

Proposed Term Sheet

Prior Investment in Greenjets

Equity	1.172mm
Debt	.638mm
Management "in-kind"	.956mm

Existing Capital Structure

Equity:	(0.675mm)
Debt:	0.560mm
Shares outstanding:	1,694,756
Book value per share:	(39.83¢)

Proposed New Capital Investment: 2.5mm

Use of Funds:

• Marketing/Advertising (3 new markets)	0.9mm
• Operating deficit	0.6mm
• Contingency (invested as required)	<u>1.0mm</u>
	2.5mm

Recapitalization Process

- 1) \$560,000 in debt is converted into 55% of the company, or 2,071,368 shares (27¢/share)
- 2) New capital invested/committed of \$2.5mm at 20¢/share, or 12,500,000 shares.
- 3) Resulting ownership:

Initial equity investors: 1,694,756 shares (10.4%)
Hayes (debt conversion): 2,071,368 shares (12.7%)
New Investors: 12,500,000 shares (76.8%)
Total shares: 16,266,124

- 4) Resulting Capital Structure

Equity \$2.385mm (\$1mm contingent)
Debt \$0
Book value per share 14.6¢/share

Additional terms:

- Subject to satisfactory financial due diligence
- Subject to satisfactory operational and management due diligence
- Subject to reviewing and agreeing a market expansion plan for 3 additional markets over the next twelve months, including specific marketing plans
- Subject to reviewing and agreeing 36 month financial projections, with appropriate break-even date
- Subject to establishing an appropriate incentive plan for management
- \$1mm in contingent investment is subject to meeting established targets for growth, gross margin, and net margin: solely at the option of the majority of investors
- Existing investors may invest as part of new investment group
- Board of Directors: The Board will consist of seven members: 1 member of management, 1 nominee of Hayes, 1 independent, and 4 nominees of the new investor group