



## EARLY POSSESSION GUIDELINES FOR ESCROW

*First*, the agent advises the Buyer and Seller that giving early possession of the business to the Buyer could result in material and financial changes to the business and its premises.

Seller agrees to grant physical possession of subject Business to Buyer prior to the close of escrow, providing that the following is satisfied prior to the date of physical possession.

- 1) The UCC Search Report from the Secretary of State of California on Sellers and subject Business has been obtained by escrow holder, as set forth in these instructions, and any applicable liens revealed in said searches have been satisfied or terminated, and UCC-3 Termination of Security Interest documents have been signed by the secured parties, where applicable.
- 2) The Assignment of Lease (or New Lease) is fully executed by all parties, where applicable.
- 3) Buyer has deposited all funds required in this escrow, including any estimated closing costs, into escrow, in the form of certified funds, or if in another form, said funds have cleared in the escrow holder's trust account.
- 4) Buyer and Seller have signed all required documents. All contingencies have been satisfied in writing and signed by Buyer and Seller, including signed agreements by third parties as required in this escrow (with the exception of the transfer of the permanent liquor license).
- 5) Buyer has secured liability and hazard insurance on the Business and equipment, as required by lessor, as stated in the lease on subject property and Buyer has deposited proof of insurance to escrow holder and Seller.
- 6) Buyer has obtained all necessary permits, licenses and inspections necessary to operate said Business in compliance with all city, county, state and federal laws.
- 7) Notification of sale has been made as required in this escrow to all government agencies, including but not limited to, the County Tax Collector, the State Board of Equalization and the Employment Development Department.

Buyer: \_\_\_\_\_

Seller: \_\_\_\_\_

- 8) Buyer authorizes an irrevocably instructs the Escrow Holder to release all proceeds from the sale of the business, less all demands and liabilities related to the above business, to Seller upon close of escrow or within 5 days after estimated closing date.
- 9) Broker commission shall be release to the broker immediately upon changing the possession and Buyer receiving the possession of Business.

Buyer: \_\_\_\_\_ Seller: \_\_\_\_\_

- 10) Buyer agrees and understands by acquiring the possession of the business escrow will release all the proceeds to Seller after paying all claims and liabilities of the business prior to giving possession to the Buyer.

**Second**, amend the opening escrow instructions as follows:

Choose A and B if there is liquor license being transferred in this escrow.

Choose C if there is no liquor license.

A. "Physical possession of the Business will be granted to Buyer by Seller prior to the close of this escrow. The Buyer is aware that he will be financially responsible for any and all indebtedness incurred by him from the date of physical possession. Seller is aware that giving early possession of said Business to Buyer prior to the close of escrow could result in material and financial changes to said Business and its premises, and that there is no guarantee that the escrow will close. Therefore, Seller and Buyer herein agree to indemnify the escrow holder, **Liberty Business Advisors, Escrow Office, their respective agents, associates, employees and independent contractors** from any and all liabilities or damages that may arise in connection therewith, and you as escrow holder shall not be concerned therewith".

B. If Alcohol Beverage Control does not transfer ownership, Buyer agrees to proceed in the purchase and close escrow without the license.

Buyer: \_\_\_\_\_

C. Escrow Holder is instructed to release proceeds to Seller without further instructions.

Buyer

Buyer

Date

Seller

Seller

Date