

Buyer's Closing Agreement and Acknowledgement

Business _____

Seller _____ Seller's Broker _____

Buyer _____ Buyer's Broker _____

1. Buyer and Seller have agreed upon the value of the following items:

Inventory \$ _____ Accounts Receivable \$ _____ Accounts Payable \$ _____

Initials

2. Buyer has inspected, or caused to be inspected, the equipment listed on Exhibit A and acknowledges that it is in working order or agrees to exceptions as listed on Exhibit A.

Initials

3. Buyer has requested, received and examined (or has caused to be examined) all items necessary to determine Business performance, conditions and legal compliance and hereby acknowledges that due diligence is complete and satisfactory.

Initials

4. **Referral Fee** (if applicable): Buyer acknowledges that Broker has disclosed that Broker expects to receive a referral fee in the amount of \$ _____ from _____.

Initials

5. Buyer has previously read, understood and executed documents containing the following:

Buyer's Acknowledgment of Introduction and Confidentiality Agreement

¶ 3. Buyer's Responsibility and Disclaimer of Broker's Liability: The Brokers have received information about the Business from the Seller that may include, but is not limited to, tax returns, financial statements, equipment lists, and facility leases. Based on information provided by sellers, brokers often prepare a summary description of the business, which may include a cash flow projection, an adjusted income statement, or a seller discretionary cash flow statement. Buyer understands that the Broker does not audit or verify any information given to Broker or make any warranty or representation as to its accuracy or completeness, nor in any way guarantee future business performance. Buyer is solely responsible to examine and investigate the Business, its assets, liabilities, financial statements, tax returns, and any other facts, which might influence Buyer's purchase decision or the price Buyer is willing to pay. Any decision by Buyer to purchase the Business shall be based solely on Buyer's own investigation and that of Buyer's legal, tax and other advisors and not that of Broker.

Initials

Asset Purchase Agreement (if applicable)

¶ 14 BROKER: Buyer acknowledges that Broker has furnished to Buyer financial and other information obtained from Seller and other sources, the accuracy and completeness of which have not been verified by Broker, and that Buyer is relying solely on his own inspection of the Business, its Assets, financial statements, business records, contracts, any assumed liabilities, operational history, future profitability and the representations by the Seller, and not on any representations of the Broker. Should any such representations of Seller or Buyer be untrue, Buyer and Seller agree to look solely to each other for relief and shall release, hold harmless, indemnify and defend the Broker from any such claims. Buyer and Seller acknowledge and agree that Broker may receive a referral fee from an institutional lender.

Initials

¶ 22. ACKNOWLEDGMENT AND PERSONAL GUARANTEE: By signing below, the Buyer and Seller each acknowledge that they have carefully read and fully understand this Agreement and have received a copy of it. The undersigned warrant that their signatures are legally sufficient to bind the Buyer and Seller. If the Buyer and/or Seller is a corporation or other entity, the undersigned personally guarantee the performance of this Agreement and any other agreements necessary to complete the purchase.

Initials

Last paragraph of page 6: THE CALIFORNIA ASSOCIATION OF BUSINESS BROKERS MAKES NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. THE BROKER IS NOT QUALIFIED TO GIVE LEGAL OR TAX ADVICE. FOR SUCH ADVICE, THE PARTIES SHOULD CONSULT THEIR ATTORNEYS OR ACCOUNTANTS.

Initials

Stock Purchase Agreement (if applicable)

¶ 16. BROKER: Buyer acknowledges that Brokers have furnished to Buyer financial and other information obtained from Seller and other sources, the accuracy and completeness of which have not been verified by Brokers. Brokers have no knowledge of or any duty to discover contingent liabilities. Buyer is relying solely on its own inspection and due diligence of the Business, its assets, financial statements, business records, contracts, any assumed liabilities, operational history, future profitability and the representations of the Seller, and not on any representations of the Brokers.... Should any such representations of Seller or Buyer be untrue, Buyer and Seller agree to look solely to each other for relief and shall release, hold harmless, indemnify and defend the Brokers from any such claims. Buyer and Seller agree that Brokers may receive a referral fee from an institutional lender.

Initials

¶ 26. ACKNOWLEDGMENT AND PERSONAL GUARANTEE: By signing below, the Buyer and Seller each acknowledge that they have carefully read and fully understand this Agreement and have received a copy of it. The undersigned warrant that their signatures are legally sufficient to bind the Buyer and Seller. If the Buyer or Seller is a corporation or other entity, the undersigned personally guarantee the performance of this Agreement and any other agreements necessary to complete the purchase.

Initials

Last paragraph of page 7: THE CALIFORNIA ASSOCIATION OF BUSINESS BROKERS MAKES NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. A BUSINESS BROKER IS NOT LICENSED OR QUALIFIED TO PROVIDE LEGAL, ACCOUNTING OR TAX ADVICE. SELLER AND BUYER ARE ADVISED TO CONSULT WITH INDEPENDENT ATTORNEYS, ACCOUNTANTS, AND OTHER COMPETENT PROFESSIONALS WHEN ENTERING INTO AND COMPLETING THE TRANSACTION.

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Seller's Disclosure Statement

Preface to Disclosure Statement: This series of questions and answers is to inform prospective buyers about this Business. It is supplied by the Seller to provide relevant information and to answer frequently asked questions, but it does not take the place of the Buyer's inspection of the Business and its financial and other records. Those must be carefully examined and approved by the Buyer. The Broker has not verified the accuracy or completeness of any of the information supplied here by the Seller.

Initials

