

****State of California****

****BUSINESS PURCHASE AGREEMENT****

This Business Purchase Agreement (this “Agreement”) is entered into as of the ****15th day of May, 2024**** (the “Effective Date”) by and among/between:

Seller(s): ****John Doe Enterprises, Inc.****, (collectively the “Seller”) and

Buyer(s): ****Jane Smith Ventures, LLC****, (collectively the “Buyer”).

WHEREAS, the Seller owns and operates a business known as ****Doe’s Hardware****, a ****California Corporation****:

- ☒ Corporation
- ☐ Sole proprietorship
- ☐ Limited liability company
- ☐ Partnership
- ☐ Limited partnership
- ☐ Limited liability partnership

Located at ****1234 Main Street, Anytown, CA 90210**** that engages in the business of:

****Retail hardware sales and services**** (the “Business”); and

WHEREAS, the parties intend that the Seller shall sell to the Buyer the Business for the price, terms, and conditions described below, and pursuant to the attachments and exhibits, if any, annexed to this main document.

NOW THEREFORE, for the reasons set forth, and in consideration of the mutual covenants and promises of the parties hereto, and intending to be legally bound, the Seller and the Buyer agree as follows:

1. Sale of Business

1.1 ****Transfer of Assets.**** On the terms and subject to the conditions set forth in this Agreement, the Seller agrees to sell, assign, transfer, convey and deliver to the Buyer, and the Buyer agrees to purchase and acquire from the Seller all rights, title and interests of the Seller in and to the Business, including:

☒ The assets described in Exhibit A attached hereto.

☐ ALL inventory, receivables, equipment, patents, trademarks, licenses, business records, goodwill, going concern and other assets of the Business, whether tangible or intangible.

☐ The following assets only: (Check all that apply)

(a) Cash. Cash and cash equivalents of the Business on hand or in financial institutions.

(b) Receivables. Accounts receivable, notes receivable and other amounts owed or payable to the Business.

(c) Inventory. All inventory and works in progress, wherever located.

(d) Intellectual Property. All intellectual property of the Business, including patents, copyrights, trade secrets, know-how, trademarks, software and other content created for the Business.

(e) Goodwill. The Seller's goodwill and going concern with respect to the Business.

(f) Licenses and Permits. All transferable licenses, permits, approvals, registrations, certificates and other authorizations relating to the Business.

(g) Contracts and Other Agreements. All contracts and other agreements, including leases, supply contracts, purchase orders and other third-party contracts used in the operation of the Business.

(h) Books and Records. All books, records, surveys, ledgers, files, documents, lists, reports and other related materials and data related to the Business.

(i) Prepayments. All prepaid expenses paid by the Business.

(j) Equipment and Fixtures. All equipment, fixtures, and other tangible assets of the Business.

(k) Real Property. All real property, including all buildings, fixtures, structures, signage and improvements, owned by the Business.

(l) Insurance. All insurance policies of the Business and claims, refunds or proceeds thereunder.

(m) Tax Refunds. All refunds or claims for any federal, state, local or foreign taxes paid by the Business.

(n) Subsidiaries and Investments. All membership or equity interests in any subsidiary, joint venture or other investment of the Business.

(o) Personnel Records. All personnel records and files of employees of the Business.

(p) Claims or Rights. All claims, causes of action or rights of recovery related to the Business.

(r) Other: **NA**

2. Excluded Assets

2.1 **Non-Transferred Assets.** Notwithstanding anything to the contrary in this Agreement, the Seller will not sell, assign, transfer, convey or deliver to the Buyer the following assets:

☐ Not applicable.

☒ Assets listed in Exhibit B attached hereto.

☐ Excluded Assets: **NA**

3. Assumed Liabilities

3.1 **Liabilities.** Unless otherwise specified herein, the Buyer agrees to assume and be responsible for:

☐ The liabilities listed in Exhibit C attached hereto.

☒ ALL current liabilities incurred by the Seller in connection with the Business.

☐ The following liabilities only: (Check all that apply)

(a) Accounts Payable. All accounts payable of the Business.

(b) Accrued Payroll. All accrued payroll owed to employees of the Business or other amounts owed in relation to any employee benefit plans.

(c) Employee-Related Expenses. All liabilities related to employees, including severance or costs associated with termination of employees.

(d) Tax Payable. Any taxes or liabilities relating to the Business or ownership of the Business.

(e) Environmental Liabilities. All liabilities and obligations related to environmental laws or regulations.

(f) Contractual Obligations. All obligations and liabilities in connection with the contracts and other agreements included in the sale of the Business.

(g) Accrued Other Business Expenses. All other current expenses and liabilities relating to the Business.

(h) Other: **NA**

4. Excluded Liabilities

4.1 ****Non-Assumed Liabilities.**** Notwithstanding anything to the contrary in this Agreement, the Buyer will not assume or be liable for:

☐ Not applicable.

☒ Any liabilities related to any excluded assets, in addition to the liabilities listed in Exhibit D attached hereto.

☐ Any liabilities related to any excluded assets, in addition to the following liabilities: ****NA****

5. Purchase Price

5.1 ****Payment.**** Buyer will pay to the Seller the purchase price for the sale of the business in the total sum of \$500,000 (the "Purchase Price"), payable by wire transfer:

☒ At the time of closing.

☐ Including a deposit as follows:

(a) \$50,000 at or before the signing of this Agreement, which sum shall be held in escrow and applied to the Purchase Price at the time of closing hereunder; and

(b) The remaining balance at the time of closing hereunder, subject however to any adjustments provided for in any other part of this agreement.

6. Allocation of Purchase Price

6.1 ****Distribution.**** The Purchase Price shall be allocated in accordance with the Internal Revenue Code §1060:

☒ As agreed upon by the parties within thirty (30) days of the closing date.

☐ As follows:

- Inventory: \$50,000

- Equipment: \$150,000

- Goodwill: \$300,000

7. Adjustments at Closing

7.1 ****Closing Adjustments.****

☐ Not applicable.

☒ Adjustments shall be made at the time of closing as follows: ****Any outstanding accounts receivable as of the Closing Date shall be adjusted accordingly.****

8. Closing Date

8.1 ****Finalization.**** The sale and transfer of assets and the closing under this Agreement shall take place on ****June 30, 2024**** (the "Closing"). At that time Seller shall deliver possession of the tangible property and all assets included in the sale to the Buyer and all other instruments and documents necessary to transfer the Business and assets to Buyer. Seller shall at that time execute and deliver all papers and instruments suitable for filing and/or which are necessary to transfer ownership of the trade name to Buyer, and Seller shall thereafter cease to use said name in any manner or purpose. When that delivery is made to Buyer and when Seller receives the balance due on the Purchase Price, the sale by Seller to Buyer shall be completed and effective, and Buyer shall have ownership and possession of the Business and the assets.

9. Representations and Warranties of Seller

9.1 ****Seller's Assurances.**** Seller represents and warrants that:

- ☒ (a) Seller is duly qualified and organized, and is validly existing and in good standing, under the laws of its state of formation.
- ☒ (b) Seller has the requisite power and authority to enter into and perform under this Agreement.
- ☒ (c) Seller is the owner of and has good and marketable title to the property involved in this sale, free of all restrictions on transfer or assignment and all encumbrances except for those that are set forth in this Agreement.
- ☒ (d) Seller is not required to acquire any consents, approvals or authorizations by any governmental authority to execute, deliver and perform its obligations under this Agreement.
- ☒ (e) The execution and delivery of this Agreement by Seller will not conflict with or result in a violation of or default under any material agreements to which Seller is a party or create a lien upon the Business.
- ☒ (f) There are no proceedings, judgments, or liens now pending or threatened against Seller or against the Business.
- ☒ (g) Seller has complied with all applicable federal, state, and local statutes, laws, and regulations affecting Seller's properties or the operation of Seller's business, and Seller has received no notice of a violation or citation same from any governmental agencies.
- ☒ (h) Seller has not otherwise contracted to sell, pledge, or mortgage all or part of the Business.
- ☒ (i) Seller has all necessary licenses and permits required to operate the Business.

☒ (j) Seller has paid all taxes, federal, state

, and local, due on the Business up to the date of this Agreement.

☒ (k) Seller has disclosed to Buyer all material information regarding the Business that could reasonably be expected to influence Buyer's decision to purchase the Business.

☒ (l) All representations and warranties made by Seller are true and accurate as of the Effective Date and will be true and accurate as of the Closing Date.

10. Representations and Warranties of Buyer

10.1 ****Buyer's Assurances.**** Buyer represents and warrants that:

☒ (a) Buyer is duly qualified and organized, and is validly existing and in good standing, under the laws of its state of formation.

☒ (b) Buyer has the requisite power and authority to enter into and perform under this Agreement.

☒ (c) Buyer is not required to acquire any consents, approvals or authorizations by any governmental authority to execute, deliver and perform its obligations under this Agreement.

☒ (d) The execution and delivery of this Agreement by Buyer will not conflict with or result in a violation of or default under any material agreements to which Buyer is a party.

☒ (e) Buyer has sufficient funds available to pay the Purchase Price as required by this Agreement.

☒ (f) Buyer has conducted its own investigation and due diligence regarding the Business and is satisfied with the results.

11. Confidentiality

11.1 ****Non-Disclosure.**** The parties agree that the terms of this Agreement and all information exchanged between the parties shall be treated as confidential and shall not be disclosed to any third party except:

☒ As required by law or court order.

☒ To the parties' respective accountants, attorneys, and financial advisors, who shall also be bound by confidentiality.

☒ With the prior written consent of the other party.

12. Miscellaneous

12.1 ****Governing Law.**** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

12.2 ****Entire Agreement.**** This Agreement, including all exhibits and schedules hereto, constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, both written and oral, with respect to the subject matter hereof.

12.3 ****Amendments.**** No amendment, modification, or waiver of any provision of this Agreement shall be effective unless in writing and signed by both parties.

12.4 ****Counterparts.**** This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

12.5 ****Notices.**** All notices or other communications required or permitted hereunder shall be in writing and shall be deemed given when delivered personally, sent by registered or certified mail (return receipt requested), or sent via recognized overnight courier, to the parties at the addresses set forth above (or at such other address for a party as shall be specified by like notice).

IN WITNESS WHEREOF, the parties hereto have executed this Business Purchase Agreement as of the Effective Date.

****John Doe****

****President, John Doe Enterprises, Inc.****

(Seller)

****Jane Smith****

****CEO, Jane Smith Ventures, LLC****

(Buyer)

Exhibits

- **Exhibit A**: List of Assets Included in the Sale
- **Exhibit B**: List of Excluded Assets
- **Exhibit C**: List of Assumed Liabilities
- **Exhibit D**: List of Excluded Liabilities

--