

PLAN A

SAMPLE CONTINUATION PLAN OF

In the event that _____ (stockholder's name), _____ (title) of _____ (corporation) is unable to continue as _____ (title) due to death or incapacity: _____ (corporation)

OWNERSHIP OF COMPANY

All stock in the corporation owned by _____ (stockholder) will be owned by _____ (new stockholder)

BOARD OF DIRECTORS

_____ (new stockholder) will serve on, and chair the Board of Directors. The Board will also include _____ (name) and _____ (name). All decisions beyond those required to be made in the ordinary course of business will be made by a two-thirds vote of the Board of Directors.

ORDINARY CONDUCT OF BUSINESS

The ordinary, day-to-day functions of the business shall be managed by the following persons within the following functional lines:

- _____ Sales, Billables, Payables & Finance
- _____ Operations
- _____ Estimating/Engineering
- _____ Installation
- _____ Marketing

In case of conflict or convergence of line responsibility, _____ (name) will make the day-to-day decisions required between meetings of the management committee, subject to the ratification of the management committee.

APPOINTMENT AND COMPOSITION OF MANAGEMENT COMMITTEE

All extraordinary business decisions will be made by a five-person management committee, comprised as follows:

- _____, Vice President, Finance
- _____, Vice President, Operations
- _____, Vice President, Estimating/Engineering
- _____, Vice President, Installation
- _____, Marketing Director

WEIGHTED VOTES OF MANAGEMENT COMMITTEE

Voting will be weighted, with a total of 49 votes, allocated as follows:

- _____, 20 votes
- _____, 10 votes
- _____, 9 votes
- _____, 5 votes
- _____, 5 votes

It will require 25 votes within the management committee to take action on a matter pending before it.

KEY MAN INSURANCE POLICY

Upon the death of _____ (stockholder), at least \$ _____ (dollar amount) of his life insurance proceeds payable to the corporation, will be used for the following purposes:

(1) \$ _____ (dollar amount) will be used to repay any bank obligations, thus reducing corporate debt and increasing available lines of credit;

(2) \$ _____ (dollar amount) will be used as an operating capital reserve to supplement the corporation's operations during the year following the death of _____ (stockholder)

Any portion of that fund remaining after one year will be used to repay creditors.

 _____ (stockholder's signature)

 _____ (additional stockholder's signature)