AGREEMENT FOR PURCHASE AND SALE OF BUSINESS

This Agreement made this day of , 20\_\_ , by and between (hereinafter referred to as "Pur­chaser"); , doing business under the name of

 , (hereinafter referred to as Seller; and (hereinafter referred to as "Broker");

 W I T N E S S E T H

WHEREAS, Seller has represented that he is the owner of a certain business and inventory located at (herein­after referred to as "business") and is trading as ; and

WHEREAS, Purchaser desires to purchase the business and inventory of the Seller and the Seller desires to sell such upon the terms and conditions hereinafter stated.

NOW, THEREFORE, in consideration of the mutual promises of the parties hereto, made one to another, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. DEFINITIONS

Unless otherwise stated in the Agreement, the following terms shall have the following meanings:

A. "Closing Date" means , 20\_\_, or such other date and time mutually agreed upon in writing by Seller and Purchaser. It is understood that this closing date shall be extended for such period of time as may be necessary for the Purchaser to do the following:

B. "Closing Place" means the offices of .

C. "Property Inventory" means the schedule of inventory to be prepared by Seller in consultation with Purchaser and made available to Purchaser prior to closing.

2. AGREEMENT OF PURCHASE AND SALE

On the Closing Date, Seller will grant, bargain, sell and convey to Purchaser the business owned and operated by Seller as a going concern which is trading under the name of including the exclusive right to use and do business as , including all of its assets, inventory, licenses, telephones, permits, and such similar articles and materials used in the ordinary course of said business; all items which are considered by the Seller to be inventory and not supplies as set forth in the attached Exhibit A; good will, excluding credit cards, cash, deposits, accounts receivable, liabilities, and . The tangible assets to be transferred on the Closing Date are telephone numbers, telephones and the property listed on the list of furniture, office equipment and miscellaneous items attached as Exhibit "B", the property inventory a list of which is to be compiled and furnished to Purchaser prior to settlement none of which shall be subject to any mortgage, pledge, lien, conditional sales agreement, or other encumbrances or

charge due, accrued or contingent, except as set forth herein. Telephones shall be in good working order on the date of settlement.

3. PURCHASE PRICE

The purchase price to be paid by Purchaser for the business shall be $ , subject to the valuation and adjustments set forth hereafter, payable as follows:

A. $ as a good faith deposit of Purchaser's intentions to be held by the closing attorney, with this deposit to be credited to the cash due at closing;

B. $ cash or certified check on the Closing Date;

C. $ deferred purchase money note (hereinafter called the "Note") to be executed by Purchaser with interest at the rate of percent ( %) per annum, payable at Seller's address below, or such other place as the Holder may designate in writing, said amount to be payable as follows:

(i) said Note shall be amortized over a year period but shall be fully due within ( ) years of the date of closing. Monthly payments of principal and interest shall be $ commencing ( ) days after closing and payable monthly on the same day of each succeeding month until fully paid. Said note may be prepaid at any time without penalty.

(ii) the Note shall be secured by a security agreement and financing statement on inventory transferred hereunder. As additional security, Purchaser shall cause to be executed in a form satisfactory to Seller a deed of trust on certain real property owned by the Purchaser located at .

4. VALUATION AND ADJUSTMENT

A. The parties agree that the purchase price is allocated as follows:

Inventory (worth no less than

 this amount, unless otherwise

 adjusted herein): $

Covenant Not To Compete: $

Customer List: $

Seller's Trade Name: $

Goodwill: $

B. To determine the actual value of inventory, Purchaser, Seller and a mutually agreed upon third party shall take a physical inventory within ( ) hours prior to the Closing Date. Any disagreement(s) as to value shall be resolved by the third party, and both Purchaser and Seller agree to abide by and be bound by such valuation. In determining the actual value of the inventory:

(i) inventory shall be valued at current wholesale cost;

(ii) the inventory shall be in writing and shall indicate the quantity of each item and the value per unit as well as the total value.

C. In the event the total valuation of inventory, as determined at the inventory, is less than the valuation set forth above, then the purchase price and the Note shall be reduced accordingly. In the event the total valuation of the inventory, as determined at the inventory, is more than the valuation set forth above, then the purchase price and the Note shall be increased accordingly.

5. CONTINGENCIES

A. Purchaser's obligation to settle is contingent upon the truth of the representations made hereby by Seller, upon the following, which Purchaser may waive at his option:

(i) Inspection and approval by Purchaser of the amount and condition of the Property Inventory set forth in the schedule to be provided to Purchaser prior to settlement.

(ii) Seller furnishing prior to settlement to Purchaser such existing Special Use Permit or Special Exception or Occupancy Permit issued by County, Virginia, and written authorization from the Premises Owner's Association which demonstrates and assures the permissibility of Purchaser's continued use of Premises as a facility.

(iii) Contemporaneous settlement of that certain real estate contract between the Purchaser and .

(iv) Inspection and approval of the books and records of the business, with said books and records to satisfy Purchaser, in his sole discretion, of the viability of the business venture within fourteen (14) days of the ratification of this contract.

(v) The sale of Purchaser's home residence at , within days from the date of full ratification of this contract. Purchaser agrees to provide Seller with a bona fide sales contract for the sale of said real estate within days of the ratification of this contract. In the event Purchaser fails to provide Seller with said sales contract, then in that event this Agreement shall be declared null and void and the deposit refunded in full, at the option of the Seller.

B. Seller's obligation to settle is contingent upon the following which Seller may waive at his option:

(i) inspection and approval of the Purchaser's finan­cial statements within fourteen (14) days of ratification of this contract.

(ii) contemporaneous settlement of that certain real estate sales contract between and .

C. It shall be a condition precedent to the closing that Purchaser shall have obtained the necessary business licenses and other permits as a facility. Purchaser shall forthwith upon the execution of this Agreement make best efforts to obtain all appropriate licenses and permits, the assignment of the existing business licenses and permits being satisfactory; provided, however, that Purchaser shall not be required to proceed to settlement until such time as all required licenses and permits are obtained by him or approved for issuance by appropriate authorities, but no later than , 20\_\_; or, in the alternative, should it be determined by such licensing authorities that Purchaser will be unable to obtain such required permits and licenses for any reason, then this Agreement shall be subject to termination at Purchaser's option upon ( ) days' written notice and Purchaser shall be entitled to the refund of Purchaser's deposit. If there are any undisclosed liabilities that appear, Seller will assume liability for same and upon demand Seller will promptly pay same.

D. On or before closing, Seller shall deliver to Purchaser appropriate written certifications from the Federal Government and the Commonwealth of Virginia State Government, or a written certification from an independent public accountant acceptable to Purchaser, certifying to the best of their knowledge, as of a date no more than ten (10) days prior to closing, that Seller has paid and satisfied all obligations through that date for filing federal and state payroll taxes, withholding, social security and local taxes and all other applicable taxes. Should Seller fail to present such certificates as herein provided, Purchaser may determine the amount of such liability, if any, and deduct same from the purchase price for payment to the appropriate funds for Seller's account immediately prior to closing. Any amount so deducted shall be placed in an escrow account to be held by the settlement attorneys and used exclusively to discharge any tax obligation which shall be due. Any Federal, State or local tax obligation applicable to any period prior to closing shall be the exclusive responsibility of the Seller and sums necessary to satisfy said taxes may be subtracted from sums due Seller from Purchaser in the event they should be assessed against Purchaser.

6. SELLER'S REPRESENTATIONS AND WARRANTIES

The Seller represents and warrants the following:

A. Except for obligations incurred in the ordinary and usual course of business which liabilities shall be fully paid by Seller on the Closing Date, and Seller's personal federal and state income tax liabilities falling due after the Closing Date, the Seller on the date hereof has, and at closing shall have, no material liabilities or obligations of any nature, whether due, accrued, contingent or otherwise, including without limitation, tax liabilities due or to become due, whether incurred in respect to or measured by his income (except as provided above) for any period prior to the date hereof, or arising out of transactions entered into, or any state of facts existing prior to the date hereof. Any such liability or obligation shall be the sole responsibility of Seller. Upon demand by Purchaser, Seller will promptly satisfy same.

B. The execution, delivery and consummation of this Agreement is not prohibited by, will not conflict with, constitute grounds for termination of, or result in, the breach of the terms, conditions and provisions, or constitute a default under any agreement, license or permit, or instrument to which Seller is now a party, except as set forth on Exhibit "C".

C. Contracts, Licenses and Authorizations: All presently existing contracts, agreements, licenses, permits, commitments or understandings, written or oral, express or implied of Seller, except the items listed on Exhibit "D" attached hereto (which contracts, agreements, licenses, permits, commitments or understandings Purchaser agrees to assume), or oral contracts and miscellaneous service, supply or other contracts or agreements are terminable without penalty at will or upon notice of not more than thirty (30) days. Seller has complied with all provisions of such contracts, agreements, commitments or understandings required to be complied with by him, and he is not in default in any respect under any thereof.

D. Litigation: No judgment has been rendered against Seller and there is no litigation proceeding or investigation pending or to the knowledge of Seller threatened against him. There shall be no judgments or proceedings pending against Seller at closing. All existing claims, suits and judgments are set forth in the attached Exhibit "E". Seller shall be responsible for all repair work which relates to alleged faulty, inadequate or defective work performed by Seller prior to settlement. It is understood that if Purchaser performs such work to preserve customer good will, that Seller will be liable to Purchaser for the reasonable value of said repairs providing Purchaser gives Seller oral or telephonic notice of such claims.

E. Filing and Audit of Tax Returns: Seller has paid or has made adequate provision for payment of all income, Social Security, withholding, sales, excise and unemployment taxes, taxes to local, state and federal governments to date, and has filed all tax returns relating thereto that are required to be filed. Seller shall be liable for all taxes which may be assessed for any period prior to closing.

F. Title to Property: On the Closing Date Seller will have and transfer to the Purchaser good and marketable title to the Property transferred, none of which shall be subject to any mortgage, pledge, liens, conditional sales agreement or other encumbrance or charge.

G. Bulk Sales: Seller represents and warrants to Purchaser that he shall, in accordance with Virginia law, execute as of a date no later than ten (10) days prior to closing, all affidavits, and/or comply in full with the various provisions of the Virginia Bulk Sales Act, and Seller agrees to indemnify and save Purchaser harmless from, and in the event of, any liability or claim.

H. Compliance with Laws: Seller has not received any notice asserting any noncompliance in any material respect with applicable statutes and regulations of the United States of America having jurisdiction over Seller, or any state, municipality or agency thereof in which Seller is conducting the business. Seller is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency or other governmental authority, in any respect material to this transaction.

I. Disclosure: No representation or warranty by Seller, nor any written statement, schedule or certificate furnished or to be furnished by him pursuant hereto, or pursuant to the closing hereunder, contains or will contain any untrue statement of material fact, or omits or will omit any material fact necessary to make the statements contained herein not misleading or to provide Purchaser with incomplete and inaccurate information as to Seller and their affairs.

J. Cleanliness: Seller shall remove all trash and debris and leave the premises in a state of cleanliness reasonable for a well-run facility; otherwise, the expense of cleaning up the premises shall be borne by Seller.

K. Under no circumstances shall Purchaser have any liability whatsoever for any of the following (Seller hereby agrees to indemnify and save Purchaser harmless from any and all such liability):

(i) any and all obligations related to the present employees of Seller employed at the business premises arising out of the employment relationship with Seller; provided, however, that at his sole option, Purchaser may elect to retain certain or all of such individuals as employees of Purchaser upon such terms and conditions, however, as Purchaser in his sole discretion may determine;

(ii) accounts payable of Seller, responsibility for which shall at all times remain with Seller;

(iii) any and all liability for warranty repair or other work arising out of, or in connection with, services performed by Seller or his representatives at, or in connection with, the business premises prior to the date of closing;

(iv) any and all other liabilities whatsoever of any nature in any way related to or arising out of the activities of Seller at the business premises, except to the extent specifically set forth in this Agreement.

7. INTERIM BUSINESS POLICIES

A. Between the date hereof and the Closing Date, except as contemplated by the Agreement, without the consent of Purchaser, Seller will not:

(i) increase the compensation and bonuses payable or to become payable to any of his employees, or affect any unnecessary change in his banking arrangements in regard to the business;

(ii) enter into any contract or commitment, except in the normal and usual course of business;

(iii) create or assume any mortgage or pledge, or subject to lien or encumbrance, any of the assets or properties of the business, whether now owned or hereafter acquired;

(iv) sell, assign, lease or otherwise transfer or dispose of any of the property listed in the Property Inventory, except in connection with the acquisition of similar property or assets in the normal and usual course of business. Any restocking of inventory will be limited to historically customary quantities, except with prior disclosure and approval of Purchaser;

(v) permit the consumption of alcoholic beverages on the premises during working hours.

B. Seller will, pending the Closing Date:

(i) give to Purchaser and his representatives, immedi­ate full access during normal business hours to all of the properties, books and records of Seller, furnish Purchaser with such information concerning Seller's operation of the business as Purchaser may reasonably request. In the event that the transaction herein contemplated is not consummated, Purchaser will return to Seller all materials and records of Seller, and Purchaser will keep confidential all information he has gathered with respect to the business of Seller. The original books of account of the business shall remain the property of Seller, provided that for a period of ( ) months from the Closing Date, Purchaser shall have reasonable access to such books and may, at his discretion, during reasonable business hours at Purchaser's cost, copy all or part of such books for his permanent retention.

(ii) furnish to Purchaser such unaudited balance sheets, profit and loss statements, or any other information concerning the financial condition of Seller as is available.

(iii) use his best efforts to preserve the business and its relationship with employees, customers, and others having business relationships with it to the extent that the business operation and prospects thereof shall be unimpaired at the Closing Date.

(iv) maintain in force existing policies of insurance relating to the business until the Closing Date to enable Purchaser to obtain adequate insurance coverage from a carrier of his own choice, and to cooperate fully with Purchaser with a view towards continuing the existing insurance coverage if Purchaser should choose to do so.

(v) conduct the business in the normal and usual course without material adverse change;

(vi) maintain the Property Inventory and other assets in their present condition, subject to ordinary and normal usage, depletion and re-stocking.

8. SETTLEMENT

A. In the event all the terms of this Agreement are complied with, Purchaser and Seller agree that settlement shall be held on the Closing Date, at which time Seller shall convey the tangible property with a Bill of Sale, free and clear from all liens and encumbrances.

B. All items of rent, salaries, taxes, utilities, accounts payable and the like, shall be prorated to the date of closing. Any deposits or prepaid items, including insurance premiums, shall belong to Seller. Purchaser shall have his own insurance in effect at settlement.

C. The deposit with the settlement attorney of the Note, Bill of Sale, a check for the requisite amount, and other documents contemplated by the Agreement, shall be considered good and sufficient tender of performance of the terms hereof.

D. If Purchaser fails to comply with the terms of this Agreement, then the deposit shall be forfeited and given to Seller as liquidated damages as the sole remedy of Seller, and other parties shall be relieved from all liability hereunder.

E. Settlement shall be at the offices of and shall take place on or before the day of , 20\_\_, or within days after Purchaser has obtained necessary financing and has closed on the sale of his residence.

9. COVENANT OF NONCOMPETITION

A. Seller agrees that from and after the Closing Date he shall not for a period of

( ) years, within a ( ) mile radius of the business, either directly or indirectly act as the manager or employee, principal, agent, owner, partner (dormant or otherwise), officer, or director of a corporation, or otherwise engage or become financially interested in a facility or in any business which competes with the business herein sold. The consideration for this covenant of noncompe­tition is contained in paragraph 4. If the Seller violates this duty not to compete, he shall compensate Purchaser by paying to Purchaser a sum equal to said consideration, plus all costs and attorney's fees incurred in enforcing this covenant of noncompetition. It is understood that damages for breach of this paragraph are difficult or impossible to determine and injunctive relief shall enforce this provision without prejudicing Purchaser's right to seek and prove actual damages. In the event Seller shall breach this Agreement and Purchaser shall bring a successful action to enforce the terms of this contract, Seller shall in addition to any judgment awarded, be responsible for all costs and expenses incurred by Purchaser, including counsel fees. In the event that a court of competent jurisdiction shall consider the terms of this paragraph to be unenforceable, then the parties agree that this Paragraph shall be automatically revised and conformed to what would be considered to be reasonable prohibitions on competition from Seller.

10. SELLER TO ASSIST IN TRANSITION

A. For a period of ( ) week(s) from the Closing Date, Seller shall on a fulltime basis, assist Purchaser in effecting the smooth and expeditious transition from Seller's management of the business to Purchaser's. No additional consideration shall be paid to Seller for the performance of the obligations set forth in this paragraph.

11. SELLER TO EMPLOY PURCHASER

Seller shall employ Purchaser as a on a fulltime basis, Monday through Friday, nine hours per day. Purchaser's salary shall be $ per hour.

12. MISCELLANEOUS PROVISIONS

A. Notices: Any and all notices, requests or other communication hereunder shall be deemed to have been duly given if in writing and if transmitted by hand delivery with receipt therefore, or by registered or certified mail, return receipt requested, addressed as follows (or to such new address as the addressee of such communication may have notified the sender thereof):

Purchaser:

With copy to:

Seller:

B. Survival: All of the terms of this Agreement shall apply to, bind, and be obligatory upon the heirs, executors and administrators, personal representatives and assigns of the parties, except as provided in paragraph \_\_\_\_.

C. Execution and Production of Documents: Each party hereto shall execute, acknowledge and deliver any and all instruments and things which may be necessary to effectuate this Agreement and its provisions.

D. Ambiguities or Mistakes: This Agreement was drafted cooperatively, in consultation with the parties, and neither party shall be entitled to claim the benefit of any ambiguity or alleged mistake in the drafting hereof.

E. Integration: This Agreement contains the entire understanding of the parties, who, with full and complete advice of counsel, hereby state there are no oral or written representations, warranties, agreements or covenants, relied upon to the detriment or benefit of either party other than those expressly set forth herein.

F. Modification: A modification or waiver of any of the provisions of this Agreement shall be effective only if made in writing and executed with the same formalities as this Agreement.

G. Waiver: The failure of either party to insist upon strict performance of any of the provisions of this Agreement shall not be construed as a waiver of any other default or breach of the same or similar nature.

H. Governing Law: This Agreement and the provisions hereof shall be construed and governed in accordance with the laws of the Commonwealth of Virginia.

I. Severability: If any provision in this Agreement is held invalid or unenforceable, all other provisions shall nevertheless continue in full force and effect.

J. Time: Time is of the essence in carrying out each and every term of this Agreement.

K. Headings: The headings provided herein shall not be construed as to narrow or expand the meaning of the language set forth herein.

L. Effective and Ratification Date: This Agreement shall be effective and ratified as of the last date upon which the parties hereto have executed, as demonstrated by the date beside the signatures on the signature page.

M. Counterpart Copies: This Agreement may be executed in two or more counterpart copies, all of which counterparts shall have the same force and effect as if all parties hereto had executed a single copy of this Agreement.

N. Assignment:

(i) The Purchaser shall have the right to assign, transfer and set over all of his right and obligations under this Agreement to any other person or entity in the sole discretion of the Purchaser. In such event, the Purchaser shall be relieved of all liability hereunder.

(ii) If this Agreement is for cash or provides for the placing of new financing which does not involve the Seller, then no approval by the Seller shall be required for said Assignment.

(iii) If this Agreement provides for the assumption of the Seller's present financing on the Property, or for any Seller financing, then the Seller shall have the right to approve the prospective assignee, which approval shall not be unreasonably withheld.

O. Non-Merger: The terms and provisions of this Agreement shall survive the execution and delivery of the Deed of Conveyance hereunder and shall not be merged therein.

P. In the event of default by Seller, Seller shall be liable for any reasonable costs, fees or expenses incurred by Purchaser relating to the preparation, execution or negotiation of this contract and any related financing, not be exceed the sum of $ .

WITNESS the following signatures and seals:

SELLER:

 (SEAL)

 (date)

PURCHASER:

 (SEAL)

 (date)

BROKER:

 (SEAL)

 (date)

EXHIBIT "A"

 EXHIBIT "B"

 EXHIBIT "C"

 EXHIBIT "D"

 EXHIBIT "E"