

BUSINESS BROKERAGE, INC.

CONFIDENTIALITY AGREEMENT

This Confidentiality, Agreement (“Agreement”) is made as of the ____ day of _____, 20____ by and among:

BUYER:	
BUYER:	
SELLER:	
SELLER:	
PROPERTY:	
LOCATION:	

regarding a possible transaction (“Transaction”) by Buyer to purchase some or all of the assets and business of Seller.

RECITALS

WHEREAS, Representatives of Buyer and Seller intend to have discussions concerning the Transaction.

WHEREAS, in connection with the Transaction, each party will be furnishing to the other parties, or to their respective representatives, certain information concerning such party and its respective operations that may be either non-public, confidential or proprietary in nature (such information is hereinafter referred to as “Confidential Information.”

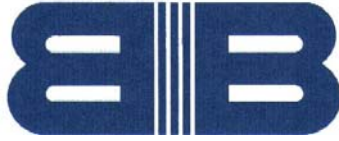
WHEREAS, the parties agree that the disclosure of such Confidential Information shall be governed by this Agreement.

NOW, THEREFORE, in consideration for the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Confidential Information will be, except as required by law, kept confidential and shall not be disclosed by the party receiving the Confidential Information (“Receiving Party”), or by its agents, representatives or employees, and shall not be used by the Receiving Party, its agents, representatives or employees, other than in connection with the Transaction contemplated hereunder. Moreover, the Receiving Party agrees to reveal the Confidential Information of another party only to its agents, representatives and employees who need to know the Confidential Information for the purpose of

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evaluating the Transaction and who agree to keep the Confidential Information confidential consistent with the terms of this Agreement.

2. Except as required by law and except as provided above, the parties and their respective agents, representatives and employees will not disclose to any person the fact that the Confidential Information has been made available, that discussions or negotiations are taking place or have taken place concerning a possible transaction involving the parties or any of the terms, conditions or other facts with respect to any such possible transaction, including the status thereof.

3. The term "Confidential Information" shall not include any information that (i) is or becomes generally available to the public other than as a result of a disclosure by the Receiving Party, or their respective agents, representatives or employees or (ii) becomes available to the Receiving Party on a non-confidential basis from a source that is not, to the knowledge of the Receiving Party, prohibited from disclosing such Confidential Information by a legal, contractual, or fiduciary obligation to the disclosing party.

4. Seller (and the undersigned shareholders or partners as the case may be) acknowledges and agrees that for a period of ten (10) days from date of this agreement it nor any of its officers, directors, employees, agents or other representatives will engage in or entertain any discussions, offers or negotiations concerning the possible sale or affiliation of Seller to any party other than a party to this Agreement.

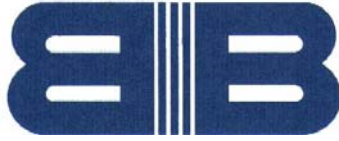
5. Each of the parties acknowledges and agrees that in connection with any discussions relating to the Transaction, Buyer is acting solely in its capacity as the Buyer in connection with a possible business transaction between Buyer and Seller. Buyer and Seller (including the undersigned shareholders or partners as the case may be) further acknowledge and agree that neither Buyer nor Seller (including the undersigned shareholders or partners as the case may be) is retaining Buyer in the capacity of agent, consultant or advisor in connection with the discussions relating to the Transaction or otherwise. Each of the parties acknowledge and agree that it and they do not and will not rely upon Buyer or any of its officers, employees, representatives or affiliates for financial advisory services, investment banking services or for legal or accounting advice relating to the Transaction. Seller (including the undersigned shareholders or partners as the case may be) and Buyer will obtain such professional services from parties unaffiliated with Seller and its affiliates.

6. Consistent with the provisions of Section 5 above, each of the parties agree that it and they will not attempt to impose liability of any kind upon and hereby release Buyer or any of its affiliates relating to any completed or proposed transaction which is a subject of the discussions relating hereto.

7. Unless and until definitive agreements regarding the Transaction between (Buyer and Seller have been executed and delivered, neither Buyer, nor Seller,

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respectively, will be under any legal obligation of any kind whatsoever with respect to the Transaction by virtue of this Agreement except for the matters specifically agreed to herein.

8. It is understood and agreed that money damages may not be a sufficient remedy for any breach of this Agreement and that the parties shall be entitled to equitable relief including injunction and specific performance, as a remedy for any such breach or threatened breach. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Agreement but shall be in addition to all other remedies available at law or equity. This Agreement shall be governed under the laws of the State of California.

In the event that there is commenced litigation relating to the terms and conditions of this Agreement or the subject matter hereof, the prevailing party in such litigation shall be awarded reasonable attorney's fees and costs in relation to such litigation.

9. This Agreement shall constitute the entire agreement between the parties with regard to the subject matter hereof and shall be binding on each party's successors and assigns. The agreements set forth in this Agreement may be modified or waived only by a separate writing by the parties which expressly modifies or waives such agreements. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one (1) and the same agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date first mentioned above.

BUYER: _____ **DATE** _____

PRINT NAME: _____

BUYER: _____ **DATE** _____

PRINT NAME: _____

SELLER: _____ **DATE** _____

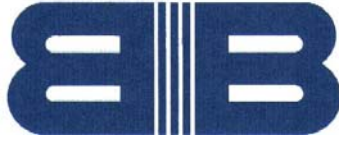
PRINT NAME: _____

SELLER: _____ **DATE** _____

PRINT NAME: _____

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**DUE DILIGENCE CONFIDENTIALITY RULES, EXCEPTION FOR LICENSED
ACCOUNTANTS AND TAX PREPARERS**

NOTE: **California Business & Professions Code 5063.3.**

(a) No confidential information obtained by a licensee, in his or her professional capacity, concerning a client or a prospective client shall be disclosed by the licensee without the written permission of the client or prospective client, **except** the following:

(1) Disclosures made by a licensee in compliance with a subpoena or a summons enforceable by order of a court.

(2) Disclosures made by a licensee regarding a client or prospective client to the extent the licensee reasonably believes it is necessary to maintain or defend himself or herself in a legal proceeding initiated by the client or prospective client.

(3) Disclosures made by a licensee in response to an official inquiry from a federal or state government regulatory agency.

(4) Disclosures made by a licensee or a licensee's duly authorized representative to another licensee in connection with a proposed sale or merger of the licensee's professional practice.

(5) Disclosures made by a licensee to either of the following:

A) Another licensee to the extent necessary for purposes of professional consultation.

(B) Organizations that provide professional standards review and ethics or quality control peer review.

(6) Disclosures made when specifically required by law.

(7) Disclosures specified by the board in regulation.

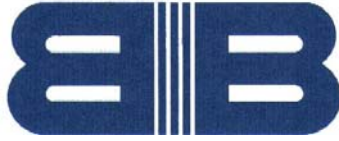
(b) In the event that confidential client information may be disclosed to persons or entities outside the United States of America in connection with the services provided, the licensee shall inform the client in writing and obtain the client's written permission for the disclosure.

Source: California Business & Professions Code

http://www.leginfo.ca.gov/.html/bpc_table_of_contents.html

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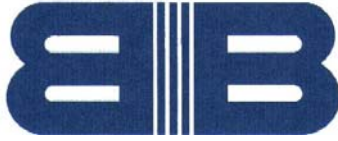
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Due Diligence Items- Checklist

1. Financial Statements and supporting records for last year and year-to-date for this year.
2. Client billing records for last year and year-to-date for this year WIP reports or equivalent, showing variance between time at standard and billable time by client.
3. Copies of assignable equipment leases.
4. Copies of maintenance contracts.
5. Copy of tax & GL program agreements, tax library software.
6. Employee personnel files and salary history.
7. Retirement plan contributions to employees for the last three years.
8. Future accounting engagement scheduling, if any.
9. Commitments to perform future work at less than customary rates, if applicable.
10. Client files for work performed within the last 12 months.
11. Peer review reports for the last 2 years.
12. Malpractice insurance files including correspondence and claims, if any.
13. Copy of health and dental insurance policy, and any other employee benefits.
14. Current client list.
15. Listing of lost clients in last 12 months.



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DECLARATION OF SATISFACTION AND WAIVER OF CONTINGENCIES

BUSINESS

ADDRESS

PHONE

In connection with the Offer to Purchase Agreement with respect to the above-described business, the undersigned Buyer declares that he/she has made an independent investigation of said business and hereby declares his/her complete satisfaction of any and all contingencies as contained in the Offer to Purchase Agreement. Buyer has personally inspected this business and is satisfied that he/she has the ability to conduct same. Also, Buyer has checked the Seller's financial statements, books and records, and hereby approves same.

Additionally, Buyer specifically has examined and approves each of the following:

- _____ Financial Statements, books & records, customer lists/files.
- _____ Lease and/or assignment thereof.
- _____ Premises, fixtures, equipment, appliances, computers, software are in good condition and in working order.
- _____ Other (if none state, none) _____

_____ Buyer agrees to maintain fire and theft insurance to cover the assets of the business as of the date of transfer. The insurance policy shall set forth the Seller as first loss payee.

Executed on _____ 20__ at _____ California

Buyer _____

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