

ASSET PURCHASE QUESTIONNAIRE
(IF RESPONSES ARE HANDWRITTEN, PLEASE USE INK)

1. Name of Buyer: _____
Type of Entity: _____
Income tax classification (S Corporation, C Corporation, Partnership, Disregarded): _____

State where formed: _____

2. Name of Seller: _____
Type of Entity (e.g, corporation, LLC): _____
Income tax classification (S Corporation, C Corporation, Partnership, Disregarded): _____

State where formed: _____
Seller's Owners (i.e., shareholders, members, etc.) and the approximate percentage of the company owned by each: _____

3. General Description of the Business: _____

4. Is this a franchise? Yes ____ No ____

5. General Description of the Business Assets: _____

6. Does Seller operate multiple locations?: Yes ____ No ____
Please provide address for each business location: _____

7. Will substantially all of the assets belonging to the Seller be sold? Yes ____ No ____
If not, in general which assets are being retained by Seller? _____

8. Total Purchase Price: _____
Will this Purchase Price be adjusted based on inventory levels or other factors? Yes ____ No ____
If yes, please describe adjustment mechanism: _____

9. Time for Payment of Purchase Price:
Earnest Money due prior to Closing Date (if Applicable): _____
Due at Closing: _____
Promissory Note for deferred portion of Purchase Price: _____

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10. Is a portion of the Purchase Price to be paid by Buyer delivering Seller a Promissory Note?

Yes ____ No ____

If yes, please give details:

Time period for note: _____

Interest rate: _____

Frequency of payments (monthly, quarterly, etc.): _____

How soon payments will begin after the closing date: _____

Other: _____

11. Will the Buyer be borrowing any money from any person or company other than Seller?

Yes ____ No ____

If yes, please give details: _____

12. Are any liabilities being assumed by Buyer (e.g., obligations to Landlord, advertising contracts, equipment leases, etc.)? Yes ____ No ____

If so, please give details: _____

13. Has Buyer reviewed a copy of Seller's financial statements? Yes ____ No ____

If yes, which ones?

Balance Sheet (For dates as follows: _____)

Income Statement (For periods as follows: _____)

14. Is Seller current on all tax obligations? Yes ____ No ____

If not, please give details: _____

15. Please describe the real estate used by the business: _____

Is the real estate owned by Seller? Yes ____ No ____

If not, please give Landlord's name and the general lease terms: _____

If Seller leases the real estate, will Buyer be assuming those obligations? Yes ____ No ____

16. Does Seller have substantial accounts receivable? Yes ____ No ____

If yes:

Are the balances being sold to Buyer? Yes ____ No ____

What arrangements have been discussed for uncollectible accounts? Please describe: _____

17. Please give details for the items below if they are important to the transaction:

Patents: _____

Trademarks: _____

Service marks: _____

18. Has Seller pledged any of its assets as security for a loan? Yes ____ No ____
If yes, please give details: _____

19. Does Seller have any written employment contracts with its employees? Yes ____ No ____
If yes, please give details: _____

20. Does Seller have any important contracts that Buyer must be able to secure the rights under? (Examples: supplier contracts, software licenses, etc.) Yes ____ No ____
If yes, please give details: _____

21. Is Seller involved in any litigation? Yes ____ No ____
If yes, please give details: _____

22. Does Seller have any defined benefit retirement plans (i.e., ones that promise the employee periodic payments beginning at some date in accordance with a formula)? Yes ____ No ____
If yes, please give details: _____

23. Does Seller have any retirement plans under which it makes a set contribution based on the employee's compensation? Yes ____ No ____
If yes, please give details: _____

24. Will Seller's principal owner(s) be asked to sign a Non-Compete Agreement? Yes ____ No ____
Persons restricted: _____
Geographic area for restrictions: _____
Time Period for restriction: _____
Other: _____

25. Will Seller's principal owner(s) be asked to sign a Consulting Agreement? Yes ____ No ____
If yes, please give details
Persons who will consult: _____
Length of Consulting Period: _____
Compensation arrangement: _____

Please provide any other important terms of the sale. _____

