



THE CHASE GROUP - Business Brokers

Mergers, Acquisitions, Financing & Valuation Services
41185 Golden Gate Circle, Suite 202
Murrieta, CA 92562

951.541.0414 tel
951.303.8157 fax

www.ChaseGroup.us

August 14, 2012

**Lender Bank of California
2495 Main Street, Suite 100
Anytown, CA 90000**

RE: Business Valuation Engagement

Dear Lender,

Thank you for retaining The Chase Group to assist you in your business valuation of ACME Restaurant, Inc. To ensure a complete understanding between us, we are setting forth the pertinent information about the services that we propose to provide. We will provide SBA-compliant business valuation services by estimating a conclusion of value for 100% of the fair market value of ACME Restaurant, Inc. The conclusion of value report will be dated June 30, 2011.

As part of the engagement we will prepare a written detailed report of our opinions and findings. Lender Bank of California will provide detailed financial and non-financial information to The Chase Group. The Chase Group will rely upon this information in preparing the business valuation. We will resign from the engagement if we determine that continuing or completing the engagement will involve a breach of our ethical or professional standards.

We understand that our services are being performed for the purpose of obtaining SBA loan guarantees for acquisition financing related to the sale of this business. Our valuation report will be considered our conclusion of value and may not necessarily be accepted or found acceptable by the Court(s) or other fact finders. Also, our report may not be used by ACME Restaurant, Inc., Lender Bank of California, or any other person or entity for any other purpose without our prior written consent and approval.

We estimate that our fee for this service shall be \$2,495. If we encounter unusual circumstances that would require us to expand the scope of this engagement we will discuss this with you before commencing additional work. We will require a retainer of \$1,495 at the acceptance and execution of this engagement. The retainer will be applied toward payment of our final bill for the engagement.

The fee estimate is for the valuation work and the final valuation report, and does not include any services that may be required to defend our valuation report in litigation, including conferences, depositions, court appearances, and testimony. Fees for such services, if required, will be billed at our expert testimony rate of \$350 per hour.

The conclusion of value will represent our professional, unbiased opinion based on the data we are able to obtain within a reasonable time, using our best efforts. We attempt to collect data from reliable sources but do not warrant the accuracy, completeness, or reliability of the data obtained. We will not



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Equipment Leasing



audit, compile, or review any financial statements, forecasts or financial data provided to us. At the conclusion of the engagement, we will ask you to sign a representation letter on the accuracy and reliability of the financial information used in the engagement. Accordingly, unless otherwise specified, our conclusion of value will be subject to the validity of the underlying data submitted. Our engagement cannot be relied on to disclose errors, fraud or other illegal acts that may exist, nor will we be responsible for the impact on our services of incomplete, missing, or withheld information, or mistaken or fraudulent data provided from any source(s).

All information and materials of any form or description collected by us in the course of our engagement shall constitute our work files and will at all times, during and after completion of our engagement, remain in our exclusive possession. We shall have unlimited discretion to retain, discard, or dispose of our work files but will at all times maintain all information and materials provided by Lender Bank of California in strictest confidence.

We will use our best efforts to keep strictly confidential the report, its existence, and content as well as the identity of the client and other identifying information. We will nevertheless assume no liability to the client or Lender Bank of California or any third party for information disclosed in, or pursuant to, any ruling, order, or proceeding of any court or other judicial or non-judicial forum or of any regulatory agency or similarly instrumentality.

This letter agreement is a legally binding contract between Lender Bank of California and The Chase Group, and will be binding upon execution. It may not be amended or altered without the prior written consent of both parties. Lender Bank of California understands and acknowledges that our services and work product will be subject to the terms of this engagement letter, including our Statement of Assumptions and Limiting Conditions attached as Exhibit 1. Lender Bank of California acknowledges having read this agreement in its entirety, has had full opportunity to consider its terms, has had full and satisfactory explanation of same, and fully understands and agrees to be bound by the terms of this agreement. Please indicate your understanding and acceptance of this agreement by executing this agreement in the space provided below and sign and initial where indicated. Please return it to our offices with a check I the mount of the retainer fee made payable to The Chase Group, indicating your authorization for us to proceed on the above terms and conditions. Please retain a second copy of this agreement for your files.

We want to express our appreciation for this opportunity to work with you.

Respectfully,

Aaron Wedeking, CPA
Valuation Analyst, The Chase Group

Agreed and Accepted this _____ day of _____, 2012:

By: _____

Print Name and Title as authorized signatory for Lender Bank of California



SBA-COMPLIANT BUSINESS VALUATIONS

EXHIBIT 1 STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This analysis is subject to the following assumptions and limiting conditions:

1. Public, industry, statistical, and other information furnished by others, upon which all or portions of the analysis is based, is believed to be reliable. However, we make no representation as to the accuracy or completeness of such information and have performed no procedures to corroborate the information.
2. Lender Bank of California and its representative warranted to us that the information they supplied was complete and accurate to the best of their knowledge and that the financial statement information reflects the company's results of operations and financial and business condition in accordance with generally accepted accounting principles, unless otherwise noted. Information supplied by management has been accepted as correct without further verification. We have not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.
3. Our analysis and conclusion of value will serve as a basis for obtaining SBA financing for the Sale of ACME Restaurant, Inc. and is restricted to the internal use of the management of Lender Bank of California and shall not be used to obtain credit or for any other purpose or by any other party for any purpose. Neither our work product nor any portions thereof (including any conclusions or the identity of our firm, any individuals signing or associated with this report, or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties other than Lender Bank of California, its financial accounting firm, attorneys and governmental agencies, by any means without our prior written consent and approval.
4. We (or any individual associated with this assignment) are not required to give further consultation, provide testimony, or appear in court or other legal proceeding unless specific arrangement have been made and our expert testimony fees agreed to in advance.
5. This valuation engagement was performed in conformance with the Statement on Standards for Valuation Services issued by the American Institute of Certified Public Accountants.
6. Our work product is valid only for the stated purpose as of the valuation date indicated. We take no responsibility for changes in market conditions and assume no obligation to review our work product to reflect events or conditions that may occur subsequent to the valuation date.
7. Full compliance by the subject company with all applicable federal, state, and local zoning and use, occupancy, environmental, and similar laws and regulations is assumed, unless otherwise stated. Furthermore, no effort has been made to determine the possible effect, if any, on the subject business due to future Federal, State, or local legislation including any environmental or ecological matters or interpretations thereof, unless otherwise stated.
8. This report and the conclusion of value arrived at herein are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The conclusion of value represents the considered opinion of the analyst based on information furnished by Lender Bank of California and other sources.



9. The Chase Group does not provide assurance on the achievability of the results forecast by ACME Restaurant, Inc. because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecast results is dependent on actions, plans, and assumptions of management.
10. If prospective financial information approved by management has been used in our work, we have not examined or compiled the prospective financial information and therefore, do not express an audit opinion or any other form of assurance on the prospective financial information or the related assumptions. Events and circumstances frequently do not occur as expected and there may be differences between prospective financial information and actual results, and those differences may be material.
11. The Chase Group is not an environmental consultant or auditor, and it takes no responsibility for any actual or potential environmental liabilities. Any person entitled to rely on this report, wishing to know whether such liabilities exist, or the scope and their effect on the value of the property, is encouraged to obtain a professional environmental assessment. The Chase Group does not conduct or provide environmental assessments and has not performed one for the subject property.
12. The Chase Group has not determined independently whether ACME Restaurant, Inc. is subject to any present or future liability relating to environmental matters, including but not limited to CERCLA/Superfund liability, nor the scope of any such liabilities. Our valuation takes no such liabilities into account, except as they have been reported to us by the Company or by an environmental consultant working for the Company, and then only to the extent that the liability was reported to us in an actual or estimated dollar amount. Such matters, if any, are noted in the report. To the extent such information has been reported to us, we relied on it without verification and offer no warranty or representation as to its accuracy or completeness.
13. Except as noted, we have relied on the representations of the owners, management, Lender Bank of California and other third parties, except as specifically stated to the contrary in this report. We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the Company has good title to all assets.
14. The Chase Group has not made a specific compliance survey or analysis of the subject property to determine whether it is subject to, or in compliance with, the American Disabilities Act of 1990, and the valuation report does not consider the effect, if any, of non-compliance.
15. No change of any item in this appraisal report shall be made by anyone other than The Chase Group, and we shall have no responsibility for any such unauthorized change(s).

Initial indicating read, understood and acknowledged