



Date: \_\_\_\_\_

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

Company: \_\_\_\_\_

Street: \_\_\_\_\_

City, State Zip: \_\_\_\_\_, \_\_\_\_\_ \_\_\_\_\_

Email: \_\_\_\_\_

Dear:

This will acknowledge that you have brought to our attention a business, (the "Target):

**Business Description:**

\_\_\_\_\_

**Business Name:** \_\_\_\_\_

**Business City, State:** \_\_\_\_\_, \_\_\_\_\_

The Target is being introduced as a potential acquisition candidate for one or more of our affiliates. In consideration for your having introduced the Target to us, we agree that in the event a Transaction shall be consummated on or before the second anniversary of this date, we shall cause the Purchaser to pay you a cash fee (the "Transaction Fee") based upon the "Lehman Formula", as described below:

- 5% of the 1<sup>st</sup> million dollars of Aggregate Consideration (as defined below)
- 4% of the 2<sup>nd</sup> million dollars of Aggregate Consideration
- 3% of the 3<sup>rd</sup> million dollars of Aggregate Consideration
- 2% of the 4<sup>th</sup> million dollars of Aggregate Consideration
- 1% of all Aggregate Consideration in excess of \$4 million

The Transaction Fee shall be payable concurrently with the closing of a Transaction other than any Transaction Fee attributable to an "earn-out" or other deferred compensation which shall be paid as set forth below. In the event a sell-side investment banker, broker or other advisor is representing the Target, the Transaction Fee shall be divided by two (2).

For purposes of this letter, the term "Transaction" means that one or more entities (collectively, the "Purchaser") that are affiliates of Crux Capital Ltd shall (i) enter into any acquisition, merger, consolidation, reorganization, recapitalization, business combination or other transaction pursuant to which the Target is acquired, in whole or in part, by, or combined with

the Purchaser, the effect of which is that Purchaser “controls” Target, or (ii) otherwise acquire all or substantially all of the assets and operations of the Target.

For purposes of this letter, a Transaction Fee will not be payable in the event that Crux Capital Ltd notifies you that it has already been introduced to the Target within seven (7) business days of your introduction.

For purposes of this letter, “control” (including with correlative meanings, the terms “controlling”, “controlled by”, and “under common control with”) as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person, whether through ownership of voting securities or by contract or otherwise.

For purposes of this letter, the term “Aggregate Consideration” means without duplication, everything of value received by, paid or payable to Target and/or its shareholders by Purchaser in connection with this Transaction, including but not limited to cash, assets, securities, promissory notes, earn-outs, other deferred payments, and assumption of indebtedness by Purchaser for money borrowed (other than ordinary course liabilities). Additionally, Aggregate Consideration will include compensation paid to Target and/or its shareholders for agreements not to compete, employment agreements, real estate leases and consulting or other similar agreements solely to the extent that such consideration is in excess of commercially reasonable amounts for such agreements or arrangements for businesses similar to Target and for transactions of similar size to the Transaction. If an earn-out payment or other deferred compensation arrangement is part of the Aggregate Consideration, then the Transaction Fee associated with the earn-out payment or other deferred compensation arrangement shall only be paid at the same time and in the same form as the Target and/or its shareholders receive payment, if ever.

Please note that “Aggregate Consideration” will not include consideration described above for which a corresponding liability exists. For example, to the extent “Aggregate Consideration” is increased to “gross up” the tax benefit of doing an asset purchase as opposed to a stock purchase, this increase will not be counted in the calculation of Aggregate Consideration. Another example would be that Aggregate Consideration will not include the assumption of indebtedness that corresponds to a working capital requirement in the business.

This agreement shall automatically terminate and be of no further force and effect on the second (2<sup>nd</sup>) anniversary of the date of this agreement; provided, however, that each party hereto may terminate this agreement upon ten (10) days’ notice to the other. To the extent we terminate this agreement prior to the second (2<sup>nd</sup>) anniversary and a Transaction is consummated by Purchaser prior to such date, you will be entitled to receive the Transaction Fee set forth herein.

This Agreement and the performance hereunder shall be governed by the laws of the State of Texas without reference to the conflicts of law principles thereof. Any disputes arising hereunder shall be settled through an arbitration proceeding in the State of Texas, County of Dallas, City of Dallas in accordance with the rules of the American Arbitration Association. Nothing herein contained shall be deemed to create a joint venture or partnership relationship between the parties hereto. You acknowledge and agree that Crux Capital Ltd does not have any obligation to pursue this opportunity, and that no obligation to purchase express or implied until definitive documentation is entered into by Purchaser and Target. Neither party shall have any power to enter into any contracts or commitments in the name of, or on behalf of, the other party, or to bind the other party in any respect whatsoever.

Each party hereto represents and warrants that the terms and conditions of this agreement do not, and will not, conflict with or violate any term and conditions of any other agreement or commitment to which it is bound (including any agreements relating to employment). This agreement may be executed in one or more counterparts (including by means of portable document format (PDF) or other electronic format), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Please sign below to indicate your acceptance of and agreement with the foregoing and return a counterpart of this letter to the undersigned.

Sincerely,

Wayne Moore  
Managing Member of Crux Holding,  
LLC, the GP of Crux Capital Ltd

**ACCEPTED AND AGREED:**

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

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

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