or any portion of STALWART's rights arising from Transaction financing (including any rights with respect to any EUA). STALWART might use informal or trade names in identifying the foregoing parties, but the formal legal entity for each party and any affiliates of that entity is intended and will be covered by the term "Protected Source." Notwithstanding the foregoing, an investor described in clauses (i) or (ii) above will not be deemed to be a Protected Source if: (i) Broker already had a pre-existing business relationship with the investor; and (ii) within two business days after STALWART's introduction or notice to Company, Broker gives STALWART written notice of, and establishes to STALWART's reasonable satisfaction, the basis of such prior business relationship.
  - b. For two years after the date of this Agreement, Broker will deal exclusively with STALWART to monetize any EUA in which Company or any of its affiliates has an interest (the "Exclusivity Protection"). In particular, but without limiting the generality of the foregoing, Broker shall not utilize STALWART's Moneitization Process or assist Company or its affiliates (directly or indirectly) to assign Company's rights in an EUA to a Protected Source (either outright, as collateral security or otherwise and either directly or indirectly; collectively an "Assignment") for two

years after the date of this Agreement without STALWART's prior written consent, which STALWART may give, withhold or condition in its sole discretion. Each of the foregoing periods of restriction shall be referred to herein collectively as the "Protected Term," as the context of usage requires.

c. Broker shall be liable for non-compliance with the foregoing non-circumvention provisions by any of its affiliates.


9. Remedies. If during the Protected Term Broker or any affiliate of Broker assists Company in Assigning Company's rights in an EUA to one of the following (an "Assignee") without STALWART's prior written consent, which STALWART may give, withhold or condition in its sole discretion: (a) a Protected Source, (b) another assignee in violation of the Exclusivity Protection or (c) another assignee using STALWART's Proprietary Information as to the Monetization Process, then at the closing of each such transaction, Broker will pay STALWART "Liquidated Damages" equal to 2% of the discounted Assignment price of the EUA that is payable to Company by the Assignee. The Liquidated Damages will be payable whether the Assignment to the Assignee is either: (i) made directly or indirectly; or (ii) is consummated in one or a series of transactions. Broker and STALWART acknowledge that actual damages sustained by STALWART due to Broker's facilitating an Assignment of the EUA through a party other than STALWART are difficult or impossible to ascertain and that the Liquidated Damages are a reasonable estimate of such damages. Further, the parties acknowledge that a Disclosing Party's remedy at law for any breach by Recipient of section 3 (other than a breach described in clause (c) above, as to which Liquidated Damages shall be payable) will be inadequate and that the Disclosing Party shall be entitled to seek injunctive relief for a breach or threatened breach of such provisions.

10. Miscellaneous. The following provisions are also an integral part of this Agreement: This Agreement shall bind and benefit the Parties' respective successors. Captions are for reference only and are not a part hereof. This Agreement may be signed in counterparts. A faxed or scanned and electronically transmitted facsimile of a signature-bearing page will be conclusive evidence of execution and delivery. The Agreement's provisions are severable. No waiver will be construed as a continuing waiver or consent to a later breach. Rights and remedies are cumulative. This Agreement is the Parties' full and final agreement and may not be modified except in writing signed by all Parties. Time is of the essence of all provisions. "Including" means "including without limitation." This Agreement will be interpreted according to substantive Utah law. The District Court of Salt Lake County, Utah, will have exclusive jurisdiction and venue of any dispute or enforcement proceeding concerning this Agreement. The non-breaching Party in any enforcement proceeding will be entitled to an award of all expenses, including reasonable attorney fees, incurred in obtaining redress. Each Party has been afforded the opportunity to review this Agreement with its own counsel. Any exhibit attached hereto is incorporated herein by reference. Upon reasonable request, the Parties will take such further actions as are reasonably necessary to fulfill the intent of this Agreement. No third-party beneficiary rights are intended. Each individual signing this Agreement in a representative capacity warrants his/her authority to bind the Party. **THE PARTIES UNCONDITIONALLY WAIVE ANY RIGHT TO A JURY TRIAL OF ANY MATTER RELATING TO THIS AGREEMENT.** Neither Party will use the name, service marks or trademarks of the other Party or any of its affiliates, or reveal the existence of this Agreement, or its terms or conditions, in any advertising, publicity release or sales presentation, without the written consent of the other Party. Each of the parties comprising Broker shall be jointly and severally liable for the performance of Broker's obligations hereunder.

11. Term. The term of this Agreement shall be (and the duties to the Parties hereto to maintain the confidentiality of the Proprietary Information shall continue until) two years from the date hereof, provided that no provision hereof shall prevent a Party from exercising its remedies in the connection with a claim of breach hereof that arose from facts occurring prior to the expiration of said term.

STALWART CONTRACT FINANCE, LLC

[Company Name]

By:   
Loni L. Lowder  
Manager  
Address:  
111 East Broadway STE 170  
Salt Lake City, UT 84118

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

Title: \_\_\_\_\_

Address:  
[Address Line 1] [Address Line 2]  
[City], [State] [Zip]

\_\_\_\_\_  
[IntContact001Name], individually

