

**EMPLOYMENT AGREEMENT BETWEEN
ABC COMPANY AND [EMPLOYEE X]**

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of the ____ day of _____, 2007 by and between ABC Company (the "Company") and ____ ("Employee").

W I T N E S S E T H:

WHEREAS, the Company wishes to employ Employee, and Employee wishes to be employed by the Company;

WHEREAS, the Company wishes to hire Employee solely for the benefit of Employee's general knowledge and experience, and Employee expressly represents that he will use solely such general knowledge and experience in his employment with the Company; and

WHEREAS, Employee understands that *the Company absolutely prohibits Employee from possessing, using, or disclosing any proprietary or confidential information of or regarding any of Employee's prior employers or other potential competitors of the Company.*

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, Employee agrees to become employed by the Company, and the Company agrees to hire Employee, under the terms and conditions set forth below:

1. **Employment and Duties.**

(a) The Company hereby employs Employee in the position of [title of position] in the _____ division (the "Division"), to render [description of services generally] and other services to the Company on an exclusive basis during his employment with the Company. Employee will report initially to John Doe, or such other person or persons as may hereafter be designated in writing by Mr. Doe or any successor as President of the Company. Employee agrees to be employed by the Company in such capacity and to render the services specified hereunder on a full-time basis. Employee further agrees that throughout his employment with the Company he will perform as shall be necessary for him to carry out his duties and responsibilities hereunder or as shall be assigned to him from time to time by Mr. Doe (or the then-current President).

(b) Employee agrees to devote his best efforts to the performance and discharge of his duties and responsibilities hereunder on an exclusive basis and agrees not to engage in any other business activity whatsoever during his employment with the Company; provided that, subject to the terms and conditions set forth in the attached Restrictive Covenant Agreement attached hereto as Attachment 1, Employee may devote a reasonable amount of time to personal investments and philanthropic affairs and interest, if such activities do not otherwise interfere with the performance of his duties and obligations to the Company hereunder or conflict with the Company's policies on conflicts of interest or business activities for its employees.

**NEAL, GERBER & EISENBERG LLP
NOVEMBER 8, 2007**

(c) Employee's employment with the Company is *at-will*, meaning that either the Company or the Employee may terminate the employment relationship at any time, and for any reason or no reason at all. Employee acknowledges that his employment is for no set or guaranteed period of time, and that no employee of the Company can promise to keep Employee employed for any guaranteed period of time or otherwise alter Employee's at-will status, unless Mr. Doe (or the then-current President of the Company) does so in a signed writing. It is expected that Employee will provide at least four (4) weeks notice in advance of his termination of his employment.

2. Compensation.

(a) Employee will be paid a base salary, on a twice-monthly basis, at an annual rate of \$250,000 (the "Base Salary").

(b) In addition to Employee's Base Salary, Employee will receive a year-end bonus payment equal to 2.5% of the Division's gross profit for that same year as determined in good faith for all purposes of this Agreement by the President or his designee (the "Year-End Bonus"). Should Employee's Base Salary and Year-End Bonus add up to less than 4% of the Division's gross profit for that same year, then Employee will be paid an additional bonus to make up that difference and bring Employee's total compensation for the year to an amount equal to 4% of the Division's gross profit. Payment of such bonuses described in this Section 2(b) shall be conditioned on Employee's continued employment with the Company in good standing on the date scheduled for payment thereof.

(c) In addition to the Base Salary and Year-End Bonus compensation terms described in Sections 2(a)-(b) above, as an additional incentive for long-term employment with the Company, Employee also will be eligible for yearly performance-based bonuses (the "Performance Bonus"). During the first five (5) full calendar years of his employment, the maximum annual Performance Bonus shall be \$25,000; in full calendar years six (6) through ten (10), the maximum annual Performance Bonus shall be \$50,000. At or about the outset of each year, Employee will be provided by or on behalf of the President with performance targets to be used for the year-end calculation of the Performance Bonus. At year end, Employee's Performance Bonus, if any, will depend on the percentage of the performance target Employee achieves, as determined in good faith for all purposes of this Agreement by the President or his designee. As an example, if Employee achieves 50% of the performance target for year two (2), he would be credited with \$12,500 of the Performance Bonus for that year (i.e. 50% x \$25,000). Should Employee achieve less than 50% of the performance target for a given year, he will not be credited with any Performance Bonus whatsoever for that year. Should Employee achieve more than 100% of the performance target for any given year(s), he will be credited with the maximum annual Performance Bonus amount for that year, and no more. For the first five (5) years of employment, the annual Performance Bonuses, if any, will be calculated year-to-year but will be retained by the Company and will be paid only upon Employee's completion of five (5) full calendar years of employment with the Company, provided that he remains employed with the Company in good standing at that time. During full calendar years six (6) through ten (10) following commencement of Employee's employment with the Company, the annual Performance Bonuses, if any, again will be calculated year-to-year but will be retained by the Company and will be paid only upon Employee's completion of ten (10) full calendar years of

employment with the Company, provided that he remain employed with the Company and in good standing at that time.

(d) Any salary, bonuses, compensation, benefits or any other payments whatsoever relating to this Agreement will be subject to all applicable withholding and deductions and will be paid in accordance with the Company's normal payroll practices from time to time in effect.

3. Business Conduct and Post-Employment Obligations.

(a) *Employee hereby represents and warrants to the Company that he is not subject to any covenants, agreements or restrictions, including without limitation those arising from any prior employment or independent contractor relationships, which would be breached or violated by Employee's negotiation, execution and performance of this Agreement.* Furthermore, the Company reiterates, and Employee understands and agrees, that Employee is being hired solely on the basis of his general knowledge and experience. Employee's hiring by the Company and corresponding duties and responsibilities are not intended to cause any improper solicitation of any former customer contacts or the disclosure of any confidential information of any prior employer, all of which is expressly *prohibited* by the Company; Employee represents that he will refrain from engaging in such conduct and will notify Mr. Doe (or the then-current President) if he believes any of his job duties might even potentially include such conduct;

(b) In exchange for and in connection with Employee's hiring, the Company specifically requires that Employee contemporaneously execute the Restrictive Covenant Agreement, which defines the existing and post-employment conduct the Company prohibits in order to protect its legitimate business interests.

4. Benefits.

(a) Employee shall be entitled to participate in any medical, dental, 401(k) or fringe benefit plans, subject to the terms of said plans, on conditions, including co-pay and other similar arrangements, no less favorable than benefits which the Company may provide from time to time to similarly-situated employees. The Company, in its sole and absolute discretion, which can be exercised and modified at any time and for any reason, with or without notice, may contribute towards the premium payments and other costs and/or contributions to said plans and benefits (so long as they are continued) on Employee's behalf in an annual amount not to exceed 10% of Employee's Base Salary .

(b) Employee shall also be entitled to take three (3) weeks paid vacation during each 12-month period of employment in accordance with Company policy for similarly situated employees, which shall include but not be limited to providing advance notice and receiving approval from Mr. Doe or the Company's then-current President for specific vacation periods.

5. Termination.

(a) Termination. Employee's employment with the Company shall terminate on the first to occur of any of the following events: (i) upon Employees' resignation of employment; (ii) upon the Company's termination of Employee's employment, with or without Cause (as hereafter defined); and (iii) upon Employee's death or Disability (as hereafter defined).

(b) Disability Defined. As used in this Agreement, the term “Disability” shall mean any mental, physical or emotional disability or condition which prevents Employee from substantially performing his essential job functions under this Agreement and which lasts either for a continuous period of ninety (90) days or for one hundred and twenty (120) or more days during any twelve month period. To the extent there is ever a dispute as to whether a Disability exists, such fact shall be determined by a physician who is a specialist in the field of the specific disability or condition at issue and who is selected by the Company and reasonably acceptable to Employee.

(d) Cause Defined. As used in this Agreement, the term “Cause” shall mean any one or more of the following: (i) Employee’s theft, embezzlement, fraud or misappropriation of funds, or conspiracy with others to commit such acts, (ii) Employee’s breach of fiduciary duty, abuse of trust or other act of dishonesty relating to his employment hereunder, (iii) Employee’s commission of or participation in a felony or other act involving moral turpitude, (iv) Employee’s failure or refusal to comply with the lawful directives, rules or policies of the Company, and failure to cure such failure or refusal within thirty (30) days following notice, (v) Employee’s gross negligence, recklessness or intentional misconduct or malfeasance in the performance of (or omission to perform) his duties of employment, or (vi) Employee’s breach of any material representation or covenant set forth in this Agreement (it being agreed and understood that any breach of the prohibition set forth in the final “whereas” clause in the preamble to this Agreement and/or the representation and warranty set forth in Section 3(a) above is per se a material breach of a material representation and/or covenant of this Agreement).

6. Effect Upon Termination. Upon the termination of his employment with the Company, Employee shall receive the following compensation, if any, as follows:

(a) Termination For Cause Or Resignation. In the event Employee’s employment with the Company is terminated by the Company for Cause or is resigned by Employee, then Employee shall receive (i) all compensation due through the date of termination, and (ii) all accrued, unused vacation pay due through the date of termination. Employee shall not be entitled to any other pay or benefits, including any previously-calculated but unpaid Performance Bonus amounts or any Severance Pay (described below).

(b) Termination For Other Reason. In the event Employee’s employment with the Company is terminated for any reason other than for Cause and other than in connection with a Change in Control or Public Offering, then Employee shall receive (i) all compensation due to him through the date of termination, (ii) all accrued, unused vacation pay due to him through the date of termination, and (iii) the opportunity to receive Severance Pay (as defined hereafter) if (X) he signs a waiver and release of claims in favor of the Company, and its affiliates, manager, owners and agents, in a form acceptable to the Company, (Y) he abides by the terms of the Restrictive Covenant Agreement, and (Z) he cooperates with and assists the Company with respect to any matters that may arise relating to or requiring his knowledge and/or expertise or experience, during the period the Severance Pay is being paid. The Severance Pay shall consist of an aggregate sum equal to six (6) months of Employee’s then-current Base Salary as of the date of termination, which shall be paid to Employee following the termination of his employment in equal bi-weekly installments over the course of the six (6) month period

immediately following the date of Employee's termination, all in accordance with the Company's normal payroll and withholding practices.

7. **Change In Control.**

(a) In the event of a Change In Control prior to Employee's completion of the tenth (10th) full calendar year of employment with the Company, he will be entitled to receive as a transaction bonus an amount equal to the product of the Division's EBITDA for the calendar year preceding consummation of the Change In Control, as calculated in good faith by the President or his designee, times the Applicable Multiple. For purposes hereof, the "Applicable Multiple" for the first three calendar years following December 31, 2005, is 3, and shall be reduced by amount equal to .25 for each subsequent year to 1.25 for year 10. Any accrued but unpaid bonuses under Section 2(c) above shall also vest upon consummation of such Change in Control transaction

(b) In the event of a Change In Control after the period covered by Section 7(a)(i) above, Employee shall be entitled to receive as a transaction bonus if he is an employee of the Company in good standing at the closing of the Change In Control, a lump sum payment within two (2) weeks of the Change in Control, an amount (net of normal withholdings in accordance with the Company's practices) equal to the Division's EBITDA, as determined in good faith by the President or his designee, for the calendar year immediately preceding the closing of the Change In Control. At the time of such Change In Control, any accrued but unpaid bonuses under Section 2(c) above shall also vest. So long as the Employee complies with the obligations set forth in Section 6(b)(x)-(z) above, the Company shall further pay as a lump sum to Employee on the second anniversary of such Change In Control, a cash payment (net of withholdings) in an amount equal to two times the Employee's base salary immediately prior to such Change In Control.

(c) **"Change in Control" Defined:** As used in this Agreement, the term "Change in Control" means (i) the purchase or other acquisition by any person, entity or group of persons, within the meaning of Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, or any comparable successor provisions, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either the outstanding shares of Common Stock or the combined voting power of the Company's then outstanding voting securities entitled to vote generally; (ii) a reorganization, merger or consolidation, in each case, with respect to which persons who were stockholders of the Company immediately prior to such reorganization, merger or consolidation or their affiliates do not, immediately thereafter, own more than 50% of the combined voting power entitled to vote generally in the election of the manager or governing persons of the reorganized, merged or consolidated company's then outstanding securities; (iii) the sale of all or substantially all of the Company's assets; or (iv) an underwritten public offering of securities of an entity owning all or substantially all of the Company's equity or assets. Notwithstanding the foregoing, a "Change In Control" shall not be deemed to have occurred upon the occurrence of any transaction that otherwise would be a Change In Control if the acquiring person(s) is a holder of Company equity (or a trustee or beneficiary of a trust or other entity holding such equity securities) or an affiliate thereof on the date of this Agreement or within twelve (12) months of the date of this Agreement, or is a

member of the family or an affiliate of a member of the family of any of the foregoing or is a trust or similar vehicle established for the benefit of any such person(s).

(d) Notwithstanding any provision of this Agreement to the contrary, any and all payments to Employee in connection with a Change in Control shall be governed exclusively by this Section 7, without regard to the provisions of Section 6 (unless specifically incorporated by reference in this Section 7).

8. **Initial Public Offering.** In the event of an underwritten public offering of the securities constituting a Change In Control, the Company and Employee will work together in a good faith effort to substitute for any lump sum payments otherwise due and owing to the Employee in respect of such transaction, to instead be paid to the Employee in the form of stock or equity appreciation rights issued in connection with such public offering, based on the initial public offering price thereof, provided that doing so does not, in the reasonable opinion of the Company's majority equity holders and underwriter(s), jeopardize or undermine such transaction or materially detract from the value to be realized in such transaction by such existing equity holders.

9. **Compliance with Covenants.** The Company's obligations, if any, to continue to make any payments to Employee following cessation of his employment, in accordance with the terms of this Agreement, is expressly conditioned upon Employee's complying in all respects and continuing to comply in all respects with Employee's obligations under the Restrictive Covenant Agreement following the date of the employment cessation. In the event that any action is overtly threatened or commenced against Employee asserting the violation by Employee of contractual noncompetition, nonsolicitation, or confidentiality obligations owing to a third party, the Employee retains legal counsel subsequently approved by the Company and the Employee ultimately prevails in a non-appealable judgment or final settlement, the Company shall reimburse the Employee for reasonable legal fees and expenses incurred directly in connection therewith.

10. **Works-Made-for-Hire.**

(a) Employee agrees that all works of authorship or material that Employee may develop, author, write, create or contribute to during the term of Employee's employment by the Company or its successors and for the benefit of the Company, whether solely or jointly with others, shall be considered works-made-for-hire. Employee agrees that such works shall be the sole and exclusive property of the Company and that all right, title and interest therein or thereto, including all Intellectual Property rights existing or obtained in connection therewith, shall likewise be the sole and exclusive property of the Company and that all right, title and interest therein or thereto, including all intellectual property rights existing or obtained in connection therewith, shall likewise be the sole and exclusive property of the Company. Employee agrees further that, in the event that any work is not considered to be a work-made-for-hire by operation of law, Employee will immediately, and without further compensation, assign all of Employee's right, title and interest therein to the Company, its successors and assigns. In addition, at the request and expense of the Company, Employee agrees to perform, and to cause any other entity owned or controlled by Employee to perform, in a timely manner such further acts as may be

necessary or desirable to transfer, defend or perfect the Company's ownership of such work and all rights incident thereto.

(b) For purposes of this agreement, "Intellectual Property" means (a) all inventions, all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (b) all registered and unregistered trademarks, service marks, trade dress, logos, internet domain names, trade names and corporate names, including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (d) all trade secrets and Confidential Information (as defined in the Restrictive Covenant Agreement, which definition is expressly incorporated herein), (e) all software and applications, (f) all designs, plans and specifications, (g) all copies and tangible embodiments thereof, and (h) all other proprietary rights, including, without limitation, all rights to sue for present, past and future infringements of each of the foregoing.

11. **Notices.** All notices and other communications required hereunder shall be in writing and deemed to have been given when (A) personally delivered, (B) one business day after delivery to a nationally recognized overnight courier service, or (C) three days after being mailed by certified mail, postage prepaid, addressed as follows:

If to Company:

ABC Company
[Address]
Attn: John Doe or President
Fax:

With a copy (which copy shall not constitute notice) to:

Neal, Gerber & Eisenberg LLP
Suite 2200
Two North LaSalle Street
Chicago, IL 60602
Attn: William J. Tarnow
Fax: 312-269-1747

If to Executive:

Mr./Ms. _____
Address
Fax:

or such to other address as either party hereto may request by notice given as aforesaid to the other party hereto.

12. **Governing Law.** This Agreement will be governed by the internal laws (and not the conflicts of law provisions) of the State of Illinois. Each of the parties agrees that, subject to the terms of Section 13(b) below, any litigation based hereon, or arising out of, under, or in connection with this Agreement, will be brought and maintained exclusively in the courts of the State of Illinois located in Cook County, Illinois, or in the United States District Court for the Northern District of Illinois.

13. **Resolution of Disputes.** If any controversy or dispute shall arise between or among any of the parties hereto in connection with, arising from, or with respect to this Agreement, or the rights and obligations of any party to this Agreement, then the resolution of such controversy or dispute shall be accomplished as follows:

(a) If such dispute or controversy shall include any claim that the Company is entitled to any equitable remedy against Employee, including without limitation any claim for injunctive relief arising out of or relating to the Restrictive Covenant Agreement, then the Company shall have the right to seek such equitable remedy by judicial process in any court of competent jurisdiction;

(b) Except as provided in Section 13(a) above, if such controversy or dispute shall not be resolved within ten (10) days after the same shall arise, then such dispute or controversy shall be submitted to the Chicago, Illinois office of the American Arbitration Association for arbitration in accordance with its commercial arbitration rules then in effect. Any such dispute or controversy shall be heard by a single arbitrator. The award and findings of such arbitrator shall be conclusive and binding upon all parties hereto, and judgment upon such award may be entered in any court of competent jurisdiction, including without limitation the Circuit Court of Cook County, Illinois and the United States District Court for the Northern District of Illinois.

14. **Attorney's Fees.** If either party hereto shall prevail in any arbitration or litigation to enforce any provision of this Agreement, then such party shall be entitled to recover from the other party hereto its costs and expenses incurred in relation to such arbitration or litigation proceeding, including but not limited to court costs, attorneys' fees and other reasonable arbitration and litigation expenses.

15. **Waiver.** Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any right or remedy hereunder at any one or more times be deemed a waiver or relinquishment of such right or remedy at any other time or times.

16. **Severability.** The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision hereof, and except as otherwise expressly provided herein any provision which is adjudicated to be invalid or unenforceable shall be severed from this Agreement, provided however that such severance is to apply only with respect to the operation of such provision in the particular jurisdiction in which such adjudication is made.

17. **Benefit.** This Agreement (including the Restrictive Covenant Agreement attached hereto) shall inure to the benefit of and be binding upon the Company and its successors and assigns. The rights and obligations of Employee hereunder are personal to him, and are not subject to voluntary or involuntary alienation, assignment, transfer or delegation.

18. **Entire Agreement.** This Agreement, together with the Restrictive Covenant Agreement, contains the entire agreement between the parties hereto with respect to the subject matter hereof, and all prior agreements, understandings and negotiations with respect to such subject

matter are merged herein. This Agreement may not be modified or rescinded except pursuant to a written instrument to such effect signed by the party against whom enforcement is sought.

19. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which together shall be deemed to be one and the same document.

The parties, being in agreement with the foregoing, have acknowledged their agreement by signing as provided below. By executing this Agreement, the parties, respectively, expressly acknowledge that they have had an adequate opportunity to review all of the Agreement's terms, including with an attorney of their choice if so desired, that they agree to each of the terms contained herein, and that they understand that this Agreement will become a binding agreement between the Company and Executive.

EMPLOYEE:

COMPANY:

ABC COMPANY

By: _____

Name: _____

Title: _____