

## BROKER COOPERATION AGREEMENT

BUSINESS \_\_\_\_\_

SELLER'S BROKER \_\_\_\_\_

AGENT \_\_\_\_\_

BUYER'S BROKER \_\_\_\_\_

AGENT \_\_\_\_\_

BUYER(S) \_\_\_\_\_

### 1. RECITALS:

- a. The Seller's Broker identified above has entered into a Representation Agreement with the owner(s) of the Business named above granting the Seller's Broker the exclusive right to market and sell the Business. In consideration of the agreement, the owner(s) of the Business has agreed to pay a Broker's Fee equal to        % of the purchase price of the Business (with a minimum fee of \$        ) to the Seller's Broker upon the sale of the Business, and has further agreed to pay the Broker's Fee if the Business is sold to identified parties during a period of time following the expiration date of the agreement as provided in the representation agreement. Any modifications to the CABB Representation Agreement that affect the Broker's Fee have been disclosed to the Buyer's Broker.
- b. The representation agreement authorizes the Seller's Broker to cooperate with other legally qualified brokers in the marketing of the Business and to share the Broker's Fee with another broker who procures a buyer. The Buyer's Broker's portion of the Broker's Fee will be paid to the Buyer's Broker directly from escrow.
- c. The Seller's Broker and the Buyer's Broker and the Agents named above are licensed in their respective states or otherwise legally qualified to market and sell the Business and to be paid a Broker's Fee therefor.

### 2. AGREEMENT:

- a. The Recitals above are warranted to be true and are material to each of the parties hereto in entering into this Broker Cooperation Agreement.
- b. The Seller's Broker agrees to pay the Buyer's Broker        % of any Broker's Fee received if such Broker's Fee is paid to the Seller's Broker on account of any contract entered into between the owner(s) of the Business and any Buyer(s) identified above or any affiliated party. The Buyer's Broker agrees to pay the Seller's Broker        % of any buyer agency fee and        % of any loan referral fee.
- c. Upon execution of this Agreement by both parties and delivery to Seller's Broker of a Confidentiality Agreement signed by the Buyer, the Seller's Broker shall provide the Buyer's Broker with confidential information concerning the Business. Thereafter, during the period of this Agreement the Seller's Broker shall, upon request, provide the Buyer's Broker with all information relating to the Business known or available to the Seller's Broker which might reasonably affect decisions of the Buyer's Broker or the Buyer.
- d. The Buyer's Broker agrees to conduct all communications relating to the Business exclusively through the Seller's Broker. This includes, but is not limited to, any and all scheduling of showings of the Business, obtaining financial or other information regarding the Business and the presentation of any offers to purchase the Business.
- e. Each party hereto agrees to share, in the same proportion as the Broker's Fee is to be shared, all legal and related expenses of collection of any Broker's Fee due by reason of the representation agreement. If either party declines to pay said proportionate share of legal expenses when due, such party shall be deemed to have assigned to the other party all rights, title and interest in and to any Broker's Fee which may be ultimately collected on account of the representation agreement. Notwithstanding anything to the contrary contained herein, the Buyer's Broker shall not be deemed a third party beneficiary under the representation agreement.
- f. The Buyer's Broker's Agent named above, or the Buyer's Broker if no agent is named, shall not within two years after the execution of this Agreement, solicit or enter into any listing or representation agreement of any kind with the Business or any of its owners without the prior written consent of Seller's Broker. During the same period, the Seller's Broker's Agent named above shall not initiate any contact with the Buyer(s) without the prior written consent of Buyer's Broker. The Brokers and Agents shall act in good faith to avoid disclosure of information to, and shall not communicate with, any other broker or agent, whether or not affiliated or associated in any manner with the said Agents, in any way that would serve to circumvent or evade the intent of this paragraph. The parties hereto specifically acknowledge that the covenant of good faith and fair dealing shall apply to this Agreement.

### 3. GENERAL PROVISIONS:

- a. The Buyer's Broker shall not assign this Agreement or any rights or duties hereunder to any party without the written consent of the Seller's Broker. Any such purported assignment shall be invalid for any purpose.
- b. The Seller's Broker makes no representations or warranties, expressed or implied, as to the accuracy or completeness of any information regarding the Business which may be provided to the Buyer's Broker or Buyer(s) pursuant to this Agreement. The Buyer's Broker agrees not to modify any information regarding the Business which may be provided by the Seller's Broker and/or the owner(s) of the Business, in communicating such information to the Buyer(s).
- c. The Buyer's Broker makes no representations or warranties, expressed or implied, as to the accuracy or completeness of any information provided to the Seller's Broker or to the owner(s) of the Business regarding the Buyer(s).
- d. The Seller's Broker and Buyer's Broker shall resolve any dispute arising out of this Agreement or in any way related to it by such means and procedures as may be in effect by the California Association of Business Brokers (CABB) at the time any such dispute shall arise. If for any reason no such process is in effect or is unavailable to the parties through CABB, the parties agree to mediate any dispute or claim between them arising out of this Agreement or any resulting relationship or transaction between such parties. The mediation shall be held prior to any court action or arbitration. Either party may demand mediation by notice to the other party, which notice shall state the nature of the dispute to be resolved. From the date such notice is given, the parties shall agree upon a mediator not later than the tenth business day thereafter. If the parties cannot agree upon a mediator, the matter shall be submitted to the American Arbitration Association ("AAA") for appointment of a mediator and to conduct the mediation. Mediation shall occur in the county in which the Seller's Broker's office is located. The parties shall have 45 days from the selection of the mediator to commence the first mediation session. The parties shall share all mediation costs equally. The parties agree that any mediated settlement agreement may be converted to an arbitration award or judgment (or both) and enforced according to the governing rules of civil procedure. Should either party fail to participate timely and in good faith in the selection process for the mediator, or in the mediation process, such party will be deemed to have refused mediation, and that party shall not be entitled to attorney fees that might be otherwise available to it in any subsequent court action or arbitration.
- e. The entire agreement of the parties relating to the sale of the Business is set forth in this Agreement and can only be modified in writing signed by the parties. There are no other representations, agreements, arrangements or understandings, either oral or written, between or among the parties hereto relating to the subject matter of this Agreement that are not fully expressed herein. This Agreement shall bind and benefit the parties and their legal successors and shall supersede any prior written or oral agreements. This Agreement may be signed in counterparts and faxed and electronic signatures may be considered as originals. In any action, proceeding or arbitration between Seller's Broker and Buyer's Broker arising out of this Agreement, including any proceeding through CABB, the prevailing party shall be entitled to reasonable attorney's fees and costs, except as provided in Section 3.d.

Each of the parties hereto accepts this Agreement and agrees to be bound by its terms.

#### SELLER'S BROKER

#### BUYER'S BROKER

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Agent's Signature

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Date

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Agent's Signature

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Date

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Broker's Signature

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Date

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Broker's Signature

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Date