

_____, 20__

Revised Terms & Conditions

1. _____ will acquire ___% of the stock of _____ for \$_____,000, valuing _____ at \$_____,000 on a cash-free, debt-free basis except for the working capital requirements below.
2. Enough working capital (valid accounts receivable, assuming the non-collectable A/R will be taken off the books by then, and cash) will be maintained in the company to match the liabilities as of the closing date. Such liabilities will include the vacation accruals and all accounts payable less any outstanding prepaids. Sixty (60) days after Closing, a true-up will be made and any deficiencies in working capital will be settled (i.e. if some OF the valid A/R is not collected by that time, then _____ will own such A/R and will reimburse the company for that amount, as well as if there are any additional A/P that are owed that were not disclosed/on the balance sheet). This true-up will also be done for #7 below at that time.
3. _____ will continue to be the President of _____. He will receive a consulting fee of \$_____ per month for two years for a total of \$_____. The expectation is that he will work for ___% of the time for the first six months and ___% of the time for the balance 18 months. These monies shall be payable regardless of the hours worked or requested by _____. Should _____ be incapacitated or physically unable to perform the duties, these monies shall not be owed. _____ shall purchase a term life insurance policy payable to _____ heirs/assigns in the amount of \$_____,000 to cover this contingency.
4. _____ will have the right to call half of the units held by _____ in the _____ after the end of the first year. _____ will have a commensurate put option. The put or call will be based on the following calculation:
 - a. Value of the units will be determined using the formula: $3.5 * \text{LTM EBITDA} * \text{Number of units called or put} / \text{the total number of units}$
 - b. With a minimum of \$_____,000
 - c. With a maximum of \$_____,000
5. _____ will have the right to call the balance of _____ units in the _____ between the end of Year _____ and Year _____. _____ will have a commensurate put option. The put or call will be based on the following calculation:
 - a. Value of the units will be determined using the formula: $3.5 * \text{LTM EBITDA} * \text{Number of units called or put} / \text{the total number of units}$
 - b. With a minimum of \$_____,000
 - c. With a maximum of \$_____,000
6. _____ will not have tag along rights in case there is need for additional capital. Any additional investment by him will be mutually agreed upon along with any changes in terms and conditions.
7. Depending on the date of closing, appropriate expenses will be shared on a pro rata basis.
8. All other appropriate conditions in the LOI dated _____, 20__ will remain unchanged, including the terms and conditions related to Newco #2.
9. _____ shall make minimum annual cash distributions or dividends equal to ___% of the pro-rata profit to cover anticipated tax liabilities of the shareholders so long as _____ is a shareholder.

ACCEPTED AND AGREED:

Date _____

Date _____