



Broker Registration Kit

Welcome! The enclosed package contains everything needed to establish a broker program agreement with Balboa Capital. You can review the informational content to learn more about our program and financing options. Once you submit the enclosed paperwork, you will receive login access to our Compass lease processing system. At that time you can begin to submit application directly to Balboa Capital via the Internet.

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Broker Program Overview

Welcome and thank you for your interest in **Balboa Capital**. We have created a new origination channel at our company dedicated to the third party originator and we are excited about the opportunities this brings to our organization. Our mission is to provide the broker network with another funding solution for the many different and complex credit and funding requirements of their lessees. “To insure a successful launch of this new channel we have expanded our lines of credit, built an internal process designed to be customer centric to the broker community and hired an expert in the industry to build a world class center of excellence”, explains Patrick Byrne, Chairman of Balboa Capital.

This is not a super broker program...we are funding with our own internal lines of credit.

The decisions we make in credit and funding are based on our own internal policies.

LEADERSHIP

Curt Lysne, a 20 year veteran of the leasing industry with a background working with the broker/lessor community, has been named the Vice President, Capital Markets and will lead the growth of the business from Balboa Capital’s corporate office in Irvine, CA. Curt’s 14 year tenure with GE Capital-Colonial Pacific Leasing (CPL) has provided him with the experience and training in credit (application only and middle market), operations, sales, syndication and leadership to build a very successful business unit at Balboa.

VALUE PROPOSITION

Our Operational Excellence in processing credit and funding, with our Internal Funding capacity, start-of-the-art Information Technology systems, experienced Management team and Customer Centric attitude provides you with a solid funding solution. Turnaround times have been tested to insure they met or exceed industry standards and our staff has been well trained to adapt to the unique requirements of the broker community. With our broad acceptable-collateral list, credit flexibility and competitive rates we feel we can be a strong solution for the broker community.

HOW WE WORK

- Balboa Capital will conduct the credit investigation of the applications.
- A decision will be rendered generally within 4 hours.
- The Broker controls the documentation of the approval using Balboa Capital lease documents.
- Feel free to utilize Balboa Capital’s experienced documentation staff for support.
- All documents must be in house prior to funding.
- Site inspections are required on all funding with an equipment cost greater than \$ 35,000.
- Rates are designed to provide a competitive advantage. We will not consider a reduction of the published rates.

In some instances, we may need to speak directly with your customer during the process. We will let you know ahead of time so that you can introduce us. It is not our interest or intent to solicit your customer directly. In fact, our systems have been set up to capture all information on your lessees and vendors in a separate database. We feel so strongly about this that we have included it as our pledge to you in the broker agreement. In the event your customer contacts us directly without your knowledge we will refer them to you immediately or respond to their request only after consulting with you.

You are requested to execute a Broker agreement with us to insure that both parties are clear in their understanding or roles and responsibilities and the payment of fees.

Our credit strike zone covers the broad spectrum of credit quality, equipment types and dollar amounts...\$5,000 to \$250,000. With a seasoned credit and documentation staff of over a dozen people our service response is tailored to be world class.

KEY CONTACTS

Sales		Credit	Funding	General
Curt Lysne (949) 399-6395 f: (949) 224-2795 clysne@balboacapital.com	John Bunce (503) 223-4379 f: (949) 809-8808 johnb@balboacapital.com	Jimmy Chao (949) 399-6380 f: (949) 476-2343 jimmytc@balboacapital.com	Olivia Taylor (949) 553-3493 f: (949) 809-8834 oliviact@balboacapital.com	CREDIT SUBMISSION F: (949) 476-2343 brokercredit@balboacapital.com
Matt Lawler (949) 553-3433 f: (949) 399- 3133 mattjl@balboacapital.com			Jeanette Huynh (949) 399-6343 f: (949) 809-8834 jeanetteoh@balboacapital.com	FUNDING F: (949) 809-8834 brokerfunding@balboacapital.com

Credit Requirements

September 21, 2005

Requests between \$5,000 and \$50,000		A Pricing	B Pricing
Minimal Time in Business under current ownership		3 years	2 years
Minimal FICO score		640	625
Maximum MDS Score		690	720
D&B paydex score		65 and higher	65 and higher
Minimum personal revolving available		25%	25%
Requests between \$50,000 and \$75,000		A Pricing	B Pricing
Minimal Time in Business under current ownership		4 years	3 years
Minimal FICO score		640	625
Maximum MDS Score		690	720
D&B paydex score		65 and higher	65 and higher
Minimum personal revolving available		25%	25%
Comparable Debt		Required	Required

CORPORATION ONLY REQUESTS	\$2,000- 25,000	\$25,001- \$50,000	\$50,001-\$75,000
Minimum Time in Business	5 Years	6 Years	7 Years
Comparable Credit		Required	Required
Employee Minimum	15	30	50
Minimal D&B Rating	1r3	1r2	Ba1
D&B Paydex Score	64 and higher	64 and higher	64 and higher
Bank Rating (min.average balance)	High 4	Low 5	Mod-Mid 5

*Personal credit of majority owners required as character review unless D&B rated 3A2 or higher

EXCEPTIONS TO STANDARD CREDIT POLICY

Soft Costs	Limited to 30% of the total equipment cost.
Used Equipment	Generally limited to 36 months but will consider extended terms as an exception.
Sale Leasebacks	Allowable if equipment has been acquired within the last 90 days.
Software Only	Limited to 36 months and requires a software addendum.

INDUSTRY, EQUIPMENT, AND GEOGRAPHIC RESTRICTIONS

Restricted Industries (Cannot consider financing any amount)		Cautionary Industries (Requires minimum of 5 years in business)	
Adult Entertainment	Casino / Gambling	Religious Organizations	Non Profit Entities
Forestry	Livestock	Restaurants	Mortgage + Loan Brokers
Marine	Mining	Real Estate Agents	Real Estate Development
Municipal Entities	Oil and Gas Extraction	Construction	Internet Service Providers
Security Brokers	Commodity Brokers	Trucking Industry	

Restricted Equipment				
All roof top equipment	Amusement Park/Carnival	Aircraft	ATM's	Artwork
Auto phone dialers	Beds/Mattresses	Canopies	Fencing	Coin Operated Machines
Energy management	Environmental hazardous	Fixtures	Gaming	Gym Lockers
Invasive medical	Water Coolers	Pay phones	Signs	Satellite dishes
School buses	Portable Buildings	Spray booths	Tanning Beds	Truck scales
Underground tanks	Used computers	Used Copiers	Molds	

Note: We reserve the right to decline additional equipment, which may not be listed above.

Broker Application

COMPANY

Legal Business Name: _____ DBA: _____

Address: _____ City, State, Zip: _____

Telephone: (____) _____ Fax: (____) _____ E-Mail _____

Contact Name: _____ Time in Business: _____ Under current ownership: _____

Business Type: Corporation Partnership LLC Sole Proprietor

Association Memberships: ELA UAEL NAELB EAEL Other _____

Has the company or any principal filed bankruptcy? Yes No

Has the company or any principal been terminated by a funding source Yes No

For fraud, misrepresentation or excess losses?

(Please attach a written explanation if answer was "yes" to either question)

PRINCIPALS

Name _____ Title _____ SS# _____

Home address _____ % Stock _____

Name _____ Title _____ SS# _____

Home address _____ % Stock _____

Name _____ Title _____ SS# _____

Home address _____ % Stock _____

Name _____ Title _____ SS# _____

Home address _____ % Stock _____

BANK REFERENCES FOR THE COMPANY

Bank: _____ Branch: _____

Contact officer: _____ Account # _____ Phone (____) _____

Bank: _____ Branch: _____

Contact officer: _____ Account # _____ Phone (____) _____

Bank: _____ Branch: _____

Contact officer: _____ Account # _____ Phone (____) _____

FUNDING SOURCE REFERENCES

Lessor: _____ Contact: _____

Phone (____) _____ Discount/Broker: _____

Lessor: _____ Contact: _____

Phone (____) _____ Discount/Broker: _____

Lessor: _____ Contact: _____

Phone (____) _____ Discount/Broker: _____

OTHER INFORMATION

Total volume for the last 12 months: _____ Projected for the next 12 months: _____

% volume from vendors: _____ % volume from direct lessees: _____

Average dollar amount of leases: _____ Number of leases over \$100,000: _____

Number of employees (in main office)?: _____ Number of sales people?: _____

Anticipated volume projected at Balboa for the next six months? _____

Applicant represents that the above information is true and correct and hereby authorizes, by the signature affixed below, the investigation and verification of information supplied by applicant.

_____ date _____

Broker Program Agreement

This Broker Program Agreement (“Agreement”) is made this ____ day of _____, _____ by and between Balboa Capital Corporation (hereinafter “Balboa”) and _____ (hereinafter “Broker”). WHEREAS, Broker proposes from time to time to submit financing transactions (hereinafter referred to as “financing transaction” or “lease”) to Balboa; and whereas, Balboa proposes from time to time to acquire such financing transactions from Broker; therefore, in consideration of the premises, it is hereby agreed that the obligations of Broker and Balboa with respect to each and every financing transaction shall be in accordance with and governed by the following terms and conditions:

Authority of Parties: The parties hereto are and shall act as independent business organizations, and as such, shall have no authority to incur obligations or to make any statements or representations on behalf of the other. Further, neither party shall have the authority to accept any payments on behalf of the other. Any payment received by Broker shall be held in trust for the benefit of Balboa. The parties shall not use the name of the other, or any of their respective trademarks as part of the other party’s firm, trade, or corporate name, without express prior written authorization. Further, the parties shall not accept service of legal process on behalf of the other party, or employ attorneys to defend against such legal action, or take any legal proceedings in connection with any matter pertaining to the business of the other party.

Balboa’s Discretion: Balboa may from time to time, in its sole discretion, acquire such financing transactions from Broker. Nothing herein shall require Balboa to acquire any transaction from Broker, and Broker shall not represent or warrant that a financing transaction will be acquired by Balboa prior to the actual acquisition. If Balboa elects not to acquire financing transactions from Broker, it shall provide Broker notice of its election and Broker may seek alternate funding sources. Broker agrees that in the event a financing transaction is transferred to an entity other than Balboa, Broker shall not utilize Balboa documentation, Said notice shall be sent as set forth below.

Documentation: All financing transactions shall be documented to Balboa’s satisfaction on forms provided by Balboa.

Disclosure of Information: Broker shall, in connection with any proposed lease submitted to Balboa, keep Balboa informed of all material information known to Broker concerning such lease, the proposed lessee, the vendor, or the equipment, including any changes occurring or learned following submission of such proposed lease to Balboa.

Warranties and Representations: With respect to each and every financing transaction submitted by Broker to Balboa, Broker expressly warrants and represents: (a) All executed documents submitted to Balboa by Broker will have been duly authorized, executed and delivered by all parties thereto, will be in full force and effect and will be valid, authentic, and binding upon and enforceable against the respective parties thereto in accordance with its terms. As to each proposed lease, no event has occurred and/or is continuing which constitutes a default thereunder by any party thereto or would constitute a default but for the requirement that notice be given or lapse of time or both. (b) Each copy of the documents submitted to Balboa by Broker will be, at the time submitted or delivered and at the time designated hereunder, a true and complete copy of all documents constituting each lease transaction as in effect on each such date. (c) The payment of all sums specified in the lease shall be due and payable on the date or at the time set forth in the lease and shall not be contingent upon the fulfillment or occurrence of any conditions or warranties, either express or implied, except as may be set forth in the lease, and Broker has made no claim or representation that is not specifically set forth in the lease. (d) No part of the money required to commence any lease subject to this Agreement has been loaned, rebated, or advanced by Broker and Broker has not entered into any reciprocal agreements with any lessee, or officer, director, or guarantor thereof. (e) A lease request shall not be split between various funding sources unless otherwise disclosed by Broker to Balboa in writing in the original lease proposal. (f) All financial and credit information of a prospective lessee has been provided to Balboa, and no negative financial information or ratings have been deleted or concealed from the financial and credit information. (g) For each financing transaction, Broker warrants good and marketable title to each item of leased equipment free and clear of any liens or encumbrances created by or arising through Broker and Broker has not assigned or pledged the whole or any part of its rights under such financing transaction or equipment related thereto. (h) Broker has complied with all applicable licensing requirements, including but not limited to obtaining a California Finance Lenders License, or its equivalent. (i) Broker has complied with all applicable entity formation and governance requirements, and is in good standing under the laws of the state of its formation and is duly qualified or licensed to do business as a foreign entity, in good standing, in each other state wherein the conduct of its business or the ownership of its property would require such qualification or licensing or where the failure to be so qualified would have an adverse effect on the enforceability of Broker’s rights under any financing transaction (j) transactions offered to Balboa were not originated by any other Broker or Referral source and no person is entitled to any compensation, commission or fee with respect to the transaction other than the Broker and its employees unless disclosed by the Broker and approved by Balboa. This Agreement is the legal, valid and binding obligation of Broker, enforceable against Broker in accordance with the terms hereof. There is no consent, approval or authorization of, or filing or recording with, any governmental body or agency or of any company or person required to be obtained or made in connection with the execution, delivery and performance by Broker of this Agreement. There is no claim, action, litigation or proceeding before any court, governmental body or agency pending or threatened against Broker or, to the knowledge of Broker, pending or threatened against any lessee, guarantor, or equipment except as disclosed in writing to Balboa prior to the funding of any financing transaction.

All of the representations and warranties shall survive termination of this Agreement.

Compensation of Broker: For the duration of this Agreement, for each assigned lease approved and accepted by Balboa, Broker shall be entitled to the compensation at Balboa’s then effective rates, which may be changed by Balboa at any time following thirty (30) days prior written notice to Broker.

Expenses of Broker: Balboa shall not be liable for any expenses whatsoever incurred by Broker in connection with any financing transaction submitted by Broker.

Indemnity: Broker agrees to indemnify and hold Balboa harmless for any and all expenses, injury and damage, including reasonable attorney’s fees, which Balboa may hereafter incur, pay or suffer as a result of Broker’s acts or any breach of Broker’s obligations, representations and warranties set forth herein or in any assignment from Broker to Balboa. Balboa agrees to indemnify and hold Broker harmless for any and all expenses, injury and damage, including reasonable attorney’s fees and costs, which Broker may hereafter incur, pay or suffer as a result of Balboa’s willful or negligent acts.

Right to Audit: Balboa shall have the right to enter upon Broker’s business premises and inspect any files, computer or otherwise, associated with any financing transaction proposed or submitted, during normal business hours. Said inspection shall also serve to assure Balboa that Broker has complied with all of the terms of this Agreement.

First Payment Default: Balboa and Broker agree that in the event a lessee defaults on a financing transaction in the first sixty (60) days from the funding date, then Broker will be required to remit all funds received by Broker from Balboa for the acquisition of the financing transaction within five (5) business days of Balboa’s demand therefor. This provision is not intended as an election of remedies, it is intended as cumulative and not the exclusive remedy of Balboa in the event of a breach of this Agreement. If said default is cured, Balboa agrees to reimburse Broker for remitted funds.

Remedies for Breach: In the event of a breach of any of the representations and warranties set forth in the Warranties and Representations section of this agreement, above, Broker, within five (5) business days of receipt of Balboa’s written demand, shall purchase the identified financing transaction(s) from

Balboa for a sum equal to the past due amounts, including taxes, late charges, and other fees, plus the outstanding remaining payments, discounted at a rate of six percent (6%). Failure to remit said funds within five (5) days, Balboa shall have the option to suspend Balboa's performance of this Agreement, without waiving any rights or remedies available hereunder. In the event of a material breach of this agreement, the nonbreaching party shall be entitled to immediately suspend performance of any and all of its obligations hereunder and shall provide the breaching party with written notice of the material breach and an opportunity to cure the material breach within ten (10) business days. Suspension of its obligations includes the obligations to pay commissions. Upon the cure of the material breach within ten (10) days, the nonbreaching party shall perform as though the breach had not occurred. In the event the material breach is not cured within ten (10) business days, but is cured thereafter, the nonbreaching party shall be excused of any performance that would have been required during the time of the default under this Agreement. The parties agree that all remedies contained in this agreement are cumulative and not exclusive, and that both parties shall be entitled to exercise any and all rights afforded by applicable law in the event of a breach by the other party.

Term of Agreement: This Agreement shall be effective upon execution hereof, shall govern all of the transactions between the parties, past, present and future, and shall continue in effect for a period of one (1) year, and shall remain in effect thereafter until terminated by either party upon thirty (30) days written notice. The rights and obligations of the parties with respect to transactions originated prior to termination shall survive said termination.

Assignment: This agreement shall not inure to the benefit of any successor in interest of either party hereto, nor shall any right or obligation under this Agreement be assigned by any party hereto without the prior written consent of the other party.

Notices: Notices required or convenient under this Agreement shall be sent to the following respective addresses, until changed by written notification to the other party of the change of address:

Balboa Capital Corporation
Attn: Curt Lysne
2010 Main Street, Suite 1150
Irvine, CA 92614

Attn: _____

Construction and Interpretation: This Agreement shall be deemed to be entered in the County of Orange, the State of California, and shall be governed by and construed in accordance with the laws of the State of California.

EQUAL CREDIT OPPORTUNITY ACT AND REGULATION B (the "Act")-Broker agrees to comply fully with the Act in all of its dealings with any potential Customer, including the taking of the application and the gathering of credit and financial information. Broker further agrees to provide appropriate notice to all applicants of any adverse action and of their right to a written explanation of any adverse action, and upon written request, Broker will furnish to all applicants receiving an adverse decision a written explanation for the same, all in form, substance and timeliness in accordance with the provision of the Act.

Severability: In the event any provision of this Agreement shall be held to be invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Amendments and Modification: The terms and provisions of this Agreement shall not be waived altered, modified supplemented or amended in any manner whatsoever except by written instrument executed by the parties hereto.

Attorney's Fees: Should it become necessary for either party to enforce this agreement, the prevailing party shall be entitled to its reasonable attorney's fees and costs as determined by a court of competent jurisdiction, regardless of whether suit is initiated.

Venue: The parties hereby agree that in the event suit is initiated to enforce the terms and provisions of this agreement, venue shall be proper in the County of Orange, State of California, and the parties consent to the jurisdiction of the Courts of Orange County, State of California. **Each party hereto specifically waives trial by jury.**

Confidentiality: Each party hereto agrees to (i) hold all information including customer lists, vendor lists, database information, pricing information, economic model, employee information, financial information, and policy and procedure information (collectively "Confidential and Proprietary Information") in strict confidence and agrees to take reasonable precautions to protect such Confidential and Proprietary Information, (ii) not to divulge any such Confidential and Proprietary Information or any information derived therefrom to any third person, (iii) not to make any use whatsoever at any time of such Confidential and Proprietary Information except in the course of this relationship, and (iv) not to copy, decompile, unscramble or reverse engineer any such Confidential and Proprietary Information. Any employee given access to any such Confidential and Proprietary Information must have a legitimate "need to know" and shall be deemed to be similarly bound. The parties agree that the foregoing clauses shall not apply with respect to any information that each can document (i) is or becomes generally available to the public, (ii) was in its possession or known by it prior to the receipt of same, (iii) was disclosed to it by a third party without restriction, or (iv) is independently developed without use of the other parties Confidential and Proprietary Information.

Non-Compete: Balboa specifically acknowledges that Broker's lists of customers and vendors is kept as Confidential and Proprietary Information, and agrees that Balboa shall not solicit the customers or vendors of Broker for any financial services without the express prior written consent of Broker, which may be withheld for any reason.

BY: _____

BY: _____

Its: _____

Its: _____
BALBOA CAPITAL CORPORATION

Broker agreement 12/3/04

Company Resolution

I _____, the duly elected and qualified _____ of _____ (the "Company"), hereby certify that Company's exact legal name, state of incorporation/organization, location of its chief executive office and/or its place of residence, as applicable, have been correctly identified to Balboa Capital Corporation, and that at a duly constituted meeting of the Board of Directors/Members/Partners of the Company, the Board resolved that the following individuals:

<u>Name</u>	<u>Title</u>

is/are authorized for, on behalf of and in the name of this Company, to negotiate, procure and execute such Lease Agreements and any other documents in connection with same, which in his/her opinion are necessary or advisable to effectuate the most favorable interests of the Company, and the execution of such documents by said officer shall be conclusive evidence of his/her approval thereof.

IN WITNESS WHEREOF, I have affixed my name as _____ of the Company on _____.

Subject to credit approval, delivery of this document bearing a facsimile signature or signatures shall have the same force and effect as if the document bore an original signature.

Legal Name of Company: _____

By: _____

Name and Title: _____

Date: _____

ADDENDUM B TO BROKER AGREEMENT

LICENSE ADDENDUM

THIS LICENSE ADDENDUM is made effective as of _____, by and between **BALBOA CAPITAL CORPORATION**, with an address at 2010 Main Street, Suite 1150, Irvine, California 92614 (“**BCC**”) and _____, with a place of business located at _____ (“**Broker**”).

BACKGROUND

A. BCC and Broker have entered into that certain Broker Agreement of even date herewith (the “**Agreement**”), which the parties desire to modify in accordance with the terms of this License Addendum.

B. All capitalized terms used herein and not otherwise defined will have the meanings set forth in **Addendum A** to the Agreement.

NOW, THEREFORE, in consideration of the representations, warranties and agreements contained herein, the parties, intending to be legally bound, agree as follows:

1. **License.** BCC grants to Broker a non-transferable and non-exclusive license to use the Compass Pro software (the “**Licensed Program**”) on multiple workstations within the Broker’s business (and to copy the Licensed Program for backup in support of its use of the Licenses Program.) **BROKER WILL NOT USE ITS ACCESS TO THE LICENSED PROGRAM TO PROCESS TRANSACTIONS THAT ARE TO BE PRESENTED TO FUNDING SOURCES OTHER THAN BCC, UNLESS BCC IN ITS SOLE DISCRETION HAS CHOSEN NOT TO PARTICIPATE IN THE SUBJECT TRANSACTION.**

2. **Limited Warranty and Disclaimers.** **THE LICENSED PROGRAM IS PROVIDED TO BROKER “AS IS,” WITHOUT WARRANTY OF ANY KIND, EITHER IMPLIED OR EXPRESS, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE ENTIRE RISK AS TO THE QUALITY, FUNCTIONALITY AND PERFORMANCE OF THE LICENSED PROGRAM IS WITH BROKER. BCC WILL HAVE NO LIABILITY FOR ANY DAMAGES WHATSOEVER, WHETHER DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL, ARISING OUT OF THE USE OR INABILITY TO USE THE LICENSED PROGRAM, EVEN IF THE LICENSED PROGRAM PROVES DEFECTIVE.** BCC does not warrant that the functions contained in the Licensed Program will meet Broker’s requirements or that the operation of the Licensed Program will be uninterrupted or error free.

3. **Confidential Credit Information.** The Licensed Program will provide Broker with access to certain confidential credit information (“**Information**”) provided by third parties including, but not limited to, reports regarding credit worthiness. Broker expressly agrees that, with respect to all Information: (a) Broker will not disclose any of the Information to anyone other than Broker and those employees of Broker that need to know or copy any of the Information, (b) Broker will not use the Information in any way to establish an individual’s eligibility for credit or insurance or for employment, and (c) Broker understands that neither BCC nor any such third party guarantees or warrants the Information, and agrees that even if BCC or such third party was negligent in preparing the Information, neither BCC nor such third party will be liable to Broker for any reason whatsoever. These restrictions notwithstanding, if one of Broker’s customers (whose credit was underwritten by BCC) inquires about the source of Information used to reach a credit decision, Broker may inform the customer of the identity of the source and refer such customer to BCC for review of the Information with that customer.

4. **Broker Additional Representations, Warranties and Covenants.** In connection with its use of the Licensed Program, Broker represents, warrants and covenants to BCC that (a) upon reasonable notice and during regular business hours, BCC may enter the Broker’s premises to audit Broker’s books and records with respect to the use of the Licensed Program, (b) none of the information regarding the Licensed Program, including without limitation, information relating to the configuration of the Licensed Program, will be revealed to any third party by Broker or any employee, officer, director, owner or agent of Broker, (c) Broker will not use, copy or modify the

Licensed Program, or any copy of modification, in whole or part, except as expressly agreed to by BCC, (d) Broker will not sublicense, assign, rent, lease or otherwise transfer or allow anyone other than Broker's employees to use the Licensed Program, (e) Broker will not take or assist in any steps, such as reverse engineering, de-compiling, disassembling, reverse disassembling or reverse compiling, to derive the source code equivalent of the Licensed Program, (f) the Licensed Program will be used for business purposes only and not for any personal, family or household purposes, (g) Broker understands the proprietary and highly confidential nature of the Licensed Program and further understands that the Licensed Program is being made available to Broker solely to facilitate the processing of Proposed Transactions, and (h) all information provided to BCC through the Broker's use of the Licensed Program is an accurate reflection of all information known or available to Broker prior to funding.

5. **Termination.** This License Addendum is effective as of the date of the installation of the License Program on any system of Broker. This License Addendum will remain in effect for a term concurrent with the term of the Agreement, except that BCC may terminate this License Addendum and the Broker's right to use the Licensed Program at any time upon notice to Broker. Upon termination, Broker will, at its expense, immediately return to BCC all equipment, information and materials provided by BCC in connection with the use of the Licensed Program and delete the Licensed Program from all systems used or to be used by Broker.

6. **Damages.** If Broker breaches its obligations under this License Addendum, BCC will be entitled to recover all damages incurred by BCC as a consequence of such breach. Additionally, Broker agrees that BCC will be entitled to seek injunctive relief against Broker, without the need to post any bond.

7. **Miscellaneous.**

(a) **Governing Law.** This License Addendum will be governed by, and construed in accordance with the laws of the State of California without regard to the choice of law provisions thereof.

(b) **Effect of Addendum.** All terms and conditions of the Agreement not expressly amended or modified by this License Addendum are incorporated herein, remain in full force and are hereby ratified by the parties.

(c) **Conflicts.** In the event there is any conflict between the terms of this License Addendum and the Agreement, then as between BCC and Broker, the terms and conditions of this License Addendum will control.

IN WITNESS WHEREOF, the parties have caused this License Addendum to be executed by their respective duly authorized representatives on the date set forth below.

BALBOA CAPITAL CORPORATION

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____