

|                             |  |        |        |
|-----------------------------|--|--------|--------|
| <b>Assumptions:</b>         | Amount Financed .....                  | 65.00% | (afin) |
|                             | Term (Months) .....                    | 60     | (term) |
|                             | Annual Interest Rate .....             | 9.50%  | (rate) |
|                             | <hr/>                                  |        |        |
|                             | Required Equity Return .....           | 20.00% | (rroe) |
|                             | Monthly Imputed Lease Amount .....     | 0      | (iles) |
|                             | Minimum Required Salary / Benefits ... | 150    | (rosb) |
|                             | Current Annual Revenues .....          | 12,000 | (carv) |
|                             | Current Annual Discretionary Cash Flow | 1,600  | (caob) |
|                             | Cash Flow Range Increment .....        | 100    | (binc) |
| Median of Price Range ..... | 6,200                                  | (pmed) |        |
| Price Range Increment ..... | 500                                    | (rinc) |        |

**CONFIDENTIAL**

| Median Ratios              |         |                     |
|----------------------------|---------|---------------------|
| Price to Cash Flow (DCF) : | 3.9 X   | (pmed / caob)       |
| Price to Sales (Revenue) : | 51.67 % | (pmed / carv)       |
| First Year COC Return :    | 20.02 % | ((g+c) / down pmt.) |
| Cash Flow Margin :         | 13.33 % | (caob / carv)       |

**TABLE A**

**SIMULATION 1.0 [ Purchase Price Ranging ]**

| Purchase Price Range | Amount Financed | Down Payment | Monthly (P&I) Payment | (a)                 | (b)                      | (c)               | (d)                  | e=(a+b+c+d)        | (f)                    | g = (f - e)       |            | Price to CF   | 1st Year COC Ret. |
|----------------------|-----------------|--------------|-----------------------|---------------------|--------------------------|-------------------|----------------------|--------------------|------------------------|-------------------|------------|---------------|-------------------|
|                      |                 |              |                       | Annual Debt Service | Required Owner Sal.&Ben. | Required ROE (\$) | Imputed Annual Lease | Cash Flow Required | LESS: Actual Cash Flow | Surplus (Deficit) |            |               |                   |
| 5,200                | 3,380           | 1,820        | 71                    | 852                 | 150                      | 364               | 0                    | 1,366              | 1,600                  | 234               | 3.3        | 32.87%        |                   |
| 5,700                | 3,705           | 1,995        | 78                    | 934                 | 150                      | 399               | 0                    | 1,483              | 1,600                  | 117               | 3.6        | 25.88%        |                   |
| <b>6,200</b>         | <b>4,030</b>    | <b>2,170</b> | <b>85</b>             | <b>1,016</b>        | <b>150</b>               | <b>434</b>        | <b>0</b>             | <b>1,600</b>       | <b>1,600</b>           | <b>0</b>          | <b>3.9</b> | <b>20.02%</b> |                   |
| 6,700                | 4,355           | 2,345        | 91                    | 1,098               | 150                      | 469               | 0                    | 1,717              | 1,600                  | (117)             | 4.2        | 15.03%        |                   |
| 7,200                | 4,680           | 2,520        | 98                    | 1,179               | 150                      | 504               | 0                    | 1,833              | 1,600                  | (233)             | 4.5        | 10.74%        |                   |

**TABLE B**

**SIMULATION 2.0 [ Actual Discretionary Cash Flow Ranging ]**

| Purchase Price | Amount Financed | Down Payment | Monthly (P&I) Payment | (a)                 | (b)                      | (c)               | (d)                  | e=(a+b+c+d)        | (f)                    | g = (f - e)       |            | Price to CF   | 1st Year COC Ret. |
|----------------|-----------------|--------------|-----------------------|---------------------|--------------------------|-------------------|----------------------|--------------------|------------------------|-------------------|------------|---------------|-------------------|
|                |                 |              |                       | Annual Debt Service | Required Owner Sal.&Ben. | Required ROE (\$) | Imputed Annual Lease | Cash Flow Required | LESS: Actual Cash Flow | Surplus (Deficit) |            |               |                   |
| 6,200          | 4,030           | 2,170        | 85                    | 1,016               | 150                      | 434               | 0                    | 1,600              | 1,400                  | (200)             | 4.4        | 10.80%        |                   |
| 6,200          | 4,030           | 2,170        | 85                    | 1,016               | 150                      | 434               | 0                    | 1,600              | 1,500                  | (100)             | 4.1        | 15.41%        |                   |
| <b>6,200</b>   | <b>4,030</b>    | <b>2,170</b> | <b>85</b>             | <b>1,016</b>        | <b>150</b>               | <b>434</b>        | <b>0</b>             | <b>1,600</b>       | <b>1,600</b>           | <b>0</b>          | <b>3.9</b> | <b>20.02%</b> |                   |
| 6,200          | 4,030           | 2,170        | 85                    | 1,016               | 150                      | 434               | 0                    | 1,600              | 1,700                  | 100               | 3.6        | 24.62%        |                   |
| 6,200          | 4,030           | 2,170        | 85                    | 1,016               | 150                      | 434               | 0                    | 1,600              | 1,800                  | 200               | 3.4        | 29.23%        |                   |

**NOTES / EXPLANATIONS:**

Both simulations shown in TABLE A and TABLE B use the same assumption set shown at the top. TABLE A calculates the pre-tax, cash on cash return achieved IF the business produces the assumed level of revenue and cash flow in the 12-month period immediately succeeding an acquisition under the assumed price and terms. It also shows similar calculations for selected prices above and below the assumed 'median' price. TABLE B calculates the pre-tax, cash on cash return achieved IF the acquisition is made at the 'median' price, but the business produces cash flows at varying levels either above or below the current or expected level.

The above are only simulations and not intended as recommendations or suggestions for a purchase price and structure. The information shown has not been audited or confirmed by SCG and actual returns may vary substantially from the simulations. Acquirers should consult their independent legal, accounting and tax advisors before making offers to purchase any business.