

SUMMARY BID COMPARISON

Which do you prefer?

Bid Item	Buyer A	Buyer B	Preference to:
Total Valuation Range	\$40.0 million	\$35.0- \$47.5 million	BUYER B
Stock vs. Assets	Stock- conditionally on due dilligence	Stock	BUYER B
Cash Funded at Closing	\$40.0 million	\$35.5 million	BUYER A
Amount Funded to Escrow	\$1 million (but reserve the right to change based on dilligence)	\$3.5 million	BUYER A
Cash to Shareholders	\$39.9 million	\$31.5 million	BUYER A
Escrow Period	18 months	2 Years	BUYER A
338(h) 10 Election with Gross Up	Conditional	Conditional	BUYER B
Earnout Component	Not described- TBD	Up to 12.5 million	BUYER B
Earnout Period	Not described- TBD	2 Years	BUYER B
Time to Closing	30-45 Days	60 Days after SPA	BUYER A
Financing Contingency (Y/N)	No	Not in SPA, but need to expand existing line of credit facility	BUYER A
Exclusivity Period	60 days	90 days	BUYER A
Other Contingencies	Due dilligence. No material adverse change, employment agreements	Due dilligence. No material adverse change, employment agreements	-
Employment Agreements	"Key" executives must remain	"Key" management must remain	-
Non-competition Agreements	3-year non competition; 2-year non-solicitation	TBD	-
Approvals Required	Board	Board	-
Restrictive Covenant Period- (Seller Non Compete)	5 years	5 years	-
Joint and Several	Yes	Yes	-
Rep and Warranty Survival	5 Years	2 Years	
Indemnity Cap	\$40.0 million	\$7 million	BUYER B
Indemnity Period	5 years (except for tax and enviorment)	2 years	BUYER B
Indemnity Bucket	None stated	\$100,000	BUYER B
Indemnity Deductable	None stated	Reverts to first \$ dollar after bucket	BUYER B