

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is made this [REDACTED] day of [REDACTED], 2015 ("Effective Date") by and between [REDACTED] ("Seller"), and [REDACTED] ("Buyer"). The parties agree as follows:

1. Purchased Assets.

Buyer agrees to purchase, and Seller agrees to sell, free from all liabilities and encumbrances, all Seller's rights, title and interest, if any, in and to the Purchased Assets, as defined in this paragraph. "**Purchased Assets**," as more particularly set forth in Exhibit A incorporated herein by reference, means, collectively all tangible property, including but not limited to, furniture, fixtures, equipment, tools, and inventory ("**Inventory**"), and the following intangible property: all right, title and interest of Seller, if any, under leases of property and equipment, intellectual property (including, without limitation, the name "[REDACTED]" other trade names and service marks), telephone numbers and telephone listings, accounts receivable ("**Accounts**"), all causes of action related to the Purchased Assets, contingent and unliquidated claims, counterclaims and rights to setoff claims related to the Purchased Assets, customer lists, goodwill and other intangible property related to the Business, which is located at the Premises;

2. Purchase Price.

a. [REDACTED] The total purchase price for the Purchased Assets shall be \$[REDACTED] ("**Purchase Price**").

b. [REDACTED] Buyer shall deliver the total Purchase Price to Seller pursuant to the Payment Schedule attached hereto as Exhibit B incorporated herein by reference.

3. Assumption of Liabilities.

At Closing Buyer shall assume and agree to pay, discharge or perform as appropriate only the following liabilities and obligations (the "**Assumed Liabilities**") and only to the extent such liabilities and obligations were disclosed to Seller prior to execution of this Agreement:

a. Obligations with respect to the Premises arising on or after Closing;

b. Obligations under customer purchase orders;

c. Leases of personal property and equipment, and contracts or agreements with vendors providing services to the Business after the Closing date.

Except for the Assumed Liabilities, Buyer is not assuming, nor shall it in any way be liable or responsible for, any liabilities, obligations or debts of Seller, whether accrued, absolute, contingent or otherwise, arising before or after the Closing.

4. Covenants of Seller.

Seller hereby covenants and agrees with Buyer that:

a. Until the Closing, Seller shall use best efforts to maintain current relationships with suppliers, customers and others having business relations with Seller in connection with the Purchased Assets.

b. Until the Closing, except as may be first approved in writing by Buyer or as is otherwise permitted

or contemplated by this Agreement, Seller shall conduct its business and all transactions with respect to the Purchased Assets, only in the usual and ordinary course of business consistent with Seller's past practice.

c. Until the Closing, Seller shall make no sale of assets.

5. Non-Compete.

Seller shall not engage in a business similar to that involved in this transaction in any capacity, directly or indirectly, anywhere in [REDACTED], California for a period of two (2) years from the date of Closing.

6. Closing.

a. The consummation of the purchase and sale of the Purchased Assets (the "**Closing**") shall be held on [REDACTED], 2015 or sooner by agreement of the parties, at such place as Buyer and Seller may agree.

b. At the Closing, Seller shall deliver the Purchased Assets to Buyer and shall deliver the following documents to Buyer:

- i. List of Inventory;
- ii. Such other documents as may be reasonably requested by Purchaser in connection with the consummation of the transactions contemplated by this Agreement.

c. At Closing, Buyer shall pay to Seller the Purchase Price and shall deliver to Seller the following documents:

- i. Executed counterparts of the Assignment;
- ii. Such other documents as may be reasonably requested by Seller in connection with the consummation of the transactions contemplated by this Agreement.

7. Delivery and Condition of the Purchased Assets.

Immediately upon completion of the Closing, Seller shall be deemed to have fully and completely transferred to Buyer all rights, title and interest, if any, in, as well as possession, custody and control of, the Purchased Assets.

8. Conditions Precedent to Closing.

The performance by Seller and Buyer of their respective obligations under this Agreement is subject to the condition that on the Closing date no suit, action or other proceeding shall be pending before any court or governmental or regulatory authority which seeks to restrain or prohibit or to obtain damages or other relief in connection with the business, this Agreement or the transactions contemplated by this Agreement.

9. Default.

a. If Seller fails to make the required deliveries at the Closing or otherwise defaults under this Agreement, then Buyer shall have the right to terminate this Agreement and thereupon this Agreement shall be null and void and of no legal effect whatsoever. If so terminated, each party hereto shall suffer their own losses, costs, expenses or damages arising out of, under or related to this Agreement.

b. If any amount is overdue by more than four (4) months, Seller may terminate this Agreement or declare Buyer immediately liable to Seller for the entire unpaid balance of the Purchase Price without interest.

10. Indemnity.

Buyer shall indemnify, defend and hold Seller harmless from and against any and all losses, liabilities, damages, costs and obligations (or actions or claims in respect thereof) (including reasonable counsel fees), which Seller may suffer or incur arising out of or based upon:

a. The breach of any representation, warranty, covenant or agreement of Buyer contained in this Agreement;

b. The Assumed Liabilities.

11. Notices.

Any notice required or permitted by this Agreement shall be in writing and effectively delivered for all purposes if delivered personally, by overnight delivery service or by United States mail, certified mail, postage prepaid, return receipt requested and:

If directed to Seller:

If directed to Buyer:

12. Brokers.

Buyer and Seller each warrants to the other that it has not engaged, consented to, or authorized any broker, investment banker, or other third party to act on its behalf, directly or indirectly, as a broker or finder in connection with the transactions contemplated by this Agreement and no such third party is entitled to any fee or compensation in connection with this Agreement or the transactions contemplated hereby by reason of any action of it.

13. Amendment and Modification.

This Agreement may be amended, modified or supplemented only by written agreement signed by the Party sought to be charged with an amendment.

14. Severability.

Any provision of this Agreement that shall be prohibited or unenforceable shall be deemed ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

15. Entire Agreement.

This Agreement sets forth all of the promises, covenants, agreements, conditions and undertakings between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and undertakings, inducements or conditions, express or implied, oral or written.

16. Governing Law.

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

17. Counterparts.

This Agreement may be executed in one or more counterparts all of which when taken together constitute one and the same instruments. A signed counterpart is as binding as an original.

18. Headings.

The headings used in this Agreement are for convenience only and shall not be used to limit or construe the contents of any of the sections of this Agreement.

19. Binding Effect.

This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

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

SELLER:

BUYER:

By: _____

By: _____

Name/Title _____

Name/Title _____

Date: _____

Date: _____

EXHIBIT A
PURCHASED ASSETS

- 1.
- 2.
- 3.
- 4.

SELLER:

BUYER:

By: _____

By: _____

Name/Title _____

Name/Title _____

Date: _____

Date: _____

EXHIBIT B
PAYMENT SCHEDULE

No.	Due Date	Amount
1.	Due at execution of the Agreement	\$_____
2.	Within 30 days of the Effective Date of the Agreement	\$_____
3.	_____, 2015	\$_____
4.	_____, 2015	\$_____
5.	_____, 2015	\$_____
6.	_____, 2015	\$_____
7.	_____, 2015	\$_____
8.	_____, 2015	\$_____
9.	_____, 2015	\$_____
10.	_____, 2015	\$_____
11.	_____, 2015	\$_____
12.	_____, 2015	\$_____

SELLER:

By: _____

Name/Title _____

Date: _____

BUYER:

By: _____

Name/Title _____

Date: _____

STATE OF CALIFORNIA

COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2015 by _____ who is personally known to me or who has produced _____ as identification.

Notary Public

My Commission Expires

STATE OF CALIFORNIA

COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2015 by _____ who is personally known to me or who has produced _____ as identification.

Notary Public

My Commission Expires