

[Date]

[Seller Name]

[Seller Address]

[City, State, Zip Code]

Re: Allocation of Purchase Price for the Acquisition of [Asset/Business Name]

Dear [Seller Name],

In connection with the Asset Purchase Agreement dated [Date of Agreement] between [Buyer Name] ("Buyer") and [Seller Name] ("Seller"), this letter confirms the formal agreement regarding the allocation of the total purchase price for tax reporting purposes.

Pursuant to Section [Section Number] of the Agreement and Section 1060 of the Internal Revenue Code, the parties agree to allocate the purchase price of \$[Total Amount] as follows:

- Class I: Cash and General Deposit Accounts: \$[Amount]
- Class II: Actively Traded Personal Property: \$[Amount]
- Class III: Accounts Receivable: \$[Amount]
- Class IV: Inventory and Stock in Trade: \$[Amount]
- Class V: Furniture, Fixtures, Equipment, and Real Property: \$[Amount]
- Class VI: Section 197 Intangibles (excluding Goodwill): \$[Amount]
- Class VII: Goodwill and Going Concern Value: \$[Amount]

Total Purchase Price: \$[Total Amount]

Both Buyer and Seller agree to report this transaction consistently with the above allocation on all federal, state, and local tax returns, including IRS Form 8594 (Asset Acquisition Statement). Neither party shall take a position inconsistent with this allocation unless required by a formal taxing authority determination.

Please acknowledge your agreement by signing in the space provided below.

Sincerely,

[Signature of Buyer Representative]

[Printed Name and Title]

Agreed and Accepted:

[Signature of Seller Representative]

[Date]