



FINDER'S FEE AGREEMENT

This Finder's Fee Agreement (this "Agreement") is entered into on _____, 201_ between **Watervale Equity Partners** ("Watervale") and _____, ("Firm").

PREAMBLE

Watervale is the manager of a private equity fund (the "Fund"). Firm has contact with _____, which is a company that may be of interest to Watervale and the Fund, whose business is described as follows _____ and whose mailing address, telephone and website address are _____ (the "Target"). Watervale desires to authorize Firm to introduce Watervale to the Target, in return for a finder's fee to be paid to Firm if earned hereunder. Therefore, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Role of Firm. Firm is authorized to introduce to Watervale the Target. Firm is not authorized to act as agent for Watervale or the Fund, nor to bind Watervale or the Fund in any manner. Firm is and shall be an independent contractor and not an employee, agent, representative, affiliate, partner or joint venturer of Watervale or the Fund and Firm shall not hold itself out as such and shall not make any assertion that could lead the Target to believe that Firm is an employee, agent, representative, affiliate, partner or joint venturer of Watervale or the Fund. This Agreement is not exclusive as to either party, and Firm shall be free to perform similar services for other parties, and Watervale and the Fund shall be free to engage others to introduce Watervale and the Fund to targets. In no event shall Firm perform any act in connection with this Agreement, which (i) would require Firm to be registered as an investment advisor or broker-dealer or (ii) is in violation of any state or federal securities laws. Firm makes and will make no representation that the information provided by the Target will be materially complete and correct and will not contain any untrue statements of a fact or omit to state a material fact necessary in order to make the statements therein not misleading in light of the circumstances under which such statements are made. Watervale recognizes and confirms that the Firm (i) will be using and relying primarily on the information from the Target and information available from generally recognized public sources in performing the services contemplated hereunder without having independently verified the same; (ii) does not assume responsibility for the accuracy or completeness of the information; and (iii) does not make an appraisal of any of the assets of the Target.

2. Compensation to Firm.

(a) For purposes of this Agreement, the term "Introduced Target" shall mean a Target that meets each of the following requirements: (i) within forty-five (45) days after the date of this Agreement, (A) the Target is introduced by Firm to Watervale, (B) Watervale has held an in person or telephone meeting with the majority owners and/or senior executives of the Target, and (C) the majority owners of the Target confirm (during such meeting or teleconference) their desire to consider a change-of-control transaction or buyout thereof; and (ii) the Target has not previously contacted, been contacted by, or introduced to, Watervale, the Fund or an affiliate of Watervale or the Fund with respect to a possible transaction with Watervale, the Fund or an affiliate of Watervale or the Fund. If Firm desires to introduce Watervale to the Target, Firm will give notice to Watervale (which may be oral if it is promptly confirmed in writing) within forty-five (45) days after the date of this Agreement confirming the identity of the Target and its owners. Firm will not be deemed to have made an introduction that is subject to this Agreement without giving written notice as provided in this Section.

(b) As its sole compensation for its services hereunder, Firm shall receive a finder's fee in accordance with the fee schedule set forth below (i) if the Target qualifies as an Introduced Target (as defined below) and (ii) if the Fund consummates a qualifying transaction with the Introduced Target within twenty-four (24) months after the date of this Agreement. Firm shall be responsible for its own overhead and out-of-pocket expenses incurred in connection with the services provided hereunder.

If the Target qualifies as an Introduced Target and the Fund consummates a change-of-control or other buyout transaction with the Introduced Target during the term of this Agreement or within twenty-four (24) months after the date of this Agreement (except in the event of a breach of this Agreement by Firm, in which case no fee shall be due), at the time of the closing (the "Closing") of the transaction, the Fund will pay or cause to be paid to Firm in immediately available funds, a transaction fee (the "Transaction Fee") equal to **5% of the first million dollars of the Aggregate Consideration, 4% of the second million, 3% of the third million, 2% of the fourth million, then 1% thereafter**. The Transaction Fee paid at closing shall only apply to that portion of the transaction value which is actually paid to the Introduced Target at closing.

Watervale and Firm agree to negotiate the fee schedule in good faith if Target engages a sell-side advisor to solicit multiple bids.

"Aggregate Consideration" shall mean the total amount paid or payable, directly or indirectly, to, or for the benefit of, the Introduced Target and/or its security holders at the Closing of (i) cash; and (ii) equity or debt securities or other equity interests **plus** (iii) the face amount of any third party funded debt of the Introduced Target that is (A) in a sale of assets, assumed or repaid by the purchaser at Closing, or (B) in a stock purchase or merger, assumed or repaid at Closing or remains on the Introduced Target's balance sheet after Closing. Any Transaction Fee related to deferred or contingent consideration due to the Introduced Target, in the form of a seller note or an earn-out, will be paid to Firm when such consideration is finally earned and paid to Introduced Target.

3. Time and Manner of Payment.

(a) Payments of finder's fees pursuant to Section 2(a) hereunder shall be made by Watervale or the Fund in accordance with the Fee Schedule.

(b) Watervale and the Fund shall have the right, in its sole discretion, not to enter into a transaction with an Introduced Target for any reason or no reason, in which case no finder's fee shall be payable with respect to such Introduced Target.

4. Term of Agreement. This Agreement applies only to the Target named above and shall remain in effect for a period of forty-five (45) days from the date of this Agreement and will terminate automatically at the end of such term. Notwithstanding such termination, the provisions of Section 2 and 3 hereof regarding finder's fees shall survive and remain in full force and effect for a period of twenty-four (24) months following the date of this Agreement (except in the case of a termination by Watervale as a result of a breach of this Agreement by Firm) if prior to the termination of this Agreement the Target qualifies as an Introduced Target as described above.

5. Confidentiality.

(a) Watervale and the Fund agree to keep confidential any confidential information provided by Firm concerning the Target, including the fact that it is available for acquisition. Notwithstanding the foregoing, Watervale and the Fund shall be permitted to disclose confidential information of a Target (i) to the extent required by law and (ii) to their respective officers, directors, employees, affiliates, investors and advisors who need to know such information in connection with an evaluation of a potential investment in the Target (provided that Watervale shall take all such action as is necessary or desirable in order to ensure that each of the persons or entities to whom disclosure is authorized maintains the confidentiality of any Confidential Information that is so disclosed). Upon written request, Watervale will return to Firm all confidential information of the Target which has previously been delivered to it (whether in paper form, electronic form or other format).

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

6. Representations of Firm. Firm covenants, represents and warrants to Watervale that Firm has and will maintain all licenses, permits and other authorizations required by applicable laws, rules or regulations in order to perform the services hereunder, and Firm will conduct its activities in connection with its engagement hereunder in compliance with all applicable securities and other laws, rules and regulations. Firm will indemnify, defend and hold Watervale, the Fund and their respective officers, directors, investors and affiliates harmless from and against any losses, claims, damages, costs and expenses or other liabilities any such indemnified party incurs as a direct or indirect result of any breach by Firm of the foregoing covenant, representation and warranty or any other breach by Firm of its obligations hereunder.

7. Miscellaneous. This Agreement: (a) may be amended only by a writing signed by each of the parties; (b) may not be assigned, pledged or otherwise transferred, whether by operation of law or otherwise, without the prior consent of the other party; (c) may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument; (d) contains the entire agreement of the parties with respect to the transactions contemplated hereby and supersedes all prior written and oral agreements, and all contemporaneous oral agreements, relating to such transactions; (e) shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware; and (f) shall be binding upon, and inure to the benefit of, the parties and their respective heirs, successors and permitted assigns. The waiver by a party of any breach or violation of any provision of this Agreement shall not operate or be construed a waiver of any subsequent breach or violation hereof.

WATERVALE

By: _____

Title: _____

FIRM:

By: _____

Title: _____