

the Company, the Term automatically shall be extended so that it ends twelve months after the last day of the month in which the Company gives such notice.

2.3 Special Curtailment. The Term shall end earlier than the original December 31, 1999 termination date provided in Section 2.1 or any extended termination date provided in Section 2.2, in either case if sooner terminated pursuant to Section 4. Non-extension of the Term shall not be deemed to be a wrongful termination of the Term or this Agreement by the Company pursuant to Section 4.4.

### 3. Compensation; Benefits.

3.1 Salary. As compensation for all services to be rendered pursuant to this Agreement, the Company agrees to pay the Executive during the Term a base salary, payable semi-monthly in arrears, at the annual rate of not less than \$180,000, less such deductions or amounts to be withheld as required by applicable law and regulations (the "Base Salary"). In the event that the Company, in its sole discretion, from time to time deter-

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mines to increase the Base Salary, such increased amount shall, from and after the effective date of the increase, constitute "Base Salary" for purposes of this Agreement.

3.2 Bonus. In addition to the amounts to be paid to the Executive pursuant to Section 3.1, the Executive will be eligible to receive a bonus with respect to each calendar year included within the Term computed in accordance with the provisions of the next two succeeding sentences. If, with respect to any calendar year, the Company achieves EBITDA of at least the percentage set forth in the table below of its business plan for such year, such bonus shall be the percentage set forth in the table below of Base Salary with respect to the year for which the bonus (any such bonus, a "performance bonus") was earned:

| Percentage of<br>EBITDA in Business Plan<br>----- | Percentage of<br>Base Salary<br>----- |
|---------------------------------------------------|---------------------------------------|
| 80%                                               | 60%                                   |
| 85                                                | 75                                    |
| 90                                                | 90                                    |
| 95                                                | 100                                   |
| 100                                               | 105                                   |
| 105                                               | 110                                   |
| 110                                               | 125                                   |
| 115                                               | 150                                   |

In the event that the Term or this Agreement is terminated other than pursuant to Section 4.3, the Executive shall be entitled to receive a prorated performance bonus (if such a bonus is otherwise payable) with respect to (A) the year in which the Term or this Agreement terminated or, (B) in the event of a termination pursuant to Section 4.4, the year in which the Executive was last entitled to receive any payments of Base Salary, in an amount equal to (x) the percentage of Base Salary otherwise payable as a performance bonus