

CONTRACT OF SALE

This Contract of Sale is made effective _____, 1999, between _____, (together as "Sellers"), and _____, a _____ corporation ("Buyer"). The parties agree to the following terms and conditions of sale and purchase.

- Purchase Price.** Sellers agrees to sell and Buyer agrees to buy all of Sellers' interest in _____, for a total price of \$ _____ to be paid in shares of common stock of Buyer. The number of such shares shall be determined by dividing a numerator consisting of \$1,000,000 by a denominator consisting of the average of the daily closing price of the Buyer's common stock during the five (5) trading days preceding the effective date of this Contract as reported by Bloomberg.com. Sellers' ownership interests in _____ are as provided in the attached Exhibit A.
- If, after the closing of this Contract, there is a public offering, prior to July 1, 2000, for purposes of registering newly issued shares of Buyer's common stock pursuant to the Securities Act of 1933, as amended, Sellers' members, _____ are each granted the right of registration for not more than Twenty Five (25%) of their holdings at the time of such registration, provided that this right of registration is not deemed by the underwriters to be detrimental to the public offering. Should a public offering not occur prior to _____, _____, Inc. will purchase \$ _____ of stock, within 90 days, from Sellers, based upon the closing price on _____.
- _____ will serve on the Executive Committee of _____, and on the Board of Directors of _____ for at least three (3) years following the closing of this Contract.
- Employment Agreements.** Buyer agrees to cause _____ to offer employment agreements to _____, on such terms as the parties shall mutually agree.
- Right of First Refusal.** If at any time during three (3) years after closing of this Contract, Buyer considers selling all or a controlling interest in _____, (or all or substantially all of its assets), as a stand-alone or independent business unit, then _____ may exercise a right of first refusal to purchase _____ from Buyer under terms that are at least identical to the terms offered to Buyer by a third party. _____ will have fifteen (15) business days from receipt of Buyer's written notification in which to exercise this option.

6. **Unregistered Shares of Common Stock.** The shares of Buyer's common stock to be conveyed to Sellers as purchase consideration in this Contract are not registered with the United States Securities and Exchange Commission, nor the Securities Commission of any state. Except as provided in paragraph 2 above, any stock issued under this purchase agreement will be subject to section 144 of the SEC Rules and will not be transferable for twelve months from the date of issuance of the stock certificate(s), unless to an underwriter for the purpose of making a public distribution of the underlying shares or unless otherwise exempt.

7. **Representations of Sellers**

(a) _____, is a validly organized and existing _____ limited liability corporation and has the power and authority to carry on its business as it is now being conducted.

(b) Sellers have full power and authority to sign and enter into this Contract and carry out the transactions contemplated by it. The signing, delivery, and performance of this Contract will not violate the Articles of Organization, Operating Agreement, or, to Sellers' knowledge, any law, agreement, or instrument to which _____ is a party or by which it is bound. To Sellers' knowledge, none of Sellers' actions in selling their interest are prohibited by or have violated or will violate any law in effect on the date of this Contract or on the date of closing.

(c) Sellers warrant that _____ has timely prepared and filed all federal, state, and local tax returns and reports as required and all taxes due have been paid in full. Sellers agree to assume responsibility for any and all income tax liabilities and penalties, whether arising from Federal, state or local jurisdictions and whether attributable to corporate or personal tax events, arising prior to or as a result of the closing this Contract.

(d) Sellers have good and merchantable title to their interest sold under this Contract, and their interest is not subject to any mortgage, pledge, sales agreement, security agreement, secured or unsecured charge or encumbrance, and to Sellers' knowledge, there are no claims, asserted or unasserted, against _____, Sellers' interest, or any asset of _____, except as disclosed in this Contract and any attached exhibits.

(e) The documents of _____ listed in Exhibit B attached to and made a part of this Contract are, to Sellers' knowledge, true and accurate.

8. **Representations of Buyer**

(a) Buyer represents that it is qualified to purchase these interests under the relevant rules and regulations of the United States Securities and Exchange Commission and the Securities Commission of any state that may have jurisdiction.

(b) Buyer further represents that it is not purchasing these interests with an intention of resale.

9. **Confidentiality.** Buyer and Sellers acknowledge that during the course of their discussions leading to and in any way relating to this Contract, certain confidential information about both parties has been and will be divulged to the other. Buyer and Sellers agree not to disclose such confidential information to any person, other than attorneys, accountants, and employees with a need to know, without first obtaining the written consent of the other party. Prior to closing of this Contract, the parties agree not to disclose the existence of this Contract nor of any discussions relating to it or to the sale and purchase outlined in this Contract.

10. **Other Agreements.**

(If any)

11. Buyer and Sellers represent that they have had adequate opportunity to obtain any information relevant to the decision to enter into this Contract, and have also had adequate opportunity to consult with advisors of their choice.

12. The closing of this Contract is conditioned on approval by the Board of Directors of Buyer.

13. Any amendments, addenda, modifications, or changes to this Contract must be in writing and signed by the parties.

14. Rights and obligations created by this Contract are binding upon the parties, their successors and assigns.

15. Notices. Any notices required to be sent will be delivered to the parties at these addresses:

To Sellers:

To Buyer:

16. This Contract will be construed according to the laws of _____.

SIGNED on _____, _____.

Sellers:

Buyer:

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By _____

By _____

By _____

By _____

EXHIBIT A

OWNERSHIP INTERESTS

MEMBER

PERCENTAGE OWNERSHIP

EXHIBIT B

DOCUMENTS PRODUCED BY SELLERS FOR REVIEW BY BUYER

- 1) Material Agreements;
- 2) Financial Statements, including interim income statement as of the nine months ended September 30, _____, and year end December 31, _____, December 31, _____ and balance sheets for the nine months ended September 30, _____.
- 3) Federal income tax returns for the years ended December 31, _____ and _____.
- 4) Subsidiary ledgers for accounts receivable and accounts payable as of October _____.
- 5) Listing of all tangible property and equipment as September 30, _____.
- 6) Articles of Organization, Operating Agreement Company book, and Members' lists.