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AGREEMENT FOR PURCHASE AND SALE OF BUSINESS

STATE OF California

COUNTY (PARISH) OF _____

This Agreement for Purchase and Sale of Business (the "Agreement") is made as of _____ (the "Effective Date") by and between _____ [name], doing business as _____ [name], of _____ [address] (hereinafter referred to as "the Seller") and _____ [name], doing business as _____ [name], of _____ [address] (hereinafter referred to as "the Buyer") (collectively "the Parties").

ARTICLE I.

PURCHASE AND SALE OF BUSINESS

1.01. In consideration of the mutual promises and conditions contained in this Agreement, the Seller agrees to sell to the Buyer, and the Buyer agrees to purchase from the Seller, on the terms, conditions, warranties, and representations set forth in this Agreement:

- (a) The business owned by the Seller, being conducted under its name, located at _____ [address] ("the Business");
- (b) All of the stock in trade, inventory, and merchandise of the Business as described in Attachment "A" to this Agreement and incorporated into this Agreement by reference;
- (c) All of the fixtures, equipment, and other tangible assets of the Business as described in Attachment "A" to this Agreement and incorporated into this Agreement by reference;
- (d) All business and trade names, trademarks, service marks, logos, slogans, patents, copyrights, goodwill, contractual entitlements, and intangible and intellectual property assets of the Business as described in Attachment "B" to this Agreement and incorporated into this Agreement by reference;
- (e) Any leasehold interest owned by the Seller under the lease for the premises where the Business is located as described in Attachment "C" to this Agreement and incorporated into this Agreement by reference; and
- (f) All commercial real property and fixtures thereto as described in Attachment "D" to this Agreement and incorporated into this Agreement by reference.

ARTICLE II.

PURCHASE PRICE

2.01. The total purchase price to be paid by the Buyer to the Seller for all the properties, assets and rights of the Business described in Article 1.01 this Agreement shall be USD \$_____ (the "Purchase Price").

2.02. The Purchase Price is allocated as follows, in accordance with IRS Form 8594:

\$_____ Cash & bank accounts (IRS Form 8594 Class I assets);

\$_____ U.S. government securities, publicly traded stock, and certificates of deposit (IRS Form 8594 Class II assets);

\$_____ Accounts receivable (IRS Form 8594 Class III assets);

\$_____ Stock in trade, inventory (IRS Form 8594 Class IV assets);

\$_____ All assets not in any other category, including furniture and fixtures, buildings, land, vehicles, and equipment (IRS Form 8594 Class V assets);

\$_____ Intangibles, intellectual property, and leasehold interests (IRS Form 8594 Class VI assets); and

\$_____ Goodwill and going concern value (IRS Form 8594 Class VII assets),

Total: \$_____.

ARTICLE III.

PAYMENT OF PURCHASE PRICE

3.01. The Purchase Price shall be paid as follows:

- (a) The sum of \$_____, previously paid to the Seller by the Buyer, the receipt of which is acknowledged by the Seller;
- (b) the sum of \$_____ in cash, cashier's check, or certified check, shall be paid at Closing, as the term Closing is defined in Article IV, below; and
- (c) the balance of the Purchase Price shall be paid by delivery from the Buyer to the Seller of a promissory note executed in favor of the Seller by the Buyer in the form attached as Attachment "E" and incorporated into this Agreement by reference, for a principal amount of \$_____ and bearing interest from the date of its execution at the rate of _____ percent per year, payable in _____ monthly installments beginning on _____ [date], in the monthly amount of \$_____ each ("the Note"). This Note shall be

secured by a Security interest on the assets of the Business listed in Article 1.01 of this Agreement.

ARTICLE IV.

CLOSING

4.01. The closing of the sale and purchase of the Business (“the Closing”) shall take place at _____, located at _____ [address], on or before _____ [date], or at such other place and date as the Parties may mutually agree.

4.02. At or prior to the Closing the Seller shall:

(a) Deliver clear and marketable title and ownership to the Buyer of all assets listed in Article 1.01 of this Agreement;

(b) Execute the Bill of Sale attached to this Agreement as Attachment “F” and incorporated into this Agreement by reference;

(c) Execute the Assignment of Assumed Name Certificate attached to this Agreement as Attachment “G” and incorporated into this Agreement by reference;

(d) Execute any other documents necessary to finalize this Agreement;

(e) Have arranged for the closure of any needed escrow for the transfer of any commercial real property included in this transaction; and

(f) Execute and deliver to the Buyer all documents required by this Agreement.

4.03. At the closing the Buyer shall also pay all remaining moneys owed to the Seller and execute the Note.

ARTICLE V.

REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS BY THE SELLER

5.01. The Seller warrants and represents to the Buyer that:

(a) The financial records for the Business, previously inspected by Buyer, contain a full and complete record and account of the financial affairs of the Business and truthfully set forth all liabilities, assets, and other matters pertaining to the fiscal or financial condition of this Business through the date of inspection and furthermore, that there have been no material changes in the financial condition of this Business since that time except for transactions normal to this Business;

(b) The Seller is the lawful owner of this Business and has good right and due authorization to sell it. As of the Effective Date of this Agreement, the Seller neither knows nor has reason to know of the existence of any outstanding claim or title, or interest, or lien in, to, or on this

Business except as shown on the financial records of this Business inspected by the Buyer, unless otherwise set forth in a written statement previously provided to the Buyer by the Seller;

(c) All fixtures and equipment sold pursuant to this Agreement are free and clear of any lien (including UCC financing statements) and/or debt, unless otherwise set forth in a written statement previously provided to the Buyer by the Seller;

(d) The Seller owes no obligations and has contracted no liabilities affecting this Business or which might affect the consummation of the purchase and sale described in this Agreement that are not shown on the financial records inspected by the Buyer and that have not been expressly disclosed to the Buyer;

(e) There are no taxes due and owing on account of the Seller's operation of the Business for unemployment compensation, withholding tax, social security tax, sales tax, personal property tax, franchise tax, income tax, and other taxes of any nature except as shown on the financial records of this Business inspected by the Buyer;

(f) Any accounts payable due and owing as of the Closing shall remain the responsibility of the Seller and shall be paid promptly as they become due and payable, unless otherwise agreed in writing by the Parties;

(g) No litigation, actions or proceedings, legal, equitable, administrative, through arbitration or otherwise, including but not limited to lawsuits, claims, or disputes with employees, customers, or vendors, etc., are pending or threatened that might affect the Business, the assets being purchased, or the consummation of the purchase and sale described in this Agreement;

(h) The Seller agrees to indemnify and hold the Buyer harmless from and against any and all claims, causes of actions, damages, or debts, including legal fees and costs, resulting from any actions, occurrences or, events occurring prior to the Closing;

(i) All mechanical and computer equipment sold pursuant to this Agreement is in good working condition and free of defects, viruses, and illegal or unlicensed software;

(j) The Seller shall provide to the Buyer _____ weeks of full-time on-site training in the operations of the Business; and

(k) That all commercial real property involved in this transaction is unencumbered, free of liens of any nature unless expressly mentioned in writing to the Buyer and that the title thereto is free and without any clouds upon the title.

ARTICLE VI.

REPRESENTATIONS, WARRANTIES AND AGREEMENTS BY THE BUYER

6.01. The Buyer agrees and warrants and represents to the Seller that the Buyer will duly notify all authorities, suppliers, creditors, and/or other entities that Buyer is to be responsible for all liabilities associated with the operation of the Business, including, without limitation, withholding / payroll taxes, social security taxes, unemployment contributions, salaries, and purchases incurred after the Closing, and the Buyer specifically agrees to assume such liabilities as of the Closing.

ARTICLE VII.

COMPLIANCE WITH BULK SALES LAW

7.01. At the Closing, the Seller will deliver to the Buyer a sworn list of all existing creditors of the Business.

7.02. By reason of this list the Seller and the Buyer agree that notice to creditors under the Bulk Sales law of _____ [state] will not be required and need not be given except in respect to any creditors named on this list.

7.03. Any such debt, unless otherwise provided for in this Agreement, is to be paid solely by the Seller, and the Seller agrees to indemnify and hold harmless the Buyer from and against any and all loss, expense, damage, or liability, including attorneys' fees and costs, that the Buyer may incur or become subject to by reason of noncompliance with the applicable Bulk Sales law.

ARTICLE VIII.

TRADE NAME, TELEPHONE NUMBER, AND POST OFFICE BOX

8.01. The Seller assigns to the Buyer the exclusive right to use the trade or business name and the Seller agrees not to use, or authorize others to use, this name or a similar name. Any trademarks or service marks, whether registered with the United States Patent and Trademark Office or merely owned by common law ownership as established by federal or state law, shall be transferred to the sole ownership of the Buyer, and the Seller agrees to execute and subscribe any required instruments to affect said transfer of ownership. Any and all other intellectual property relating to the business is also herein transferred to the sole ownership of the Buyer, including, without limitation, trade secrets, client lists, business models, business plans, and any and all intellectual property of any and all nature.

8.02. The Seller agrees to allow the Buyer to assume the Business telephone and telefax number(s), Web Site, and email address(es), current advertising arrangements, including, without limitation, any Yellow Pages Advertising, and the U.S. Post Office or private mail box, if any, currently used by the Business for a mailing address(es).

ARTICLE IX.

DELIVERY OF BOOKS AND RECORDS

9.01. All books, records, files, documents, and papers, including customer lists and all records of the accounts of customers used in the operation of or relating to the Business, whether hard copy, electronic, or otherwise, shall be transferred and delivered to the Buyer at the Closing, and the Seller shall not retain any copies, electronic or otherwise, of the same.

ARTICLE X.

NON-ASSUMPTION OF LIABILITIES

10.01. Unless otherwise expressly agreed in this Agreement, the liabilities and obligations incurred by the Seller prior to the Closing are not assumed by the Buyer but rather shall continue as liabilities and obligations of the Seller and shall be solely paid by the Seller.

10.02. In the event the Buyer is required to pay, after the Closing, any valid lien, debt, or expense incurred by the Seller prior to the Closing Date, the Buyer shall have the right to offset any such lien,

debt, or expense actually paid by the Buyer, which is the valid and legal obligation of the Seller, against any payment owed to the Seller by the Buyer; provided, however, that documentation of such payment and offset shall be provided by the Buyer to the Seller in connection with any such offset.

ARTICLE XI.

INDEMNIFICATION OF SELLER

11.01. The Buyer will indemnify and hold the Seller and the property of the Seller free and harmless from and against any and all claims, losses, damages, injuries, and liabilities arising from or in connection with the operation of the Business after the Closing.

ARTICLE XII.

PRORATIONS

12.01. There shall be prorated between the Seller and the Buyer on the basis of 30 days per month as of 12:01 a.m. local time at the principal location of the Business on the date of the Closing all property taxes, rent, insurance premiums, and utility bills, etc.

ARTICLE XIII.

DEFAULT

13.01. After execution of this Agreement by the Parties, default shall consist in the failure of either Party to perform its respective obligations and duties and/or a breach of a warranty or covenant in this Agreement.

13.02. In the event of default of either Party, the other Party shall have the right to sue for specific performance and/or sue for damages in addition to any other relief provided in this Agreement or in any attachment to this Agreement. In a suit for default, reasonable attorney fees and costs shall be recoverable by the prevailing Party.

ARTICLE XIV.

COSTS AND EXPENSES

14.01. All costs and expenses incurred in finalizing the purchase and sale described in this Agreement in the manner prescribed by this Agreement shall be paid by the Buyer and the Seller in the following manner:

(a) The Buyer and the Seller agree to jointly retain an attorney to prepare the Closing documents and be equally responsible for the attorney fees and costs incurred in the preparation of these documents. This sum shall be due and payable at Closing. Should either Party retain an additional attorney to review the documents necessary for the transfer of the Business, the attorney fees and costs so incurred shall be the responsibility of the Party retaining the attorney.

(b) Any other Closing costs and expenses shall be paid at the Closing by the Buyer and the Seller, in equal proportions.

ARTICLE XV.

RESTRICTIVE COVENANTS

15.01. The Seller expressly agrees that for a period of _____ years following the execution of this Agreement, the Seller will not, directly or indirectly, as an employee, agent, proprietor, partner, stockholder, officer, director, member, independent contractor, or otherwise, render any services to, or on he own behalf engage in or own a part or all of any business which is the same as, similar to, or competitive with the Business, which is being sold to the Buyer, anywhere within a _____-mile radius from the current principal location of the Business that is being sold without the prior written consent of the Buyer.

15.02. The Seller shall not for a period of _____ years immediately following the execution of this Agreement, regardless of any reasons or cause, either directly or indirectly:

(a) Make known to any person, firm, or corporation the names and addresses of any of the customers of the Seller or the Buyer or any other information pertaining to them; or

(b) Call on, solicit, or take away, or attempt to call on, solicit, or take away any of the customers of the Seller on whom the Seller called or with whom he became acquainted during ownership of this Business either for the Seller or for any other person, firm, or corporation.

15.03. Should the Seller violate any provision of this Article, any remaining amounts now due, or which shall become due, from the Buyer to the Seller shall be considered paid in full as liquidated damages.

ARTICLE XVI.

GENERAL AND ADMINISTRATIVE PROVISIONS

16.01. Parties Bound. This Agreement shall be binding upon and inure to the benefit of the Parties to this Agreement and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

16.02. Assignment. The Seller shall have no right to transfer or assign his interest in this Agreement without the prior written consent of the Buyer.

16.03. Corporate Authority. If any party to this Agreement is a legal entity (partnership, corporation, limited liability company, and/or trust), such Party represents to the other Party that this Agreement, the transaction contemplated in this Agreement, and the execution and delivery hereof, have been duly authorized by all necessary partnership, corporate, LLC, or trust proceedings and actions, including, without limitation, the action on the part of the directors, if the Party is a corporation, or members or managers, if the Party is a LLC. Certified copies of such corporate or other resolutions authorizing this transaction shall upon request be delivered at the Closing.

16.04. Use of Pronouns. The use of the neuter singular pronoun to refer to the Parties described in this Agreement shall be deemed a proper reference even though the Parties may be an individual, a partnership, a corporation, a LLC, or group of two or more individuals, partnerships, corporations or LLCs. The necessary grammatical changes required to make the provisions of this Agreement apply in

the plural sense where there is more than one party to this Agreement, and to either corporations, LLCs, partnerships, or individuals, males or females, shall in all instances be assumed as though in each case fully expressed.

16.05. _____ [State] Law. This Agreement shall be subject to and governed by the laws of the State of _____ applicable to agreements made and performed entirely therein. Any and all obligations or payments are due and payable in _____ [city], _____ [county/parish], _____ [state].

Subject to the provisions of this Section, all disputes, controversies or claims arising out of or relating to this Agreement will be resolved through mandatory binding arbitration conducted in a JAMS facility closest to the offices of the Buyer before JAMS/ENDISPUTE or its successor (“JAMS”) pursuant to the United States Arbitration Act, 9 U.S.C. Section 1, et seq. (“the Act”) and this Agreement. The arbitration will be conducted in accordance with the provisions of JAMS’ Streamlined Arbitration Rules and Procedures in effect at the time of filing of the demand for arbitration (“the JAMS Rules”), subject to the provisions of this Section. The terms set forth in this Agreement will control in the event of any inconsistency between such terms and the JAMS Rules. The Parties will cooperate with JAMS and with each other in promptly selecting a single arbitrator from JAMS’ panel of neutrals. If the Parties fail to so select an arbitrator within thirty (30) days following the date of either Party’s notice of demand to conduct arbitration, then JAMS will appoint an arbitrator in accordance with the JAMS Rules. The award of the arbitrator will be in writing and will set forth findings of fact and conclusions of law. Judgment on the arbitrator’s award will be final and binding upon the Parties and may be entered in any court having jurisdiction thereof. If for any reason JAMS or its successor no longer is in business, then the arbitration shall be conducted in accordance with the commercial arbitration rules of the American Arbitration Association. The arbitrator’s fees will be shared equally by the Parties, and each Party will initially bear its own costs and attorneys’ fees, but the prevailing Party shall be reimbursed by the other Party for all attorneys’ fees, witness fees, and arbitration costs. All papers, documents, or evidence, whether written or oral, filed with or presented in connection with the arbitration proceeding will be deemed by the Parties and by the arbitrator to be confidential information of both Parties. The arbitrator chosen in accordance with these provisions will not have the power to alter, amend, or otherwise affect the terms of these arbitration provisions or the provisions of this Agreement.

16.06. Severability. If any provision of this Agreement should, for any reason, be held in violation of any applicable law, and so much of this Agreement be held unenforceable, then the invalidity of such a specific provision in this Agreement shall not be held to invalidate any other provisions in this Agreement, which other provisions shall remain in full force and effect unless removal of the invalid provisions destroys the legitimate purposes of this Agreement, in which event this Agreement shall be canceled.

16.07. Entire Agreement. This Agreement represents the entire understanding of the Parties with regard to the subject matter of this Agreement. There are no oral agreements, understandings, or representations made by any Party to this Agreement that are outside of this Agreement and are not expressly stated in it.

16.08. Notices. All notices or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be considered as properly given if mailed from within the United States by first class mail, postage prepaid, and addressed as follows:

Seller’s Address: _____

Buyer’s Address: _____

A Party may change the address for notice by giving of such change to the other Party in writing.

SIGNED, ACCEPTED, AND AGREED TO on _____ [date] by the undersigned Parties, who acknowledge that they have read and understand this Agreement and the Attachments to it and that they execute this legal document voluntarily and of their own free will.

Seller's Signature: _____

Buyer's Signature: _____

This Section for Notary Public:

State of California

County of _____

On _____ before me, (here insert name and title of the officer),

personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (Seal)

Attachment B

List business and trade names, trademarks, service marks, logos, slogans, patents, copyrights, goodwill, contractual entitlements, and intangible and intellectual property assets of the Business (or write "N/A"):

Attachment C

Describe or attach documents describing leasehold interests being transferred (or write "N/A"):

Attachment D

Describe or attach documents describing the commercial real property and fixtures being transferred (or write "N/A"):

Attachment E

Attach the Promissory Note (or write "N/A"):

Attachment F

BILL OF SALE

For good and sufficient consideration, the receipt of which is hereby acknowledged, the undersigned Seller hereby sells, transfers, and conveys to Buyer:

1. All the goods and chattels, property and effects, tangible and intangible and any and all relevant commercial real estate, listed in Attachments A, B, C, and D of the Agreement for Purchase and Sale of Business dated _____ [Effective Date of Agreement], incorporated herein by reference; and

2. The whole of the good will and intellectual property of any and all nature of the business formerly operated by the undersigned which is the subject of this sale known as _____.

The undersigned warrants that said goods, chattels, commercial real property, and tangible and intangible property are free and clear of all encumbrances and clouds upon any relevant titles, that it has full right and title as sole owner to sell and transfer ownership of the same, and that it will warrant and defend the same against the claims and demands of all persons.

The undersigned hereby warrants and covenants that I shall not within _____ years of the date of this instrument engage in the business of _____ within _____ miles of the business.

This Agreement shall be deemed to be made and performed in, and shall be governed and construed in accordance with the laws of the state of California.

Dated: _____

Buyer Printed Name

Buyer Signature

Seller Printed Name

Seller Signature

This Section for Notary Public:

State of California

County of _____

On _____, before me, (here insert name and title of the officer),

personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (Seal)

Attachment G

Attach Assignment of Assumed Name Certificate (or write "N/A"):