

California Association of Business Brokers Professional Service since 1987

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Buyer Disclosure Statement

Buyer

Business

Buyer's Address

Seller

City, State Zip

This Buyer Disclosure Statement (BDS) is used to inform the Seller about the Buyer. It does not take the place of a seller's due diligence. The BDS may be incorporated into a purchase agreement as part of Buyer representations and warranties. Broker(s) do not verify or warrant the accuracy or completeness of the BDS.

| | YES | NO |
|--|--|---|
| Have you been the subject of any bankruptcy filing, assignment for benefit of creditors or insolvency proceeding of any kind during the last five years? | | |
| Have you paid late or defaulted on a business loan, premises lease or equipment lease? | | |
| Is there anything about your personal, business operating or credit history that, if disclosed to the Seller, might adversely affect the Seller's decision to sell the Business to you? | | |
| Are there any representations you have made to the Seller regarding your financial statement, credit history, experience or education that are not true? | | |
| Will you be using one or more advisors to help you investigate the suitability and performance of this Business? If yes, name them on page 2. | | |
| If the Business utilizes or may have utilized any hazardous materials, such as solvents, fuels, petroleum products or any potential contaminants, do you intend to decline to have Phase I testing done or obtain a professional evaluation of environmental conditions that may exist in the Business prior to finalizing your purchase? If yes, explain why. | | |
| Will you have to borrow or obtain from other sources any of the funds you will need to purchase or operate the business? If yes, explain amount and sources on page 2. | | |
| Is there any reason that you will not have sufficient operating capital for this Business after paying the down payment and closing costs? | | |
| Is there any reason why you might be denied any of the necessary licenses or permits to operate this Business? | | |
| Have you ever been convicted of a felony? | | |
| Will any person or entity other than you have an equity interest in the Business? If yes, provide names and amounts of investment. | | |
| Are there any other facts or conditions not disclosed above that might adversely affect your ability to operate this Business or prevent you from fulfilling the terms of your purchase agreement? | | |
| | insolvency proceeding of any kind during the last five years? Have you paid late or defaulted on a business loan, premises lease or equipment lease? Is there anything about your personal, business operating or credit history that, if disclosed to the Seller, might adversely affect the Seller's decision to sell the Business to you? Are there any representations you have made to the Seller regarding your financial statement, credit history, experience or education that are not true? Will you be using one or more advisors to help you investigate the suitability and performance of this Business? If yes, name them on page 2. If the Business utilizes or may have utilized any hazardous materials, such as solvents, fuels, petroleum products or any potential contaminants, do you intend to decline to have Phase I testing done or obtain a professional evaluation of environmental conditions that may exist in the Business prior to finalizing your purchase? If yes, explain why. Will you have to borrow or obtain from other sources any of the funds you will need to purchase or operate the business? If yes, explain amount and sources on page 2. Is there any reason that you will not have sufficient operating capital for this Business after paying the down payment and closing costs? Is there any reason why you might be denied any of the necessary licenses or permits to operate this Business? Have you ever been convicted of a felony? Will any person or entity other than you have an equity interest in the Business? If yes, provide names and amounts of investment. | Have you been the subject of any bankruptcy filing, assignment for benefit of creditors or insolvency proceeding of any kind during the last five years? Have you paid late or defaulted on a business loan, premises lease or equipment lease? Is there anything about your personal, business operating or credit history that, if disclosed to the Seller, might adversely affect the Seller's decision to sell the Business to you? Are there any representations you have made to the Seller regarding your financial statement, credit history, experience or education that are not true? Will you be using one or more advisors to help you investigate the suitability and performance of this Business? If yes, name them on page 2. If the Business utilizes or may have utilized any hazardous materials, such as solvents, fuels, petroleum products or any potential contaminants, do you intend to decline to have Phase I testing done or obtain a professional evaluation of environmental conditions that may exist in the Business Prior to finalizing your purchase? If yes, explain why. Will you have to borrow or obtain from other sources any of the funds you will need to purchase or operate the business? If yes, explain amount and sources on page 2. Is there any reason that you will not have sufficient operating capital for this Business after paying the down payment and closing costs? Is there any reason why you might be denied any of the necessary licenses or permits to operate this Business? Have you ever been convicted of a felony? Will any person or entity other than you have an equity interest in the Business? If yes, provide names and amounts of investment. |

EXPLAIN ALL "YES" ANSWERS ON PAGE 2

Buyer

Seller

Buyer

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| ber | "YES" Answer Explanation | |
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above information has been provided by the Buyer and not through any recommendation of the broker(s). Brokers are not licensed or qualified to give legal, accounting or tax advice, and the parties should consult appropriate professionals.

BUYER WARRANTS THAT THE ABOVE REPRESENTATIONS ARE TRUE AND CORRECT, AND UNTIL CLOSING AGREES TO NOTIFY BROKER AND SELLER IMMEDIATELY IN WRITING OF ANY MATERIAL CHANGES.

| Name | Signature | Date |
|-----------------------------------|------------------------------------|------------------|
| Name | Signature | Date |
| Corporation, LLC or other Entity | By: Signature and Title | Date |
| SELLER ACKNOWLEDGES RECEIVING AND | REVIEWING THIS BUYER DISCLOSURE ST | ATEMENT. |
| SELLER ACKNOWLEDGES RECEIVING AND | REVIEWING THIS BUYER DISCLOSURE ST | ATEMENT. |
| | REVIEWING THIS BUYER DISCLOSURE ST | ATEMENT. Date |
| Name | | |
| SELLER ACKNOWLEDGES RECEIVING AND | Signature | Date |