**FRANCHISE ASSET PURCHASE AGREEMENT**

This FRANCHISE ASSET PURCHASE AGREEMENT (“Agreement”) is entered into as of this \_\_\_ day of \_\_\_\_\_\_\_\_\_, 20\_\_\_ between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ("Seller"), and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ("Buyer").

**R E C I T A L S**

A. Seller owns and operates a Snap-on franchise (the "Franchise") pursuant to the terms and conditions of that certain Snap-on Franchise Agreement, Snap-on Standard Franchise Agreement, Dealer Franchise Agreement or Snap-on Conversion Dealer Franchise Agreement (as applicable, the “Franchise Agreement”) dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_ between Seller and Snap-on Tools Company LLC (referred to in this Agreement as “Snap-on”).

B. Buyer desires to purchase and Seller desires to sell all of the assets pertaining to the Franchise which are listed on Schedule 1 attached hereto, including the goodwill of the Franchise (collectively, the “Assets”).

C. The parties have reached an agreement for the Buyer to purchase the Assets from Seller for a purchase price and on the terms and conditions herein set forth.

D. With respect to that portion of the Assets made up of Seller’s Revolving Accounts (“RA Accounts”), the parties desire to verify the accuracy of the RA Accounts at or prior to the Closing (defined below).

**AGREEMENT**

Buyer and Seller agree as follows:

**SECTION 1. PURCHASE AND SALE OF ASSETS.**

Subject to the terms and conditions herein, Seller shall sell, assign, transfer and convey to Buyer, and Buyer will purchase and accept the Assets.

**SECTION 2. CONSIDERATION.**

2.1 Purchase Price. The purchase price for the Assets will be as stated in Schedule 1 (the "Purchase Price"). The parties agree that the Purchase Price represents the negotiated value attributed to the various classes of Assets as set forth on Schedule 1, which value the parties believe in good faith represents the fair market value of the Assets. The Purchase Price for all of the Assets will be paid at Closing (defined below) in cash, by a certified or official bank check. Seller acknowledges that the amount set forth with respect to the RA Accounts listed on Schedule 1 represents the sum of 75% of the amount of each listed RA Account (such amount referred to as the “Net Value” of each such account) and Seller and Buyer have agreed that RA Accounts transferred in accordance with this Agreement will be transferred at the Net Value of all accounts transferred.

2.2 Adjustments to Purchase Price. At or immediately prior to Closing, Buyer and Seller shall, together with a representative of Snap-on, conduct a final inventory of the Assets (the “Closing Inventory”). Buyer and Seller agree that the Purchase Price will be adjusted as follows:

(a) The Purchase Price will be reduced by the amount, if any, by which the value of the Seller’s final inventory, as determined at the Closing Inventory, is less than the inventory value set forth on Schedule 1. The parties agree that Seller’s final inventory will not include any tools or equipment which are not saleable. For purposes of this Agreement, the value of Seller’s final inventory will be the price Buyer will pay (as of the Closing Date) for such inventory, rather than Seller’s original cost.

(b) The Purchase Price will be reduced by the value of any inventory which is not saleable. The parties agree that the amount of such reduction will be mutually agreed to at the time of Closing. In the event the parties are unable to agree on such amount, either party will have the option to terminate this Agreement by notice to the other party.

(c) Prior to Closing, Seller and Buyer will verify with the customers the accuracy of the RA Accounts and the balance on each RA Account to be purchased. The Purchase Price will be reduced by the Net Value of any RA Account which Buyer will not purchase at the time of Closing or by any reduction in the Net Value of an RA Account as agreed to by Seller and Buyer. The Purchase Price will be increased by the Net Value of any additional RA Account which Buyer will purchase at the time of Closing or by any increase in the Net Value of an RA Account as agreed to by Seller and Buyer.

(d) In the event the value of Seller’s final inventory exceeds the inventory value set forth on Schedule 1, Buyer may, in its sole discretion either: (a) agree to increase the Purchase Price by an amount equal to the difference between such amounts, or (b) refuse to accept any portion of the Seller’s final inventory with a value equal to or less than such difference.

At Closing, the parties will complete the Statement of final Purchase Price, which will be in the form of Schedule 2, and which will be the final Purchase Price pursuant to this Section 2.2.

**SECTION 3. LIABILITIES NOT ASSUMED BY BUYER.**

Buyer will not assume, or in any way be liable or responsible for, any liabilities or obligations of Seller whether known or unknown, whether now existing or hereafter accruing.

**SECTION 4. CLOSING.**

4.1 Closing Date. The consummation of the transactions contemplated by this Agreement (the “Closing”) will take place on \_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_, or 90 days from the date of this Agreement, whichever is later (the “Closing Date”) at 10:00 a.m. at the Snap-on Regional Sales Office to which the Seller is assigned, or at such other place or time as the parties agree.

4.2 Transfer of Assets other than RA Accounts. At the Closing, Seller will sell, transfer, assign, grant, deliver and convey to Buyer all of Seller's right, title and interest in and to the Assets (other than the RA Accounts), free and clear of any and all liens, pledges, claims, charges, security interests or encumbrances of any nature whatsoever (collectively, “Liens”). The transfer of such assets will be evidenced by delivery by Seller to Buyer of a Bill of Sale substantially in the form attached hereto as Exhibit B, and such assignments and other documents of transfer acceptable in form and substance to Buyer in its reasonable judgment.

4.3 Transfer of RA Accounts. At the Closing, Seller will sell, transfer, assign, grant, deliver and convey to Buyer all of Seller's right, title and interest in and to the RA Accounts, free and clear of any and all Liens. The transfer of the RA Accounts will be evidenced by the Assignment of Revolving Accounts substantially in the form attached hereto as Exhibit A.

4.4 Evidence of Transfer. At the Closing and thereafter, as Seller or Buyer may from time to time request, Seller and Buyer will execute and deliver to each other such documents and instruments of conveyance as may be appropriate and will take or cause to be taken such actions as either party may request that are consistent with the terms of this Agreement in order to accomplish the transfer of the Assets, and the consummation of the matters contemplated by this Agreement. All such documents will be in form and substance reasonably satisfactory to the requesting party.

**SECTION 5. REPRESENTATIONS AND WARRANTIES OF SELLER.**

Seller represents and warrants to Buyer, as of the date of this Agreement and the Closing Date, as follows:

5.1 Corporate. If the Seller is a corporation or limited liability company, it is duly organized and validly existing under the laws of its state of incorporation or formation. Seller has all requisite power and authority to enter into and perform its obligations under this Agreement and all other agreements to be executed and delivered by Seller hereunder and to consummate the transactions contemplated hereby.

5.2 Authorization. This Agreement has been, and all other agreements, certificates and instruments contemplated hereby to be executed and delivered by Seller will be duly authorized by all necessary action. This Agreement has been duly executed and delivered by Seller and constitutes legal, valid and binding obligations of Seller enforceable against Seller in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, bulk sales, and other laws affecting creditors' rights generally and by general principles of equity (regardless of whether such principles are considered in a proceeding at law or in equity).

5.3 Title. Seller has good and marketable title to and shall convey the Assets to Buyer free and clear of all Liens. As of the Closing Date, Buyer will acquire good and marketable title to the Assets, free and clear of all Liens.

5.4 Taxes. Seller has paid, or will pay on or prior to any applicable due date, all taxes and duties accrued or owed by Seller in connection with the Assets or operation of the Franchise, including but not limited to the payment of all sales taxes owed by Seller.

5.5 Insurance. There is in force appropriate insurance coverage for the Assets, and operation of the Franchise, including but not limited to such insurance as is required under the Franchise Agreement.

5.6 Assets. The Assets are in good operating condition and repair, and in the case of inventory, are in new and saleable condition, unless otherwise set forth on Schedule 1 and Schedule 2. Seller has not received notice that any of the Assets or the use thereof is in violation of any existing law or any building, zoning, health, safety or other ordinance, code or regulation. Seller is not in default with respect to any Assets purported to be leased by Seller, and no event has occurred which constitutes, or with due notice or lapse of time or both may constitute, a default under any such lease. Seller does not hold any Asset of any other person, firm or corporation pursuant to any consignment or similar arrangement.

5.7 Contracts or Other Agreements. Seller has furnished to Buyer copies and/or descriptions of all contracts or other agreements affecting the Assets being purchased and sold hereunder. Seller has performed all obligations required of Seller with respect to, and Seller is not in default under, any such contracts or other agreements. Neither the execution or delivery of this Agreement nor the consummation of the transactions contemplated hereby will: (a) conflict with, constitute a breach, violation or termination of any provision of any such contracts and other agreements to which Seller is a party or by which Seller is bound; (b) result in the creation or imposition of any Lien against any of the Assets; or (c) violate any law, regulation, judgment, rule, order or any other restriction of any kind or character applicable to Seller or the Assets.

5.8 Accuracy and Materiality. No representation or warranty of Seller contained in this Agreement or any other document prepared by Seller and delivered to Buyer incident to this Agreement contains any untrue statements of a material fact, or fails to state a material fact necessary in order to make the statements made in this Agreement or such document not misleading. The Schedules and Exhibits to this Agreement correctly and completely set forth the information called for in such Schedules and Exhibits. Each of the representations, warranties and covenants contained in this Section 5 will be deemed to be material to and have been relied upon by Buyer, and will be binding and enforceable against Seller notwithstanding any independent investigation made by Buyer.

**SECTION 6. REPRESENTATIONS AND WARRANTIES OF BUYER.**

Buyer represents and warrants to Seller, as of the Closing Date, that this Agreement and all other agreements, certificates and instruments contemplated hereby to be executed and delivered by Buyer have been duly authorized by all necessary action. This Agreement has been duly executed and delivered by Buyer and constitutes legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with its terms.

**SECTION 7. CONDITIONS AND ADDITIONAL AGREEMENTS.**

7.1 Seller's Conditions to Close. The Closing and all obligations of Seller pursuant to this Agreement is conditioned upon the following:

(a) Snap-on has not exercised its right of first refusal with respect to the transactions contemplated by this Agreement;

(b) Snap-on has granted its consent to the transaction contemplated by this Agreement and entered into Consent to Transfer Agreement in the form set forth as Exhibit C (the “Consent to Transfer Agreement”);

(c) All representations and warranties contained in Section 6 are true as of the Closing Date;

(d) Buyer has performed all of its obligations under this Agreement required to be performed as of the Closing Date including but not limited to delivery of all agreements and other documents set forth in Section 7.4;

(e) Buyer has executed the Consent to Transfer Agreement and shall have performed all of its obligations thereunder;

(f) Buyer shall have demonstrated to Snap-on’s satisfaction that it meets Snap-on’s managerial, operational and business standards for a new franchisee; has the aptitude and ability to operate the Franchise (as may be demonstrated by prior related business experience or otherwise); and has adequate financial resources and capital to operate the Franchise;

(g) Buyer has executed Snap-on’s then-current form of Franchise Agreement (the “New Franchise Agreement”) and other ancillary agreements (all of which may differ from the Franchise Agreement and the ancillary agreements signed by Seller) as Snap-on may require;

(h) Buyer has paid Snap-on the applicable transfer fee; and

(i) Buyer has executed all agreements necessary in Snap-on’s reasonable business judgment to accomplish the transfer and assumption of obligations under the New Franchise Agreement. Buyer will also provide Snap-on with whatever information and/or documentation regarding the transfer that Snap-on requests and will comply with Snap-on’s other reasonable requirements related to the transfer.

In the event any of the foregoing conditions is not satisfied, then Seller may, at its option, terminate this Agreement by notice to Buyer, in which event Seller will be relieved of all obligations hereunder and this Agreement will be deemed null, void and of no force or effect, but if Seller concludes the Closing, Seller will not be relieved of its obligations hereunder.

7.2 Buyer's Conditions to Close. The Closing and all obligations of Buyer pursuant to this Agreement are conditioned on the following:

(a) all representations and warranties contained in Section 5 are true as of the Closing Date;

(b) there has not been any material change in the Assets (either individually or in the aggregate) from the date of Buyer's execution of this Agreement through the Closing Date (other than (i) changes resulting in an adjustment to the Purchase Price pursuant to Section 2.2 hereof and (ii) changes in the Seller’s inventory which do not result in a change in the value of such inventory);

(c) Seller has performed all of its obligations under this Agreement required to be performed as of the Closing Date including but not limited to delivery of all agreements and other documents set forth in Section 7.3;

(d) Seller obtains all necessary third party consents with respect to the transfer of the Assets including the consent of Snap-on;

(e) Seller has signed the Assignment of Revolving Accounts; and

(f) Seller and Snap-on have entered into the Consent to Transfer Agreement.

In the event that any of the foregoing conditions is not satisfied, then Buyer may, at its option, terminate this Agreement by notice to Seller in which event Buyer will be relieved of all obligations hereunder and this Agreement will be deemed null, void and of no force or effect, but if Buyer concludes the Closing, Buyer will not be relieved of its obligations hereunder.

7.3 Seller's Deliveries. At or prior to the Closing, Seller will deliver to Buyer the following documents:

(a) the Assignment of Revolving Accounts;

(b) the Bill of Sale;

(c) the Consent to Transfer Agreement; and

(d) All such documents and instruments Buyer and its counsel may reasonably request in connection with the consummation of the transactions contemplated by this Agreement, including all documents necessary to transfer the Assets.

7.4 Buyer’s Deliveries. At or prior to Closing Buyer will deliver to Seller the following documents:

(a) the Consent to Transfer Agreement; and

(b) All such documents and instruments Seller and its counsel may reasonably request in connection with the consummation of the transactions contemplated by this Agreement, including all documents necessary to transfer the Assets.

**SECTION 8. TERMINATION AND ABANDONMENT.**

8.1 Methods of Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing:

(a) By the mutual written consent of Seller and Buyer;

(b) By Buyer, if all of the conditions set forth in Section 7.2 of this Agreement have not been satisfied or waived on or prior to the Closing Date;

(c) By Seller, if all of the conditions set forth in Section 7.1 of this Agreement have not been satisfied or waived on or prior to the Closing Date; or

(d) By either Buyer or Seller pursuant to the terms of Section 2.2(b).

If this Agreement is terminated, it will be null and void and of no further force or effect, except as provided in Section 8.2.

8.2 Procedure Upon Termination. In the event of termination and abandonment of this Agreement by Seller or Buyer pursuant to Section 8.1 hereof, written notice thereof will be given to the other party or parties as provided herein and this Agreement will terminate and the transactions contemplated hereby will be abandoned, without further action by Seller or Buyer, and Seller and Buyer will each return to the other party any documents or copies thereof in possession of such party furnished by such other party in connection with the transactions contemplated by this Agreement. If this Agreement is terminated as provided herein, no party to this Agreement will have any liability or further obligation to any other party to this Agreement with respect to this Agreement or the transactions contemplated hereby except as provided in this Section 8.2 and in Sections 9.7 and 9.9 of this Agreement; provided, however, that no termination of this Agreement pursuant to the provisions of this Section 8 will relieve any party of liability for a breach of any provision of this Agreement occurring prior to such termination.

**SECTION 9. GENERAL PROVISIONS.**

9.1 Assignment. Neither this Agreement nor any of the rights or duties of any party hereto may be transferred or assigned to any person except by a written agreement executed by each of the parties hereto.

9.2 Entire Agreement. This Agreement is the entire agreement between the parties hereto with respect to acquisition of the Assets and cancels and supersedes all other previous agreements and understandings relating to the subject matter of this Agreement, written or oral, between the parties hereto. There are no agreements, representations or warranties between the parties other than those set forth or provided herein. All Exhibits and Schedules called for by this Agreement and delivered to the parties shall be considered a part hereof with the same force and effect as if the same had been specifically set forth in this Agreement.

9.3 Amendment. This Agreement may not be amended or modified except by a writing signed by an authorized representative of the party against whom enforcement of the change is sought.

9.4 No Waiver. Each party hereto may, by written notice to the other party hereto: (a) extend the time for the performance of any of the obligations or other actions of such other party under this Agreement; (b) waive any inaccuracies in the representations, warranties, conditions or covenants of such other party contained in this Agreement; or (c) waive or modify performance of any of the obligations of such other party under this Agreement. Except as provided in the foregoing sentence, no waiver of the performance or breach of, or default under, any condition or obligation hereof shall be deemed to be a waiver of any other performance, or breach of, or default under the same or any other condition or obligation of this Agreement.

9.5 Survival. Unless otherwise expressly provided in this Agreement, the covenants, representations and warranties contained in this Agreement will survive the Closing.

9.6 Section Headings. The headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

9.7 Confidentiality. The parties agree to maintain confidential the terms and conditions of this Agreement and not to disclose any of such terms and conditions to any third‑party without the prior written consent of the other party, except to each party's legal counsel, accountants and other advisors, and their associates, in respect to the transactions herein contemplated, and except as otherwise required by law.

9.8 Compliance with Bulk Transfer Law.

(a) The Seller covenants that the Seller will prior to Closing comply with all of the provisions of any applicable bulk transfer or similar law and all information that the Seller provides with respect thereto shall be true and correct. To the extent permitted under applicable law, the Buyer in its sole discretion may waive bulk transfer law compliance, provided the Seller obtains from all of its creditors (or such lesser number determined by the Buyer in its sole discretion) written waivers confirming that the Buyer will have no obligation to pay any monies owed to such creditors by the Seller and such creditors waive any claims that they might have against the Assets.

(b) If the Buyer, in its sole discretion, waives the Seller's obligation to comply with the applicable bulk transfer law, then as a condition to such waiver, the Seller indemnifies and holds the Buyer harmless from and against any and all loss, liability or damage that it may incur (including reasonable attorney's fees and costs) arising from any claims by creditors of the Seller, this indemnity will survive the Closing.

9.9 Expenses. Except as otherwise provided in this Agreement, the parties hereto will bear their respective expenses incurred in connection with the preparation, execution and performance of this Agreement and the transactions contemplated hereby, including all fees and expenses of agents, representatives, counsel and accountants. Seller will pay all sales, transfer, documentary, use, filing, recording and other taxes, costs and fees relating to the transfer of title to the Assets.

9.10 Notices. Any notices or other communications required or contemplated under this Agreement will be in writing and personally delivered, evidenced by a signed receipt, machine confirmed facsimile or overnight delivery service such as Federal Express if a receipt is obtained showing delivery to the party to whom it is given to the addresses indicated below or to such other person or address as the parties may, from time to time, provide by notice to the other. The date of notice is the date of delivery of the notice if personally delivered, the date on the machine transmitted facsimile or date of receipt for delivery by an overnight service.

9.11 Exhibits and Schedules. The schedules and exhibits attached hereto, and the documents incorporated by specific reference therein, are a part of this Agreement as if fully set forth herein.

9.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be an original and all of which together shall be considered one and the same agreement. The parties agree that a facsimile may be executed as an original.

9.13 Review and Consultation. Buyer and Seller have had access to and reviewed such information and have consulted with all legal counsel, tax counsel, accountants and other experts and advisors deemed necessary by them in connection with the transactions contemplated herein.

9.14 Non-Solicitation. During the period commencing on the date of this Agreement and ending on the Closing Date, Seller will not take any action to encourage, solicit, engage in discussions or negotiations with, or provide any information to, any person, firm, or other entity or group (other than Buyer or its representatives, and Seller's own advisors and representatives) concerning any merger, consolidation, sale of substantial assets, purchase or sale of shares of capital stock or other similar transaction involving Seller; and Seller will promptly communicate to Buyer any inquiries or communications concerning any such transaction which they may receive or of which they may become aware.

IN WITNESS WHEREOF, the parties hereto have duly executed this Franchise Asset Purchase Agreement as of the date and year first above written.

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| **Corporate Seller:** |
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| By: |
| Title: |
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| **Individual Seller** |
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| Signature |
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| Name: |
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| Address: |
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| **BUYER:** |
| **Corporate Buyer:** |
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| Signature |
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| By: |
| Title: |
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| **Individual Buyer** |
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| Signature |
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| Name: |
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| Address: |
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**SCHEDULE 1**

**LIST OF ASSETS/ALLOCATION OF PURCHASE PRICE**

1. Inventory **NET PRICE**

1. New Tools $
2. Used Tools $
3. Discontinued Tools $
4. Demonstration Products $
5. Damaged Products $

2. Sales Materials $

3. Van Make:        $

 VIN:        Model:

4. RA Accounts $

5. Personal Property, Equipment and Supplies $

6. Goodwill $

7. Other:        $

 Purchase Price Total $

Seller initials Buyer initials

GOODWILL ADDENDUM

ADDENDUM TO FRANCHISE ASSETS PURCHASE AGREEMENT

This GOODWILL ADDENDUM (this “Addendum”) is entered into as of the date below, and by and between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ("**Seller**") and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ("**Buyer**").

RECITALS

1. The Seller entered into a Snap-on Tools Franchise Agreement, Standard Franchise Agreement, Dealer Franchise Agreement or Conversion Dealer Franchise Agreement (as applicable) dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “**Franchise Agreement**”), pursuant to which Seller uses the Snap-on Program to purchase Products from Snap-on and resell those Products to customers on Franchisee’s List of Calls (the “**Business**”).
2. Seller has goodwill in the Business, and the purchase of this goodwill does not include any goodwill owned by Snap-on Tools Company LLC or the goodwill associated with the SNAP-ON brand.
3. Pursuant to the terms and conditions of that certain Franchise Asset Purchase Agreement dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “**FAPA**”) between Seller and Buyer, Buyer wishes to purchase the goodwill of the Business in accordance with the terms of this Addendum.
4. Seller agrees to sell, assign, and convey to the Buyer, and Buyer agrees to purchase and accept the goodwill owned by Seller on the terms stated in this Addendum.

**Seller and Buyer agree as follows:**

1. Goodwill. Upon payment of the goodwill, the goodwill associated with the Business that is owned by Seller is sold, assigned, and conveyed to the Buyer, with full title guarantee, on the following terms:

Buyer will pay to Seller the amount of goodwill stated in the FAPA as follows:

Payment Terms (check one):

[ ]  Paid in full to Seller at closing.

[ ]  Installment payments of $ per [ ]  week [ ]  month

[ ]  Other:

1. Except as expressly modified by this Addendum, the FAPA remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of this date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Seller Buyer**

**By: By:**

 Signature Signature

Print Name:  Print Name:

**SCHEDULE 2**

**STATEMENT OF FINAL PURCHASE PRICE**

1. Inventory **NET PRICE**
* New Tools $
* Used Tools $
* Discontinued Tools $
* Demonstration Tools $
* Damaged Products $
1. Sales Materials $
2. Van Make: $

VIN Model:

1. RA Accounts $
2. Personal Property, Equipment and Supplies $
3. Goodwill $
4. Other $

 **Purchase Price Total** $

To the extent Seller and Buyer differ on the Agreement, all rights and obligations of such Seller and Buyer are hereby assigned and accepted by the Seller and Buyer named below as if they signed the original Agreement.

The undersigned have agreed on this Statement of Final Purchase Price this \_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_.

SELLER: BUYER:

 Corporate Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 By:

Signature Name:

 Title:

**EXHIBIT A**

**ASSIGNMENT OF REVOLVING ACCOUNTS**

FOR VALUE RECEIVED, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Seller”) hereby assigns to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Buyer”) the revolving accounts receivable (“RA Accounts”) on the attached list of RA Accounts on the following terms and conditions and in accordance with the Franchise Asset Purchase Agreement between Seller and Buyer (“Asset Purchase Agreement”):

1. Seller has developed the RA Accounts while operating as a Snap-on franchisee and in the ordinary course of Seller’s franchise business.
2. The RA Accounts are free and clear of all Liens (as defined in the Asset Purchase Agreement).

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| **Corporate Seller:** |
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| **Individual Seller** |
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 **EXHIBIT B**

 **BILL OF SALE**

FOR VALUE RECEIVED, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Seller") does hereby grant, bargain, sell, convey, transfer and deliver unto \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ("Buyer"), all right, title and interest in and to the Assets other than the R.A. Accounts (as such terms are defined in the Franchise Asset Purchase Agreement dated of even date herewith between Buyer and Seller, the "Franchise Asset Purchase Agreement"), all free and clear of all Liens (as defined in the Franchise Asset Purchase Agreement).

 TO HAVE AND TO HOLD the same unto Buyer, its successors and assigns forever.

 Seller hereby represents and warrants that it has title to the aforesaid property free and clear of all Liens, and does for itself and its successors and assigns covenant and agree to defend title to the aforesaid property sold to Buyer against all claims whatsoever.

 Seller for itself and its successors and assigns, has covenanted, and by this Bill of Sale does hereby covenant with Buyer to do, execute and deliver, or to cause to be done, executed and delivered, all such further documents, acts, sales, conveyances and transfers necessary to consummate the sale, conveyance and transfer made to Buyer hereby.

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale as of the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_.

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| **SELLER:** |
| **Corporate Seller:** |
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| By:  |
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| **Individual Seller** |
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| Name:  |
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**EXHIBIT C**

**SNAP-ON TOOLS COMPANY LLC**

**CONSENT TO TRANSFER AGREEMENT**

This Consent to Transfer Agreement, made and effective the latter of the dates signed below, is between Snap-on Tools Company LLC ("Snap-on"), and the undersigned Corporate Seller ("Seller"), and the undersigned Corporate Buyer ("Buyer").

**R E C I T A L S**

1. Snap-on and Seller are parties to the Snap-on Franchise Agreement, Snap-on Standard Franchise Agreement, Dealer Franchise Agreement or Conversion Dealer Franchise Agreement dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the "Franchise Agreement");
2. Seller wishes to transfer to Buyer certain franchise business assets and terminate the relationship created by the Franchise Agreement;
3. Buyer wishes to purchase certain assets of the Seller's franchise business and enter into a new franchise agreement with Snap-on;
4. Pursuant to the provisions of the Franchise Agreement, such transfer is subject to the consent of Snap-on and Snap-on's right of first refusal on the same terms; and
5. Snap-on is willing to consent to the transfer and waive its Right of First Refusal to purchase the assets being transferred subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties to this agreement agree as follows:

1. **Representations**.

A. Seller represents to Snap-on that it owns all right, title, and interest in and to the assets being transferred to Buyer and that the purchase price paid by the Buyer for the assets being acquired from the Seller and the terms regarding payment are identical to the purchase price and terms contained in the right of first refusal previously extended to Snap‑on by Seller.

B. Buyer represents to Snap-on that it has inspected the assets being transferred by Seller and agrees to employ those assets only in conjunction with the operation of a Snap-on franchise pursuant to a new Snap-on Franchise Agreement.

C. Seller and Buyer represent and warrant to Snap-on that they each have the authority to execute this Agreement.

2. **Consent**. Snap-on consents to the transfer by Seller to Buyer of all right, title, and interest in and to the inventory, equipment, customer receivables, and goodwill being transferred to the Buyer, and waives its Right of First Refusal under the terms of the Franchise Agreement, under the following circumstances:

A. Seller has paid in full or made other arrangements acceptable to Snap-on to make payment in full of all ascertained or liquidated debts of Seller to Snap-on and Snap-on’s affiliates as of the date of transfer;

B. Buyer executes the current form of Snap-on franchise agreement and all ancillary agreements Buyer is entering into with Snap-on or its affiliates upon the date of transfer, and grants Snap-on a security interest in the assets being transferred as required by the Snap-on franchise agreement;

C. On the date of transfer, Buyer pays Snap-on a transfer fee of **$16,000**; and

D. Seller agrees to continue complying with the confidentiality provisions of the franchise agreement, notwithstanding its termination under this Agreement.

3. **Termination of the Franchise Agreement, Etc**. Seller and Snap-on mutually agree that the Franchise Agreement and all ancillary agreements between Seller and Snap-on or Snap-on’s affiliates will be terminated and will have no further force and effect as of the time that all conditions of this Agreement have been met by the parties. All provisions regarding Seller’s activities after termination of the Franchise Agreement, set forth in the Franchise Agreement, will continue in full force and effect after the execution of this Agreement.

4. **Indemnification and Warranties**. Seller and Buyer and their successors, assigns, subsidiaries, divisions and agents, will indemnify and hold harmless Snap‑on and any of its subsidiaries, successors, assigns, officers, directors, employees and agents, and each of them, against:

A. Any and all liabilities, losses, damages, deficiencies, claims, costs, or expenses of any nature resulting, directly or indirectly, from:

1. Any misrepresentations or breach of warranty or covenant on the part of Seller or Buyer under this Agreement or otherwise;

2. The nonfulfillment of any conditions under this Agreement or otherwise; and

3. The transfer of the assets used in the franchise business.

B. Any and all actions, suits (third party or otherwise), proceedings, investigations, demands, assessments, judgments, costs and expenses incident to the foregoing, including but not limited to, reasonable legal and accounting fees.

5. **General Release by Seller**. PLEASE READ CAREFULLY. THIS AGREEMENT CONTAINS A RELEASE OF KNOWN AND UNKNOWN CLAIMS. Seller (for Seller and any person in privity with or claiming through, on behalf of, or in the right of Seller, including but not limited to, spouses and other family, representatives, successors and assigns) RELEASES and FULLY DISCHARGES Snap-on (itself and its affiliates, and all of their respective past and current parent companies, subsidiaries, affiliates, agents, employees, officers, directors, partners, principals, members, shareholders, representatives, attorneys, insurers, reinsurers, estates, executors, administrators, heirs, successors and assigns, if any, and any persons acting by or through, under or in concert with them) from and against any and all claims, allegations, causes of action, obligations, losses, damages or liabilities of every kind, relating to or arising out of any action, omission or representation or other basis of liability in tort or contract or under any state or federal law or regulation, that Seller may have against Snap-on, whether known or unknown, whether currently existing or hereafter asserted, including, but not limited to claims based upon or relating to the entry into, performance (or failure to perform) under the Franchise Agreement or any other agreement or understanding between Seller and Snap-on or any of Snap-on’s affiliates.

Notwithstanding anything above to the contrary, this Agreement will not impair, release or extinguish the representations, warranties and agreements made or affirmed in this Agreement.

6. **Waiver of Rights**. Seller hereby expressly waives and relinquishes, to the fullest extent permitted by law, the provisions, rights and benefits of any statute or law of the jurisdiction in which Seller resides at the time of signing this Agreement and any and all provisions, rights and benefits of any similar statute or law of any other jurisdiction. Seller does hereby further acknowledge that Seller is aware that Seller may hereafter discover facts in addition to or different from those which Seller now knows or believes to be true with respect to the subject matter of this Agreement, but Seller intends to, and does hereby, fully, finally and forever settle, release and discharge all claims referenced in this Agreement without regard to the subsequent discovery or existence of different or additional facts.

7. **Transfer**. This Agreement is not transferable by Seller or Buyer.

8. **Dispute Resolution.**

1. **Mediation**. Except as otherwise provided in Section 8.C, the parties agree to attempt to resolve any controversy or disputes arising out of or relating to this Agreement, the franchise business or Franchisee’s relationship with Snap-on, or the termination or nonrenewal of this Agreement, including but not limited to, any claim by Franchisee, or any person in privity with or claiming through, on behalf of or in the right of Franchisee, by non-binding mediation prior to any matter being submitted to arbitration. This provision applies only to controversies and disputes that are specific to Franchisee, or any person in privity with or claiming through, on behalf of or in the right of Franchisee and not to issues that affect Snap-on franchisees generally. Any such mediation will be held within 60 days after a demand for mediation is made by either party by notice to the other party. The mediation will be conducted in the state in which Franchisee resides or a mutually agreeable location. The mediator will be mutually agreed upon by the Franchisee and Snap-on, and Snap-on will pay the costs of the mediator and for the location at which the mediation takes place.

The parties acknowledge that mediation proceedings are settlement negotiations and that to the extent allowed or required by applicable law, all offers, promises, conduct and statements, whether oral or written, made in the course of the mediation will be confidential and inadmissible in any arbitration, litigation or other legal proceeding involving the parties, provided however, that evidence which is otherwise admissible or discoverable will not be rendered inadmissible or non-discoverable as a result of its use in mediation.

1. **Arbitration**. Except as otherwise provided in Section 8.C., any controversy or dispute arising out of or relating to this Agreement, the franchise business or Franchisee’s relationship with Snap-on, including but not limited to, any claim by Franchisee, or any person in privity with or claiming through, on behalf of or in the right of Franchisee, concerning the entry into, performance under, nonrenewal of, or termination of, this Agreement; any claim against a past or present employee, officer, director, agent or affiliate of Snap-on; any claim of breach of this Agreement; and any claims arising under or relating to state or federal laws, including the common law (for example, tort or contract claims), or any statutes, rules, or regulations, will be submitted to final and binding arbitration as the sole and exclusive means for final and binding resolution of any such controversy or dispute unless prohibited under applicable state law. Persons in privity with or claiming through, on behalf of or in the right of Franchisee include, but are not limited to, spouses and other family members, heirs, executors, representatives, shareholders, members, successors and assigns. In no event will persons in privity include other Snap-on franchisees who have signed separate franchise agreements with Snap-on.

A party’s failure or refusal to resolve the controversy or dispute through mediation under Section 8.A. will not otherwise affect either party’s obligation to arbitrate the dispute or controversy under this Section 8.B. A demand for arbitration must be made in writing within the applicable statute of limitation period; otherwise, the right to any remedy will be forever barred, as provided by applicable law and determined by the arbitrator.

Notwithstanding any other provision of this Agreement, arbitration under this Section 8 will be governed exclusively by the Federal Arbitration Act as amended (9 U.S.C. §§ 1 et seg.), and arbitration will take place according to the Commercial Arbitration Rules of the American Arbitration Association (“AAA Rules”) in effect as of the date the demand for arbitration is filed. The AAA Rules may be found on the American Arbitration Association’s web site at [www.adr.org](http://www.adr.org) or by searching for those rules using a service such as [www.google.com](http://www.google.com). The arbitration will be held at the office of the American Arbitration Association nearest the Snap-on Regional Sales Office to which Franchisee was assigned most recently prior to the demand for arbitration; provided, however, if such office is outside the state in which the Franchisee resides, Franchisee may cause the arbitration to be held within Franchisee's state of residence at a place mutually convenient to the parties and the arbitrator.

The arbitration will proceed before a single arbitrator. The arbitrator will be chosen in accordance with the AAA Rules. If the amount claimed by the party filing for arbitration both in the original demand for arbitration and in any amendment is less than Seventy-five Thousand Dollars ($75,000.00), Snap-on will pay the fees and expenses of the arbitrator and filing fees and costs charged by the American Arbitration Association up to a maximum of Seven Thousand Five Hundred Dollars ($7,500.00). Any amount in excess of Seven Thousand Five Hundred Dollars ($7,500.00) will be split equally by the parties. If the amount of the claim filed either in the original demand for arbitration or by amendment is for Seventy-five Thousand Dollars ($75,000.00) or more, the parties agree to split equally the fees and expenses of the arbitrator and the filing fees and costs charged by the American Arbitration Association. If Franchisee demonstrates that it is unable to pay its portion of these fees, expenses or costs, then the fees, expenses or costs will be reapportioned by the arbitrator in accordance with applicable law.

Unless otherwise agreed by the parties or ordered by the arbitrator, following a party’s motion for additional discovery, pre-hearing discovery in any arbitration is limited to the following: (1) production of all documents that will be introduced at the hearing; (2) production of written or recorded statements that a party intends to introduce at the hearing; (3) production of all documents relied upon by experts who will testify at the hearing; (4) production by Franchisee of tax returns filed by Franchisee (including tax returns for a significant owner of Franchisee) for the last three (3) tax years; (5) production by Snap-on of Franchisee’s statements of account balance with Snap-on for three (3) years prior to the filing of the arbitration; and (6) not more than two depositions per side.

Each party further agrees that, unless such a limitation is prohibited by applicable law, as determined by the arbitrator, a party will not be liable for punitive or exemplary damages and the arbitrator will have no authority to award the same. The award or decision by the arbitrator will be final and binding on the parties and may be enforced by judgment or order of a court of competent jurisdiction. The parties consent to the exercise of personal jurisdiction in the state where the arbitration took place. The parties consent to the exercise of personal jurisdiction over them by such courts for the purpose of carrying out this provision; and they waive any objections that they would otherwise have to the same.

The parties agree to arbitrate only controversies and disputes that are specific to Franchisee, or any person in privity with or claiming through, on behalf of or in the right of, Franchisee, and therefore Franchisee and Snap-on agree that (i) arbitration under this Section 8 will be brought on an individual basis only and may not be brought as a class or consolidated action or by way of joinder of separate parties unless all parties otherwise agree in writing, and absent such written agreement (ii) there will be no right or authority for any controversy or dispute to be brought, heard or arbitrated as a class, or consolidated action or by way of joinder of separate parties (“Class/Consolidated Action Waiver”). Notwithstanding any other provision of this Agreement or the AAA Rules, disputes regarding the validity, enforceability or breach of the Class/Consolidated Action Waiver may be resolved only by a civil court of competent jurisdiction and not by an arbitrator. No finding or stipulation of fact or law in any other arbitration shall be given preclusive or collateral estoppel effect in any arbitration hereunder. In no event shall the arbitrator have the right, power, jurisdiction or contractual authority to award any damages or relief in excess of or in addition to those damages suffered specifically by the parties to the arbitration or as otherwise provided by applicable law or this Agreement.

In any case in which (1) the dispute is filed as a class or consolidated action or by way of joinder of separate parties and (2) there is a final judicial determination that all or part of the Class/Consolidated Action Waiver is invalid or unenforceable, the class, consolidated action or joinder of separate parties to that extent must be litigated in a civil court of competent jurisdiction, but the portion of the Class/Consolidated Action Waiver that is enforceable will be enforced in arbitration.

In addition, in the event any other provision in this Section 8 is determined to be invalid or unenforceable as a matter of law, then it is the intention of the parties to this Agreement that such provision be deemed inoperative and stricken from this Agreement, and that the remainder of this Section 8, to the extent not legally invalid or unenforceable under applicable law, be enforced as written as if the invalid or unenforceable provision or provisions had not been included in this Section 8.

BY SIGNING BELOW, THE PARTIES AGREE THAT THEY ARE REQUIRED TO ARBITRATE CERTAIN DISPUTES AND CLAIMS AS SET FORTH IN THIS SECTION 8 AND ARE LIMITED IN THE MANNER IN WHICH THEY CAN SEEK RELIEF, INCLUDING THAT THEY EACH SPECIFICALLY WAIVE THEIR RIGHT TO BRING SUCH CLAIMS IN A COURT OF LAW AND TO HAVE A TRIAL BY JURY.

1. **Provisional Remedies.** Each party shall have the right to seek from an appropriate court provisional remedies including, but not limited to, temporary restraining orders, preliminary injunctions or replevin orders before, during or after arbitration. Neither party need await the outcome of the arbitration or selection of an arbitrator before seeking provisional remedies. Seeking any such remedies will not be deemed to be a waiver of either party's right to compel arbitration. Any such action will be brought by Snap-on or Franchisee in the county (or similar political unit) or federal judicial district where Franchisee resides, or where any property that may be the subject of the action is located. The parties consent to the exercise of personal jurisdiction over them by courts located there and to the propriety of venue in such courts for the purpose of carrying out this provision; they waive any objections that they would otherwise have to the same; and they waive the right to have any such action decided by a jury.

9. **Joint and Several Liability**. If Seller or Buyer consists of more than one individual or entity, their liability under this Agreement will be deemed to be joint and several.

10. **Governing Law**. Except to the extent that the Federal Arbitration Act applies in accordance with Paragraph 8, this Agreement will be governed by and construed in accordance with the law of the state in which the List of Calls is located, or if the List of Calls is located in more than one state, the state in which the majority of the stops on the List of Calls is located at the time this Agreement is executed.

11. **Severability and Substitution**. In addition to severability in Paragraph 8, in the event any provision of this Agreement is determined by a court of competent jurisdiction to be legally invalid or unenforceable under the law applicable in a particular case, then it is the intention of the parties to this Agreement that such provision be deemed inoperative and stricken from this Agreement, and that the remainder of this Agreement, to the extent not legally invalid or unenforceable under applicable law, be enforced as written and as if the invalid or unenforceable provision had not been included in this Agreement.

12. **Legal Counsel**. Buyer and Seller acknowledge that Buyer and Seller have had the opportunity to be advised by their own legal counsel regarding all aspects of this Consent to Transfer Agreement, including the enforceability of this Consent to Transfer Agreement and the release given by Seller herein, and intend to be bound by this Consent to Transfer Agreement.

13. **Integrated Agreement**. This Agreement represents the entire understanding between the parties and supersedes any previous understanding relating to the subject of this Agreement. This Agreement may be modified only by a writing signed by all parties.

14. **Waiver**. A waiver by any party to this Agreement will not be considered as a waiver of any subsequent default or breach of the same or other provisions of this Agreement. The failure by any party to this Agreement to object to or to take affirmative action with respect to, any conduct of the other which is in violation of this Agreement will not be construed as a waiver thereof, or of any future breach or subsequent wrongful conduct.

15. **Execution in Counterparts**. This Agreement will be considered enforceable even if separate copies are executed, so long as both parties receive an executed copy from the other party.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates shown, intending to be legally bound.

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| --- | --- |
| **SELLER:** | **BUYER:** |
| **Corporate Seller** | **Corporate Buyer** |
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|  |  |
| **By:**  | **By:**  |
| **Printed Name & Title:**  | **Printed Name & Title:**  |
| **Date:**  | **Date:**  |
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| **Individual Seller**  | **Individual Buyer**  |
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|  | **SNAP-ON:** |
|  | **Snap-on Tools Company LLC** |
|  |  |
|  |  |
|  | **By:**  |
|  | **Printed Name:**  |
|  | **Title: Regional Manager**  |
|  | **Date:**  |

**BUYER - ASSIGNMENT OF INTEREST**

For the mutual promises contained herein and good and valuable consideration, the sufficiency and receipt of which is acknowledged by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[INSERT NAME OF PRINCIPAL OWNER OF BUYER]* (“Principal Owner”) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[INSERT NAME OF PURCHASING ENTITY]* (“Assignee”),  Principal Owner hereby assigns, conveys and transfers any and all of Principal Owner’s interest in and to that certain Franchise Asset Purchase Agreement entered into by \_\_\_\_\_\_\_\_\_\_\_\_ *[INSERT NAME OF SELLING FRANCHISEE]* (“Seller”) and Principal Owner  on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[INSERT DATE OF APA]* (the “Agreement”) to Assignee.  Principal Owner agrees that all rights and obligations of Principal Owner arising under the Agreement, by law or by existence of conditions precedent, which may or may not have occurred as of this date, are included in this assignment of interest and Assignee agrees to accept the same as if Assignee was the original party to the Agreement.  Principal Owner represents and warrants that the interest assigned is free of liens, claims or encumbrances of any kind.  Principal Owner agrees to indemnify Assignee if any such lien, claim or encumbrance is claimed against Assignee.  Assignee agrees to indemnify Principal Owner from all other liability, causes of action, claims, damages, expenses or losses, including attorneys’ fees, relating to or arising out of the Agreement.

Dated this \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_.

[PRINCIPAL OWNER OF CORPORATE BUYER]  [CORPORATE BUYER]

         By:

Individual                                                                         Name:

Print Name:      Title:

**SELLER’S CONSENT TO ASSIGNMENT BY BUYER**

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[INSERT NAME OR LEGAL ENTITY OF SELLER/EXITING FRANCHISEE], being a party to the Agreement referred to above, consent to the assignment of the Agreement by Principal Owner to Assignee.

Dated this \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_.

**SELLER**

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

Signature