

CONTRACT FOR SALE AND PURCHASE OF BUSINESS

This contract for sale and purchase, hereinafter referred to as "Contract" or "Agreement", is executed this day of , 20 , by and between, hereinafter referred to as "Seller", and , hereinafter referred to as "Buyer".

WITNESSETH:

WHEREAS, Seller is the owner of Seller's property, situated and located in County, State of , more particularly described in Exhibit "A" attached hereto and made a part hereof, hereinafter referred to as the "Property"; and WHEREAS, Buyer desires to purchase Seller's property and Seller desires to sell said property to Buyer;

NOW, THEREFORE, for and in consideration of the mutual covenants and promises hereinafter contained, the Seller agrees to sell and the Buyer agrees to buy the "Property" upon the following terms and conditions.

1. PURCHASE PRICE AND METHOD OF PAYMENT. Buyer shall pay and Seller shall accept the purchase price for the property in the manner of payment therefor set forth in Exhibit "B" attached hereto and made a part hereof.

2. CLOSING. The closing of the transactions contemplated by this agreement, hereinafter referred to as "The Closing", shall be held at , , on the day of , 20 , at x.m. or at such other place, date and time as the parties hereto may otherwise agree (such date to be referred to in this agreement as the "Closing Date").

3. REPRESENTATIONS AND WARRANTIES OF SELLER. Seller represents and warrants to Buyer the correctness, truthfulness and accuracy of the matters shown on Exhibit "C" attached hereto, all of which shall survive closing. In addition, Seller represents and warrants to Buyer that the documents enumerated in Exhibit "D" attached hereto and made a part hereof, are true, authentic and correct copies of the original, or, if appropriate, the originals themselves, and no alterations or modifications thereof have been made.

4. REPRESENTATIONS AND WARRANTIES. Buyer and Seller hereby represent and warrant the following:

a. Brokers. There has been no act or omission by Buyer or Seller which would give rise to any valid claim against any of the parties hereto for a brokerage commission, finder's fee, or other like payment in connection with the transactions contemplated hereby.

5. TRANSACTIONS PRIOR TO CLOSING. Seller hereby covenants the following:

a. Conduct of Seller's Business Until Closing. Except as Buyer may otherwise consent in writing prior to the Closing Date, Seller will not enter into any transaction, take any action or fail to take any action which would result in, or could reasonably be expected to result in or cause any of the representations and warranties of Seller

contained in this Agreement to be void, invalid or false on the Closing Date.

b. Resignations. Seller shall deliver to Buyer prior to the Closing Date, such resignations of officers or employees of the business as Buyer shall indicate, each such resignation to be effective on the Closing Date.

c. Satisfactions. Seller shall deliver to Buyer on the Closing Date a satisfaction of any encumbrance or lien on the property satisfactory in form and substance to the Buyer indicating that the then outstanding unpaid principal balance of any promissory note secured thereby has been paid in full prior to or simultaneously with the closing.

d. Advice of Changes. Between the date hereof and the Closing Date, Seller will promptly advise Buyer in writing of any fact which, if existing or known at the date hereof, would have been required to be set forth herein or disclosed pursuant to this Agreement.

e. Documents. Seller shall deliver to Buyer at closing such documents which are, in Buyer's sole discretion, necessary to fully satisfy the objectives of this Agreement in content and form reasonably intended to do so.

6. EXPENSES. Each of the parties hereto shall pay its own expenses in connection with this Agreement and the transactions contemplated hereby, including the fees and expenses of its counsel and its certified public accountants.

7. GENERAL.

a. Survival of Representations and Warranties. Each of the parties to this Agreement covenants and agrees that their respective representations, warranties, covenants, statements, and agreements contained in this Agreement shall survive the Closing Date and terminate on the second anniversary of such date. Except as set forth in this Agreement, the exhibits hereto or in the documents and papers delivered by Seller to Buyer in connection herewith, there are no other agreements, representations, warranties, or covenants by or among the parties hereto with respect to the subject matter hereof.

b. Waivers. No action taken pursuant to this Agreement, including any investigation by or on behalf of any party shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant or agreement contained herein or therein and in any documents delivered in connection herewith or therewith. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

c. Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered or mailed, first class mail, postage prepaid,

To Seller:

To Buyer:

or to such other address as such party shall have specified by notice in writing to the other party.

d. Sections and Other Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretations of this Agreement.

e. Governing Law. This agreement, and all transactions contemplated hereby, shall be governed by, construed and enforced in accordance with the laws of the State of . The parties herein waive trial by jury and agree to submit to the personal jurisdiction and venue of a court of subject matter jurisdiction located in County, State of . In the event that litigation results from or arises out of this Agreement or the performance thereof, the parties agree to reimburse the prevailing party's reasonable attorney's fees, court costs, and all other expenses, whether or not taxable by the court as costs, in addition to any other relief to which the prevailing party may be entitled. In such event, no action shall be entertained by said court or any court of competent jurisdiction if filed more than one year subsequent to the date the cause(s) of action actually accrued regardless of whether damages were otherwise as of said time calculable.

f. Conditions Precedent. The Conditions Precedent to the enforceability of this Agreement are outlined more fully in Exhibit "E", attached hereto and made a part hereof. In the event that said Conditions Precedent are not fulfilled by the appropriate dates thereof, then this Agreement shall be deemed null and void and any deposits paid at said time shall be returned to the Buyer forthwith.

g. Captions. The Captions of this contract are for convenience and reference only and in no way define, describe, extend, or limit the scope or intent of this contract, or the intent of any provisions hereof.

h. Typewritten or Handwritten Provisions. Hand-written provisions inserted in this contract and typewritten provisions initialed by both parties shall control over the typewritten provisions in conflict therewith.

i. Time of the Essence. Time and timely performance are of the essence of this contract and of the covenants and provisions hereunder.

j. Successors and Assigns. Rights and obligations created by this contract shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

k. Contractual Procedures. Unless specifically disallowed by law, should litigation arise hereunder, service of process therefore may be obtained through certified mail, return receipt requested; the parties hereto waiving any and all rights they may have to object to the method by which service was perfected.

1. Extraordinary Remedies. To the extent cognizable at law, the parties hereto, in the event of breach and in addition to any and all other remedies available thereto, may obtain injunctive relief, regardless of whether the injured party can demonstrate that no adequate remedy exists at law.

8. AMENDMENTS OR ADDENDA. All amendments, addenda, modifications, or changes to this contract are shown on Exhibit "F", attached hereto and made a part hereof.

9. INITIALS AND EXHIBITS. This contract shall not be valid and enforceable unless it is properly executed by Buyer and Seller and their initials affixed to each page of the exhibits attached hereto and made a part hereof.

IN WITNESS WHEREOF, this Agreement has been executed by each of the individual parties hereto and signed by an officer thereunto duly authorized and attested under the corporate seal of the Secretary of the Corporate party hereto, if any, all on the date and year first above written.

Signed, sealed and delivered in the presence of:

SELLER:

(CORPORATE SEAL) (CORPORATE NAME)

BY:

Witness Its President/Vice President
Attest: Its Secretary
Individual Name

Witness
Witness

BUYER

(CORPORATE SEAL) (CORPORATE NAME)

BY:

Witness Its President/Vice President
Attest: Its Secretary
Individual Name

Witness
Witness

EXHIBIT "A"

PROPERTY DESCRIPTION

All assets associated with or relating to that certain business establishment known and commonly referred to as _____, located at _____, in County, _____, including, but not limited to: the trade name "_____" all leasehold improvements, inventory, fixtures, utility deposits, telephone deposits, any and all other security deposits, good will (which has no value), and any and all other items normally considered and commonly referred to as assets, except those specifically excepted hereinafter: _____.

Initials:
Seller
Buyer

EXHIBIT "B"

AMOUNT AND PAYMENT OF PURCHASE PRICE

a. CONSIDERATION As total consideration for the purchase and sale of the property, the Buyer shall pay to the Seller the sum of (\$), such total consideration to be referred to in this Agreement as the "Purchase Price".

b. PAYMENT. The Purchase Price shall be paid as follows:

i. Dollars (\$) to be paid to Seller upon execution of this contract;

ii. Cashier's or certified check from Buyer in the sum of Dollars (\$) to be delivered to Seller at closing.

c. ALLOCATION. The Purchase Price shall be allocated for tax purposes as follows:

- i. Inventory \$
- ii. Fixtures \$
- iii. Leasehold Improvements \$
- iv. Goodwill \$
- v. Non-Competition Provision \$
- vi. Other (specify) \$

Initials:
Seller
Buyer

EXHIBIT "C"

REPRESENTATIONS AND WARRANTIES OF SELLER

a. Organization and Standing. Corporation is a corporation duly organized, validly existing and in good standing under the laws of the State of and has the corporate power and authority to carry on its business as it is now being conducted.

b. Authority Relative to this Agreement. Except as otherwise stated herein, the Seller has full power and authority to execute this Agreement and carry out the transactions contemplated by it and no further action is necessary by the Seller to make this Agreement valid and binding upon Seller and enforceable against it in accordance with the terms hereof, or to carry out the actions contemplated hereby. The execution, delivery and performance of this Agreement by the Seller will not (i) constitute a breach or a violation of the Corporation's Certificate of Incorporation, By-Laws, or of any law, agreement, indenture, deed of trust, mortgage, loan agreement or other instrument to which it is a party, or by which it is bound; (ii) constitute a violation of any order, judgment or decree to which it is

a party or by which its assets or properties is bound or affected; or (iii) result in the creation of any lien, charge or encumbrance upon its assets or properties, except as stated herein.

c. Tax Matters. The Seller has timely prepared and filed all federal, state and local tax returns and reports as are and have been required to be filed and all taxes shown thereon to be due have been paid in full, including but not limited to, sales tax, withholding tax and all other taxes of every nature.

d. Properties. The Seller has good and merchantable title to all of its properties and assets which are those properties and assets as set out in Exhibit "A" annexed hereto and made a part hereof. At Closing, such properties and assets will be subject to no mortgage, pledge, lien, conditional sales agreement, security agreement, encumbrance or charge, secured or unsecured, except for those taxes which shall be pro-rated as of the date of Closing. Seller has or will pay all debts incurred by it up to the date of occupancy by Buyer including all employee compensation and utilities.

e. Compliance with Applicable Laws. None of the Seller's actions in transferring good and merchantable title to those assets and properties set out in Exhibit "A" are prohibited by or have violated or will violate any law in effect on the date of this Agreement or on the date of closing.

f. Documents for Review. The Seller's documents enumerated in Exhibit "D" attached hereto and made a part hereof, are true, authentic, and correct copies of the originals, or, as appropriate, the originals themselves, and no alterations and modifications thereof have been made.

g. The lease currently operative on the premises, if applicable, is in good standing and all payments required to be made under the lease have been made by Seller.

h. All rent averages, rent, maintenance expenses and prorations relating to the lease, including any real property tax obligations and insurance obligations up to occupancy by Buyers, are the responsibility of Seller.

i. will pay any and all fees charged by the Landlord for processing any assignment of the lease to the Buyer.

Initials:
Seller
Buyer

EXHIBIT "D"
DOCUMENTS FOR REVIEW

- i. Leasehold Agreement(s)
- ii. Financial and Operating Statement(s)
- iii. Sales Tax Return(s)
- iv. Income Tax Return(s)
- v. Accounts Payable/Receivables Ledger

- vi. If Seller is a Corporation:
 - a. Corporate Articles of Incorporation
 - b. Corporate Bylaws
 - c. Corporate Minutes and Resolutions

Initials:

Seller

Buyer

EXHIBIT "E"

CONDITIONS PRECEDENT

- a. Buyer obtaining the full transfer and assumption of the leasehold interest and the leasehold agreement(s) currently in force between Seller and Seller's landlord.
- b. The full payment of all liabilities and obligations currently outstanding on the business, except those specifically enumerated hereinafter and assumed by Buyer as a part of this transaction:

Initials:

Seller

Buyer

EXHIBIT "E"

AMENDMENTS AND ADDENDA

During the term of this Agreement, upon its termination for any Seller will not, directly or indirectly, enter the employment of, or render services to, any other person, partnership, association, or corporation engaged in the same or substantially similar business covered by this agreement in any area which can be reasonably termed competitive to the Buyer; and during such term of two (2) years, the Seller will not within such territory engage in such business on his own account, or become interested therein, directly or indirectly, as an individual, partner, shareholder, director, consultant, independent contractor, officer, clerk, principal, agent, employee, trustee, or in any relation or capacity whatsoever.

Initials:

Seller

Buyer