Due Diligence Checklist

Item Yes No

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| --- | --- | --- |
| 1. Review of current year's Profit & Loss Statement and Balance Sheet |  |  |
| 2. Review prior 3 years profit/loss & balance sheets |  |  |
| 3. Review prior 3 years Tax Returns |  |  |
| 4. Review of bank deposits, bank statements and/or check registers as needed |  |  |
| 5. Review monthly sales tax reports as needed for 36 months |  |  |
| 6. Review of Sellers Disclosure Statement |  |  |
| 7. Review customer base and customer contracts (if applicable) |  |  |
| 8. Review payroll schedule, personnel policies and payroll records |  |  |
| 9. Review of all applicable insurance policies (business, health, w-comp etc) |  |  |
| 10. Review condition of all equipment, FF&E list and equip. leases (if applicable) |  |  |
| 11. Review all outside contracts (vending, maintenance, advertising etc.) |  |  |
| 12. Review of premises lease if applicable (lease assignment, options, conditions) |  |  |
| 13. Review of all licenses and requirements (space leases, liquor, business, etc.) |  |  |
| 14. Review all operational policies, forms and manuals as needed |  |  |
| 15. Review or scheduling of any applicable environmental studies/reports |  |  |
| 16. Review supplier/vendor information, terms etc. |  |  |
| 17. Review of franchise agreement and franchise report if applicable |  |  |
| 18. Schedule discovery day/interview if applicable |  |  |
| 19. Complete employment agreements/meetings with staff if necessary |  |  |
| 20. Other: |  |  |
| 21. Other: |  |  |
| 22. Other: |  |  |

The above information is requested by the Buyer(s) from the Seller(s) to complete due diligence. I understand that all information regarding this business for sale is provided by the Sellers or other sources, and is not verified in any way by the Broker. Broker has no knowledge of the accuracy of said information and makes no warranty, expressed or implied, as to the accuracy of such information. Understanding that, I shall make an independent verification following of said information, and any additional information I may request of Seller(s), prior to settlement and entering into a final agreement to purchase the business. I understand that this checklist may include items that do not apply to the purchase of said business or may not include every item that may be required to complete due diligence. I agree that Broker is not responsible for the accuracy of any of the information I receive or fail to receive, and I agree to indemnify and hold Broker and its agents harmless from any and all claims or damages which may occur by reason of the inaccuracy or incompleteness of any information provided to me with respect to this business. This Agreement and its representations shall survive the closing of the sale of this business.

I acknowledge receipt of this Agreement and that I have read this Agreement carefully and fully understand it. This agreement shall be binding on the Buyers' successors, heirs and assigns.

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Buyer1 Buyer2

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Buyer 3