

[CLICK HERE TO DOWNLOAD](#)

October 31, 201__

ABC Bank, n.a.

Attn: _____

Re: _____

Ladies and Gentlemen:

This letter shall constitute escrow instructions to ABC Bank, n.a. (the "Escrow Agent") in connection with the sale ("Transaction") by John F. Davis ("Seller") of all of his capital stock in Ajax Co., Inc., an Illinois corporation, (the "Company" to XYZ, LLC, an Illinois limited liability company, or its affiliate, ("Buyer") pursuant to a certain Agreement for the Purchase and Sale of the Capital Stock of Ajax Co., dated as of _____ approximately \$_____ loan (the "Loan") to be made by Lender to _____, by and between Buyer and Seller (the "Agreement"). Any capitalized terms not defined herein shall have the same meaning as described in the Agreement.

A. Delivery of Documents. Seller has or shall deliver to Escrow Agent herewith are the following documents relating to the Transaction (collectively, the "Delivered Documents"):

1. Stock Certificate No. _____ representing _____ shares of the common stock of the Company with executed stock power attached.

2. Executed copy of the Agreement with all required schedules attached.

3. Such other documents in connection with satisfying the Closing Conditions.

Buyer has or shall deliver to Escrow Agent an executed copy of the Agreement with all required schedules attached ("Seller's copy of Agreement").

B. Purchase Price Deposit. . On the Closing Date (as defined herein), Buyer shall arrange for the deposit of an amount equal to the Purchase Price with Escrow Agent ("Escrowed Funds").

C. Conditions to Closing. The following are Buyer's conditions to closing the Transaction and releasing to Seller the Escrowed Funds held by Escrow Agent (collectively, the "Closing Conditions"):

1 Representations and Warranties. The representations and warranties of Seller contained herein and in any certificate or other writing delivered pursuant hereto or in connection herewith, shall be true and correct in all respects on and as of the Closing Date, except to the extent otherwise expressly contemplated by this Agreement.

2 Performance. Seller shall have duly performed or complied with all of the covenants, acts and obligations to be performed or complied with by them hereunder at or prior to the Closing and shall provide to Buyer reasonable evidence thereof.

3 Shares. Seller shall have delivered to Escrow Agent a certificate or certificates representing the Shares, duly endorsed by Seller for transfer to Buyer or accompanied by an assignment of the Shares to Buyer duly executed by Seller, and with all applicable transfer taxes paid by Seller, and with signatures guaranteed by a national bank or a member of a national securities exchange.

4 Corporate Books. Seller shall have delivered to Buyer the corporate seal, corporate minute books and stock transfer records of the Company.

5 Resignations. Seller shall have delivered to Buyer the written resignations of all of the officers and directors of the Company, effective as of the Closing on the Closing Date.

6 Proof of Good Standing. Seller shall have delivered to Buyer, (i) a certified copy of the Certificate of Incorporation, and all amendments thereto, of the Company; and (ii) a Certificate of Good Standing with respect to the Company, dated within ten (10) days of the Closing Date, for the State of Illinois and each additional state in which the Company is qualified to do business as a foreign corporation.

7 Certificate of Officer. Buyer shall have received a certificate signed by Seller, dated the Closing Date, (i) certifying without qualification or exception that the conditions set forth in Sections 8.1 and 8.2 of the Agreement have been fully satisfied; or (ii) specifying in which respects, if any, the representations and warranties contained herein or in any certificate or other writing delivered pursuant hereto or in connection herewith are inaccurate on and as of the Closing Date. Such certificate shall be deemed a representation and warranty by Seller hereunder.

8. Due Diligence. Buyer shall have satisfactorily completed its due diligence, including accounting, legal, customer, market and such other matters as may be determined necessary by either Buyer or Buyer's lenders.

9 Acknowledgements and Approvals. Buyer shall have received the acknowledgement and approval of the change of the Company's ownership contemplated herein by the Bank of London and the Middle East, PLC ("BLME") and such other documentation as required to confirm BLME's intent to continue in the existing relationship with the Company.

10 Employment Agreement. Jan Rethmeier shall have entered into a new employment agreement with the Company or its Affiliate which will include customary restrictive employment covenants, including non-competition and non-solicitation covenants.

D. Closing. When all of the foregoing Closing Conditions have been fully met as evidenced by a Statement of Completion of Closing Conditions signed by both Buyer and Seller delivered to Escrow Agent. :

1. Escrow Agent shall disburse the Escrowed Funds in the manner specified in the Disbursement Statement signed by both Buyer and Seller.

2. Escrow Agent shall deliver to Buyer the Delivered Documents and to the Seller the Seller's Copy of the Agreement. .

E. Notices.

Except as otherwise expressly provided herein, any notice, consent, approval, request, demand, document or other communication which any party is required or may desire to give, deliver or make to any other party pursuant to this letter shall be in writing, and may be personally delivered or given or delivered by United States registered or certified mail, return receipt requested, by overnight delivery service (e.g., FedEx), or by telecopied transmission addressed as follows:

(a) If to Seller: John F. Davis
333 S Main Street
DENVER, CO 80209

With a copy to:

(b) If to Buyer: XYZ, LLC
100 Elm Street
Kentfield, CA 94904

Attn: Mr. David Lewis

With a copy to:

Thomas Dewey

Law Offices of Thomas Dewey

400 Broadway. Suite 380

New York, NY 10021

(c) If to Escrow Agent:

ABC Bank n.a.

Telecopier: _____

Attn: _____

(Telephone: _____

Any party may designate a different address for itself by notice similarly given. Any notice, demand or document shall be deemed to have been given upon actual delivery or attempted delivery, provided such attempted delivery is made on a business day. Notices hereunder may be given by an attorney for a party hereto.

A duplicate copy or communication of any notice or other communication delivered or given to Lender pursuant to this letter shall be delivered in the same manner to the undersigned at the address, telecopier and telephone numbers set forth above.

E. Counterpart Execution. This letter may be signed in several counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument. A signed fax of this letter shall constitute an original.

F. COMPENSATION TO ESCROW AGENT. The Escrow Agent shall not be entitled to any compensation for its services performed hereunder. Notwithstanding the previous sentence, the Escrow Agent shall be entitled to reimbursement for its reasonable costs and expenses as provided in Section 6(f) hereof.

G. RESIGNATION OR SUBSTITUTION OF ESCROW AGENT.

(a) Escrow Agent may resign as Escrow Agent under this Agreement by submitting written notice to the undersigned at least sixty (60) days prior to the effective date of said resignation. In the event of said notice, Buyer shall select a substitute escrow agent and deliver to Seller written notice thereof. Upon delivery of said notice, Seller shall have five (5) days to notify Buyer that it does not consent to said substituted escrow agent, with the reasons therefore, such consent not to be unreasonably withheld. If Seller fails to so notify Buyer, Seller shall be deemed to have consented to such substitution. Thereupon, Buyer shall provide Escrow Agent with a written notice providing how the funds comprising the Escrow Funds shall be disbursed to the substitute escrow agent upon the effective date of the resignation of the Escrow Agent.

H. MISCELLANEOUS.

(a) The Escrow Agent shall be protected in acting upon any notice, request, waiver, consent, receipt or other paper or document believed by the Escrow Agent to be signed by the proper party or parties. The Escrow Agent may act upon any signature believed by it to be genuine and may assume that any person purporting to give any notice or instruction hereunder, believed by it to be authorized, has been and is duly authorized to do so. In this regard the Escrow Agent shall be entitled to rely on the incumbency certificates provided by both Buyer and Seller.

(b) The Escrow Agent shall not be liable for any error of judgment or for any act done or step taken or omitted by it in good faith or for any mistake of fact or law, or for anything which it

may do or refrain from doing in connection herewith, except its own willful misconduct, and Escrow Agent shall have no duties to anyone except those signing this Agreement.

(c) The Escrow Agent may consult with legal counsel in the event of any dispute or question as to the construction of the foregoing instructions, or the Escrow Agent's duties thereunder; and the Escrow Agent shall incur no liability and shall be fully protected in acting in accordance with the opinion and instructions of counsel.

(d) In the event of any disagreement between the undersigned or any of them, and/or the person or persons named in the foregoing instructions, and/or any other person, resulting in adverse claims and demands being made in connection with or for any papers, money or property involved herein or affected hereby, the Escrow Agent shall be entitled at its option to refuse to comply with any such claim or demand, so long as such disagreement shall continue, and in so doing the Escrow Agent shall not be or become liable for damages or interest to the undersigned or any of them or to any person named in the foregoing instructions for its failure or refusal to comply with such conflicting or adverse demands; and the Escrow Agent shall be entitled to continue so to refrain and refuse so to act until:

(i) the rights of the adverse claimants have been finally adjudicated in a court assuming and having jurisdiction of the parties and the money, papers and property involved herein or affected hereby; and/or

(ii) all differences shall have been adjusted by agreement and the Escrow Agent shall have been notified thereof in writing by all of the persons interested.

(iii) In the event of such disagreement, the Escrow Agent in its discretion, may file a suit in interpleader for the purpose of having the respective rights of the claimants adjudicated, and deposit with the court all documents and property held hereunder, and the undersigned agree to pay all costs and counsel fees incurred by the Escrow Agent in such action and said costs and fees be included in the judgment in any such action.

(e) In the event that the Escrow Agent performs any service not specifically provided hereinabove at the request of the parties, or that there is any assignment or attachment of any interest in the subject matter of this escrow or modification thereof, or that any controversy arises hereunder, or that the Escrow Agent is named a party to, or intervenes in, any litigation

pertaining to this escrow or the subject matter thereof, the Escrow Agent shall be reasonably compensated therefor and reimbursed by the parties hereto for all costs and expenses, including attorneys fees, occasioned thereby. Any such costs and expenses shall be reimbursed by the party requesting Escrow Agent to perform such service or the party whose actions or inactions has caused the event which results in the Escrow Agent incurring such costs or expenses.

(f) This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective representatives, successors and assigns.

(g) This Agreement and the obligations of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of Illinois, and any controversies arising hereunder shall be decided in a forum in the said state.

LAWYERS' MENTOR

Please confirm your agreement to comply with the foregoing instructions by signing the attached copy of this letter in the space provided on the bottom of this page and returning it to me.

Very truly yours,

XYZ, LLC

By: _____

Name: _____

Ajax, INC.

By: _____

Name: _____

Accepted and agreed to:

ESCROW AGENT:

ABC BANK, n.a.

By: _____

Name: _____

Title: _____

Date: _____

LAWYERS' MENTOR