



May 18, 2017

Mr. Brian T. Owen, President  
RWDY, Inc.  
950 Echo Lane, Suite 200  
Houston, TX 77024

Dear Brian,

Transfac Capital, Inc. ("Transfac") is pleased to offer **RWDY, Inc.** ("Client") this Letter of Intent to finance your accounts receivable ("Accounts") in accordance with the terms and conditions stated below. Please be advised that issuance of this Letter of Intent should not be considered a commitment on Transfac's part to provide financing to Client.

- Maximum Advances:** Twelve Million Dollars (\$12,000,000.00)
- Advance Rate:** Eighty-Five percent (85%) of the approved net collectible value of each Account that Transfac elects to purchase.
- Service Fees:** A service fee of four tenths of one percent (.4%) of the face amount of each purchased Account for the first thirty (30) days aging; two one hundredths of one percent (.02%) per diem thereafter.
- Daily Funds Rate:** The fee for funds advanced against purchased Accounts will be the prevailing Prime Rate as announced by JP Morgan Chase Bank, N.A. plus three percent (3.00%) per annum.
- Recourse:** All Accounts are purchased from Client with a ninety (90) day recourse/chargeback provision.
- Due Diligence Fee:** Client shall pay Transfac a non-refundable due diligence and prefunding audit fee of five thousand dollars (\$5,000.00) at the time of Client's acceptance of this proposal. Upon receipt, Transfac will begin credit/underwriting due diligence.
- Monthly Min. Fee:** One half of one percent (.50%) of the Maximum Advances per month.
- Audit:** Transfac may require audits from time to time which Client agrees to pay Transfac for all reasonable out-of-pocket expenses for performing such audit.
- Contract Term:** The contract term shall be two (2) years from the date of the initial purchase of Accounts.
- Collateral:** Client will be required to grant at a minimum to Transfac a first priority perfected security interest in Client's accounts receivable, chattel paper, contract rights, general intangibles, books and records, and all proceeds of the foregoing.
- Other Conditions:** Customary, including, but not limited to the following:
- a) Facility shall be cross-collateralized and cross-defaulted to any other obligations Client may have now or in the future with Transfac, its subsidiaries or affiliates;
  - b) Support Documentation that services have been rendered or product has been delivered.

- c) Authorization to access bank information electronically or copies of last 3 months bank deposits.

**Guarantees:** Personal Guaranty from principal shareholder(s); Corporate Guaranty's from parent company and all wholly owned subsidiaries, if applicable.

This is a Letter of Intent of proposed terms only and shall not be construed as a commitment or binding agreement on the part of Transfac to purchase Client's Accounts. Funding is subject to the completion, to our satisfaction, of our due diligence and to Transfac entering into a Purchase and Sale Agreement with **RWDY, Inc.** Should this Letter of Intent of proposed terms be terminated for any reason, Transfac will not be held liable.

Client warrants that all information which has been, and will be, submitted by Client is true and correct as of the stated date and shall immediately notify Transfac of any material change in any facts represented to Transfac. By executing this Letter of Intent of proposed terms, Client authorizes all companies, with whom it conducts business, all consumer reporting agencies or other persons or organizations, and all banks or other financial institutions, to release to Transfac, any and all credit and financial information relating to Client that Transfac deems necessary, and Client authorizes Transfac to file a UCC-1 financing statement on the collateral in order to expedite the process.

If this Letter of Intent of proposed terms meets with your approval, please return a signed copy and the due diligence fee within one week of the date hereof, otherwise this proposal will be rescinded.

Thank you for giving us the opportunity to submit this proposal to you.

Accepted and Agreed By:

**RWDY, Inc.**

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

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

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