MULTIPLE LISTING SERVICE®

CONTRACT OF PURCHASE AND SALE FOR BUSINESS ASSETS

FORM A036

SEGMENTS OF FORM

1,2,3,4,5 MAKE UP THE CONTRACT
6,7 MAKE UP SCHEDULE A
8 MAKES UP SCHEDULE B

INSTRUCTIONS

REMOVE EACH SEGMENT FROM THE BOOK AS REQUIRED. WHEN EACH SEGMENT IS COMPLETED TEAR OFF THE STUB AT BOTTOM AND DISPERSE EACH PART ACCORDINGLY.

MEMBERS CAUTION

The asset purchase agreement is not a prescribed form of the Board and is provided to members for assistance only. It is difficult to create “standard terms and conditions” for the purchase and sale of a business as the variables are so different depending upon the type of business and the parties involved. Each transaction must be driven by its individual facts and circumstances.

This contract will need to be altered for many, if not most transactions. Members are reminded not to provide legal or accounting advice, but to refer your clients to other professionals for such advice.

Although a condition precedent of this Contract is that each party will obtain independent legal advice and accounting advice as to the terms and conditions contained in the Contract, there is, of course, the risk that a Buyer or Seller will not seek independent legal or financial advice, but will rely upon the REALTOR and the terms of the Contract to protect their interest. Members must be aware of this risk and act accordingly.

CONTRACT
OF PURCHASE AND SALE
FOR BUSINESS ASSETS

MADE BETWEEN:

(“**Buyer**”) ____________________
and:
(“**Seller**”) ____________________
and:
(“**Principal**”) ____________________

The Buyer hereby offers and agrees to buy and assume from the Seller on and subject to the terms set forth below, the property, assets and undertaking of the business known as:

(“**Business**”) ____________________

(“**Address**”) ____________________

Including those assets and liabilities which may be described in Schedule “A” once completed (“Business Assets”) but excluding:

(a) all cash on hand or on deposit as at Completion;

(b) accounts and notes receivable as at Completion and any security held by the Seller in connection therewith;

(c) ____________________; and

(d) ____________________ (the “Excluded Assets”).

1. **PURCHASE PRICE:** The purchase price of the Business Assets will be:

____________________ (DOLLARS) $ __________ **(“PURCHASE PRICE”)**

2. **DEPOSIT:** A Deposit of $ __________ which will form part of the Purchase Price, will be paid on the following terms:

____

____

All monies paid pursuant to this section (“Deposit”) will be delivered in trust to:

____
(Brokerage)

and held in trust in accordance with the provisions of the *Real Estate Services Act*. In the event that the Buyer fails to pay the Deposit as required by this Contract, the Seller may, at the Seller’s option, terminate this Contract. The party who receives the Deposit is authorized to pay all or any portion of the Deposit to the Buyer’s or Seller’s conveyancer (the “Conveyancer”) without further written direction of the Buyer or Seller, provided that: (a) the Conveyancer is a lawyer or notary; (b) such money is to be held in trust by the Conveyancer as stakeholder pursuant to the provisions of the *Real Estate Services Act* pending the completion of the transaction and not on behalf of any of the principals to the transaction; and (c) if the sale does not complete, the money should be returned to such party as stakeholder or paid into Court.

3. **PAYMENT:** The Purchase Price will be payable in cash, by certified cheque, bank draft or lawyer’s trust cheque only.

4. **BUYER’S CONDITIONS:**

The Buyer’s offer set forth above is subject to the satisfaction or waiver in writing by the Buyer not later than____________________ , yr.________ (the “Due Diligence Period”) of the condition that the Buyer, acting reasonably, is satisfied that the Business and the Business Assets being purchased and assumed pursuant to this Contract conform in all material respects to the Business and the Business Assets represented to the Buyer prior to the date hereof, including, without limitation, the Buyer being satisfied with the following (whether or not previously provided to the Buyer):

(a) the financial statements for and financial condition of the Business;

(b) the terms of all contracts, licenses, leases and permits to be assigned to the Buyer;

(c) the liabilities to be assumed by the Buyer (if any);

(d) the ability of the Buyer to obtain an assignment of the lease of the Business premises (if any); and

(e) that all other consents and approvals required to effect this transaction have been or will be obtained.

The foregoing condition is for the sole benefit of the Buyer.

INITIALS

____ (Buyer) and

____ (Seller) and

____ (Principal)

5. **BUYER'S AND SELLER'S CONDITIONS:**

The performance by each of the Buyer and the Seller of their respective obligations under this Contract is conditional upon each of the Seller and the Buyer:

(a) completing and approving Schedule A to this Contract in substantially the form as attached hereto, (it being understood the Seller will prepare the initial draft of Schedule A for review by the Buyer by no later than __________________, yr. ___ and);

(b) obtaining independent legal and accounting advice as to the terms and conditions contained in this Contract to the satisfaction of the Buyer and the Seller, respectively.

The conditions in (a) and (b) above are to be removed in writing by both the Buyer and the Seller on or before ______________________, yr. ______ with respect to (a) and on or before _____________________, yr. ______ with respect to (b). These conditions are for the benefit of each of the Seller and the Buyer, respectively.

6. **ADDITIONAL TERMS AND CONDITIONS:** Pages 4 to ____ and any schedules (including Schedule "A" once completed) attached hereto (each a "Schedule") and the terms and conditions set forth in each thereof are hereby incorporated into and form a part of this Contract (collectively, and as amended from time to time, the "Contract"). The Buyer and the Seller each acknowledge having fully read, understood and accepted the same.

7. **COMPLETION:** The Completion of the transaction contemplated hereby (the "Completion") will take place on the ___________ day of ___________________, yr._____ (the "Completion Date"). Time shall be of the essence hereof, and unless the balance of the Purchase Price is paid on or before the Completion Date (other than by reason of the Buyer or the Seller not being satisfied or waiving the foregoing conditions), the Seller may at the Seller's option terminate this Contract and in such event the amount paid by the Buyer including the Deposit will be absolutely forfeited to the Seller in accordance with the *Real Estate Services Act* on account of damages, without prejudice to the Seller's other remedies. If the foregoing conditions are not waived or fulfilled by the Buyer and the Seller respectively, the Deposit will be returned to the Buyer.

8. **DISCHARGES AND NEW FINANCING:** If the Seller has existing financial charges to be cleared from title to the Business Assets, the Seller, while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the Purchase Price, but in this event the Seller agrees that the payment of the Purchase Price shall be made by the Buyer's lawyer or notary to the Seller's lawyer or notary pursuant to the Canadian Bar Association (BC Branch) (Real Property Section) Standard Undertakings (the "CBA Standard Undertakings") to pay out and discharge the financial charges, and remit the balance, if any, to the Seller. If the Buyer is relying upon a new mortgage and/or security to finance the Purchase Price, the Buyer, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Seller until after the transfer and new mortgage and/or security documents have been lodged for registration in the appropriate registries, but only if, before such lodging, the Buyer has (a) made available for tender to the Seller that portion of the Purchase Price not secured by the new mortgage and/or security; and (b) fulfilled all the new mortgagee's/secured parties' condtions for funding except lodging the mortgage and/or security for registration; and (c) made available to the Seller, a lawyer's or notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds pursuant to the CBA Standard Undertakings.

9. **POSSESSION:** The Seller will deliver possession of the Business Assets to the Buyer on the Completion Date free of any other liens, charges, encumbrances, claims to possession and any tenancies.

10. **ADJUSTMENTS:** All revenues and expenses, including prepaid expenses, relating to the Business (other than in respect of Excluded Assets) will be adjusted (the "Adjustments") between the Seller and Buyer as at the Completion Date to the effect that in respect of any period before that time the Seller will bear all such expenses and receive all such revenues and that from and after that time the Buyer will bear all such expenses and receive all such revenues.

11. **BINDING CONTRACT:** Upon acceptance of the Buyer's offer as set forth herein by the Seller where provided for below, this Contract will constitute a legal and binding contract of purchase and sale for the Business and the Business Assets.

12. **COMMISSION:** The Seller agrees to pay a commission as per the listing contract, and authorizes and instructs the Buyer and anyone acting on behalf of the Buyer or Seller to pay the commission out of the proceeds of sale and forward copies of the Seller's Statement of Adjustments to the Cooperating/Listing Brokerage, as requested, forthwith after Completion.

13. **RESIDENT STATUS:** The Seller declares and represents that the Seller is a: RESIDENT OF CANADA ☐ NON-RESIDENT OF CANADA ☐ as defined under the *Income Tax Act*.

INITIALS

14. **PERSONAL INFORMATION:** The Buyer and the Seller hereby consent to the collection, use and disclosure by the Brokerages and by the managing broker(s), associate broker(s) and representative(s) of those Brokerages (collectively the "Licensee") described in clause 15, the real estate boards of which those Brokerages and Licensees are members and, if the Business Assets are listed on a Multiple Listing Service, the real estate board that operates that Multiple Listing Service, of personal information about the Buyer and the Seller:

    (a) for all purposes consistent with the transaction contemplated herein;

    (b) if the Business Assets are listed on a Multiple Listing Service, for the purpose of the compilation, retention and publication by the real estate board that operates that Multiple Listing Service and other real estate boards of any statistics including historical Multiple Listing Service data for use by persons authorized to use the Multiple Listing Service of that real estate board and other real estate boards;

    (c) for enforcing codes of professional conduct and ethics for members of real estate boards; and

    (d) for the purposes (and to the recipients) described in the brochure published by the British Columbia Real Estate Association entitled "Working with a REALTOR".

15. **AGENCY DISCLOSURE:** Each of the Seller and Buyer: (a) acknowledges having received, read and understood the brochure published by the British Columbia Real Estate Association entited "Working With a REALTOR"; and (b) confirms that its/his Brokerage and Licensee(s) has made no representations, warranties or other statements on which it/he has relied in connection with entering into this Contract and confirm as follows:

    (a) the Seller has an agency relationship with

    ______________________________ and ______________________________ ; and
    (Brokerage) *(Licensee)*

    (b) the Buyer has an agency relationship with

    ______________________________ and ______________________________ ; OR
    (Brokerage) *(Licensee)*

    (c) the Seller and Buyer have consented to a limited dual agency relationship with

    ______________________________ and ______________________________
    (Brokerage) *(Licensee)*

    having signed a Limited Dual Agency Agreement dated ______________________ , yr. ____ .

    If only (a) has been completed, the Buyer is acknowledging no agency relationship. If only (b) has been completed the Seller is acknowledging no agency relationship.

16. **ACCEPTANCE IRREVOCABLE (BUYER AND SELLER):** The Seller and the Buyer specifically confirm that this Contract is executed under seal. It is agreed and understood that the Seller's acceptance is irrevocable, including without limitation during the period prior to the date specified for the Buyer to either:

    (a) fulfill or waive the terms and conditions herein contained; and/or

    (b) exercise any option(s) herein contained.

17. **OFFER:** This offer, or counter-offer, will be open for acceptance until _________ a.m./p.m. on the ________ day of_______________ , yr. ____ (unless withdrawn in writing with notification to the other party of such revocation prior to notification of its acceptance) and upon acceptance of the offer, or counter-offer, by accepting in writing and notifying the other party of such acceptance there shall be a binding contract on the terms and conditions set forth.

    Dated this ______ day of _____________________ , yr. ______ by:

    Buyer: ________________________________ Address: ________________________________

    Per: ________________________________ Tel: ____________________ Fax: ____________________

    Per: ________________________________ Witness: ________________________________

18. **ACCEPTANCE:** The Seller hereby accepts the Buyer's offer and agrees to sell, transfer and assign the Business and Business Assets to the Buyer on and conditional to the terms and conditions set forth herein, this _______________ day of _________________, yr. ____ .

    Seller: ________________________________ Address: ________________________________

    Per: ________________________________ Tel: ____________________ Fax: ____________________

    Per: ________________________________ Witness: ________________________________

19. **THE PRINCIPAL** acknowledges that it/he/she is the owner of the Seller and, in consideration of the Buyer purchasing the Business and the Business Assets and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Principal, the Principal HEREBY agrees to the terms and conditions set forth herein, this ______ day of ________________, yr. _____ .

    Principal: ________________________________ Address: ________________________________

    Tel: ____________________ Fax: ____________________

    Witness: ________________________________

____ **(Buyer) and**

____ **(Seller) and**

____ **(Principal)**

TERMS AND CONDITIONS.

1. **Assignment and Assumption of Benefits and Liability.** From and after Completion, the Buyer will assume, perform and discharge the Seller's obligations and liabilities in respect of leases, contracts, permits and licenses included in the Business Assets and assigned by the Seller to the Buyer but only to the extent such obligations and liabilities are disclosed in Schedule "A" (to be attached) or were disclosed to the Buyer prior to the Buyer and the Seller each indicating that they are satisfied with or have waived the conditions precedent in favour of the Buyer and the Seller, respectively, set forth in this Contract, and the Seller will assign all of its rights, title, benefit and interest in and to the Business and the Business Assets (other than in respect of the Excluded Assets) to the Buyer, and as at Completion, the Seller and Buyer will execute and deliver an assignment and assumption Contract and Bill of Sale (the "Assignment and Assumption Contract" and "Bill of Sale") (to be prepared by the Buyer's lawyer) to that effect.

2. **Employees. CHOOSE WHICH OPTION WILL APPLY (delete inapplicable section):**

The Seller will, effective the end of the day before the Completion Date, terminate the employment of all employees of the Business, and will on or prior to Completion pay all amounts payable to such employees in connection with their employment by the Seller and the termination of the same, and will make, within the applicable time limits for making the same, all employee related remittances required to be made, in respect of any period prior to the Completion Date.

OR:

The Seller will, effective the end of the day before the Completion Date, terminate the employment of all employees of the Business, and will on or prior to Completion pay all amounts payable to such employees in connection with their employment by the Seller and the termination of the same, and will make, within the applicable time limits for making the same, all employee related remittances required to be made, in respect of any period prior to the Completion Date. The Buyer will, effective as of the commencement of business on the Completion Date, offer employment to all employees of the Seller, except only______________________________, subject to the purchase and sale of the Business and the Business Assets completing as contemplated by this Contract. The employment offered will be on substantially the same terms and conditions as those employees were entitled to as of the termination of their employment with the Seller.

3. **Name Change.** The Seller will, forthwith after Completion, change its name to a name dissimilar to the business name of the Business and any other business names included in Schedule "A" to be attached to this Contract. The Seller will provide all consents reasonably requested by the Buyer to permit the Buyer to use and/or register the business name in the name of the Buyer.

4. **Non-Competition.** The Seller and the Principal will not for a period of ______ years after the Completion Date, directly or indirectly, either individually or in partnership or in conjunction with any individual, corporation, partnership or other legal person, as principal, agent, employee, director, officer, shareholder or contractor or in any other manner whosoever, carry on or be engaged in or concerned with or work for or be financially interested in or advise or permit its/his name or any part thereof to be used or employed by any such person engaged in or concerned with or interested in any business competitive with or similar to the Business acquired by the Buyer pursuant to this Contract within __________ kilometres of the Business Address and will not solicit or attempt to service or sell to any customers of the Business who were customers of the Business on or prior to the Completion Date. The Seller and the Principal agree that the scope of the foregoing restrictions are reasonable, that the Buyer would not be adequately compensated for a breach of the foregoing covenant by money damages and therefore, that the Buyer may obtain injunctive relief against the Seller and the Principal to enforce the foregoing in addition to all other remedies available to the Buyer.

5. **Accounts Receivable.** The Buyer will, forthwith after receipt, pay over to the Seller all accounts receivable of the Business existing as at Completion and received by the Buyer after Completion, but the Buyer may retain a sum equal to 3% of the amounts so received as compensation for its expenses respecting collection and payment of such accounts receivable; provided, however, that the Buyer will not be under any obligation to collect or endeavour to collect such accounts receivable.

6. **Pre-Completion Covenant of Seller.** Between the date of this Contract and the Completion Date, the Seller will not sell or dispose of any of the Business Assets, except in the ordinary course of the Business, will conduct the Business diligently and only in the ordinary course, keep the Business Assets in their present state, and preserve the goodwill of the suppliers and customers of the Business.

7. **Representations of Seller and Principal.** The Seller and Principal jointly and severally represent and warrant to the Buyer as representations and warranties that will be true on the Completion Date that:

(a) the execution and delivery of this Contract and the completion of the transactions contemplated hereby has been duly and validly authorized by all necessary corporate action on the part of the Seller, and this Contract constitutes a valid and binding obligation of the Seller and the Principal enforceable against the Seller and the Principal in accordance with its terms;

(b) except as will be remedied by consents, approvals, releases and discharges that will be obtained by the Seller prior to the Completion Date, neither the execution and delivery of this Contract nor the performance of the Seller's obligations hereunder will give any person the right to terminate or cancel, or give rise to acceleration of the time for payment of any moneys payable under any of the Contracts or the Permits and Licences (as will be defined in Schedule "A");

(c) the Seller owns and possesses and has good and marketable title to the Business Assets;

(d) except for the Excluded Assets, the Business Assets comprise all property and assets used by the Seller in connection with the Business;

(e) the Contracts, Permits and Licences represent all contracts, permits, consents or licences entered into or required in connection with the conduct of the Business as previously carried on and are in good standing and in full force and effect;
(f) there are no actions, suits, proceedings, investigations, complaints, orders, directives or notices of defect or non-compliance by or before any court, governmental commission, department, board, authority or administrative, licensing or regulatory agency, body or office issued, pending or threatened against the Seller or in respect of the Business or any of the Business Assets;
(g) the financial statements of the Seller for the fiscal years ended ________________________,yr._____ to ________________________,yr._____ and provided to the Buyer prior to or during the Due Diligence Period were prepared in accordance with generally accepted accounting principles in Canada consistently applied and present fairly and completely the assets, liabilities (whether accrued, absolute, contingent or otherwise) and the financial condition of the Seller and the results of the operation of the Business for the periods reported thereby;
(h) since the end of the last fiscal year covered by the financial statements referred to above, there has not been any change, event or circumstance which has or, to the best knowledge and belief of the Seller and the Principal, could materially adversely affect the affairs, prospects, operation or condition of the Business or any Business Asset; and
(i) during the Due Diligence Period the Seller will have provided to the Buyer in writing all material particulars pertaining to the employment of all employees of the Seller including a list of all such employees and particulars of any contracts, engagements or commitments (including any union or collective bargaining agreements) whether oral or written, in respect of their employment.

8. Confidentiality. Until the Completion Date and, if the purchase and sale contemplated hereby does not complete for any reason forever, the Buyer will keep strictly confidential any and all confidential information learned or obtained by the Buyer about the Business as a result of entering into this Contract, and will not use, directly or indirectly, or allow anyone else to use, directly or indirectly, any such information to compete with the Seller in respect of the Business.

9. Taxes. All taxes payable pursuant to the *Social Services Tax Act* (PST) of British Columbia, the *Excise Tax Act* (GST) of Canada arising out of the purchase of the Business Assets as contemplated hereby will be paid by the Buyer and evidence of such payment provided to the Seller.

10. Risk. From the date of this Contract to Completion, the Business Assets will remain at the risk of the Seller. If any of the Business Assets are lost, damaged or destroyed prior to Completion, the Buyer may terminate this Contract if the value of the Business Assets lost, damaged or destroyed exceeds $ _________________, or in lieu of terminating this Contract, elect by notice in writing to the Seller to complete the purchase to the extent possible, and at the option of the Buyer, either:
(a) the Purchase Price will be reduced by an amount equal to the reasonable estimate of the cost of making good such loss, damage or destruction; or
(b) the Seller will assign to the Buyer all insurance moneys payable in respect of such loss, damage or destruction.

11. Indemnity. The Seller and the Principal jointly and severally covenant and agree to indemnify and hold harmless the Buyer from and against any and all debts, obligations and liabilities, whether accrued, absolute, contingent or otherwise (i) existing as at Completion, respecting the Business or the Business Assets, except those which by the terms of this Contract are to be assumed or paid by the Buyer and the Buyer may, but will not be bound to, pay or perform any of the same and all moneys so paid by the Buyer in doing so will constitute indebtedness of the Seller to the Buyer hereunder (ii) in connection with any breach of a representation, warranty or covenant of the Seller or the Principal hereunder.

12. Familiarization. The Seller and the Principal without compensation, shall familiarize and acquaint the Buyer with all material aspects of the Business for a period of ____________ weeks (at ______ hours per week during normal business hours) commencing upon the Completion Date.

13. Entire Contract. This Contract embodies the entire agreement and understanding between the parties and supersedes all prior agreements, representations, warranties and understandings, whether oral or written, relative to the subject matter of this Contract.

14. Notices. Any notice required or permitted to be given under this Contract will be in writing and may be given by personal service or by prepaid double registered mail, posted in Canada, or by fax, addressed to the proper party at the address/fax number first set forth above, or to such other address/fax number as any party may specify by notice. Any notice so sent will be deemed to have been effectively given when received at the addressee's address/fax number.

15. Governing Law. This Contract and any disputes that may arise in connection with its interpretation, enforcement or otherwise, will be governed and construed in accordance with the laws of British Columbia and the laws of Canada applicable therein.

16. Survival. The representations, warranties, convenants and agreements contained herein and those contained in the documents and instruments delivered pursuant hereto will survive the Completion Date, and notwithstanding any investigation by any party or the completion of the transactions contemplated hereby and thereby, the waiver of any condition contained herein or therein will remain in full force and effect. No investigations made by the Buyer in respect of the Business or the Business Assets will limit the ability of the Buyer to claim against the Seller and the Principal for breach of a representation under this Contract.

17. Further Assurances. The parties will execute and deliver all such further documents and instruments and do all such further acts and things as may be required to carry out the full intent and meaning of this Contract and to effect the transactions contemplated hereby.

INITIALS

SCHEDULE "A" to the Contract of Purchase & Sale for Business Assets (the "Contract") dated ___________________ between

____ **(Buyer) and**

____ **(Seller) and**

____ **(Principal)**

1.1 Included Assets. The term Business Assets as used in this Contract means and includes the following:

(a) **Lands.** (Delete this clause if land not included in the Business Assets). All rights, titles, benefits and interests of the Seller in and to the lands legally described as

____

____ ;

("Lands")

(b) **Equipment.** All chattels, equipment, fixtures, furnishings, machinery, vehicles and supplies owned or leased by the Seller and used in connection with the Business ("Equipment"), including without limitation the following:

____

____

____ ;

(c) **Inventory.** All marketable inventories of the Business, including without limitation raw materials, manufacturing supplies, packaging materials, work in progress and finished goods ("Inventory"), a count and valuation of which will be conducted by the Buyer and Seller or an inventory company agreed upon by the Buyer and the Seller, as at Completion. Costs of same to be borne equally by both parties.
Value of inventory not to exceed $ _____________ .

Method of valuation to be determined by the Buyer and Seller by ________________, yr. ____.

(d) **Contracts/Leases.** The following contracts, engagements and commitments, whether oral or written, including the benefit of all unfilled orders received by the Seller and forward commitments to purchase made by the Seller, which the Seller is entitled to or possessed of in connection with the Business ("Contracts");

____

____ ;

(e) **Business Records.** All customer lists, brochures, samples, price lists, access to accounting and other books and records (howsoever recorded or stored), and all other information, correspondence, documents, data and material relating to the Business ("Business Records");

(f) **Intellectual Property.** All rights, titles, benefits and interests of the Seller in and to all registered and unregistered patents, trademarks, trade or brand names, copyrights, designs, restrictive covenants and other industrial or intellectual property respecting the Business ("Intellectual Property"), including without limitation the following:

____ ;

(g) **Permits and Licences.** All permits, licenses, consents, authorizations and approvals pertaining to the Business ("Permits and Licenses"), including without limitation the following:

____

____ ;

(h) **Goodwill and Business Name.** The goodwill of the Business together with the exclusive right to the Buyer to represent itself as carrying on the Business in continuation of and in succession to the Seller and the right to the name "___________________" or internet domain name "___________________" or any variation thereof used as part of or in connection with the Business ("Goodwill"); the Buyer shall be responsible for legal and related costs to register and use the name.

(i) **Telephone/Fax/E-Mail.** The telephone and facsimile numbers and, if applicable, the e-mail address of the business and advertising, including yellow pages advertising. The Buyer and Seller to jointly effect the transfer of the forgoing;

(j) ____ ;

INITIALS

SCHEDULE "A" to the Contract of Purchase & Sale for Business Assets (the "Contract") dated ____________________ between

____ **(Buyer) and**

____ **(Seller) and**

____ **(Principal)**

1.2 <u>Excluded Assets.</u> In addition to any Excluded Assets referred to in the Contract the following additional assets of the Business are excluded from this purchase and sale;

(a) ____

(b) ____

1.3 <u>Allocation of Purchase Price.</u>

The Purchase Price will be allocated among the Business Assets being purchased as follows:

(a) to the Lands, the sum of $____________________ for the land and the sum of $____________________ for the buildings and improvements;

(b) to the Equipment, the sum of $____________________;

(c) to the Inventory, the sum of $____________________;

(d) to the Goodwill, the sum of $____________________; and

The terms and conditions of this Schedule "A" to the Contract are hereby agreed to and will form part of the Contract this _______ day of _________________, yr. ____ .

Buyer: ____________________________________ **Seller:** ____________________________________

Per: ____________________________________ Per: ____________________________________

Per: ____________________________________ Per: ____________________________________

Principal: ____________________________________

INITIALS

SCHEDULE "B" to the Contract of Purchase & Sale for Business Assets (the "Contract") dated ____________________ between

____ **(Buyer) and**

____ **(Seller) and**

____ **(Principal)**

INDEMNITY TO BE GIVEN BY PRINCIPAL(S) OF THE BUYER

In consideration of the payment of $1.00 by the Seller to the undersigned, the receipt and sufficiency of which is hereby acknowledged by the undersigned, the undersigned, and each of them (if applicable), hereby jointly and severally agree to indemnify and hold the Seller harmless from and against all damages, claims, actions, suits and expenses whatsoever arising, directly or indirectly, from a breach by the Buyer of any of the terms and conditions of the Buyer contained in the Contract, including, without limitation, the failure of the Buyer to pay all amounts owing to the Seller thereunder.

This indemnity will extend to and enure to the benefit of the Seller and its successors and assigns and every reference herein to the undersigned is a reference to and will be construed as including the undersigned and his heirs, executors, adminisrators, legal representatives, successors and assigns and to and upon all of whom this guarantee and agreement will extend and be binding.

The terms and conditions of this Schedule "B" to the Contract are hereby agreed to and will form part of the Contract this

________________________day of ____________________, yr. _____.

Indemnitor: ______________________________

Per: ______________________________

Per: ______________________________

Indemnitor: ______________________________

Per: ______________________________

Per: ______________________________

INITIALS