

Sample Contract Template for DPM as Employee With Buy-In Option

From the AAPPm Resource Center



American Academy of Podiatric Practice Management

10 Maple Street, Suite 301, Middleton, MA 01949

978-646-9091 Phone 978-646-9092 Fax office@aappm.org www.aappm.org

Employment Agreement

THIS EMPLOYMENT AGREEMENT made this _____ day of _____, 200__, by and between _____ P.A. a _____ professional association (the "Employer") and _____ ("Employee").

WITNESSETH:

WHEREAS, the Employer desire to employ Employee and Employee desires to be employed by the Employer upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, it is agreed as follows:

- 1. Employment.** The Employer hereby employs Employee as a podiatrist and Employee hereby accepts employment by the Employer upon the terms and conditions herein set forth. The place of employment shall be at the Employer's principal office or at such other location as the Employer may designate.
- 2. Term and Annual Renewal.** The term of this Agreement shall commence as of the effective date of this Agreement, and shall expire one (1) year from the date hereof, unless sooner terminated as herein set forth. This Agreement shall automatically renew for one (1) year periods following the Agreement's initial term unless either Employer or Employee gives written notice of the termination of the Agreement within sixty (60) day period preceding any renewal date of the Agreement.
- 3. Duties.** The Employee will, during the initial and any subsequent term of this Agreement [a] faithfully and diligently do and perform all such acts and duties and furnish such services as the Employer shall direct, and do and perform all acts in the ordinary course of the Employer's business (with such limits as the Employer may prescribe) which are necessary and conducive to the Employer's best interests; and [b] devote his full time, energy, and skill to the business of the Employer and to the promotion of the Employer's best interests, except for vacations and absences made necessary because of illness. Hospital rounds shall be completed outside of the work schedule listed below:

Day	Time
Monday	8:00 a.m. – 5:00 p.m.
Tuesday	8:00 a.m. – 5:00 p.m.
Wednesday	8:00 a.m. – 5:00 p.m.
Thursday	8:00 a.m. – 5:00 p.m.
Friday	8:00 a.m. – 5:00 p.m.
- 4. Compensation.** Subject to the provisions hereof, The Employer shall pay to Employee the following for all services to be performed by Employee during the initial and any subsequent term of this Agreement.
- 5. Salary.** A fixed salary shall be paid to the Employee on the fifteenth (15th) day of each month at the higher of [i] _____ per month or [ii] forty percent (40%) of Employee's Gross Collected Patient Revenue for the preceding calendar month. For purposes of this Agreement, "Gross Collected Patient Revenue" shall mean gross receipts collected from patients (or those responsible for the payment of patient's bills including but not limited to insurance payments) treated by the Employer. All such salary payments will be subject to such deductions as to patients' bills including but not limited to insurance payments) treated by the Employee. All such salary payments will be subject to such deductions as from the time to time may be required to be made pursuant to law, government regulation or orders, or by agreement with, or consent of, Employee.
- 6. Benefits.** Employer shall provide and Employee shall be entitled to participate in such life insurance, medical, malpractice insurance, disability insurance _____ /APMA dues (not to include special assessments), IPA fees, state and federal licensing fees and other programs as may be

approved from time to time by the Employer for the benefit of its employees. Employer shall provide CME expenses for one _____ based CME per year which meets the requirements of the _____ State Board of Podiatry Examiners. CME expenses shall not include meals, transportation or lodging. In the event Employee attends a seminar outside the state of _____, Employer shall pay the CME expenses up to the amount that would have been paid for an equivalent CME seminar in the state of _____.

7. **Termination.** This Agreement shall terminate upon the occurrence of any of the following:
 - a. **Death.** On the date of death of the Employee.
 - b. **Disability.** In the event that Employee is Permanently Disabled, as herein defined, for a continuous period of three (3) months, the Employer may terminate this Agreement upon written notice to Employee. In the event of such termination, Employee's compensation set forth herein shall continue for the lesser of: (i) any waiting periods set forth in any disability insurance policy maintained by the Employer and covering Employee, if any, or (ii) three (3) months after termination of this Agreement. For purposes of this Paragraph, "Permanently Disabled" shall mean a condition resulting from bodily injury or diseases or mental disorders such that Employee is prevented from performing the principal duties of his employment. The Employer, in its discretion, based on competent medical advice, shall determine whether Employee is and continues to be, permanently disabled for purposes of this Paragraph.
 - c. **End of term.** On the expiration of the then existing term following the date either Employee or the Employer gives written notice to the other party of his or its election to terminate the Agreement pursuant to Section 2 of the Agreement: or
 - d. **Termination For Cause.** On the tenth (10th) day after the Employer gives Employee written notice of a Termination for Cause hereunder. In the event of termination under Subsections (a), (b) and (c) of this Section 7, the Employee (or his estate) will be entitled to the Annual Salary, to the extent unpaid, set forth herein, prorated from January 1 of the year of termination to the date of termination. In the event of termination under Subsection (D) of this Section 7, The Employee will forfeit all benefits payable under this Agreement.
8. **Termination for Cause.** Notwithstanding any other provision of this Agreement, if the Employee is discharged For Cause, or violates Article 7 ("Confidentiality") or Article 8 ("Non-Competition") of this Agreement, then Employee, shall immediately forfeit any and all rights and benefits under the terms of the Agreement.

For purposes of the Agreement, a discharge "For Cause" shall consist of a termination of Employee's employment with the Employer for any of the following reasons:

Employee's conviction of any criminal violation involving dishonesty, fraud or breach of trust;
Employee's willful engagement in any misconduct in the performance of his duties which materially injures the Employer;
Employee's breach of fiduciary duty involving personal profit, willful violation of any law, rule or regulation (other than traffic violations or similar offenses) or final cease-and-desist order;
Employee's performance of any act which, if known to the customers or clients of Employer, will have a material and adverse impact of the business of Employer; or
Employer's willful and substantial nonperformance of assigned duties, provided that such nonperformance has continued form more than ten (10) days after Employer has given written notices of such nonperformance and of its intention to terminate Employee's right to benefits under the agreement because of such nonperformance.
Any denial of rights or benefits pursuant to this Article 6 shall be made by Employer's Board of Directors in their sole discretion, applied in a reasonable, good faith manner.

9. **Confidentiality.** The Employee recognized and acknowledges that he will have access to confidential information of the Employer and of entities affiliated with the Employer, and that such information constitutes valuable, special and unique property of the Employer and such other entities.

The Employee will not, during or after the term of this Agreement and for a period of two (2) years thereafter, disclose any such confidential information to any person or firm, corporation, association or other entity for any reason or purpose whatsoever, except to authorized representatives of the Employer or if ordered to do so by a court or government agency of competent jurisdiction. Employer shall be entitled: (i) to an injunction restraining the Employee from disclosing, in whole or in part, such confidential information, and (ii) to terminate this Agreement and re-collect any and all payments made to the Employee pursuant to this Agreement. Nothing herein shall be construed as prohibiting the Employer from pursuing any other remedies available to it upon such breach or threatened breach including the recovery of damages from the Employee.

10. Noncompetition During and After Employment. The Employee agrees to the following during and after his term of employment under this Agreement.

- a. **Noncompetition During Employment.** The Employee agrees that at all times during the term of his employment he will not, either directly or through the agency of any corporation, partnership, association or agent or agency, engage in any similar business conducted by the Employer. Notwithstanding this provision, the Employee may develop a nursing home practice outside of regular business hours.
- b. **Noncompetition After Employment.** The Employee covenants and agrees not to establish, open be engaged in, nor in any manner whatsoever become interested, directly or indirectly, as employee, owner, partner, agent, stockholder, director or officer, or otherwise, in any business, trade or occupation which competes with the business of the Employer for a period of five (5) years and within eight (8) miles from the principal office of Employer. Notwithstanding the foregoing, this Article shall not prevent any party hereto from owning up to five (5) percent of the stock of any corporation, whether or not it competes with the Employer, provided that the shares of such corporation are publicly traded on the American Stock Exchange, New York Stock Exchange, NASDAQ, Over The Counter, Or other Organized and generally recognized stock exchange. Notwithstanding anything to the contrary contained in this Agreement, any party hereto may apply to a court of equity or other court of competent jurisdiction for injunctive relief to enforce this Article and/or to obtain monetary damages by reason of a breach of this Article.
- c. **Violation of Covenant.** If any of the covenants set forth herein in Article 8(A) are violated, the Employer, at its option, shall be entitled to: (i) notify the Employee that this Agreement is terminated, in which cast this Agreement shall be rescinded (and thus terminated retroactively to the date of its inception); and (ii) demand repayment from the Employee of all payments made to the Employee pursuant to this Agreement.

Option. Commencing _____, 200_____, Employer and _____, as sole sharehold of Employer (“_____”), may grant Employee the option to purchase shares of the Employer now owned by _____. In such event, Employer, Employee and _____ shall enter into a stock purchase Agreement in substantially the form attached hereto as **Exhibit A**. The grant of the option to purchase shares of the Employer shall be determined in the sole discretion of Employer and _____ based on the following factors and statistics: [i] increase in number of new patients per month, [ii] increase in number of follow-up visits per month, [iii] increase in gross charges, [iv] increase in net collections, an [v] increase in surgical volume.

Nonassignment. This Agreement is personal to Employee and shall not be assigned. Employee shall not hypothecate, delegate, encumber, alienate, transfer or otherwise dispose of his rights and duties hereunder.

Waiver. The waiver by the Employer of a breach of Employee of any provision of this Agreement shall not be construed as a waiver of any subsequent breach by Employee.

Asset Purchase Agreement

This Agreement entered into this the _____ day of _____, 20____ by and among _____, (hereinafter "Seller") and _____ (hereinafter "Buyer").

WHEREAS, Sellers operates a business primarily engaged in the _____; and

WHEREAS, Sellers owns equipment, inventory, contract rights, and miscellaneous assets used in connection with the operations of its business; and

WHEREAS, Buyer desires to acquire substantially all of the assets used or useful, or intended to be used in the operation of Sellers business and Seller desires to sell such assets to Buyer; and

[Whereas, if the Seller is a Corporation all Shareholders shall execute and consent to this agreement.]

NOW, THEREFORE, in consideration of mutual covenants contained herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Section 1. Assets Purchases; Liabilities Assumed Assets Purchased.

Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller, on the terms and conditions set forth in this Agreement the following assets ("Assets"):

All equipment, rolling stock, and tools miscellaneous inventory listed on Exhibit "A", together with any replacements or additions to the equipment, etc. made prior to the closing date.

All inventories and supplies owned by Seller together with any replacement or additions to the inventories made prior to the closing date, but excluding inventory disposed of in the ordinary course of Seller's business.

Seller's goodwill.

[1.1.4 The Seller's business name is/is not acquired by the Buyer.]

1.2 Assumption of Liabilities. Buyer [shall not or shall] be responsible for any unfilled orders from customers of Seller and [Buyer assumes or does not assume] responsibility of payment for other obligations of Seller, including but not limited to, Seller's obligation under any lease, contract or account.

Section 2. Excluded Assets

Excluded from this sale and purchase are Seller's: [list any assets or other items not being sold, i.e. accounts receivable, cash, notes receivable and prepaid accounts.]

Section 3. Purchase Prices for Assets

The purchase prices for the assets shall be \$ _____, allocated as follows:

Equipment, contracts, rolling stock, inventory and other personal property \$ _____ .00

2. Goodwill and remaining assets \$ _____ .00

Total \$ _____ .00

Buyer shall be responsible for all sales and transfer taxes associated with the contemplated transaction; provided, however, Seller agrees to execute or provide whatever documents are necessary for Buyer to have transferred to it and receive for any balance remaining on the vehicle tags of Seller.

Section 4. Payment of Purchase Price

The price for the Assets shall be paid as follows:

At closing, Buyer shall cause to be delivered to Seller the sum of \$.00.

On _____, 20 , Buyer shall pay to Seller the sum of \$.00.

On _____, 20 , Buyer shall pay to Seller the remaining \$.00 due hereunder.

The parties agree that amounts due hereunder shall be net amounts due to Seller without regard to any interest whatsoever, whether actual, imputed or implied.

Section 5. Other Agreements

At closing, the parties shall execute the following additional agreements:

The non-competition agreement between Buyer and Seller.

The non-competition agreement between Buyer and Selling Shareholder.

The Consulting Agreement between Buyer and Selling Shareholder.

Section 6. Security

As security for the timely performance of all of Buyer's obligations under this agreement, including the payment of the amount set forth in Section 4, Seller retains and, effective at closing, Buyer grants to Seller a security interest in the equipment, inventory and other personal property listed on Exhibit "E", together with all accessories, substitutions, additions, replacements, parts and accessions affixed to or used in connection with such items (hereinafter the "Collateral"). At closing, Buyer shall execute and deliver to Seller as Security Agreement in the form attached as Exhibit "F". Buyer shall also execute appropriate UCC Financing Statements for the perfection of the Seller's security interest.

Upon payment of the _____, 20 and _____, 20 payments specified in Sections 4.2 and 4.3, respectively, and the _____, 20 payment under that certain Non-Competition Agreement between Buyer and Seller, dated as of the Closing Date as provided in Section 15, Seller shall release and terminate its security interest in all of the Collateral listed on Exhibit "E", except the _____, Serial # and the _____, Serial # and the _____ Serial # .

Upon payment of all amounts due to Seller pursuant to Section 4 and all amounts due to Seller and Selling Shareholder pursuant to those certain Non-Competition Agreements between Buyer and Seller and Buyer and Selling Shareholder, respectively, both dated as of the Closing Date pursuant to Section 15, except the _____, 20 payment due to Seller pursuant to the Non-Competition Agreement between Seller and Buyer, Seller shall release and terminate its security interest in the _____, Serial # .

Upon payment of all amounts due to Seller pursuant to Section 4 and due to Seller and Selling Shareholder pursuant to those certain Non-Competition Agreements between Buyer and Seller and Buyer and Selling Shareholder, respectively, both dated as of the Closing Date pursuant to Section 15, Seller shall release and terminate its security interest in the _____, Serial # .

Section 7. Seller's And Selling Shareholder's Representations And Warranties

Seller and Selling shareholder each represent warrant to Buyer as follows:

7.1 Corporate Existence. Seller is now and on the date of closing will be a corporation duly organized and validly existing and in good standing under the laws of the State of . Seller has all requisite corporate of power and authority to own, operate and/or lease the assets, as the case may be, and to carry own it business as now being conducted.

7.2 Authorization. The execution, delivery and performance of this Agreement have been duly authorized and approved by the Board of Directors and Shareholders of Seller, and this Agreement constitutes a valid and binding agreement of Seller in accordance with its terms.

7.3 Title to Assets. Except as described in the Agreement, Seller holds good and marketable title to the assets, free and clear of restrictions on or conditions to transfer or assignment, and free and clear of liens, pledges, charges or encumbrances.

7.4 Brokers And Finders. Neither Seller nor Selling Shareholder has employed any broker or finder in connection with the transaction contemplated by this Agreement or taken action that would give rise to valid claims against any party for a brokerage commission, finder's fee or other like payment.

7.5 Transfer Not Subject To Encumbrances Or Third Party Approval.

The execution and delivery of this Agreement by Seller and Selling Shareholder, and the consummation of the contemplated transactions, will not result in the creation or imposition of any valid lien, charge or encumbrance on any of the assets, and will not require the authorization, consent, or approval of any third party, including any government division or regulatory agency.

7.6 Labor Agreements And Disputes. Seller is neither a party to, nor otherwise subject to any collective bargaining or other agreement governing the wages, hours, in terms of employment of Seller's employees. Neither Seller nor Selling Shareholder is aware of any labor dispute or labor trouble involving employees of Seller.

7.7 Noncancellable Contracts. At the time of closing, there will be no material leases, employment contracts, contracts for services, or maintenance, or other similar contracts, existing or related to or connected with the operation of Seller's business not cancelable within thirty (30) days.

7.8 Litigation. Seller and Selling Shareholder have no knowledge of any claim, litigation, proceeding, or investigation pending or threatened against Seller that might result in any material adverse change in the business or condition of the assets being conveyed under this Agreement.

Accuracy of Representations And Warranties. None of the representations or warranties of Seller or Selling Shareholder contain or will contain any untrue statements of a material fact or omit or will omit or misstate a material fact necessary in order to make statements in this Agreement not misleading. Seller and Selling Shareholder know of no fact that has resulted, or that in the reasonable judgment of Selling Shareholder will result in material change in the business, operations, or assets of Seller that has not been set forth in this Agreement or otherwise disclosed to Buyer.

Section 8. Representations of Buyer

Buyer represents and warrants as follows:

8.1 Corporate Existence. Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of . Buyer has all requisite corporate power and authority to enter into this Agreement and perform its obligations hereunder.

8.2 Authorization. The execution, delivery and performance of this Agreement have been duly authorized and approved by the Board of Directors and shareholders of Buyer, and this Agreement constitutes a valid and binding Agreement of Buyer in accordance with its terms.

8.3 Brokers And Finders. Buyer has not employed any broker or finder in connection with the transactions contemplated by this Agreement and has taken no action that would give rise to a valid claim against any party for a brokerage commission, finder's fee or other like payment.

8.4 Accuracy Of Representations And Warranties. None of the representations or warranties of Buyer contain or will contain any untrue statement of a material fact or omit or will omit or misstate a material fact necessary in order to make the misstatements contained herein not misleading.

Section 9. Covenants Of Seller And Selling Shareholder

9.1 Seller's Operation Of Business Prior To Closing. Seller and Selling Shareholder agree that between the date of this Agreement and the date of closing, Seller will:

Use its best efforts to preserve its business organization and preserve the continued operation of its business with its customers, suppliers, and other having business relations with Seller.

Not assign, sell, lease or otherwise transfer or dispose of any of the assets listed on Exhibit "A", except to Buyer.

Maintain all of its assets other than inventories in their present conditions, reasonable wear and tear and ordinary usage accepted to maintain the inventories at levels normally maintained.

9.2 Access To Premises And Information. At reasonable times prior to the closing date, Seller will provide Buyer and its representatives with reasonable access during business hours to the assets, titles, contracts and records of Seller and furnish such additional information concerning Seller's businesses Buyer may from time to time reasonably request.

9.3 Employee Matters.

Prior to closing, Seller will deliver to Buyers lists of the names of all persons on the payroll of Seller, together with a statement of amounts paid to each during Seller's most recent fiscal year and amounts paid for services from the beginning of the current fiscal year to a closing date. Seller will also provide Buyer with a schedule of all employee bonus arrangements and a schedule of other material compensation or personnel benefits or policies in effect.

Prior to the closing date, Seller will not, without Buyer's prior written consent, enter into any material agreements with its employees, increase the rate of compensation or bonus payable to or to become payable to any employee or effect any change in the management, personnel policies, or employee benefits, except in accordance with existing employment practices.

As of or prior to the closing date, Seller will terminate all of its employees, except Selling Shareholder, not having employee agreements transferable to Buyer and will pay each employee all wages, commissions, and accrued vacation pay earned up to the time of termination, including overtime pay.

9.4 Conditions And Best Efforts. Seller and Selling Shareholder will use their best efforts to effectuate the transactions contemplated by this Agreement and to fulfill all the conditions of the obligations of Seller and Selling Shareholder under this Agreement, and will do all acts and things as may be required to carry out their respective obligations under this Agreement and to consummate and complete this agreement.

Section 10. Covenants Of Buyer

10.1 Conditions And Best Efforts. Buyer will use its best efforts to effectuate the transaction contemplated by this Agreement and to fulfill all the conditions of Buyer's obligations under this Agreement, and shall do all acts and things as may be required to carry out Buyer's obligations and to consummate this Agreement.

10.2 Confidential Information. If for any reason the sale of Assets is not closed, Buyer will not disclose to third parties any confidential information received from Seller or Selling Shareholder in the course of investigating, negotiating, and performing the transactions contemplated by this Agreement.

Section 11. Conditions Precedent To Buyer's Obligations

The obligation of Buyer to purchase the Assets is subject to the fulfillment, prior to or at closing date, of each of the following conditions, any one or portion of which may be waived in writing by Buyer:

11.1 Representations, Warranties And Covenants And Selling Shareholder.

All representations and warranties made in this Agreement by Seller and Selling Shareholder shall be true as of the closing date as fully as those such representations and warranties have

been made on or as of the closing date, as of the closing date, neither Seller nor Selling Shareholder shall have violated or shall have failed to perform in accordance with any covenant contained in this Agreement.

11.2 Licenses And Permits. Buyer shall have obtained all licenses and permits from public authorities necessary to authorize the ownership and operation of the business of Seller.

11.3 Conditions Of The Business. There shall have been no material adverse change in the manner in or operation of Seller's business prior to the closing date.

11.4 No Suits Or Actions. At the closing date, no suite, action or other proceeding shall have been threatened or instituted to restrain, enjoin or otherwise prevent the consummation of this Agreement or the contemplated transactions.

Section 12. Conditions Precedent To Obligations Of Seller And Selling Shareholder

The obligation of Seller and Selling Shareholder to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior to or the closing date, of the following condition, which may be waived in writing by Seller:

All representation and warranties made in this Agreement by Buyer shall be true as of the closing date as fully as though such representations and warranties have been made on and as of the closing date, and Buyer shall not have violated or shall not have failed to perform in accordance with any covenant contained in this Agreement.

Section 13. Buyer's Acceptance

Buyer represents and acknowledges that it has entered into the Agreement on the basis of its own examination, personal knowledge, and opinion of the value of the business. Buyer has not relied on any representations made by Seller other than those specified in this Agreement. Buyer further acknowledges that Seller has made no agreement or promise to repair or improve any equipment, rolling stock or other personal property being sold to Buyer under this Agreement, and that Buyer takes all such property in the condition existing of the date of this Agreement, except as otherwise provided in this Agreement.

Section 14. Indemnification And Survival

14.1 Survival Of Representations And Warranties. All representations and warranties made in this Agreement shall survive the closing of this Agreement, except that any party to whom a representation or warranty has been made in this Agreement shall be deemed to have waived any misrepresentation or breach of representation or warranty which such party had knowledge prior to closing. Any party learning of a misrepresentation or breach of representation or warranty under this Agreement shall immediately give notice thereof to all other parties to this Agreement. The representations and warranties in this Agreement shall terminate ()years from the closing date, and such representations or warranties shall thereafter be without force or effect, except any claim with respect to which notice has been given to the party to be charged prior to such expiration date.

14.2 Sellers And Selling Shareholders Indemnification.

14.2.1 Seller and Selling Shareholder each hereby agree to indemnify and hold buyers, its successors and assigns harmless from and against:

Any and all claims, liabilities and obligations of every kind and descriptions, contingent or otherwise, arising out of or related to the operation of the Seller's business prior to the close of business on the day before the closing date, except for claims, liabilities and obligations of Seller

expressly assumed by Buyer and this Agreement or paid by insurance maintained by Seller, Selling Shareholder or Buyer.

Any and all damage or deficiency resulting from any material misrepresentation or breach of warranty or covenant, or non-fulfillment of any agreement on the part of Seller or Selling Shareholder under this Agreement.

Sellers and Selling Shareholders indemnity obligations under 14.2.1 shall be subject to the following:

If any claim is asserted against Buyer that would give rise to a claim by Buyer against Seller and Selling Shareholder for Indemnification under the provisions of this paragraph, The Buyer shall promptly give written notice to Selling Shareholder concerning such claim as Selling Shareholder shall, at no expense to Buyer defend the claim.

Selling Shareholder shall not be required to indemnify Buyer for amount that exceeds the total purchase price paid under buyer under Section 3 of this Agreement.

14.3 Buyers Indemnification. Buyer agrees to defend, indemnify and hold harmless Seller and Selling Shareholder from and against:

Any and all claims, liabilities and obligations of every kind and description arising out of or related to the operation of the business following closing or arising out of Buyer's faith to perform obligations of Seller assumed by Buyer pursuant to this Agreement.

Any and all damage or deficiency resulting from the material misrepresentation, breach of warranty or covenant or non-fulfillment of any agreement of the part of Buyer under this Agreement.

Section 15. Closing

15.1 Time And Place. This Agreement shall be closed at the offices of _____, on the _____ day of _____, 20____, or such other time as the parties may agree in writing. If the closing has not occurred on or before _____, 20____, then either party may elect to terminate this Agreement. If, however, the closing has not occurred because of a breach of contract by one or more of the parties, the breaching party or parties shall remain liable for Breach of Contract.

15.2 Obligations Of Sellers And Selling Shareholder At Closing. At closing Seller and Selling Shareholder shall deliver to Buyer the following:

Bills of sale, Assignments, properly endorsed Certificate of Titles, and other instruments of transfer, and form and substance reasonably satisfactory to counsel for Buyer, necessary to transfer and convey all of the assets to Buyer.

Non-competition Agreements referenced in Section 5.

The Security Agreement referenced in Section 6.

The Consulting Agreement referenced in Section 5.

Such other certificates and documents as may be called for by the provisions of this Agreement.

15.3 Obligations Of Buyer At Closing. At the closing Buyer shall deliver to Seller the following:

A check on the _____ Account of _____ in the amount specified in Section 4.1.

Such other certificates and documents as may be called for by the provisions of this Agreement.

Section 16. Rights And Obligations Subsequent To Closing

16.1 Books And Records. This sales does not include the books of account and records of Seller's business. However, possession and custody of such books and records, except for Seller's general ledger, may be retained by Buyer for a period of six (6) months. During this period, Seller or its agents shall have access to such books and records and may make copies thereof. Buyer will exercise reasonable care in the safekeeping of such records. Seller shall retain its general ledger but shall make it available for inspection by Buyer from time to time upon reasonable request.

16.2 Seller's Right To Pay. In the event Buyer fails to make any payment of taxes, assessments, insurance premiums, or other charges that Buyer is required to pay to third parties under this Agreement, Seller shall have the right, but not the obligation, to pay the same. Buyer will reimburse Seller for any such payment immediately upon Seller's demand, together with interest at the same rate provided in the Note from the date of Seller's payment until Buyer reimburses Seller. Any such payment by Seller shall not constitute a waiver by Seller of any remedy available by reason of Buyer's default for failure to make the payments.

Section 17. Bulk Sales Law.

Buyer waives compliance by Seller with the Bulk Transfer Act. In the event any creditor of Seller claims the benefit of the Bulk Transfer Law as against Buyer or any of the assets being conveyed to Buyer under this Agreement, Seller and Selling Shareholder shall immediately pay or otherwise satisfy such claim or undertake its defense. Seller and Selling Shareholder shall indemnify and hold Buyer harmless from and against any and all loss, expense, or damage resulting from the failure to comply with the Bulk Transfer Law. If Seller fails to comply with the provision of this Section 17 and Buyer is required to pay any creditor of Seller in order to protect the property purchased under this Agreement from claims or liens of Seller's creditors, except those assumed by Buyers, the Buyer may offset the amount it pays against the balance due Seller by furnishing to the Seller proof of such payment in the form of a receipt from the creditor involved.

Section 18. Termination Of Agreement

18.1 By Mutual Consent. This Agreement may be terminated by mutual written consent of Buyer and Seller.

18.2 Breach Of Representations And Warranties; Failure Of Conditions. Buyer may elect by notice to Seller, and Seller may elect by notice to Buyer, to terminate this Agreement if:

18.2.1 The terminating party shall have discovered a material error, misstatement, or omission in the representations and warranties made in this Agreement by the other party which shall not have been cured by such other party within fifteen (15) days after written notice to such other party specifying in detail such asserted error, misstatement, or omission, or by the closing date, whichever first occurs.

All of the conditions precedent of the terminating party's obligations under this Agreement as set forth in either Section 11 or 12, as the case may be, have not occurred and have not been waived by the terminating party on or prior to the closing date.

18.3 Closing Notwithstanding The Right To Terminate. The party with a right to terminate this Agreement pursuant to Section 18.2.1 or 18.2.2 shall not be bound to exercise such right, and its failure to exercise such right shall not constitute a waiver of any other right it may have under this Agreement, including but not limited to remedies for breach of a representation, warranty or covenant.

Section 19. Miscellaneous

The provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, successors, and assigns of the parties.

Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be mailed by certified mail, return receipt requested, postage prepaid, addressed to the parties as follows:

Seller: _____ **Buyer:** _____

All notices and other communications shall be deemed to be given at the expiration of three (3) days after the date of mailing. The addresses to which notices or other communications shall be mailed may be changed from time to time by giving written notice to the other parties as provided above.

In the event of a default under this Agreement, the defaulting party shall reimburse the non-defaulting party or parties for all costs and expenses incurred by the non-defaulting party or parties in connection with the default, including without limitation attorney fees. Additionally, in the event a suit or action is filed to enforce this Agreement or with respect to this Agreement, the prevailing party or parties shall be reimbursed by the other party for all costs and expenses incurred in connection with the suit or action, including without limitation reasonable attorney fees at the trial level and on appeal.

No waiver of any provision of this Agreement shall be deemed, or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

This Agreement shall be governed by and shall be construed in accordance with the laws of the State of _____.

This Agreement constitutes the entire agreement between the parties pertaining to its subject matter and it supercedes all prior contemporaneous agreements, representations, and understandings of the parties. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all parties.

Witnesseth, the signatures of the parties this the _____ day of _____, 20____.

Seller:

Buyer:

By: _____

By: _____

Selling Shareholders:

State Of _____

County Of _____

PERSONALLY appeared before me, the undersigned authority in and for the county and state aforesaid, the within named _____ who acknowledged to me that he is _____ of _____, and who acknowledged that he signed, delivered and executed the above and foregoing instrument on the date and year therein mentioned, for and on behalf of said corporation after first having been duly authorized to do so.

GIVEN under my hand and official seal this _____ day of _____, 20____.

NOTARY PUBLIC
MY COMMISSION EXPIRES:

STATE OF _____

COUNTY OF _____

PERSONALLY appeared before me, the undersigned authority in and for the county and state aforesaid, the within named _____ who acknowledged to me that he is _____ of _____, and who acknowledged that he signed, delivered and executed the above and foregoing instrument on the date and year therein mentioned, for and on behalf of said corporation after first having been duly authorized to do so.

GIVEN under my hand and official seal this _____ day of _____, 20____.

NOTARY PUBLIC
MY COMMISSION EXPIRES:

Request For Information

(Please send a copy of the items underlined.)

Practice Background And History

Summary of practice history, if available

Copy of physicians' CV

Copies of physician employment contracts, if any

Hours of operation

Physician call schedule

List of managed care plans in which each physician participates

Samples of marketing information

Samples of patient education materials

Copies of stockholder or partnership Agreements

List of stockholders or partners, showing the amount of stock or percentage owned by each person, if applicable

Details of transactions in the company's stock during the last 5 years

Details of transactions with related parties

Personnel Assessment

Listing of employees including job title, date of hire, compensation, and hours worked

Copies of employment contracts, if applicable

Copies of all job descriptions, if available

Copy of personnel manual, if available

Details of employee benefit plans, including pension plans and profit sharing plans

Copies of pension/profit sharing documents

Accounts Receivable

Accounts receivable aging report at most recent end of month

Annual charges, payments, and adjustments for most recently completed three (3) years

Charges, payments, and adjustments by month (and by payer, if available) for most recently completed twelve (12) months

Charges by payer for most recent 12 months (year-to-date) or as of _____

Breakdown of accounts receivable by insurance and patient responsibility as of the most recent month-end

Regulatory

Reports of examination issued by government agencies such as EPA, OSHA, IRS, AND EEOC or HCFA
Copy of CLIA certificate, if applicable
Copy of radiology inspections and registrations
Copy of written evacuation plans

Facility/Ancillary Services Assessment

Copy of office lease(s), if applicable
Charges by CPT code summary for the practice (for most recent month-end and previous 12 months)
access to them (if possible, charges by CPT code for all Medicare services)

Equipment

Copy of most recent depreciation schedule listing equipment and furnishings owned by the practice
(from the tax return)
Description of phone system, including number of phones and locations
Description of computer system, including hardware, software, terminals, printers and their locations
Copies of significant equipment leases

Financial Analysis

Financial statements for the most recent three (3) fiscal years and the interim periods since the
last fiscal year end
Copies of income tax returns for the last three (3) years
Schedules showing computation of actual annual compensation of physicians for last three (3) years

Outstanding Liabilities

Copies of loan agreements or notes payable
Details of any litigation, including pending or threatened lawsuits
Details of contingent liabilities or off-balance sheet financing (such as letters of credit)
insurance and liability coverage and claims history
Copies of managed care contracts (PPO, POS or HMO) (access to them) please be sure we have a
comprehensive listing of the managed care contracts to ensure we capture all of the key contracts and
their provisions

Financial Systems

Copy of any financial analyses already performed on the practice
List of future capital requirements

Physician Productivity

Production report containing charges and volumes by CPT code, by physician for most recent 12 months
Scheduled office hours to see patients for each physician by location

Billing and Collection

Written policies and procedures for collections and billing (if available)
Encounter form or superbill
Samples of patient information form and hospital charges sheets
Sample of patient billing statement
Charge tickets for 2 random days in most recent month (access to them)
Listing of all adjustment codes

Patient Analysis

Actual or estimated active patient charts (patients seen within last 3 years)
Production report containing charges and volumes by CPT code, by physician for most recent 12 months
Encounters by physician for most recent 12 months, year-to-date
Summary of active patients by residence zip code, *if available*, from computer system
Summary of active patients by age, *if available*, from computer system

Medical Records (IF ON-SITE)

We will be reviewing patient encounters. Please select ten (10) patient encounters for each physician. Based on the encounters selected, the consultant will need the following information. (Access to them)

All chart documentation in the medical record supporting that patient encounter
Billing document (superbill, etc.)

AGREEMENT

THIS AGREEMENT, ("Agreement") is made and entered into on this _____ day of _____, 20_____, by and between **FOOT CENTERS, INC.**, a Corporation ("Ankle and Foot Centers"), **SELLER, D.P.M.**, a resident of _____ ("Seller"), and **BUYER, DPM**, a resident of _____, ("Buyer").

WHEREAS, _____ Foot Centers owns a podiatric practice, which specializes in the practice of podiatry;

WHEREAS, Seller is the sole owner of all the outstanding stock of _____ Foot Centers;

WHEREAS, Buyer wishes to purchase stock from Seller and practice podiatry at _____ Foot Centers; and

WHEREAS, The parties desire to effect this sale, in accordance with this Agreement.

NOW, THEREFORE, in consideration of the covenants and promises of this Agreement and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged the parties hereto hereby, agree as follows:

Article I

1. Seller will sell to Buyer and Buyer will purchase from Seller _____ shares (_____ shares) of the outstanding stock of _____ Foot Centers no later than _____. Such purchase of stock is conditional on Buyer obtaining adequate financing for such purchase no later than _____, 20_____.
2. During calendar year 20_____, Seller will sell to Buyer and Buyer will purchase from Seller and additional _____% (_____ shares) of the outstanding stock of _____ Foot Centers.
3. The value of the first _____ (_____) shares so transferred shall be fixed at \$_____.00 per share.
4. Seller grants to Buyer first right of refusal for the remaining _____ (_____ shares) of the outstanding stock of _____-Ankle Centers. The value of those additional shares shall be negotiated at the time of their sale.
5. Buyer will be entitled to a proportionate share of the profits of _____ Foot Centers, based upon his stock ownership.
6. All parties acknowledge that the shares of _____ Foot Centers are unregistered securities.

Article II

Concurrent with the purchase of the first _____ shares of stock, _____ Foot Centers will enter into a three (3) year employment contract with Buyer with the following terms:

Base compensation of \$ _____ .00 per year

Benefits consisting of Health Insurance, Medical Malpractice Insurance, and Continuing Medical Educations expenses, not to exceed \$ _____ per year. The Medical Malpractice Insurance benefit shall not include any applicable "tail" coverage when Buyer leaves the employ of _____ Foot & Ankle Centers. Should Buyer fail to purchase such coverage upon leaving the employ of _____ Foot Centers, then _____ Foot Centers may at its discretion purchase such 'tail' coverage. If _____ -Foot Centers purchases such 'tail' malpractice coverage for Buyer, then Buyer shall be responsible to _____ Foot Centers for reimbursement of such costs.

An option for a one (1) year renewal

Following the purchase of the first _____ Shares, Seller will use his best efforts and good faith in obtaining a partnership position for Buyer in the _____ for _____ Surgery Center and will use his best efforts and good faith in assisting Buyer to gain providership in all insurance plans contracted with _____ Foot &Ankle Centers.

Concurrent with the purchase of the first _____ Shares, Seller and Buyer will enter into a Shareholder Agreement, the terms of which will be negotiated.

Article III

1. All notices required or permitted to be given under this Agreement shall be addressed as follows:

If to: _____ Seller, DPM

With a Copy to:

If to _____ Foot Centers, Inc.

If to _____ Buyer, D.P.M.

2. All notices to the above parties shall be effectively given and made upon hand delivery, by commercially accepted overnight delivery service, or when mailed by U.S. Certified Mail, Return Receipt Requested, postage prepaid, if addressed to the party as provided in this Article or to any other address for such party that is provided to all other parties in accordance with this Article.

Article IV

- 1. This Agreement contains the entire understanding and agreement of the parties and may only be altered or amended by a document in writing signed by the parties.
- 2. This Agreement and the attached Schedules have been negotiated between the parties hereto and the fact that it has been transcribed by one party or the other shall not be utilized in interpreting or constructing this Agreement.
- 3. No party shall be deemed to have waived the exercise of any right that it holds under this Agreement unless such waiver is made in writing. No waiver made with respect to any instance involving the exercising of any such right shall be deemed to be a waiver with respect to any other instance involving the exercise thereof or with respect to any other such right.

4. If any one or more of the provisions of this Agreement shall be held invalid, illegal or unenforceable in any respect, such provision shall not affect any other provision of this Agreement, and each provision of this Agreement shall be enforced to the full extent permitted by law.
5. This Agreement may be executed in counterparts each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.
6. This Agreement will be governed by and construed according to the Laws of the State of _____ and will be binding on and enforceable by and against the parties, their heirs, legal representatives, successors and assigns.
7. **IN WITNESS WHEREOF**, the parties hereto have set their hands and seals, on the day and year first above written.

FOOT CENTERS, INCISION

BY: _____ {SEAL}
ITS: President

, DPM

, DPM

Agreement Of Shareholders

OF

FOOT CLINIC, INC.

AGREEMENT, dated _____, 20____, among _____, Seller, DPM, having an address at _____; _____ Buyer, DPM, having an address at _____, _____, _____ (the aforesaid parties, together with all subsequent owners of the capital stock of _____ Foot Clinic, Inc., a _____ corporation having its principal place of business at _____, _____, _____ (the "Corporation").

Witnesseth:

WHEREAS, the Shareholders are the owners of the shares of the capital stock of the Corporation listed in Exhibit A hereto, being all of the issued and outstanding stock of the Corporation (said shares, together with any other shares of capital stock of the Corporation hereafter issued and outstanding, being hereinafter referred to as the "Shares"); and

WHEREAS, The parties hereto desire to set forth their agreement with respect to the Shares.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. Restrictions on Transfers of Shares

No Shareholder shall, directly or indirectly, sell, donate, pledge, hypothecate, encumber or otherwise transfer all or any part of the Shares now or hereafter owned by him without complying with the provisions of this Agreement.

Notwithstanding any other provision of this Agreement to the contrary, no sale, donation, pledge, hypothecation, encumbrance or other transfer of Shares shall be recognized or deemed effective unless the transferee shall execute and agree to be bound by this Agreement.

Any sale, donation, pledge, hypothecation, encumbrance or other transfer which is not in compliance with the provisions of this Agreement shall be null and void, and shall not be recognized by the Corporation or the Shareholders, and the transferee shall not be entitled to vote any of the shares of the Corporation, nor receive any dividends, profits or other distributions, nor shall the transferee have any other rights as a Shareholder of the Corporation.

2. Voluntary Transfers Of Shares

If a Shareholder desires to sell, donate, pledge, hypothecate, encumber or otherwise transfer any Shares, such Shareholder (the "offeror") shall give written notice thereof to the Corporation and the other Shareholders (the "offeror's notice"), which notice shall set forth the number of Shares to be transferred, the name and address of the proposed transferee or other parties in question, the proposed price or consideration to be paid or given, and all other pertinent details of the proposed sale, donation, pledge, hypothecation, encumbrance or other transfer. The Offeror's notice also shall contain an offer to sell such Shares to the Corporation and the other Shareholders, in accordance with the provisions of this Article 2.

For a period of sixty (60) days after receipt of offeror's notice (the "initial option period"), the Corporation shall have the right to purchase all or any part of the Shares offered for the price and upon the terms and conditions provided in this Article 2, by giving notice of its intention to purchase to the offeror and to the other Shareholders within the initial option period. The Corporation shall have the right to assign and transfer this option.

If the Corporation fails, refuses or is legally unable to exercise its options to purchase all or any part of the Shares offered within the initial option periods, the other Shareholders shall have the right to

purchase all or any part of the Shares offered as are not purchased by the Corporations, for the price and upon the terms and conditions provided in this Article 2, by giving notice of intention to purchase to the offeror and all other parties hereto within ten (10) days after the expiration of the initial option period. Each of the other Shareholders shall have the right to purchase that portion of the Shares offered and not purchased by the Corporation as the number of Shares owned by each bears to the total number of Shares owned by all of the Shareholders (other than the offeror). If a Shareholder does not elect to purchase his full portion of such Shares within ten (10) days after the expiration of the initial option period, the remaining Shareholders shall have the right to purchase, in the aforesaid proportions, all of the Shares not purchased by giving notice of intention to purchase to the offeror and all other parties hereto on or before the date which is twenty (20) days after the expiration of the initial option period.

The purchase price of each of the Shares purchased by the Corporation or the other Shareholders pursuant to the options provided in this Article 2 shall be the lesser of the purchase price set forth in the offeror's notice or the purchase price determined in accordance with the provisions of Article 6 below.

The following terms and conditions shall apply to the purchase of any Shares pursuant to the options provided in this Article 2:

- (a) Not less than ten (10) percent of the purchase price of the Shares shall be paid in cash or by certified check by the purchaser to the offeror within ten (10) days after the date on which the notice of intention to purchase was given by the purchaser.

Any balance of the purchase price shall be paid to the offeror in cash or by certified check, or, at the option of the purchaser, in 36 consecutive equal monthly installments, with the first installment to be due thirty (30) days after the notice of intention to purchase was given by the purchaser, and with each subsequent installment to be due on the same day of each succeeding month. This obligation shall be evidenced by a negotiable installment note to the order of the offeror providing for : (i) interest at the rate of prime plus 2 percent per annum on the unpaid principal balance; (ii) the right of prepayment without penalty; and (iii) acceleration of the entire unpaid principal balance in the event of a default in the payment of principal or interest for more than ten (10) days after notice and demand. If the Corporation is the purchaser, said installment note shall be guaranteed personally by the other Shareholders. Said installment note and the guarantees of the other Shareholders shall be executed and delivered simultaneously with the payment provided for in clause (a) above.

Upon receipt of the cash payment and the installment note, if any, required in clauses (a) and (b) above, the offeror shall deliver to the Corporation the certificate(s) evidencing the Shares of the offeror, with any other instruments required by the Corporation, so that full and complete title to the Shares can be transferred on the books of the Corporation.

If Shares of the offeror have been purchased by delivery of an installment note, then, after the Shares have been transferred as provided in clause (c), the new certificate for said Shares shall be delivered by the Corporation to the offeror to be held as collateral security for payment of the installment note. Upon payment of all indebtedness evidenced by the installment note, the new certificate for said Shares shall be delivered to the purchaser.

If the Corporation and the other Shareholders do not elect to purchase all of the Shares which are the subject of the offeror's notice, the offeror may sell, donate, pledge, hypothecate, encumber or otherwise transfer the Shares not purchased to the transferee designated in offeror's notice, for the consideration and upon the terms and condition set forth there, but not otherwise. If the transfer of any Shares is not completed within sixty (60) days after the expiration of the aforesaid options, such Shares may not thereafter be transferred unless they again are offered to the Corporation and the other Shareholders in accordance with this Article 2.

If all of the Shares of the offeror have been sold hereunder, the offeror shall have the right to purchase the life insurance policies on his life listed in Exhibit B hereto, within sixty (60) days after

the payment in full of the purchase price for all of the Shares, including any indebtedness evidenced by an installment note. The purchase price for each policy shall be paid in cash or by certified check, and shall be: (a) the aggregate of the interpolated terminal reserve of the policy as of the date of purchase, plus the value of any dividends or dividend accumulations credited to the policy, plus the unearned portion of the premium paid beyond the date of purchase, less (b) any indebtedness against the policy and policy loan interest accrued to the date of purchase. If the offeror purchases a policy or policies pursuant to this paragraph, the Corporation shall execute all instruments necessary to transfer full title thereto and shall deliver to the offeror the policy or policies and said instruments. If the offeror shall fail to purchase the policy or policies within said sixty (60) day period, the Corporation may dispose of or deal with them in any manner it desires. If the offeror dies before the full payment of the purchase prices for all of the Shares, the Corporation, if it is the purchaser, shall use the proceeds of the life insurance policies on the offeror's life to pay the balance of the purchase price, including any indebtedness evidenced by an installment note.

If all of the Shares of the offeror have been sold hereunder, the offeror shall have the right to purchase the disability insurance policies insuring against the disability of the offeror listed in Exhibit Causing hereto, within sixty (60) days after the payment in full of the purchase price for all of the Shares, including any indebtedness evidenced by an installment note. The purchase price for each policy shall be paid in cash or by certified check, and shall be the unearned portion of the premium paid beyond the date of purchase. If the offeror purchases a policy or policies pursuant to this paragraph, the Corporation shall execute all instruments necessary to transfer full title thereto and shall deliver to the offeror the policy or policies and said instruments. If the offeror shall fail to purchase the policy or policies within said sixty (60) day period, the Corporation may dispose of or deal with them in any manner it desires. If the offeror becomes disabled before the full payment of the purchase price for all of the Shares, the Corporation, if it is the purchaser, shall use the proceeds of the disability insurance policies insuring against the disability of the offeror to pay the balance of the purchase price, including any indebtedness evidenced by an installment note.

If the Shares of any Shareholder are involuntarily transferred to a pledge, judgment creditor, assignee for the benefit of creditors, receiver, trustee in bankruptcy or other person, such transfer shall be deemed to constitute a notice of the Corporation and the other Shareholders, as of the date of such transfer offering to sell all of the Shares affected upon the terms and conditions provided in this Article 2 for a price determined in accordance with the provision of Article 6 hereof. No pledge, judgment creditor, assignee for the benefit of creditors, receiver, trustee in bankruptcy or other holder of Shares, without regard to the manner of acquisition of the Share or the nature of the interest therein, shall sell, donate, pledge, hypothecate, encumber or otherwise transfer any Shares without complying with the provisions of this Agreement in the same manner as if such holder or person asserting the interest in such Shares was named as a Shareholder herein.

4. Death of a Shareholder

Within sixty (60) days after the appointment and qualification of the legal representative or representatives of a deceased Shareholder, or within 120 days after the date of death of a deceased Shareholder if no such legal representative is appointed, such legal representative or representatives or the heirs, distributees or beneficiaries of the deceased Shareholder, as the case may be, and each successor in interest to the Shares of the deceased Shareholder, shall sell to the Corporation all of the Shares of the deceased Shareholder.

If the Corporation is legally unable to purchase all or any part of the Shares of the deceased Shareholder, each of the other Shareholders shall purchase that portion of the Shares of the deceased Shareholder not purchased by the Corporation as the number of Shares owned by each bears to the total number of Shares owned by all of the Shareholders (other than the deceased Shareholder). Any such purchase by the surviving Shareholders shall be at the same purchase price and upon the same terms and conditions as are provided in Article 3.

The purchase price for each of the Shares purchased pursuant to this Article 3 shall be determined in accordance with the provision of Article 6 below. However, in no event shall the total purchase price be less than an amount equal to the proceeds of the life insurance policies on the life of the deceased Shareholder listed in Exhibit B hereto.

The following terms and conditions shall apply to the purchase and sale of the Shares of a deceased Shareholder:

- (a) The Corporation, if it is the purchaser, promptly and diligently shall proceed to collect the proceeds of the life insurance policies on the life of the deceased Shareholder payable to it, as listed in Exhibit B hereto, and shall pay to the deceased Shareholder's estate the proceeds of the life insurance policies promptly after receipt thereof. In any event, not less than ten (10) percent of the purchase price of the Shares shall be paid in cash or by certified check to the deceased Shareholder's estate within 120 days after the death of the deceased Shareholder.

Any balance of the purchase price shall be paid to the deceased Shareholder's estate in cash or by certified check, or, at the option of the purchaser, in 36 consecutive equal monthly installments, with the first installment to be paid on the date which is 180 days after the death of the deceased Shareholder and with each subsequent payment to be paid on the like day of each succeeding month. This obligation shall be evidenced by a negotiable installment note to the order of the estate providing for: (i) Interest at the rate of prime plus 2 percent per annum on the unpaid principal balance; (ii) the right of prepayment without penalty; and (iii) acceleration of the entire unpaid principal balance in the event of a default in the payment of principal or interest for more than ten (10) days after notice and demand. If the Corporation is the purchaser, said installment note shall be guaranteed personally by the other Shareholders. Said installment note and the guarantees of the other Shareholders shall be executed and delivered simultaneously with the payment provided for in clause (a) above.

Upon receipt of the cash payment and the installment note, if any, required in clauses (a) and (b) above, the legal representatives of the estate of the deceased Shareholder shall deliver to the Corporation the certificate(s) evidencing the Shares of the deceased Shareholder, with any other instruments required by the Corporation, including estate or inheritance tax waivers, so that full and complete title to the Shares can be transferred on the books of the Corporation.

If Shares of the deceased Shareholder have been purchased by delivery of an installment note, then, after the Shares have been transferred as provided in clause (c), the new certificate for said Shares shall be delivered by the Corporation to the legal representative of the estate of the deceased Shareholder to be held as collateral security for payment of the installment note. Upon payment of all indebtedness evidenced by the installment note, the new certificate for said Shares shall be delivered to the purchaser.

4. Disability of a Shareholder

The Corporation has procured, and shall maintain in full force and effect, the disability insurance listed in Exhibit C hereto insuring the Corporation against the disability of the Shareholders. For purposes of this Agreement, the terms "total disability" and "disability" shall have the meanings set forth in said disability insurance.

If a Shareholder shall become totally disabled, and shall continue to be totally disabled for a period of twelve (12) months, the Corporation shall purchase and the disabled Shareholder (or the legal representative of such Shareholder) shall sell, within ninety (90) days after the expiration of said twelve (12) month period, all of the Shares of the disabled Shareholder upon the terms and conditions provided in this Article 4.

If the Corporation is legally unable to purchase all or any part of the Shares of the disabled Shareholder, each of the other Shareholders shall purchase that portion of the Shares of the disabled Shareholder not

Purchased by the Corporation as the number of Shares owned by each bears to the total number of Shares owned by all of the Shareholders (other than the disabled Shareholder). Any such purchase by the other Shareholders shall be at the same purchase price and upon the same terms and conditions as are provided in this Article 4.

The purchase price for each of the Shares purchased pursuant to this Article 4 shall be determined in accordance with the provisions of Article 6 below, with the date of determination of the purchase price being the end of the aforesaid twelve (12) month period. However, in no event shall the total purchase price be less than an amount equal to the proceeds of the disability insurance policies on the disabled Shareholder listed in Exhibit C hereto.

The following terms and conditions shall apply to the purchase and sale of the Shares of a disabled Shareholder:

- (a) The Corporation, if it is the purchaser, promptly and diligently shall proceed to collect the proceeds of the disability insurance policies pertaining to the disabled Shareholder, as listed in Exhibit C hereto, and shall pay to the disabled Shareholder (or the legal representative of such Shareholder) the proceeds of the disability insurance policies promptly after receipt thereof. In any event, not less than ten (10) percent of the purchase price of the Shares shall be paid in cash or by certified check to the disabled Shareholder (or the legal representative of such Shareholder) within ninety (90) days after the expiration of the aforesaid twelve (12) month period.

Any balance of the purchase price shall be paid to the disabled Shareholder (or the legal representative of such Shareholder) in cash or by certified check, or, at the option of the purchaser, in 36 consecutive equal monthly installments, with the first installment to be paid on the date which is 120 days after the expiration of the aforesaid twelve (12) month periods and with each subsequent payment to be paid on the like day of each succeeding month. This obligation shall be evidenced by a negotiable instrument note to the order of the disabled Shareholder (or the legal representative of such Shareholder) providing for: (i) interest at the rate of prime plus 2 percent per annum on the unpaid principal balance; (ii) the right of prepayment without penalty; and (iii) acceleration of the entire unpaid principal balance in the event of a default in the payment of principal and interest for more than ten (10) days after notice and demand. If the Corporation is the purchaser, said installment note shall be guaranteed by the other Shareholders. Said installment note and the guarantees of the other Shareholders shall be executed and delivered simultaneously with the payment provided for in clause (a) above.

Upon receipt of the cash payment and the installment note, if any, required in clauses (a) and (b) above, the disabled Shareholder (or the legal representative of such Shareholder) shall deliver to the Corporation the certificate(s) evidencing the Shares of the disabled Shareholder, with any other instruments required by the Corporation, so that full and complete title to the Shares can be transferred on the books of the Corporation.

If Shares of the disabled Shareholder have been purchased by delivery of an installment note, then, after the Shares have been transferred as provided in clause (c), the new certificate for said Shares shall be delivered by the Corporation to the disabled Shareholder (or the legal representative of such Shareholder) to be held as collateral security for payment of the installment note. Upon payment of all indebtedness evidenced by the installment note, the new certificate for said Shares shall be delivered to the purchaser.

The Corporation shall continue to maintain the life insurance policies on the life of the disabled Shareholder listed in Exhibit B hereto, until the payment in full of the purchase price for all of the Shares, including any indebtedness evidenced by an installment note. If the disabled Shareholder dies before the full payment of the purchase price for the Shares, the Corporation, if it is the purchaser, shall use the proceeds of the life insurance policies to pay the balance of the purchase price, including any indebtedness evidenced by an installment note.

If all of the Shares of the disabled Shareholder have been sold hereunder, the disabled Shareholder (or the legal representative of such Shareholder) shall have the right to purchase the life insurance policies on his life

Listed in Exhibit B hereto, within sixty (60) days after the payment in full of the purchase price for all of the Shares, including any indebtedness evidenced by an installment note. The purchase price for each policy shall be paid in cash or by certified check, and shall be: (a) the aggregate of the interpolated terminal reserve of the policy as of the date of purchase, plus the value of any dividends or dividend accumulations credited to the policy, plus the unearned portion of the premium paid beyond the date of purchase, less (b) any indebtedness against the policy and policy loan interest accrued to the date of purchase. If the disabled Shareholder (or the legal representative of such Shareholder) purchases a policy or policies pursuant to this paragraph, the Corporation shall execute all instruments necessary to transfer full title thereto and shall deliver to the disabled Shareholder (or the legal representative of such Shareholder) the policy or policies and said instruments. If the disabled Shareholder (or the legal representative of such Shareholder) shall fail to purchase the policy or policies within said sixty (60) day period, the Corporation may dispose of or deal with them in any manner it desires.

5. Retirement

If the employment of a Shareholder by the Corporation ceases or is terminated for any reason other than his death or disability, the Shareholder shall be deemed to have given notice to the Corporation and the other Shareholders, as of the date the employment ceases or is terminated, offering to sell all of his Shares in accordance with the provisions of Article 2 above.

6. Purchase Price

For purposes of purchases of Shares pursuant to the provision of this Agreement, the purchase price for each Share shall be the fair value of each Share as determined pursuant to this Article 6.

The Parties hereto agree that the fair value of each Share as of the date of this Agreement is \$.00, and, until the end of the current fiscal year of the Corporation, \$.00 shall constitute the purchase price for each Share.

Within sixty (60) days after the end of each fiscal year of the Corporation, the parties hereto (including any successors in interest) shall determine the fair value of each Share for the then current fiscal year, and shall execute a certificate of valuation, substantially in the form annexed hereto, setting forth said fair value. The parties hereto at any time may execute a new certificate of valuation, revising the fair value of each Share. The most recent certificate of valuation, duly executed by the parties, shall supersede all prior certificates of valuation. The fair value of each Share as redetermined from time to time shall take into account the tangible and intangible assets of the Corporation, including good will and other relevant factors, and liabilities of the Corporation.

If the parties hereto fail to redetermine the fair value of each Share within sixty (60) days after any fiscal year, the fair value of each Share for the purpose of establishing the purchase price hereunder shall be as agreed upon by the seller and the purchaser of the Shares. If they are unable to agree upon the fair value fifteen (15) days prior to the date of the purchase, then the fair value of each Share shall be determined by appraisal as follows:

- (a.) Not less than ten (10) days prior to the date of purchase, the seller of the Shares shall appoint one appraiser, and the purchaser or purchasers of the Shares shall appoint one appraiser.
- (b.) If either the seller or the purchaser (or purchasers) shall fail to appoint an appraiser, the appraiser appointed by the other shall determine the fair value of each Share.
- (c.) If the two appraisers appointed by the seller and the purchaser (or purchasers) shall fail to agree upon the fair value of the Shares five (5) days prior to the date of purchase, the two appraisers

shall appoint a third appraiser, and the determination of the majority of the appraisers shall be binding upon all parties.

(d.) All costs of any such appraisal shall be borne equally by the seller and the purchaser (or purchasers) of the Shares.

7. Insurance

The Corporation shall maintain life insurance policies on the lives of the Shareholders in such amounts that the net proceeds upon the death of each Shareholder shall be sufficient to pay the purchase price of the Shares of each Shareholder as determined pursuant to Article 6 above. The Corporation also shall maintain disability insurance policies insuring against the disability of the Shareholders in such amounts that the net proceeds upon a total disability of each Shareholder shall be sufficient to pay the aforesaid purchase price of the Shares of each Shareholder. The life insurance policies and disability insurance policies to be maintained as of the date of this Agreement are described in Exhibits B and C hereto.

The Corporation shall have the right to substitute other policies for those described in Exhibits B and C, provided that doing so does not result in a reduction of coverage required under this Article 7. The Corporation shall have the right to purchase additional life or disability insurance pertaining to any or all of the Shareholders. Any such substituted or additional insurance policies shall be subject to the terms and conditions of this Agreement, and shall be deemed to be listed on Exhibits B and C.

The Shareholders agree to cooperate in the acquisition of all such insurance by performing all requirements of the insurance company which are necessary for the issuance of such insurance, including medical examinations.

The Corporation shall be the owner and beneficiary of all such policies. The Corporation shall have the right to exercise all rights of ownership with respect to such policies, but shall give the insured five (5) days prior written notice of and exercise of such rights.

The Corporation shall pay the premiums on all the insurance policies maintained pursuant to this Article 7, and shall furnish proof of payment of such premiums to any Shareholder upon request. If the Corporation fails to pay the premium or to furnish proof of payment as provided herein at least five (5) days prior to the last day allowed by a policy for the payment thereof, the Shareholders or any of them shall have the right to pay such premium and be reimbursed thereof by the Corporation. If reimbursement is not promptly made, any such payment of premium by a Shareholder or Shareholders shall be deemed a loan to the Corporation and shall bear interest from the date of payment at the rate of prime plus 2 percent per annum.

For purposes of this Agreement, the terms "proceeds" shall be the amount paid on any insurance policy maintained pursuant to this Article 7, including dividends less any policy loan.

This Agreement shall continue in full force and effect even if one or more of such policies applied for fail to be issued. In such event, the Corporation shall make annual payments equal to the amount of the unrated premiums that would have been required to be paid if the policies had been issued, and shall hold such payments as a sinking fund in a separate account on the books of the Corporation. Said sinking fund shall be invested and reinvested in any property whatsoever, and the income therefrom shall be accumulated as part of the sinking fund. For purposes of this Agreement, income from the sinking fund shall be assimilated to premiums and the sinking fund itself to policies of insurance.

Any insurance company which has issued a policy of insurance pursuant to the provisions of this Article 7 is authorized to act in accordance with the terms of such policy, regardless of the provisions of this Agreement. Payments made by such insurance company pursuant to the policy terms shall be a complete discharge of the obligations of the insurance company.

8. Corporate Books and Records

The Corporation shall maintain true, complete and accurate records and books of account. All books and records of the Corporation shall at all times be made accessible and available to the parties hereto and their duly authorized representatives, for examination during reasonable hours, provided that reasonable notice of a party's intention to exercise such rights is given to the Corporation.

9. Transactions With The Corporation

No director or officer of the Corporation shall be disqualified by such directorship or office from dealing or contracting with the Corporation as vendor, purchaser or otherwise. No contract, transaction or act of the Corporation shall be void or voidable or affected by reason of the fact that any such director or officer, or any person, corporation, partnership or other entity in which any such director or officer has an interest or is an officer, director, stockholder or employee, whether or not such interest is adverse to the Corporation. No director or officer having such interest shall be liable to the Corporation or to any Shareholder, or creditor thereof, or to any other person or entity, for any loss incurred by it under or by reason of any such contract, transaction or act; nor shall any such director or officer be accountable for any gains or profits realized thereon. Nothing in this Article 9 shall be deemed or construed to protect any director or officer of the Corporation against any liability to the Corporation or the holders of its Shares to which he would otherwise be subject by reason of willful misfeasance, fraud, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his directorship or office.

10. Covenant Not To Compete

Each of the Shareholders covenants and agrees not to establish, open, be engaged in, nor in any manner whatsoever become interested, directly or indirectly, as employee, owner, partner, agent, stockholders, director or officer, or otherwise, in any business, trade or occupation which competes with the business of the Corporation for the period and within the area hereinafter set forth.

The foregoing covenant not to compete shall remain in full force and effect for all of the following time periods: (a) during the entire time that such Shareholder is employed by the Corporation, including any periods of temporary or permanent disability; and (b) during the entire time that such Shareholder is the record owner or beneficial owner of any Shares of the Corporation; and (c) for a period of three (3) years after their retirement from or termination of employment by the Corporation; and (d) for a period of three (3) years after the sale or other disposition of all of such Shareholder's Shares of the Corporation.

The foregoing covenant not to compete shall be effective within the following geographical area:

Notwithstanding the foregoing, this Article shall not prevent any party hereto from owning up to five (5) percent of the stock of any corporation, whether or not it competes with the Corporation, provided that the shares of such corporation are publicly traded on the American Stock Exchange, New York Stock Exchange, NASDAQ, Over The Counter, or other organized and generally recognized stock exchange.

Notwithstanding anything to the contrary contained in this Agreement, any party hereto may apply to a court of equity or other court of competent jurisdiction for injunctive relief to enforce this Article and/or to obtain monetary damages by reason of breach of this Article.

11. Issuance Of New Shares Prohibited

It is the intention and agreement of the parties that their respective interests in the Corporation shall not be diluted by the issuance or sale of new Shares. Accordingly, The Corporation shall not issue or sell any additional stock after the date hereof, whether by way of original issue or sale of treasury shares, without the prior written consent of all of the Shareholders.

12. Legend On Certificates

Every certificate representing the Shares shall bear the following legend:

The stock represented by this certificate is subject to, and may not be transferred except in accordance with, the provisions of that certain Agreement of Shareholders, dated as of _____, 20____, to which the Corporation and its Shareholders are parties, a copy of which Agreement of Shareholders is on file at the principal office of the Corporation.

The Shareholders agree to promptly deliver to the appropriate officer of the Corporation any certificates previously issued for the purpose of adding the foregoing legend thereto.

13. Arbitration

Any dispute or controversy arising among the parties hereto regarding any term, covenant or condition of this Agreement or the breach thereof (other than a dispute arising from failure to pay indebtedness under any installment note) shall, upon written demand of any party hereto, be submitted to and determined by arbitration before the American Arbitration Association, in _____, by a panel of three arbitrators, in accordance with the rules of the Association then in effect. Any award or decision rendered shall be made by means of a written opinion explaining the arbitrators' reasons for the award or decision, and the award or decision shall be final and binding upon the parties hereto. The arbitrators may not amend or vary any provision of this Agreement. Judgment upon the award or decision rendered by the arbitrators may be entered in any court of competent jurisdiction.

14. Notices

Any notice or other communication required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed to have been properly given when delivered by hand, by FAX or telex, or by registered or certified mail, return receipt requested, with postage prepaid, to the party or parties to whom such notice is intended to be given at the address of such party first above written or such other address as such party may designate by notice given hereunder.

15. Miscellaneous

This Agreement shall be governed by the laws of the State of _____. If any provision or provisions of this Agreement is found to be void or unenforceable, the remaining provisions of this Agreement shall remain binding and in full force and effect.

Wherever appropriate, the singular shall include the plural, and vice versa, and the male gender shall include the female or neuter. The captions in this Agreement are for convenience only, and shall not affect the construction of the provisions hereof.

This Agreement may be terminated, waived or modified only by a written agreement executed by the party against which enforcement of such termination, waiver or modification is sought. No waiver of any breach of any provision of this Agreement shall be deemed a waiver of a party's right to demand strict performance of all of the terms of this Agreement, nor shall it constitute a waiver of any subsequent breach of any provision of this Agreement.

This Agreement merges and supercedes all prior understandings and oral or written agreements of the parties hereto with respect to the subject matter thereof.

This Agreement may be executed in several counterparts, each of which shall constitute an original, but all counterparts shall constitute but one and the same agreement. The Corporation agrees that a copy of this Agreement shall be kept at the principal office of the Corporation, or inspection by the Shareholders. Any Shareholder shall have the right to inspect said copy of this Agreement and the books and records of the Corporation at reasonable times after reasonable notice.

The execution and performance of this Agreement has been duly authorized and approved by the Board of Directors of the Corporation.

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heir, executors, administrators, successors and permitted assigns. This Agreement shall apply to all stock and equity securities of the Corporation now and hereafter acquired by the Shareholders or any of their successors in interest.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

FOOT CLINIC, INC.

ATTEST:

By _____

By _____

Seller, D.P.M.

Buyer, D.P.M.

Employment Agreement

This Agreement made this _____ day of _____, 20____, by and between an _____ corporation (the "Employer") and _____ ("Employee").

WITNESSETH:

WHEREAS, the Employer desires to employ Employee and Employee desires to be employed by the Employer upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, it is agreed as follows:

1. **Employment.** The Employer hereby employs Employee as a podiatrist and Employee hereby accepts employment by the Employer upon the terms and conditions herein set forth. The place of employment shall be at the Employer's principal office or at such other locations as the Employer may designate.
2. **Term and Annual Renewal.** The term of this Agreement shall commence as of the effective date of this Agreement, and shall expire one (1) year from the date hereof, unless sooner terminated as herein set forth. This Agreement shall automatically renew for one (1) year periods following the Agreement's initial term unless either the Employer or the Employee gives written notice of the termination of the Agreement within the sixty (60) day period preceding any renewal date of the Agreement.
3. **Duties.** The Employee will, during the initial and any subsequent term of this Agreement [a] faithfully and diligently do and perform all such acts and duties and furnish such services as the Employer shall direct, and do and perform all acts in the ordinary course of the Employer's business (with such limits as the Employer may prescribe) which are necessary and conducive to the Employer's best interests; and [b] devote his full time, energy, and skill to the business of the Employer and to the promotion of the Employer's best interests, except for vacations and absences made necessary because of illness.
4. **Compensation.** Subject to the provisions hereof, the Employer shall pay to Employee the following for all services to be performed by Employee during the initial and subsequent term of this Agreement.
 - A. **Salary.** A fixed salary shall be paid to the Employee at the rate of \$ _____ .00 per annum (which may be increased at the Employer's discretion), payable in equal monthly installments. All such payments will be subject to such deductions as from time to time may be required to be made pursuant to law, government regulation or orders, or by agreement with, or consent of Employee.
 - B. **Benefits.** Employer shall provide and Employee shall be entitled to participate in such life insurance, medical, dental, pension and retirement plans and other programs as may be approved from time to time by the Employer for the benefits of its employees. Employer shall provide \$ _____ .00 toward professional dues and CME. After _____, 20____, Employee shall be entitle to [i] one (1) week paid vacation and [ii] one week of unpaid personal or sick time. After _____, 20____, Employee shall be entitle to [i] two (2) weeks paid vacation and [ii] one (1) week of unpaid personal or sick time during each year of his employment hereunder. Vacation shall be taken at such times and in such periods as Employee and the Employer shall mutually determine; provided, however that no vacation time shall interfere with the duties required to be rendered by the Employee hereunder.
 - C. **Bonus.** Employee shall receive _____ percent (_____ %) of collected fees over (\$ _____ .00) directly attributed to his performance with the Employer. The first payment of the Bonus shall be paid on _____, 20____ with the Bonus paid in

quarterly installments thereafter. Employer shall provide Employee with monthly statements showing Employee's collected fees for the preceding month.

5. **Termination.** This Agreement shall terminate upon the occurrence of any of the following:

- A. **Death.** On the date of death of Employee;
- B. **Disability.** In the event that Employee is Permanently Disabled, as herein defined, for a continuous period of three (3) months, the Employer may terminate this Agreement upon written notice to Employee. In the event of such termination, Employee's compensation set forth herein shall continue for the lesser of: (i) any waiting period set forth in any disability insurance policy maintained by the Employer and covering Employee, if any, or (ii) three (3) months after termination of this Agreement. For purposes of this Paragraph, "**Permanently Disabled**" shall mean a condition resulting from bodily injury or diseases or mental disorders such that Employee is prevented from performing the principal duties of his employment. The Employer, in its discretion, based on competent medical advice, shall determine whether Employee is and continues to be, permanently disabled for purposes of this Paragraph.
- C. **End of Term.** On the expiration of the then existing term following the date either the Employee or the Employer gives written notice to the other party of his or its election to terminate the Agreement pursuant to Section 2 of the Agreement; or
- D. **Termination for Cause.** On the tenth (10th) day after the Employer gives Employee written notice of a Termination for Cause hereunder.

In the event of termination under Subsections (A), (B) and (C) of this Section 5, the Employee (or his estate) will be entitled to the Annual Salary, to the extent unpaid, set forth herein, prorated from _____ of the year of termination to the date of termination. In the event of termination under Subsection (D) of this Section 7, the Employee will forfeit all benefits payable under this Agreement.

6. **Termination for Cause.** Notwithstanding any other provision of this Agreement, if the Employee is discharged For Cause, or violates Article 7 ("Confidentiality") or Article 8 ("Non-Competition") of this Agreement, then Employee, shall immediately forfeit any and all rights and benefits under the terms of the Agreement.

For purposes of the Agreement, a discharge "For Cause" shall consist of a termination of Employee's employment with the Employer for any of the following reasons:

Employee's conviction of any criminal violation involving dishonesty, fraud or breach of trust;

Employee's willful engagement in any misconduct in the performance of his duties which materially injures the Employer;

Participant's breach of fiduciary duty involving personal profit, willful violation of any law, rule or regulation (other than traffic violations or similar offenses) or final cease-and-desist order: Employee's performance of any act which, if known to the customers or clients of Employer, will have a material and adverse impact of the business of Employer; or Employee's willful and substantial nonperformance of assigned duties, provided that such nonperformance has continued for more than ten (10) days after Employer has given written notice of such nonperformance and of its intention to terminate Employee's right to benefits under the Agreement because of such nonperformance.

Any denial of rights or benefits pursuant to this Article 6 shall be made by Employer's Board of Directors in their sole discretion, applied in a reasonable, good faith manner.

7. **Confidentiality.** The Employee recognized and acknowledges that he will have access to confidential information of the Employer and of entities affiliated with the Employer, and that such information constitutes valuable, special and unique property of the Employer and such other entities.

The Employee will not, during or after the term of this Agreement and for a period of two (2) years thereafter, disclose any such confidential information to any person or firm, corporation, association or other entity for any reason or purpose whatsoever, except to authorized representatives of the Employer or if ordered to do so by a court or government agency of competent jurisdiction. Employer shall be entitled: (i) to an injunction restraining the Employee from disclosing, in whole or in part, such confidential information, and (ii) to terminate this Agreement and re-collect any and all payments made to the Employee pursuant to this Agreement. Nothing herein shall be construed as prohibiting the Employer from pursuing any other remedies available to it upon such breach or threatened breach including the recovery of damages from the Employee

8. Noncompetition During and After Employment. The Employee agrees to the following during and after his term of employment under this Agreement.

A. Noncompetition During Employment. The Employee agrees that at all times during the term of his employment he will not, either directly or through an agency of any corporation, partnership, association or agent or agency, engage in any similar business conducted by the Employer.

B. Noncompetition after Employment. The Employee covenants and agrees not to establish, open, be engaged in, nor in any manner whatsoever become interested, directly or indirectly, as employee, owner, partner, agent, stockholder, director, or officer, or otherwise, in any business, trade or occupation which competes with the business of the Employer for a period of five (5) years and within eight (8) miles from the principal office of Employer.

Notwithstanding the foregoing, this Article shall not prevent any party hereto from owning up to _____ percent of the stock of a corporation, whether or not it competes with the Employer, provided that the shares of such corporation are publicly traded on the American Stock Exchange, New York Stock Exchange, NASDAQ, Over The Counter, or other organized and generally recognized stock exchange.

Notwithstanding anything to the contrary contained in this Agreement, any party hereto may apply to a court of equity or other court of competent jurisdiction for injunctive relief to enforce this Article and/or to obtain monetary damages by reason of a breach of Article.

C. Violation of Covenant. If any of the covenants set forth herein in this Article 8 (A) are violated, the Employer, at its option, shall be entitled to: (i) notify the Employee that this Agreement is terminated, in which case this Agreement shall be rescinded (and thus terminated retroactively to the date of its inception); and (ii) demand repayment from the Employee of all payments made to the Employee pursuant to this Agreement.

9. Buy-In. At the end of the term of this Agreement, Employee shall have the option to purchase shares of the Employer on terms to be determined by Employer and _____, the sole shareholder. The value of the shares to be purchased shall be determined by a valuation of the Employer's business conducted as of the date of this Agreement.

10. Nonassignment. This Agreement is personal to Employee and shall not be assigned. Employee shall not hypothecate, delegate, encumber, alienate, transfer or otherwise dispose of his rights and duties hereunder.

11. Waiver. The Waiver by the Employee of any provision of this Agreement shall not be construed as a waiver of any subsequent breach by Employee.

12. Severability. If any clause, phrase, provision or portion of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable under any applicable law, such event shall not affect or render invalid or unenforceable the remainder of this Agreement and shall not affect the application of any clause, provision, or portion hereof to other persons or circumstances.

13. Benefit. The provisions of this Agreement shall inure to the benefit of the Employer, its successors, assigns, and shall be binding upon Employee, his heirs, personal representatives and successors, including without limitation, Employee's estate and the executors, administrators, or trustees of such estate.

14 Relevant Law. This Agreement shall be construed and enforced in accordance with the Laws of the State of _____.

15. Notices. All notices, requests, demands and other communications in connection with this Agreement shall be made in writing and shall be deemed to have been given when delivered by hand or 48 hours after mailing at any general or branch United States Post Office, by registered or certified mail, postage prepaid, addressed as follows, or to such other address as shall have been designated in writing by the addressee:

If to the Employer:

If to the Employee:

16. Entire Agreement. This Agreement sets forth the entire understanding of the parties and supersedes all prior agreements, arrangements, and communications, whether oral or written, pertaining to the subject matter hereof; and this Agreement shall not be modified or amended except by written agreement of the Employer and Employee.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first set forth above.

EMPLOYER:

By: _____
Title: _____

EMPLOYEE:

SHAREHOLDER (solely entering into this Agreement for the provisions of Section 9):