



## FINDER'S FEE AGREEMENT

This Finder's Fee Agreement (this "Agreement") sets forth the agreement and understanding between \_\_\_\_\_ ("Finder") and KCB Management, LLC (with its affiliated entities, collectively, "KCB") in connection with the introduction or presentation by Finder to KCB of a target company ("Company") for proposed acquisition, on the following terms and conditions.

If KCB acquires all or a portion of the stock and/or all or a portion of the assets of a Company introduced to KCB by Finder (either, a "Sale Transaction"), KCB shall be required to pay a fee to the Finder, but only if all of the following conditions are satisfied: (a) the Sale Transaction closes within 18 months of the date of signature below (the "Term"); (b) Finder is not owed a fee by the seller or any other party other than KCB in the Sale Transaction; (c) Finder fulfills all of its obligations as set forth in this Agreement; and (d) KCB has not previously had contact with, or been introduced to, the Company or otherwise has not reviewed a possible Sale Transaction involving the Company with any other advisor of KCB. If a Sale Transaction has not closed during the Term, but good faith negotiations between KCB and the Company about a Sale Transaction continue subsequent to the Term, KCB shall still pay the Finder's Fee to Finder to the extent that such negotiations directly result in the closing of a Sale Transaction and all other conditions contained in this Agreement are satisfied (notwithstanding that the Agreement has terminated).

The fee payable to Finder (the "Finder's Fee") is a standard Lehman fee and shall be calculated in the following manner: Of the purchase price consideration, the sum of 5% of the first million dollars or portion thereof, plus 4% of the second million dollars or portion thereof, plus 3% of the third million dollars or portion thereof, plus 2% of the fourth million dollars or portion thereof, plus 1% of the remaining purchase price consideration. At no time shall the Finder's Fee be less than \$100,000 if the Company is acquired.

This fee shall be paid in full at the time of the closing of the Sale Transaction. At no time shall KCB be obligated to enter into a Sale Transaction with the Company at any time prior to the execution and delivery of mutually acceptable definitive documents in connection with such Sale Transaction. KCB shall not be liable to pay any fee to Finder unless and until KCB closes the Sale Transaction with a Company introduced to KCB by Finder. KCB shall not be liable to Finder for any fees, costs, expenses or other amounts, other than the Finder's Fee, unless KCB has provided its prior written consent to pay any such additional amounts.

Purchase price consideration is defined as the total purchase price actually paid by KCB to the seller in the Sale Transaction, including (a) cash, (b) the value of any equity or stock, (c) notes, (d) any earn-out or other deferred payments (collectively, "Deferred Payments"), plus (e) the assumption of any interest bearing debt of the Company. With respect to Deferred Payments, KCB shall not be liable to pay Finder any Finder's Fee with respect to such Deferred Payments until such time as the Deferred Payment is actually paid to seller. If KCB acquires any stock of the Company, the purchase price consideration shall be deemed to be the price of such stock plus all institutional indebtedness of Company, less the total cash or cash equivalents and publicly traded securities owned by Company.

The Finder shall use its best efforts to assist KCB as KCB shall reasonably request. Information regarding the Company shall at a minimum include the name of the Company, the owner(s) of Company, any co-broker arrangements, any intermediary to be paid a fee by Company, and any financial information (including sales and EBITDA) known to Finder. KCB recognizes that Finder makes no representations regarding the accuracy or completeness of the information provided by the Company. If requested by KCB, Finder shall arrange

communications between KCB and Company as well as facilitate the flow of information between KCB and the Company. KCB shall always have the right to work directly with the Company without using the Finder but shall still be liable for any fee if the fee criteria above have been met. Under no circumstances shall Finder be deemed an agent of KCB, and Finder is not authorized to bind KCB to any agreement or to make any representation or warranty on behalf of KCB. This Agreement is solely for the benefit of KCB and Finder and is not intended to confer, and shall not be deemed to confer, any benefits upon, or create any rights in favor of, any person or entity other than the parties listed hereto.

Finder is aware that KCB, in its ongoing business, maintains active contacts with a large number of companies and financial advisors, and may have established contact with, or been introduced by another intermediary, to Company prior to the introduction or referral by Finder. In addition, Company may have retained an investment banker or other advisor for a Sale Transaction, and KCB may be designated by Company or Company's advisors as a potential acquirer of the business such that KCB is contacted by Company or its advisors. Should the foregoing occur, KCB will not be responsible for any fees for any service provided by Finder with respect to any acquisition of Company by KCB.

The finder is not a "broker" or "dealer" within the meaning of Section 3(a)(4) of the Securities Exchange Act of 1934, as amended (the "1934 Act") and is not required, nor by entering into this agreement or performing hereunder shall be required, to register as a broker or dealer under Section 15 of the Act.

This agreement shall be governed by the laws of the State of California and may be amended only in writing signed by each party and contains all the provisions, conditions, understandings, and agreements between the parties hereto with respect to the subject matter hereof. Any and all prior agreements between the parties hereto with respect to such subject matters are hereby superseded by this agreement. No waiver shall be effective against any party unless it is in writing and signed by that party.

This agreement may be cancelled upon thirty (30) days prior written notice by either party.

**KCB MANAGEMENT, LLC**

Accepted and agreed this \_\_\_\_ day of \_\_\_\_\_:

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

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

Name: \_\_\_\_\_

Name: \_\_\_\_\_

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

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

\_\_\_\_\_(COMPANY)

\_\_\_\_\_(STREET)

\_\_\_\_\_(CITY/STATE/ZIP)

\_\_\_\_\_(TELEPHONE)

\_\_\_\_\_(FACSIMILE)

\_\_\_\_\_(E-MAIL)