Axios, Inc.

124 Louisville Rd
Grovetown, GA 30813-4121
April 6, 2011

These notes are intended to proactively address some of the things in the Employee Stock Agreement (ESA) that are likely to lead to questions. I am sending this to you now so that you will have plenty of time to read it and ask further questions (of me or any of the other members of the Board of Directors. There are a few "boilerplate" items in it (see number 1 below); my goal is that by April 18 each of you will receive a copy of this document with your specific information filled in the boilerplate places.

1. Boilerplate items: The following items in the ESA are "boilerplate" items that will be filled in with your specific information in the version that you actually sign:

(a) Page 1, 1st paragraph – your name instead of "Enter Employee Name"

(b) Section 3.3 "50" and "$1,886.50" will be replaced with the numbers pertaining to your purchase; the price of $37.37 will also change for future share sales that occur after future valuations of Axios (this most likely would apply to stock options granted in the future after future valuations of Axios occur)

(c) 3.6(5) The date will be changed to the right date for each employee for future employees or for current employees who exercise a stock option in the future. However, unless you specifically ask me to do otherwise, the document you will receive by April 18 will have this current version's date of April 6 in it, under the rationale that you have indeed received it on April 6 and the specific items to be updated with your specific information does not change the meaning or terms of this ESA. This is so that the 21 day timeframe (referenced in several sections of the document) starts now, April 6, with a goal of having you buy your shares by the end of April.

(d) Page 10, the signature section – your name and address will be in it; you'll sign and fill in the date; the Axios' section for signature will probably either have my title changed to "Vice President, Treasurer" or it will have Frank Nadal in there as President.

2. Section 3.4 and parts of 3.6: I think this is likely to be the main section that may rub you wrong initially and cause you to re-read it (as opposed to the normal shock at all the "legalese" that fills the entire document). What this part boils down to is that you are not planning to sue Axios for anything that has occurred prior to and including the date you sign the ESA. You agree that you are not going to buy shares in Axios while simultaneously knowing you have a lawsuit brewing against Axios. Section 3.6(3) makes clear that this does not cover things that may occur in the future; so you are not being asked to cede rights to legal action for things that may occur in the future.

This section is not in here because any of us in management think anything like an employee lawsuit is in the works. It actually never entered our minds …. until it showed up in the lawyer's initial draft of the ESA. There were a number of other things that probably would have rubbed you wrong in the prior drafts of this agreement. This one was the only one that, after much discussion, we decided was entirely reasonable for you to sign as part of becoming a shareholder of the company.

3. Sections 4.2 and 11: These apply to situations where the shareholders decide to sell the company to a buyer. 4.2 is needed to meet securities laws related to one company or investor group buying another company, and 11 is needed to make things practical for such a sale to a 3rd party, make it such that all shareholders are subject to the terms of such a sale (a buyer would be reticent to make such a private company purchase if it required unanimous shareholder consent in order for the buyer to obtain full 100% purchase of the company it wants to purchase). These apply to the principals also, in the principal's shareholder agreement. Note that none of this means we have any intention or plan to sell Axios in the future; rather it is stuff from the lawyer that lays a proper basis for such a sale if one was deemed in the best interest of the shareholders some day in the future.

4. Section 7.3: Repurchase of your shares by Axios is mandatory when you leave Axios (whether retirement or any other reason for departure). That's what "obligation" means in 7.3. It means Axios promises to buy your shares, thus making a market for them, instead of leaving you holding shares that you cannot sell. The "optional" repurchase in 7.4 applies to other situations not involving leaving the company.

5. Section 8.1: All past valuations of Axios have been based on book value. This is the most conservative way to value a company; it would be extremely unusual for a company to sell itself at book value (which as an aside means you are doing well getting to buy shares based on book value). We anticipate switching to a different method of valuation, most likely based on a weighted average of past years revenue, and where this new valuation method will likely first be used to value Axios based on the September 30, 2011 financial state of the company. However, this is something the Board of Directors still must decide (I have not wanted to unilaterally dictate this prior to the new Board of Directors taking over). Because it has not been finalized, Section 8.1 says that "Axios has not adopted a valuation method for the Shares".

6. Sections 9.4, 9.9, and 9.11: These sections spell out the basic plan for buying shares, where Axios has the leeway to make the payments over up to four years after the closing date (five payments total). If a large shareholder departs, the company doesn't have to pay for the shares in one lump sum payment. Note that this is here to protect the company, not to limit the company's flexibility; section 9.11 allows Axios to make full payment on the closing date, or to spread the payments out over less than four years, or to set an initial four-year plan and pay it off earlier. If the company has the cash on hand to make full payment even if it is more than the $25,000 listed in Section 9.4, the company can choose to do so. The company does have incentive to pay in full as soon as possible in order to lessen or avoid paying the interest specified in section 9.9.

Note that even when a multi-year payment plan is involved, the price for all of the shares being purchased by Axios is one price, with all shares transferring to Axios. Sections 8.1 and 10.1 deal with this. To be clear, it is *not* a situation where the person selling the shares continues to own some portion of them and receives a new price in each subsequent year for the remaining shares. All of the shares subject to the sale transfer to Axios at the same time and the price is set, and then Axios pays for them at Closing and over several years per Section 9.4.

7. Sections 9.6 through 9.8: These sections cover situations in which payments to a shareholder would need to be limited in a given year and spread out into future years beyond the payment plan specified in Section 9.4. Virginia law prevents a company from making payments to shareholders if such payments will cause the company to be unable to pay its debts as they become due in the usual course of business or if such payments will cause the company's total assets to become less than its total liabilities. Section 9.7 protects the company from having payments to shareholders in one year be so large as to severely impact the company's operations. Section 9.8 ensures that all individuals are treated fairly if payment for shares needs to be limited in a given year.

8. Some info related to Principals: In early April, hopefully by the end of this week, the first Board of Directors (BOD) meeting will take place for the new Board members. At this BOD meeting, I will step down as President and Secretary of Axios while remaining Treasurer; Frank Nadal will become President; Bill Wiggs will become Vice President and Secretary; I will become Vice President and Treasurer; Greg Gurski and Eric Kielb will become Vice Presidents, and Greg Vincent will continue as Vice President.

9. Miscellaneous items: The total number of Authorized shares is 100,000. This is the most that Axios can issue without filing with the state of Virginia for authorization to increase the number. The total number of Issued shares is expected to be in the vicinity of 81,000 to 82,000 by the time the transition plan is completed, which will leave 18,000 to 19,000 available for the option pool for future stock options. I provide these numbers because several of you are curious to know what percentage of the company your shares are. The total Issued shares is what matters in the event of a new valuation of the company or a sale of the company. Share price is determined with total issued shares in the denominator. Authorized shares do not factor into it. However, Authorized shares do reflect what a given number of shares purchased will work out to be in the future, in terms of percentage ownership, if Axios were to at some point issue all the Authorized shares.

David P. Hayes

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President