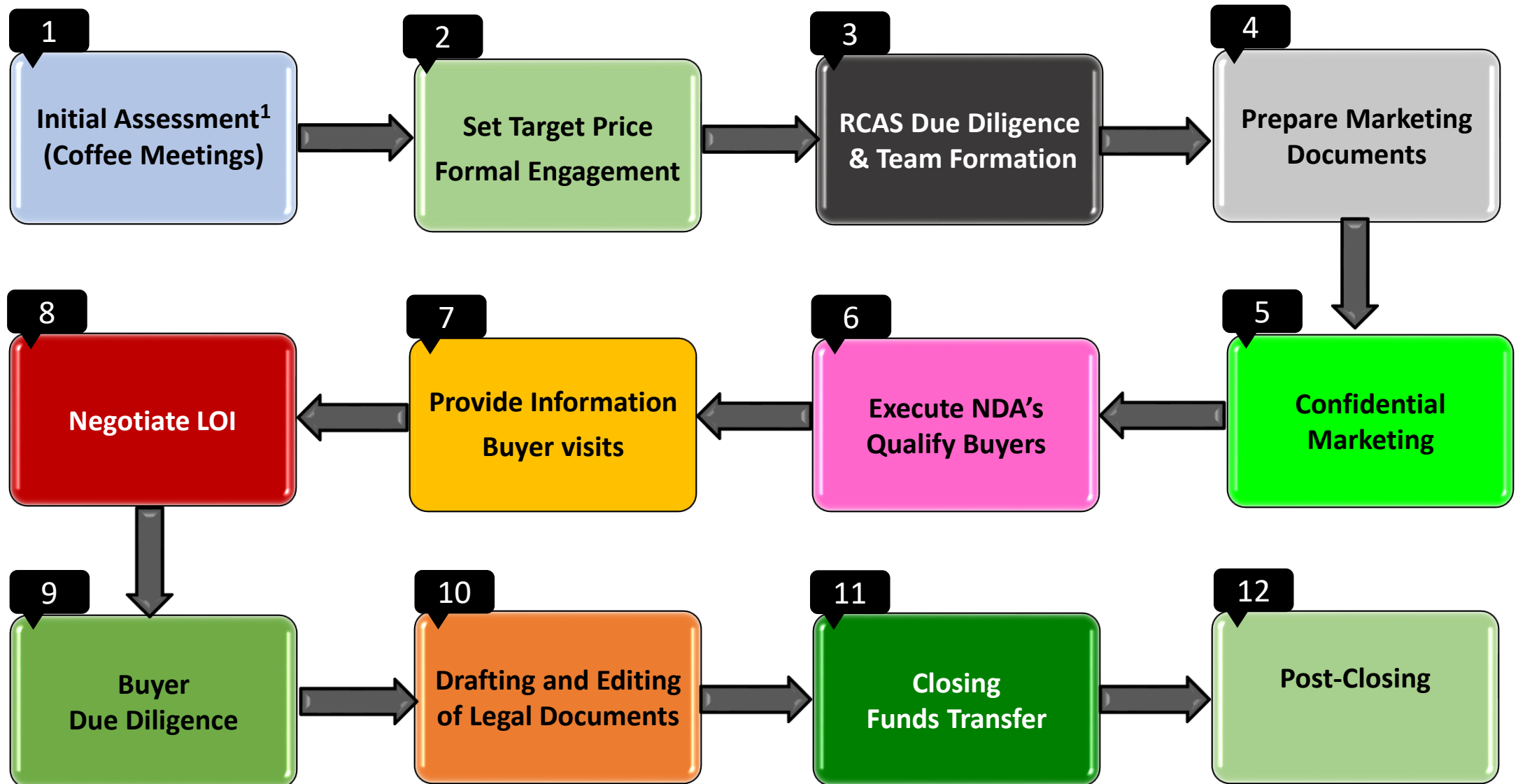


The RCAS Business Sale 12 Step Process



¹Possible separate consulting agreement if company needs to be positioned for sale- see reverse

The RCAS Business Sale Process – detail of each process step

1) INITIAL ASSESSMENT (COFFEE MEETINGS)

- a. Getting to know each other; execution of Non-Disclosure Agreement (NDA)
- b. Learning about the company attributes, dependencies, and competition
- c. Preliminary review of financials with EBITDA calculation
- d. Work with owner to define ideal buyer
- e. Preliminary Market Value opinion
- f. *If needed, propose consulting agreement to prepare company for sale.*

2) SET TARGET PRICE AND SIGN FORMAL REPRESENTATION AGREEMENT

- a. Establish opinion of salability and price range.
- b. Execute Representation Agreement

3) PERFORM IN-DEPTH ANALYSIS AND FORM PROFESSIONAL ADVISORY TEAM

- a. Identify other advisory team members: Business Transaction Attorney, CPA, Financial Planner; facilitate meeting of team
- b. Analyze historical financials and develop projections; Create Financial Model
- c. Analyze company Products and Services
- d. Analyze organization; refine org. chart
- e. Analyze customers, competition, suppliers and market

4) PREPARE MARKETING MATERIALS

- a. Draft One page “teaser” document
- b. Draft Confidential Information Memorandum (Prospectus)

5) PRIVATE CHANNEL MARKETING

- a. Draft NDA for use with all prospects.
- b. Approach industry partners that represent private buyers
- c. Approach previous offerors, competitors, and strategic prospects
- d. Broadcast opportunity through RCAS distribution network and internet sites

6) QUALIFY PROSPECTIVE BUYERS FOR “FIT” AND FOR FINANCIAL CAPABILITY

- a. Execute Non-Disclosure Agreement
- b. Conduct in-person or phone interview
- c. Review buyer Personal Financial Statement

7) FACILITATE BUYER VISITS AND DISCUSSIONS WITH SELLER(S)

- a. Coordinate on-site and job visits
- b. Share confidential DropBox materials
- c. Provide sufficient information to support drafting of a “terms sheet”

8) NEGOTIATE BUYER LETTER OF INTENT (LOI)

- a. Encourage buyer to use our format and remain in “draft mode” until agreement is reached.
- b. Authorize direct attorney communications

9) FACILITATE AND ASSIST BUYER IN PERFORMING DUE DILIGENCE

- a. Review and refine buyer’s due diligence question list
- b. Work with client to provide the needed information; place in DropBox
- c. Negotiate the impact of any “surprises”

10) NEGOTIATE FORMAL AGREEMENTS

- a. Purchase and Sale Agreement (Stock or Asset)
- b. If appropriate, separate agreement for good will
- c. Promissory note, Security and Subordination Agreements
- d. Non-Compete and Non-Disclosure Agreements
- e. Consulting Agreement and Key employee employment Agreements
- f. Escrow and Lease Agreement
- g. Asset Allocation Agreement
- h. Earn-out agreement (if applicable)
- i. Draft post-closing True-up documents

11) CLOSING

- a. Identify closing agency and draft instructions
- b. Draft Funds distribution instruction
- c. Coordinate closing details
- d. Provide copies of signed documents to all parties

12) POST CLOSING

- a. Coordinate between Buyer and Seller on all true-up issues

1f. Note about the Initial Assessment: RCAS performs the initial Assessment of a business on a “no charge” basis. We seek to determine readiness for sale as well as a target selling price. Material problems are sometimes discovered during the assessment which suggest that the company is not ready for sale. In these situations we propose a consulting engagement to assist ownership.