

AGREEMENT FOR THE SALE AND PURCHASE OF BUSINESS

This AGREEMENT FOR THE SALE AND PURCHASE OF BUSINESS (“Agreement”) is made by and between CARL G. PETTA, Court appointed Receiver by Court Orders signed by Judge Ralph G. Hofer on August 29, 2018, September 19, 2018, January 10, 2019, and March 3, 2020 and on file in the matter of *American Money Group, Inc, et al v. Ten Minute Title Loans Holding, LLC, et al*, Case No. EC069178, and related actions (“Seller”), who can be contacted through his attorneys at Silver & Wright LLP, whose address is 3 Corporate Park, Suite 100, Irvine, CA 92606, and whose email address is DOhl@silverwrightlaw.com and _____, (“Buyer”), whose address is _____, and whose email address is _____. Seller and Buyer are collectively referred to herein as “Parties” or “Party”, as appropriate. Seller and Buyer agree as follows:

RECITALS

A. Seller wishes to sell and Buyer wishes to purchase that certain business entity known as Ten Minute Title Loans Holding, LLC, currently located and operating at 21171 South Western Avenue, Suite 2647, Torrance, California 90501 in the County of Los Angeles, State of California, (“Subject Property”).

B. Seller has control of the Subject Property by virtue of the Court Orders signed by Judge Ralph G. Hofer on August 29, 2018, September 19, 2018, January 10, 2019 and March 3, 2020 and on file in the matter of *American Money Group, Inc., et al v. Ten Minute Title Loans Holding, LLC* Case EC069178 and related actions (the “Litigation”). The Parties agree that any sale of the Subject Property will be subject to Court approval before becoming final.

C. This Agreement sets forth the terms and conditions under which Seller will sell and Buyer will acquire the Subject Property.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree as follows:

1. Defined Terms: For purposes of this Agreement, the following terms shall have the following meanings:

(a) Close of Escrow: The term “Close of Escrow” shall mean the date upon which all documents required to consummate the transaction described by this Agreement.

(b) Effective Date: The term “Effective Date” shall mean the date of the execution of the last signatory to this Agreement whose execution is required to make this Agreement binding on both Seller and Buyer.

(c) Escrow Holder: _____ (“Escrow Holder”) or any other nationally recognized escrow company agreeable to Buyer and Seller through which the purchase

and sale of the Subject Property shall be consummated.

(d) Examination Period: The term “Examination Period” shall mean the period beginning on the Effective Date and ending thirty calendar (30) days from the Effective Date at 5:00 p.m. (Pacific Time). Buyer shall use its reasonable best efforts to complete its due diligence activities in the 30-day length of the Examination Period.

(e) Closing Date: The “Closing Date” shall mean the date on which the Close of Escrow occurs and shall occur no later than fifteen (15) days after the expiration of the Examination Period.

2. Agreement to Sell and Purchase: Seller agrees to sell and Buyer agrees to purchase from Seller the Subject Property in its “as-is,” “where-is,” and “with all faults” condition with no representations or warranties whatsoever on the part of Seller, including, but not limited to, fitness for any particular purpose or merchantability, and upon the terms and conditions contained in this Agreement.

3. Purchase Price: The total purchase price for the Subject Property shall be _____ Dollars (\$_____) (the “Purchase Price”), payable by wired funds at the Close of Escrow.

4. Payment: At Close of Escrow, Buyer shall pay the Purchase Price, less the Deposit (as defined below), together with all other costs allocable to Buyer pursuant to this Agreement.

5. Deposit: On or before the date which is three (3) business days following the Effective Date, Buyer shall deposit with Escrow Holder 10% of the Purchase Price to the designated Escrow Holder. (“Deposit”).

a. Buyer shall, prior to the expiration of the Examination Period, have the right to terminate this Agreement for any or no reason whatsoever by providing written notice to Seller. In the event Buyer elects to terminate this Agreement prior to the expiration of the Examination Period, the Deposit shall be released by Escrow Holder to Buyer by the next business day after such termination. In the event that Buyer does not elect to terminate this Agreement prior to the expiration of the Examination Period, except as set forth in this Agreement, the Deposit shall become non-refundable to Buyer, and in the event Buyer fails to perform after the end of the Examination Period, the Deposit is to be attributable as liquidated damages.

b. If requested by Buyer, Escrow Holder shall place the Deposit into an FDIC-insured, interest-bearing account with a bank approved by Buyer. All interest accrued on the Deposit shall become part of the Deposit. Buyer shall be responsible for paying any income taxes applicable to interest earned on the Deposit.

6. Buyer’s Closing Conditions: Buyer’s obligation to purchase the Subject Property is expressly conditioned upon the satisfaction or waiver by Buyer of each of the following conditions prior to the end of the Examination Period, each of which is for the benefit of Buyer. If any of the following conditions is not satisfied or is not otherwise waived by Buyer before the end of the

Examination Period, Buyer can terminate this Agreement by delivering written notice to Seller and Escrow Holder and the Deposit shall be released to Buyer and neither Party shall have any further rights or obligations under this Agreement. The conditions for the benefit of Buyer are as follows:

a. There are no uncured Seller defaults under this Agreement, including any breaches of covenants, representations, and warranties.

b. Seller shall have removed any and all Personal Property it desires to retain after the Close of Escrow (including, but not limited to, any Personal Property owned by any tenants, residents, squatters, parties in possession, or any other individuals residing on or occupying the Subject Property for any duration) from the Subject Property. All rights, title, and interest in any Personal Property remaining on the Subject Property after the expiration of the Examination Period shall be conveyed to Buyer via the Bill of Sale at the Close of Escrow. After the Close of Escrow, Seller waives any and all claims to the Personal Property remaining on the Subject Property.

c. As a condition of closing, through Court order and to the satisfaction of Buyer at its sole and absolute discretion, the Subject Property will be entirely freed of any existing or future claims of ownership by tenants, residents, squatters, parties in possession, or any other individuals residing on or occupying any portion of the Subject Property for any duration. Through the same Court order, any agreements or leases (express or implied, oral, or written) relating to the occupation of the Subject Property will be terminated.

d. Buyer and Seller acknowledge that the Subject Property is subject to the Litigation. Seller shall obtain, prior to the completion of the sale, Court approval for the sale of the Subject Property pursuant to the terms and conditions set forth in this Agreement.

7. Inspection of Subject Property: Buyer and their contractors, agents, and employees shall have the right to enter upon the Subject Property to inspect the Subject Property. Buyer shall provide Seller with not less than twenty-four (24) hours' notice before Buyer or its contractors, agents, and employees exercise the right to ingress and egress over and upon the Subject Property. Buyer shall defend, indemnify and hold Seller harmless from and against any and all costs, damages, liabilities, and obligations whatsoever incurred by Seller as a result of and in connection with the entry thereon by Buyer and their contractors, agents, and employees and repair any damage to the Subject Property directly caused by Buyer, and their contractors, agents, and employees in connection with Buyer's investigations, provided however that Buyer shall not be responsible for the mere discovery of an existing condition or violation of law. Buyer agrees that the Examination Period shall afford Buyer sufficient opportunity to satisfy itself as to the physical condition of the Subject Property, and therefore, unless Buyer elects to terminate this Agreement according to its terms and conditions, Buyer agrees to take ownership to the Subject Property in its then "as-is," "where-is," and "with all faults" condition, with no representations or warranties whatsoever on the part of Seller, including, but not limited to, fitness for any particular purpose or merchantability.

TO THE EXTENT APPLICABLE, BUYER HEREBY SPECIFICALLY WAIVES THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

BY INITIALING BELOW, BUYER HEREBY SPECIFICALLY ACKNOWLEDGES THAT (A) IT HAS CAREFULLY REVIEWED THIS PARAGRAPH, (B) IT HAS DISCUSSED ITS IMPORT WITH LEGAL COUNSEL, AND (C) IT HAS ACCEPTED AND AGREED TO THE TERMS SET FORTH IN THIS SECTION 8, WHICH SUCH PROVISIONS ARE MATERIAL TO THIS AGREEMENT.

Buyer's Initial

8. Covenants of Seller: Seller covenants and agrees as follows:

a. On or before the date which is five (5) days following the Effective Date, to the extent any of the following exist, Seller shall make available during normal business hours at such location as is reasonably acceptable to Buyer that is located in the County of Los Angeles, for Buyer's review, such information and copies of written documentation in Seller's possession relating to the Subject Property and relevant to Buyer's investigation of the condition of the Subject Property.

b. As a condition of closing, any current any outstanding payment obligations specifically required of Seller as specified in the Litigation relating to the Subject Property, if any, shall be paid through escrow.

c. During the pendency of this Agreement, Seller shall maintain the Subject Property in accordance with at least the same standards of maintenance as Buyer observed prior to the Effective Date and in accordance with applicable law and any requirements of the Litigation.

d. Except with express written permission granted by Buyer, Seller shall not cause or allow any physical changes on the Subject Property.

e. Seller shall not enter into any lease or other agreement affecting the Subject Property not terminable prior to the Close of Escrow, and any such agreement must be first approved by Buyer, in Buyer's sole discretion.

f. Seller represents and warrants that (i) Seller has full right to convey the Subject Property to Buyer, pursuant to Court Orders in the Litigation, (ii) no other party has any right to purchase or lease the Subject Property other than Buyer, and in any event, no such rights or leases shall be in effect on or after the Close of Escrow, (iii) other than the Litigation,

Seller does not know of any threatened or pending litigation affecting the Subject Property nor Seller's right to enter into this Agreement and sell the Subject Property to Buyer, (iv) except as specified in the Litigation, Seller does not know of any violations of law at the Subject Property, (v) Seller does not know of any environmental contamination nor the presence of any hazardous materials or waste at the Subject Property, and (vi) other than as specified in the Litigation, no attachments, executions, assignments for the benefit of creditors, or voluntary or involuntary proceedings in bankruptcy are pending against or contemplated by Seller.

g. On or before Close of Escrow, Seller shall remove or cause to be removed any Personal Property upon the Subject Property which he wishes to retain after the Close of Escrow (including, but not limited to, any Personal Property owned by any tenants, residents, squatters, parties in possession, or any other individuals residing on or occupying the Subject Property for any duration).

h. On or before Close of Escrow, through Court order, the termination of any agreements or leases (express or implied, oral, or written) relating to occupation of the Subject Property will be terminated.

9. Escrow Holder – Close of Escrow: The transaction contemplated by this Agreement shall be consummated through an escrow opened with Escrow Holder, and Seller and Buyer each agree to deposit with Escrow Holder at least one (1) business day prior to the Closing Date all funds and documents necessary to consummate the transaction contemplated by this Agreement in accordance with the terms and conditions of this Agreement and the following:

a. Closing Charges: Seller and Buyer shall allocate all escrow costs, fees, and expenses in accordance with the custom prevailing in Los Angeles County at the Close of Escrow for similar transactions.

b. Seller Closing Documents: Seller shall deliver the following:

(i) A signed copy of the Closing Statement;

(ii) All keys and security codes to locks and gates on the Subject Property being conveyed that are in Seller's possession; and

(iii) Any documents, affidavits, or agreements reasonably required, including any Court documents or orders relating the Litigation, to effectuate the Close of Escrow.

c. Buyer Closing Documents: Buyer shall deliver the following:

(i) the remainder of funds necessary to pay the applicable Purchase Price;

(ii) a signed copy of the Closing Statement; and

d. After the close of escrow, the net sale proceeds will be delivered to Seller's attorneys, Silver & Wright LLP. Seller will hold these remaining funds in a separate account, subject to further order of the Court in the pending Litigation.

9. Liquidated Damages:

a. If Buyer breaches any of the material terms of this Agreement or otherwise materially defaults after the end of the Examination Period but at or prior to Close of Escrow, and such material breach or default is not cured within five (5) business days of receipt of notice thereof from Seller, then Seller may, as its sole and exclusive remedy, terminate this Agreement and retain the balance of the Deposit as liquidated damages and as consideration for the acceptance of this Agreement and not as a penalty.

BUYER RECOGNIZES AND AGREES THAT THE SUBJECT PROPERTY SHALL NOT BE PLACED ON THE MARKET DURING THE EXISTENCE OF THIS AGREEMENT. BUYER ACKNOWLEDGES THAT IF IT FAILS TO PURCHASE THE SUBJECT PROPERTY FOR ANY REASON OTHER THAN FAILURE OF A CONDITION TO BUYER'S PERFORMANCE OR DEFAULT OF SELLER, SELLER SHOULD BE ENTITLED TO COMPENSATION FOR THE DETRIMENT RESULTING FROM THE DELAY IN PLACING THE SUBJECT PROPERTY ON THE MARKET, AND THAT THE CALCULATION OF SUCH DAMAGE WOULD BE EXTREMELY DIFFICULT AND IMPRACTICABLE. THEREFORE, BUYER AND SELLER AGREE TO LIQUIDATED DAMAGES AS FOLLOWS: IF BUYER FAILS TO PURCHASE THE SUBJECT PROPERTY FOR ANY REASON OTHER THAN FAILURE OF A CONDITION TO BUYER'S PERFORMANCE OR A DEFAULT BY SELLER, SELLER SHALL BE ENTITLED TO RECOVER, AS ITS SOLE REMEDY, LIQUIDATED DAMAGES IN THE AMOUNT OF THE DEPOSIT (INCLUDING ALL INTEREST EARNED THEREON) WHICH HAS BEEN DELIVERED BY BUYER TO ESCROW HOLDER PURSUANT TO SECTION 5 OF THIS AGREEMENT. BUYER AND SELLER BOTH ACKNOWLEDGE AND AGREE THAT SAID AMOUNT IS CURRENTLY A REASONABLE SUM CONSIDERING ALL OF THE CIRCUMSTANCES EXISTING ON THE EFFECTIVE DATE OF THIS AGREEMENT.

Buyer's Initials _____

Seller's Initials _____

b. If Seller breaches any of the terms of this Agreement, or otherwise defaults after the end of the Examination Period but at or prior to the Close of Escrow, and such breach is not cured within five (5) days of receipt of notice thereof from Buyer, Buyer may (i) terminate this Agreement with respect to the Subject Property by written notice to Seller and Escrow Holder in which case the Deposit shall be released to Buyer; (ii) waive such default and consummate the transaction contemplated hereby in accordance with the terms hereof; and/or (iii) institute all proceedings necessary to specifically enforce this Agreement.

11. Notices: Any notice required or desired to be given by either Party to this Agreement to the other pursuant to or with respect to this Agreement shall be in writing and shall be personally served or, in lieu of personal service, may be given by (i) depositing such

notice in the United States mail to the address set forth above with postage prepaid, sent certified with return receipt requested, (ii) depositing such notice with any nationally recognized overnight courier for delivery to the address set forth above, or (iii) sending such notice via email in PDF format to the email address set forth above. Any notice given by mail or overnight courier shall be deemed given only if received or refused by the other Party on the date of receipt or refusal of delivery. Notices given by email shall be deemed given on the day sent, if sent prior to 5:00 p.m. on a business day at the recipient's location, and otherwise at the start of the next business day. Either Party may, by written notice to the other in the manner aforesaid, change the address to which notices addressed to it shall thereafter be mailed.

12. Mutual Cooperation and Fair Dealings: Each Party agrees to execute and deliver such other and further instruments and documents as may reasonably be requested by the other to carry out this Agreement. Each Party covenants to use its best efforts to cause satisfaction of all conditions to its obligation under this Agreement, and to exercise good faith in fulfilling its obligations under this Agreement.

13. Entire Agreement: Upon the Effective Date of this Agreement, this Agreement shall constitute the entire agreement between the parties and shall supersede all other agreements respecting the subject matter of this Agreement. No subsequent change, amendment, or addition to this Agreement shall be binding unless in writing and signed by the parties hereto.

14. Authority and Execution: Each person executing this Agreement on behalf of a Party represents and warrants that such person is duly and validly authorized to do so on behalf of the entity it purports to represent if such Party is a partnership, corporation, or trust, and that such partnership, corporation, or trust has full right and authority to enter into this Agreement and all of its obligations hereunder.

15. Miscellaneous: Should any provisions of this Agreement prove to be invalid or illegal, such invalidity or illegality shall in no way affect, impair, or invalidate any other provision hereof and such remaining provisions shall remain in full force and effect. Time is of the essence with respect to the performance of every provision of this Agreement in which time of performance is a factor. Any executed copy of this Agreement shall be deemed an original for all purposes. This Agreement may be executed in counterparts, which counterparts shall together constitute one Agreement if signed by both Buyer and Seller. This Agreement shall be construed and enforced in accordance with the laws of the State of California. The language in all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning, and not strictly for or against either Buyer or Seller. The captions used in this Agreement are for convenience only and shall not be considered in the construction or interpretation of any provision hereof. When the context of this Agreement requires, the neuter gender includes the masculine, the feminine, a partnership, corporation, joint venture, or trust, and the singular includes the plural.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the respective dates set forth below.

BUYER:

By: _____

Date

SELLER:

CARL G. PETTA
COURT RECEIVER

Date

EXHIBIT A

FORM OF BILL OF SALE

For good and valuable consideration the receipt of which is hereby acknowledged COURT RECEIVER CARL G. PETTA (“Seller”) does hereby sell, transfer, and convey to _____ (“Buyer”), the business known as Ten Minute Title Loans Holdings, LLC in connection with the Subject Property (as such term is defined in that certain Agreement for the Sale and Purchase of Business dated as of _____, 2020) by and between Seller and Buyer.

Seller hereby represents and warrants to Buyer that such business is free and clear of all liens, encumbrances, conditional sales contracts, security interests, and claims.

Dated as of _____, 2020.

SELLER:

CARL G. PETTA,
Court-Appointed Receiver