

REPRESENTATION AGREEMENT

Business Type _____
 Firm Name _____
 dba _____
 Phone _____ Fax _____
 Address _____
 City/State _____ Zip9 _____
 Business Web Site _____

C Corp S Corp Partnership Sole Proprietor LLC
 Contact Persons(s) _____

Owner/Authorized Signer _____
 Home Address _____
 City/State _____ Zip _____
 Home Phone/cell _____
 Email _____

Annual Receipts \$ _____ Seller will prove
 Discretionary Earnings \$ _____ Seller will prove
 Reason for Sale Other interest
 Established _____ yrs. Under Present Own _____ yrs.
 Days & Hours Ope _____
 Bldg. Size _____ Lot Size _____ Seats _____
 Base Mo. Rental \$ _____ including CAM
 Terms and Conditions _____

Lease Exp Date _____ Parking _____
 Options _____ @ _____ Years Each Security Deposit \$ _____
 Hourly Employees FT _____ PT _____ Payroll \$ _____ /mo.
 Salaried Employees FT _____ PT _____ Payroll \$ _____ /mo.
 Working Owners FT _____ PT _____ Payroll \$ _____ /mo.
 Sales Tax # _____ Licenses Required _____
 Seller will not compete against buyer for _____ years from close
 of escrow within 1) a 1 _____ mile radius of the present location
 of the business, or 2) within the counties of _____
 Seller will provide training for _____ weeks at _____ hours per week
 following close of escrow included in the purchase price.

Broker: Oscar Nasiri
 Business Consultant /
 Representation Agreement Termination Date _____
 Broker's Fee _____% Minimum Broker's Fee \$ _____
 Real Estate Included and if Real Estate is Sold or Leased to
 Buyer, Fee will be _____% of the Real Estate transaction value.

All assets of the business are included except _____

Remarks/Additional Terms _____

THE UNDERSIGNED ACCEPTS THIS AGREEMENT, ACKNOWLEDGES READING AND UNDERSTANDS THE TERMS AND CONDITIONS ABOVE
 ALONG WITH THOSE ON THE BACK OF THIS FORM (PAGE 2), WHICH ARE FULLY INCORPORATED AS PART OF THIS AGREEMENT AND
 EXECUTES THIS AGREEMENT ON BEHALF OF SELLER AND PERSONALLY GUARANTEES ITS PERFORMANCE.

Seller _____ Date _____
 Broker's Agent _____ Date _____

Asset Sale
Asking Price \$ _____
 Down Payment..... \$ _____
 Total Liabilities to be Assumed..... \$ _____
 Liabilities to be assumed are capitalized leases and/or loans, it
 does not include operational leases included in P&L expenses.
 Balance Note to Seller Bank Note..... \$ _____
 Note to Seller payable at \$ _____ per month for _____ months
 including _____% interest. Note to include Right to Offset and be
 secured by assets of business subordinate to any third party financing
 and backed by a personal guarantee from the Buyer.
 Security Deposit Included in Purchase Price Yes No
 FF&E at fair market value \$ _____ included in price
 Inventory at Cost \$ _____ included in price
 If inventory at closing is more or less, price will be adjusted

Stock Sale
Asking Price Payable as follows:
 Down Payment..... \$ _____
 Total Liabilities to be Assumed (see below) \$ _____
 Balance Note to Seller Bank Note..... \$ _____
Total Asking Price..... \$ _____
 Note to Seller payable at \$ _____ per month for _____ months
 including _____% interest. Note to include Right to Offset and be
 secured by assets of business subordinate to any third party financing
 and backed by a personal guarantee from the Buyer.
 FF&E at fair market value \$ _____ included in price

Value of Balance Sheet Accounts when Stock is Transferred will be:
 Cash..... \$ _____
 Inventory (Valued at Cost) \$ _____
 Accounts Receivable \$ _____
 Prepaid Expenses/Deposits..... \$ _____
 Other Current Assets \$ _____
 TOTAL CURRENT ASSETS \$ _____
 Accounts Payable \$ _____
 Accrued Expenses \$ _____
 Accrued Taxes \$ _____
 Other Current Liabilities \$ _____
 TOTAL CURRENT LIABILITIES \$ _____
 Bank Credit Line \$ _____
 Capitalized Equipment Lease(s)..... \$ _____
 Term Loan..... \$ _____
 Other Long Term Liabilities..... \$ _____
 TOTAL LONG TERM..... \$ _____

1. Seller grants Broker the sole and exclusive right to dispose of the Business beginning immediately and ending at 11:59PM on the Termination Date (the "Exclusive Period") on the terms on page one or on any other terms to which Seller consents. Seller agrees to pay Broker the Minimum Broker's Fee or the percentage listed on page one of the Purchase Price, whichever is greater, upon any Disposition of the Business and if applicable, Real Property. Broker agrees to make reasonable efforts to sell the Business.

2. As used in the Agreement, "Disposition" of the Business includes the sale, merger, lease, trade, ESOP, exchange or transfer of all or any part of or interest in the Business except for assets sold in the ordinary course of business. This definition includes, without limitations, the transfer or sale of some or all of the stock of a corporation. If the sale is of an ownership interest (e.g. corporate stock, partnership shares or LLC member interest), "Seller" means the owner of that interest. Disposition also includes the sale of all or any part or interest in the Seller's Real Property associated with the Business.

3. For purpose of this Agreement, the "Purchase Price" is defined as the total consideration paid, directly or indirectly, for the Business, its assets or Real Property including but not limited to cash, cash equivalents; notes made to Sellers or successor beneficiaries; liabilities assumed by buyers; the value of earnouts at existing revenues, royalties or any other contingent payments; and stock or other securities received in exchange for Seller's stock or assets.

4. Seller agrees that the Broker's Fee shall be paid by Seller upon any Disposition of the Business whether made by Broker, Seller or anyone else during the term of this Agreement and any extension. To the extent of the Broker's Fee, Seller hereby irrevocably assigns to Broker any sales proceeds and makes Broker a party to any escrow.

5. Within 10 business days of signing this Agreement, Seller will provide the Broker the following: a) complete lists of all equipment and other assets to be included or excluded in the sale; b) profit and loss statements, balance sheets and tax returns of the Business covering the last three years c) the most recent interim profit and loss statement, balance sheet and sales tax returns, d) real and personal property leases, e) copies of all patents, licensees, loan documents, contracts or agreements of whatever form, f) all agreements relating to employee benefits; g) any environmental reports; and h) copies of all other documents needed to present a fair and accurate description of the Business to prospective buyers. Seller will provide monthly updates of each such document during the period of this agreement where any material change has occurred. Seller consents to Broker publishing, advertising or distributing information about the Business to prospective purchasers and to cooperating brokers, and contacting landlords and any others regarding any of the information about the Business.

6. Seller represents and warrants that Seller is now and will remain in full compliance with all local, state and federal laws, rules and regulations regarding the operation and sale of a business of the type described on page one, and that such compliance will not be affected by any transfer of the Business.

7. Seller warrants that a) all information relating to the Business which has been or will be provided to the Broker or prospective buyers by the Seller or Seller's agents is complete and accurate, b) Seller has disclosed all material facts relating to the Business which might reasonably influence a buyer's decision to purchase and the amount a buyer is willing to pay, and c) Broker may rely upon the accuracy of any such information without independent investigation and Seller agrees to promptly notify Broker of any material changes which might affect the operation or value of the Business.

8. Seller agrees to transfer all leases and other contracts under which the business assets are held and to obtain any necessary third party consents. Seller acknowledges that Seller may remain liable on such agreements after transfer, unless released by lessor or other contracting party.

9. Seller agrees to conduct its own investigation and due diligence on the Buyer, and hereby represents that it will not rely upon the Broker to perform such activities.

10. Seller will be responsible to Broker for any fee lost by Broker resulting from any material misrepresentations or omissions by Seller of any information relevant to the Business or its transferability.

11. Seller understands and agrees that Broker may act as a dual agent representing both Seller and Buyer. In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer: a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with both the Seller and the Buyer, b) diligent exercise of reasonable skill and care in performance of the agent's duties, c) a duty of honest and fair dealing and good faith, d) a duty to disclose all facts known to the agent materially affecting the value or desirability of the business that are not known to, or within the diligent attention and observation of, the parties and e) a duty to disclose all facts known to the agent materially affecting the desirability of the Buyer – financial history, creditworthiness and background of the Buyer that are not known to, or within the diligent attention and observation of, the parties.

12. Seller will protect, indemnify, defend and hold harmless Broker against any claims, including any damages, liabilities, costs and attorney fees resulting from Broker's communication of any information relevant to the Business provided or approved by Seller.

13. Seller agrees that Broker shall be immediately entitled to the Broker's Fee percentage of the Asking Price or the Minimum Broker's Fee stated on page one, whichever is greater, and that Broker shall be released from any further duties and obligations under this agreement, if Seller, during the exclusive period, a) attempts to cancel this agreement or withdraw the Business from sale, b) refuses or is unable to comply with the Agreement terms for any reason, thereby preventing Disposition of the Business upon the terms set forth on page one or any other terms accepted by Seller or c) enters into a contract for Disposition of the Business, accepts a deposit, opens an escrow or records a notice of intent to sell the business without the written consent of the Broker regardless of the amount, terms and conditions accepted by the Seller. The cancellation or rescission of any of the foregoing shall not act as a release of the Seller from liability for the Broker's Fee. If any deposit is relinquished by a prospective buyer, the Broker shall be entitled to it up to the amount of the Broker's Fee with any balance to be paid to the Seller.

14. Seller agrees to refer to Broker any prospective buyer with whom he has or has had discussions regarding the sale of the Business during or prior to the exclusive period.

15. Seller warrants that there are no other representation or sales agreements in force relating to the Business.

16. Seller agrees to immediately pay the fee to the Broker if the Business is disposed of within twenty four months from the Termination Date of this Agreement to any person or entity referred to the Business by the Broker, or to whom Broker or Seller furnished information regarding the Business during the exclusive period.

17. Seller agrees that the Broker's Fee shall be immediately due and payable on the Purchase Price as that term is defined above at the percentage listed on page one, if, during the Exclusive Period or within twenty four months of the termination of this Agreement, a buyer introduced by Broker buys this or any other business or real property in which the Seller or Seller's principals has an interest.

18. Broker is authorized to accept and hold on Seller's behalf a deposit toward the purchase price.

19. Seller acknowledges that Broker makes no representation as to the creditworthiness of any buyer or the content of any credit report, and that the decision to extend credit to a buyer is solely the decision of the Seller. Broker will not verify any representations made by buyer as to his creditworthiness, business experience or financial condition. Broker shall not be required to furnish credit, financial history or background reports on any buyer. Seller agrees to look only to buyer for relief and to indemnify, defend and hold Broker harmless in connection with any damage caused Seller.

20. All parties to the Agreement shall mediate any dispute or claim between them arising out of this Agreement or any resulting relationship or transaction between such parties. The mediation shall be held prior to any court action or arbitration. The mediation shall be confidential and in accordance with applicable sections of the California Evidence Code. In the event the parties are not able to agree on a mediator within thirty (30) days of the first part seeking mediation, the presiding judge of the Superior Court of the county in which venue would lie for the filing of a complaint for relief in such dispute shall have jurisdiction to appoint a mediator. In the event the mediator determines that a second mediation is necessary, it shall be conducted in accordance with this paragraph. Should any party attempt an arbitration or a court action before attempting to mediate, that party or parties shall not be entitled to attorney's fees that might be otherwise available to them in a court action or arbitration and the party who is determined by the arbitrator or judge to have resisted mediation may be sanctioned by the arbitrator or judge. Mediation fees, if any, shall be divided equally by the parties to the dispute.

21. Seller agrees that after the closing Broker may advertise its role in the sale of the Business.

22. This is the entire Agreement of the parties. Any changes to this Agreement must be in writing and signed by all parties.

23. This Agreement shall be governed by the laws of the State of California. If legal action or arbitration is instituted to enforce this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees. The venue shall be the county in which the Business is located.

24. If Seller is a partnership, corporation, LLC or other entity, the person signing on behalf of such entity represents and warrants that he/she has the authority to enter into this Agreement on behalf of said entity and its owners.

25. Seller and signer on behalf of corporation or other such entity acknowledge having received, read and understood a fully completed copy of this Agreement.

NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. THE BROKER IS NOT QUALIFIED TO GIVE LEGAL OR TAX ADVICE. FOR SUCH ADVICE, SELLER SHOULD CONSULT AN APPROPRIATE PROFESSIONAL.

BUSINESS NAME _____

Initials

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Initials

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