

## BUSINESS PURCHASE AGREEMENT

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This Business Purchase Agreement (this "Agreement") is entered into as of the 19 day of January, 2018 (the "Effective Date") by and between DOROTHY C MILLER, located at 3530 Harrison Street, San Francisco, CA 94103 (the "Seller") and FRED M JOHNSON, located at 4328 Oak Avenue, Deerfield, IL 60015 (the "Buyer").

**WHEREAS**, the Seller is a California corporation that engages in the business of: providing lawn care for customers living in residential areas (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.** 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 all inventory, receivables, equipment, patents, trademarks, licenses, business records, goodwill, going concern and other assets of the Business, whether tangible or intangible.

**2. Assumed Liabilities.** Unless otherwise specified herein, the Buyer agrees to assume and be responsible for all current liabilities incurred by the Seller in connection with the Business.

**3. Purchase Price.** Buyer will pay to the Seller the purchase price for the sale of the business in the total sum of \$20,000.00 USD (the "Purchase Price"), payable by wire transfer at the time of closing.

**4. Allocation of Purchase Price.** 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.

**5. Closing Date.** The sale and transfer of assets and the closing under this Agreement shall take place on January 26, 2018, at 12PM, at the following location: 707 Wyatt Street, Jupiter, FL 33478 (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.

**6. Representations and Warranties of Seller.** 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 are 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 in full force and effect a general liability and casualty insurance policy in such amounts as are carried by similar companies.

**7. Representations and Warranties of Buyer.** 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 is not required to acquire any consents, approvals or authorizations by any governmental authority to execute, deliver and perform its obligations under this Agreement.
- (c) There are no proceedings, judgments, or liens are now pending or threatened against Buyer that may effect of delay its purchase of the Business.
- (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 understands that Seller is making no other representations or warranties other than as provided in this Agreement.

**8. Covenants.** Between the signing of this Agreement and the date of the Closing:

- (a) Buyer shall have the right at any reasonable time prior to the Closing, at Buyer's expense, to inspect or have inspected by a certified public accountant or other financial expert, the books and records of the Business.
- (b) Seller will operate the Business in the usual and ordinary manner and will not enter into any contract except as may be required in the regular course of business.
- (c) Seller shall not remove or cause to be removed any inventory of the Business except upon sale in the ordinary course of business or in the event of return to a supplier for credit.
- (d) Seller will pay all taxes, federal, state and local.
- (e) Seller will not do anything to cause a violation or breach of any contracts relating to the Business.
- (f) Seller will pay and will not increase the salary or commissions of any employee, agent, or representative of the business.

**9. Conditions Precedent.** The Closing is subject to the satisfaction of the following conditions on or prior to the date of the Closing: \_\_\_\_\_

**10. Notices.** All notices given under this Agreement must be in writing. A notice is effective upon receipt and shall be sent via one of the following methods: delivery in person, overnight courier service, certified or registered mail, postage prepaid, return receipt requested, addressed to the party to be notified at the

address stated in this Agreement, or as designated by either party upon reasonable notice to the other party.

**11. Amendment.** This Agreement may be amended or modified only by a written agreement signed by both of the parties.

**12. Survival of Terms.** All covenants, warranties, and representations herein shall survive this Agreement and the closing date.

**13. Binding Effect.** This Agreement shall be binding upon and shall inure to the benefit of the parties and their successors and assigns. Neither party may assign its rights or delegate its duties under this Agreement without the other party's prior written consent.

**14. Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of California, without regard to the principles of conflict of laws.

**15. Disputes.** Any dispute arising from this Agreement shall be resolved through mediation. If the dispute cannot be resolved through mediation, then the dispute will be resolved through binding arbitration conducted in accordance with the rules of the American Arbitration Association.

**16. Attorneys' Fees.** If either Party brings legal action to enforce its rights under this Agreement, the prevailing party will be entitled to recover from the other Party its expenses (including reasonable attorneys' fees) incurred in connection with the action and any appeal.

**17. Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document.

**18. Headings.** The section headings herein are for reference purposes only and shall not otherwise affect the meaning, construction or interpretation of any provision in this Agreement.

**19. No Waiver.** No Party shall be deemed to have waived any provision of this Agreement or the exercise of any rights held under this Agreement unless such waiver is made expressly and in writing.

**20. Severability.** If any provision of this Agreement is held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid, legal and enforceable as though the invalid, illegal or unenforceable part had not been included in this Agreement.

**21. Entire Agreement.** This Agreement and the attachments and any associated documents represent the entire agreement between the parties, and there are no representations, warranties, covenants or conditions, except those specified herein or in accompanying instruments or documents.

**IN WITNESS WHEREOF,** the parties have executed this Agreement as of the date first written above.

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Dorothy C Miller

**Seller** Signature

**Seller** Full Name

Fred M Johnson

**Buyer** Signature

**Buyer** Full Name

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# GENERAL INSTRUCTIONS

## WHAT IS A BUSINESS PURCHASE AGREEMENT?

A Business Purchase Agreement documents the sale of a business. Either assets of a business or shares in the company can be transferred. As a legally enforceable contract, a Business Purchase Agreement ensures that both the seller and purchaser will follow through with their promises and creates an opportunity to confirm the terms and conditions of the transaction.

After doing your research and negotiating the best deal, properly transfer the ownership of a business with proper documentation. Without the details of your negotiation in writing, the thorny details needed for a smooth transfer from one business owner to the next could get lost or cause problems later.

## WHEN IS IT NEEDED?

A Business Purchase Agreement allows both parties to prevent the following misunderstandings:

- Seller does not have the required power or authority to sell the business
- Business lacks the needed license, permits or authorizations to operate
- Financial statements have not been examined by a certified public accountant
- Accounts receivable may be subject to undisclosed set-offs or counterclaims
- Some liabilities or obligations have not already been paid or discharged
- Dividends have been unexpectedly set aside or paid
- Salaries and benefits to officers or employees have been unexpectedly increased
- Existing condition of the company does not match Purchaser's understanding

Here are just a few of the situations when a Business Purchase Agreement is commonly used: Selling your company

name; selling furniture, machinery, or supplies from your business.; Purchasing another company's real estate or office; selling only your customer list or accounts receivable; ensuring Seller's representations and warranties are enforceable.

## WHAT SHOULD BE INCLUDED?

A Business Purchase Agreement should generally address the following:

- Who is selling or transferring the business and who will be the new owner
- What assets of the business are being transferred or number of shares being sold
- Whether existing employees will be re-hired by the new owner
- When the transfer will be complete ("Closing Date")
- How liabilities like loans, mortgages, or accounts payable will be transferred, if at all

Here are some other useful details a Business Purchase Agreement might include:

- Accounts Receivable
- Assets
- Conditions Precedent
- Disclosure
- Inventory
- Liabilities
- Payment Terms
- Termination

## OTHER NAMES

A Business Purchase Agreement can also go by the following names: Agreement for Purchase and Sale of Servicing, Agreement of Purchase and Sale of Business Assets, Agreement to Sell Business, Asset Purchase Agreement, Bill of Sale and Assignment and Assumption Agreement, Business Sale Agreement, Business Sale Contract, Business Transfer Agreement, Contract for Sale of Business, Purchase of Business Agreement, Sale of Business Agreement, Share and Asset Purchase Agreement, or Small Business Purchase Agreement.