**STANDARD ENGAGEMENT AGREEMENT**

(Retainer)

This Agreement (herein called “Agreement”) is entered into on this date between A Neumann & Associates, LLC (hereafter called "**Broker**"), and <Check for ALL owners in the BIO> individually and as the owner(s) or President or authorized representative of the owner(s) and/or of the legal entity (hereafter collectively called "**Seller**", whether one, more, or authorized representative) which owns the Business  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(herein called “**Business**”) described below, whereas the parties hereby agree as follows

1. Seller hereby grants the EXCLUSIVE RIGHT TO SELL, namely, transferring the right and power to sell all or parts of the Business to Broker for a Primary Period of twelve months after approval of all marketing documents (provided no later than 30 days hereafter), after which this Agreement shall continue until terminated upon ninety (90) days written notice delivered by one party to the other by regular and certified mail. Seller represents that Seller has not employed or agreed to compensate any other broker, dealer, salesman or agent with regard to the subject sale for or during the term of this Agreement. Seller will not attempt to sell the Business without Broker during the term of this Agreement.

 ASKING PRICE Cash Down & Purchaser’s Bank Financing $

 Seller Note (five years @ 8%, secured by non-business assets) $

 LT Debt & Net Working Capital $

 **TOTAL**  **$**

1. Seller shall support Broker in all aspects of the sale of the Business and will use his best efforts to maintain consistent financial results. Broker agrees to use his best efforts in aiding Seller to sell the Business. It is agreed and understood that Broker shall not be deemed to be the agent of Seller, and Seller acknowledges that Broker does not represent any purchaser. Seller will accept a reasonable Non-Compete agreement for offers received, and acknowledges that Broker has not guaranteed the sale of the above Business. Any information, reprints, data, financial reports or other documents supplied by Seller through Broker to Purchaser are acknowledged by Seller to be information and representations of Seller and not of Broker. Seller represents and agrees that the documents or information provided will be accurate.
2. In no event shall Broker be required to participate in any evaluation of the Business, including, without limitation, any accounting, inventory, appraisal, audit, verification or other similar evaluation either for Seller or for a prospective purchaser, and Seller hereby expressly releases and discharges Broker from any responsibility or liability in connection with any such evaluation and Seller hereby accepts sole and final responsibility for the determination of the asking price for the Business. Further, Seller recognizes that Broker will only conduct a limited purchaser pre-qualification and Seller hereby expressly releases and discharges Broker from any responsibility or liability in connection with the integrity, creditworthiness or actions of any prospective purchaser of the Business. It is the Seller’s sole obligation to conduct any due diligence on the purchaser and to verify the purchaser’s financial and other representations. Seller shall indemnify and hold harmless Broker if Broker is subject to an information subpoena, document discovery, deposition or court order demanded by Seller or Seller’s attorney, and Seller shall reimburse Broker for any work required at a cost of $450/hour and/or for any reasonable legal costs incurred by Broker.
3. Seller represents that no real estate is included in this transaction.
4. Upon the execution of this Agreement, Seller shall pay to Broker a non-refundable retainer fee in the amount of one third of the expected commissions payable – of which payable thirty-three percent (33%) upon agreement execution, thirty-three percent (33%) upon marketing document approval and the remainder thirty-three percent (33%) upon first buyer introduction. In the event a commission is earned and payable, the retainer shall be applied as a credit to such commission.
5. Seller agrees and acknowledges that if Seller’s Business, or major parts thereof, is sold during this Agreement, then Seller will deliver a commission in cash to Broker at closing equal to \_\_\_\_\_percent (\_\_\_\_\_%) of the Transaction Amount (“Full Commission”) at the time of closing. Said commission shall also be delivered upon the sale of the Business at any time within three (3) years after the termination of this Agreement, if such sale is made to any Purchaser, or to Purchaser’s associated or owned entities, previously been pre-qualified by Broker and/or having received the business’ full marketing documents. Seller hereby grants Broker an interest in the proceeds from the sale of Business to secure the payment of Broker's commission due under this Agreement. Any amount due to Broker under this Agreement which is not timely paid shall bear the greater interest rate of one and one half per cent (1 1/2%) compounded per month or the maximum rate permitted by law.
6. The definition of Transaction Amount as used in calculating commissions due to Broker under this Agreement will be the sum of ALL AMOUNTS used by the parties in the determination of the settlement. This shall include, but is not limited to, such consideration as any payments in cash, stock, bonds, indentures, debentures, promissory notes, assumption of debt, closing adjustments in accounts receivable and inventory, closing adjustments in accounts payable and debt if assumed by purchaser, negotiable instruments, real or personal property, letters or lines of credit, loans, employment and consulting agreements, non competition agreements, partnership agreements, rental agreements, lease agreements, options, payments pursuant to option agreements, capital investments, settlements and/or payment receipts from litigation or court rulings, ESOPS, assumption or discharge of liabilities, future royalties or payments based on sales, profits or accounts receivable collections.

\_\_\_\_\_\_\_

**Initial**

1. Seller will notify Broker of the closing date/time/location at least five (5) days prior to closing, even if such closing falls within three (3) years after the Agreement termination; failure to do so requires Seller to pay commissions on the full asking price under paragraph 1, regardless of actual sale price. Seller shall provide a copy of all closing related documents, including but not limited to sale contracts, employment agreement, leases, schedules, addendums and so forth.
2. Broker will not be entitled to any transaction commissions from Purchaser, however, Broker may receive loan referral fees from lenders for arranging acquisition funding. Fees payable by Seller in connection with any possible future payments of the original price contingent upon any earn-outs, if any, will be paid to Broker within ten (10) days after such earn-out payment is made to Seller.
3. If Seller withdraws the Business from the market or terminates this Agreement prior to the end of the Primary Period, then Seller shall pay Broker the Full Commission, as defined in 6). If collection litigation is being commenced, the greater of the Full Commission or Minimum Commission shall be due to Broker, with the Broker being entitled to file a lien on seller’s assets. Notwithstanding, the “Minimum Commission” due under any scenario is defined as always being eighty-five percent (85%) of the Full Commission under this Agreement, regardless. **Seller explicitly agrees these terms to be a fair and reasonable measure of the work performed by Broker, irrespective of the specific amount of time, expenses, and effort spent by the Broker on behalf of the Seller**.

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**Initial**

1. Broker is aware that Seller in its ongoing business may have been introduced to or established contact with a Purchaser prior to introduction by Broker. Should this be the case, Seller will immediately notify Broker in writing of such prior introduction and refer the Purchaser to Broker. Seller shall promptly inform Broker of any inquiries by parties interested in purchasing the Business and refer the parties to the Broker. Any deal closings with prior Purchasers or Purchasers referred to Broker shall be subject to the closing fees as outlined under Paragraph 6 and reduced fees under 16.
2. Both parties acknowledge that they had an opportunity to negotiate the terms and conditions of this Agreement, that they have equal bargaining power, and that the terms of this Agreement are the result of the joint efforts of the parties. **Seller confirms that he had sufficient time to review this Engagement Agreement, fully understands it and had an opportunity to have an attorney of his choosing review it.**

\_\_\_\_\_\_\_

**Initial**

1. **Seller confirms that his tax advisor(s) has reviewed the sale of the Business**. Seller understands this sale to be positioned as an asset sale and agrees and accepts that the net receipts to Seller at closing, after payment of taxes, are consistent with Seller’s financial goals or retirement planning. Seller further acknowledges and accepts that Broker has not provided any tax advice and has no obligation to do so under this Agreement.

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**Initial**

1. All matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey without regard to choice or conflict of law rules of any jurisdiction. Each party irrevocably submits to the exclusive jurisdiction of the Superior Court of New Jersey, Monmouth County in any legal suit, action or proceeding (hereinafter “Legal Action”) arising out of or relating to this Agreement, and any such Legal Action shall be instituted in said Court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any such Legal Action in said Court and irrevocably waive and agree not to plead or claim that any such Legal Action brought in said Court has been brought in an inconvenient forum. All reasonable expenses and legal fees for any such Legal Action shall be borne by the Seller if the Broker is the prevailing party in the dispute.
2. **Each party to this Agreement certifies and acknowledges that it knowingly, voluntarily, and intentionally, irrevocably and unconditionally waives the right to a trial by jury in any Legal Action arising out of or relating to this Agreement.**
3. Broker shall reimburse, out of Broker’s commissions, Seller’s cost for any valuations requested from Broker upon the Business sale. If Seller’s current negotiations with \_\_\_<”N/A” or name>\_\_\_ (Purchaser) will lead to a transaction closing within three (3) months after execution of this agreement, then Broker shall reduce commissions by fifty (50%) percent, not subject to any minimum commissions. Thereafter, Broker shall reduce said commissions by twenty percent (20%) for any buy-side leads in writing from Seller resulting in a transfer of the Business, with such commission reductions never resulting in less than the minimum commissions as stated in paragraph 10.

If the foregoing correctly states the understanding between Seller and Broker, please sign and return to Broker.

**ACCEPTED AND AGREED, THIS \_\_\_\_\_\_ DAY OF \_\_\_\_\_\_, \_\_\_\_\_, BY**:

X

 (Broker) A. Neumann, President (Seller) - Individually And As Duly Authorized Representative

**Letter Of Commitment**

(**To be completely filled out in handwriting by Seller**)

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the seller of the business \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ herewith commit to selling my business subject to the terms and conditions in the engagement agreement.

I fully understand that it will take a significant amount of time and expense on the side of the Broker to find suitable purchasers, to pre-qualify such purchasers and then to generate an offer. I understand that if I change my mind and no longer want to sell my business in the primary period or first accept an offer but I then decide not to sell or simply refuse a full price offer, I need to pay the Broker according to the terms of this engagement (which I have read and fully understood).

Further, I have had the business sale reviewed by a qualified CPA and fully understand the amount of taxes that I will have to pay upon closing. I understand the sale of the business is positioned as an asset sale. I also had sufficient opportunity to have an attorney review all documents for the sale of the business.

I commit to be readily available during due diligence and to do my best to provide the requested documents to the buyer. Throughout the whole process I will be reachable via my dedicated email address I set up for this transaction: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

I understand that Broker will send me a quarterly progress report and I will be available to discuss such report.

Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Seller