NZ-COMbsl01

Business sale agreement: any business

Date:	[date]
Between:	
The Buyer is:	[name] of [address]
The Seller is:	[name] of [address]
The Guarantor is:	[name] of [address]

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Agreement for the Sale and Purchase of the Business known as [name]

This agreement is dated: [date]

Personal version:

The Buyer is: [name]

Of [private address]

The Seller is: [name]

Of [private address]

The First Guarantor is: [name]

Of [private address]

The Second Guarantor is: [name]

Of [private address]

OR

Corporate version (use for an LP too)

The Buyer is: ABC Pty Ltd, a company incorporated in New Zealand, under company number [number] ■ [■ ■ ■ ■ ■ ■ ■ ■ ■]

The Seller is: DEF Pty Ltd, a company incorporated in New Zealand under company number [number] ■ [■ ■ ■ ■ ■ ■ ■ ■ ■].

The First Guarantor is: [name]

Of [private address]

The Second Guarantor is: [name]

Of [private address]

NOTE:

The personal version is for an individual seller and not a company seller. Delete whichever does not apply. Do the same for the buyer. Throughout this agreement, we have assumed that the seller is an individual but ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

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■ ■ ■ ■ , ■ “ ■ ■ ■ ■ ” ■ ■ ■ ■ “ ■ ■ ■ ■ ” ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ .

It is now agreed as follows:

1. Definitions

So far as the context permits, the following words ■ :

"Accounts"	means the audited profit and loss account of the Business, made up to [day and month] in each year and the ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

	agreement;
	information owned by a third party and in respect of which the Business ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ - ■ ■ ■ ■ .
	information, comment or implication published on ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ .
	data or information relating to pre-clinical and clinical trial results, processes, formulae, procedures, designs, drawings, apparatus, ■ ■ ■ ■ , ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ , ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ .
	Information about the Intellectual Property.
"Contracts"	means current contracts of the Seller in relation to the Business, ■ .
"Creditors"	means trade creditors and accrued charges in connection with the Business ■ .
"Disclosure"	means the disclosures set out in ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ .
"Disclosure Letter"	means the disclosure letter of the same date as this agreement from the Seller ■ .
“Distributor”	means a third party who has contracted to re-■ ■ ■ ■ ■ ■ ■ ■ [■ ■ ■ ■ / ■ ■ ■ ■].
"Domain Name”	means any or all of the ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ :
	[name1].com
	[name2].com
	[name3].co.nz
"Employee"	means a person who is employed by the Seller for ■ .
"Excluded Assets”	means the Assets listed in Schedule 3 which are owned by the Seller but ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

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■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ .

"Goodwill"	means the goodwill in relation to the Business, being goodwill of the Seller until ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

	[redacted] , [redacted] , [redacted] , [redacted] .
"Third Party Software"	means software owned by some [redacted] .
"Warranties/Warranty"	means the warranties and undertakings [redacted] [16] [redacted] [4].
"Website"	means www.[URL] and www.[URL] and [redacted] .

2. Corporate seller provisions

If the Seller is a [redacted] - [redacted] , [redacted] :

2.1 Every reference to the Seller shall be interpreted [redacted] .

2.2 The Business may [redacted] .

2.3 Every reference to the Business shall be interpreted as [redacted] .

2.4 Every reference to the Company [redacted] .

3. Interpretation

This agreement [redacted] :

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3.1 a reference to a person includes a [redacted] .

3.2 a reference to one [redacted] .

3.3 in connection with any benefit given by [redacted] .

3.4 a reference to a person includes reference to that person's successors, legal representatives, [redacted] .

3.5 a reference to the knowledge, information, belief or awareness [redacted] .

3.6 a reference to a paragraph or schedule is to [redacted] .

3.7 the headings to the paragraphs and schedules ([redacted]) [redacted] .

3.8 any agreement by any party not to do or [redacted] .

3.9 a reference to an act or [redacted] .

3.10 this agreement is made only in the English language. If there is any conflict in meaning between the English language version of this agreement and any [redacted] .

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4. Entire agreement

4.1 Each party acknowledges that this agreement and the Disclosure Letter [redacted] , [redacted] , [redacted] .

4.2 So far as any relevant law permits, conditions, [redacted] , [redacted] .

4.3 Each of the parties warrant that he [redacted] [[redacted]].

4.4 The Seller warrants and undertakes that he is not [redacted] .

5. Buyer's acknowledgment of inspection

The Buyer admits that:

5.1 the Assets agreed [redacted] ; [redacted]

5.2 he enters into this agreement on the basis of that inspection and not in reliance on [redacted] , [redacted] [[redacted]].

6. Agreement for sale

6.1 Subject to the terms of this agreement, [redacted] :

6.1.1 the Business as a going concern;

6.1.2 the Goodwill;

6.1.3 the Property;

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6.1.4 the Assets;

6.1.5 the Stocks;

6.1.6 the Intellectual Property rights;

6.1.7 the Domain Name(s);

6.1.8 the Website;

6.1.9 rights to use Third Party Software;

6.1.10 the benefit of the Contracts;

6.1.11 all other Assets owned by [redacted], [redacted].

6.2 Completion shall take place today, [redacted].

6.3 The assignment of the leasehold [redacted]2[redacted]1.

6.4 The transfer of the freehold Property [redacted]1[redacted]1.

7. Transfer of Contracts

The Seller undertakes that for a period of [three years], he will do his utmost [redacted].[redacted], [redacted], [redacted]:

7.1 enter into any novation agreement.

7.2 provide information about [redacted][[redacted]].

7.3 confirm to any person or governmental authority such details [redacted].

7.4 immediately inform the [redacted].

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8. The Price

8.1 The Price for the Business shall [redacted]:

Goodwill	$ [ ]
Freehold Properties	$ [ ]
Leasehold Properties	$ [ ]
Assets	$ [ ]
Intellectual Property rights	$ [ ]
Contracts and all other property	Nil
The Stocks	To be ascertained
Total Price [excluding Stock]	**$ [ ]**

8.2 Insofar as this agreement provides for the transfer to the Buyer of [redacted] - [redacted], [redacted].

8.3 The Price shall be paid as follows:

8.3.1 as to $ [amount], by banker's draft / [redacted].

8.3.2 as to the [redacted], [redacted].

8.4 If the assignment of the Lease cannot be completed today, [redacted] / [redacted] $ [[redacted]] [redacted].

9. Items to be delivered at completion

The Seller shall handover to the Buyer or otherwise deliver [redacted], [redacted], [redacted]:

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9.1 whatever Assets [redacted];

9.2 all books [redacted], [redacted];

9.3 computer programmes [redacted];

9.4 all data in electronic form, [redacted];

9.5 all information and records relating to customers and suppliers, including a list of all the [[redacted]] [redacted] [[redacted]], [redacted];

9.6 complete records relating to Employees, [redacted], [redacted] [6] [redacted].

9.7 *[if the seller is a limited company]* signed and certified copy of the minutes of a meeting of [redacted] [[redacted]];

9.8 assignment of the leasehold Property [unless [redacted], [redacted]];

9.9 transfers of the freehold [redacted] [[redacted]];

9.10 forms of transfer of [redacted];

9.11 transfers of the [redacted], [redacted];

9.12 forms of authority addressed to [redacted], [redacted].

9.13 all technical and [redacted] - [redacted], [redacted];

9.14 marketing material of every sort in any medium;

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9.15 a list of sales distributors and agents, identifying sales [redacted] ;

9.16 policies of insurance, continuing;

9.17 all other [redacted] .

10. Completion

10.1 As soon as the items listed above have passed into the possession [redacted] .

10.2 The Buyer shall be [redacted] [[redacted]].

10.3 As soon as possible and in any event within [14 days] from the date hereof, the Seller shall procure that the Domain Names are transferred to the Buyer. [redacted] .

10.4 As soon as possible and in any event within [two days] from today, [redacted] .

10.5 The Seller has a continuing obligation to do what is [redacted] , [redacted] - [redacted] , [redacted] .

10.6 The Buyer shall not be obliged to [redacted] .

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10.7 If any or all of the transactions set out in this paragraph do not [redacted] .

11. Transfer of Employees

11.1 The parties agree that the Employees [redacted] .

11.2 The Buyer agrees to indemnify the Seller against any [redacted] .

12. Stocks

12.1 For the purpose of [redacted] , [redacted] $ [[redacted]].

OR

12.2 The parties shall within [14 days] of today's date jointly attend to the valuation [redacted] , [redacted] .

AND

12.3 Any dispute as to the value of the Stocks shall be referred for final settlement to a firm of [chartered accountants] nominated jointly by the Seller and the Buyer. The accountants shall be [redacted] . [redacted] , [redacted] . [redacted] ([redacted]) [redacted] .

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AND

12.4 The amounts agreed or decided under the last previous sub-paragraph shall be paid [redacted], [redacted] [5] [redacted].

12.5 The Seller shall be liable for [redacted].

13. Debtors

13.1 The Buyer shall use all reasonable effort to collect the debts on [redacted], [redacted].

13.2 If it becomes apparent to the Buyer that recovery of any of the book debts is not likely to be possible within [redacted], [redacted], [redacted].

13.3 Where a debtor who has so failed to pay, [redacted], [redacted].

13.4 Unless the debtor shows a contrary intention when making payment, [redacted], [redacted], [redacted].

13.5 The Seller may inspect the books of the Buyer for [redacted] [12 [redacted]] [redacted].

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14. Creditors and liabilities

14.1 The Seller shall immediately discharge all the debts of the [redacted] .

14.2 The Seller shall remain liable for all claims by third parties in respect of any [state type of product or service or use generic term] supplied by the Seller or [redacted] .

14.3 After today, the Buyer must discharge the outstanding obligations and liabilities of the Seller under the Contracts, including provision of sufficient [redacted] [[redacted]] [[redacted] / [redacted]]. [redacted] .

14.4 The Seller agrees to indemnify and hold the [redacted] .

15. Goods and Services Tax (GST)

15.1 The parties acknowledge that the sale of the Business is a supply [redacted] 11 (1)([redacted]) [redacted] 1985 ..

15.2 The Seller shall immediately deliver to the Buyer [redacted] .

15.3 The Buyer shall for a period of not less than 7 years from the [redacted] , [redacted] , [redacted]

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[redacted].

16. Warranties by the Seller

16.1 The Seller warrants to the Buyer that:

16.1.1 the Warranties set [redacted] [4] [redacted];

16.1.2 the contents of [redacted], [redacted];

16.1.3 where any Warranty refers to the knowledge, information [redacted], [redacted].

16.1.4 where the subject matter of a Warranty may refer both to the [redacted], [redacted].

16.2 The Seller agrees to indemnify the Buyer against all costs claims and expenses [redacted].

16.3 The Warranties in this agreement are not [redacted].

OR

16.4 The Warranties in this agreement are not limited in monetary value, but no claim [redacted], [redacted] [[redacted]] [redacted]. [redacted].

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17. Limitation of Seller's liability

17.1 Except in the case of death or personal injury, the total liability of the Seller under [redacted] $[100 , 000]. [redacted].

17.2 This paragraph (and any other paragraph which excludes or restricts the liability of the Seller) [redacted] ([redacted]) [redacted] 1982 , [redacted].

18. Future activities

In order to give the [redacted] :

18.1 commence or continue any business or activity whatsoever [redacted] [3] [redacted].

18.2 within [three years] of today, promote, make or sell any product or service which competes with [redacted] [[redacted]] [redacted]. [redacted] , [redacted].

18.3 within [three years] of today, employ or provide work [redacted] , [redacted] [[redacted]] [redacted].

18.4 not use any name or mark similar to, [redacted] , [redacted] , [redacted].

18.5 register nor purchase nor use any Internet domain [redacted].

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19. The Guarantee

19.1 [Each of] [redacted]:

19.1.1 that every statement, [redacted];

19.1.2 that he will procure [redacted];

19.1.3 that he will indemnify the Buyer against all [redacted], [redacted].

19.2 [Each of] The Guarantor accepts that compliance by the [redacted], [redacted].

19.3 [Each of] The Guarantor accepts that the Buyer is [redacted].

19.4 This guarantee is limited to:

19.4.1 the sum of [sum] in total;

19.4.2 claims notified to the [redacted] [[redacted]] [redacted].

20. Confidentiality

20.1 The Seller now undertakes that he will:

20.1.1 except as provided in this [redacted], [redacted], [redacted];

20.1.2 not use the Confidential [redacted].

20.2 This paragraph does not apply to Disclosure to the extent required under the rules of any stock exchange or [redacted]. [redacted]

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[redacted].

20.3 The obligations set out in this paragraph [redacted].

20.4 The provisions of this paragraph shall continue [redacted] [[redacted]] [redacted].

21. Publicity / Announcements

21.1 No public or press announcement shall be made [redacted].

OR

21.2 No party shall:

21.2.1 make any public announcement; or

21.2.2 disclose any information; or

21.2.3 allow expressly or by default any other person [redacted].

except, that no party shall be prohibited from making [redacted] [[redacted]].

21.3 The parties agree to the issue of [redacted] 6 , [redacted].

22. Damages not adequate

Without prejudice to any other rights or remedies which a party may have, the parties now acknowledge and agree that damages would not be an adequate remedy for [redacted] , [redacted] [[redacted]

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[redacted]] [redacted] , [redacted] , [redacted] [redacted] , [redacted] [redacted] [[redacted] / [redacted]] [redacted] .

23. Miscellaneous matters

23.1 No amendment or variation to this agreement [redacted] , [redacted] .

23.2 The parties acknowledge and agree that this [redacted] .

23.3 So far as any time, [redacted] , [redacted] .

23.4 If any term or provision of this agreement is at any time held by any jurisdiction to be void, invalid or unenforceable, then it shall be treated [redacted] , [redacted] . [redacted] , [redacted] .

23.5 The rights and obligations of the [redacted] .

23.6 Any obligation in this agreement [redacted] .

23.7 No failure or delay by any party to exercise any right, [redacted] .

23.8 The parties agree that [redacted] .

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23.9 Any communication to be served on either party by [redacted] - [redacted] .

It shall be deemed to have been delivered:

if delivered [redacted] : [redacted] ;

if sent by post [redacted] : [redacted] 72 [redacted] ;

if sent by e-mail to the address from which the receiving party has last sent e-mail: within 24 hours [redacted] - [redacted] . [[redacted] - [redacted] . [redacted] , [redacted] ([redacted]) [redacted]].

23.10 In the event of a dispute between the parties to this agreement, [redacted] .

23.11 Unless otherwise stated, [redacted] .

23.12 [redacted] , [redacted] .

23.13 [redacted] .

23.14 [redacted] .

23.15 [redacted] , [redacted] .

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Signed by [personal name] on behalf of [named Seller] as its / his representative who personally accepts liability for the proper authorisation by [named Seller] to enter into this agreement.

Signed by [personal name] on behalf of [named Buyer] as its / his representative who personally accepts liability for the proper authorisation by [named Buyer] to enter into this agreement.

Signed by [personal name] on behalf of [named Guarantor] as its / his representative who personally accepts liability for the proper authorisation by [named Guarantor] to enter into this agreement.

OR

Signed by [Company name in full]

AND

Signed by [Buyer name in full]

AND

Signed by [Guarantor name in full]

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Schedule 1: Properties

Part 1: Freehold Properties

[[redacted], [redacted], [redacted], [redacted]]

1. [redacted].

2. [redacted].

3. The Seller sells with full title guarantee.

4. [redacted] [5] [redacted].

5. [redacted] $[[redacted]] [redacted] [[redacted]] [redacted].

Signed by [personal name], duly authorised for the Seller

Witness to signature:

Name:

Address

Signed by [personal name], duly authorised for the Buyer

Witness to signature:

Name:

Address

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Signed by [personal name], the Guarantor

Witness to signature:

Name:

Address

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Schedule 1: Part 2

Leasehold Property

[redacted]. [redacted] *50* [redacted].

[[redacted], [redacted], [redacted], [redacted]]

1. [redacted].

2. [redacted] [[redacted]] [redacted].

3. [redacted], [redacted], [redacted], [redacted].

4. [redacted].

OR

5. [redacted] $[[redacted]] [redacted], [redacted].

6. [redacted], [redacted], [redacted], [redacted]-[redacted]-[redacted].

7. [redacted], [redacted].

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OR

8. [redacted]

AND

9. [redacted]:

9.1 [redacted];

9.2 [redacted];

9.3 [redacted].

9.4 [redacted].

9.5 [redacted][7 [redacted]] [redacted].

9.6 [redacted].

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Signed by [personal name], duly authorised for the Seller

Witness to signature:

Name:

Address

Signed by [personal name], duly authorised for the Buyer

Witness to signature:

Name:

Address

Signed by [personal name], the Guarantor

Witness to signature:

Name:

Address

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Schedule 2: Assets

[list assets]

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Schedule 3: Excluded Assets

[list excluded assets]

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Schedule 4: Warranties

[[redacted], [redacted].]

General

1. [redacted].

2. [redacted], [redacted], [redacted], [redacted], [redacted].

3. [redacted], [redacted].

4. [redacted], [redacted], [redacted].

5. [redacted].

6. [redacted], [redacted], [redacted], [redacted], [redacted].

7. [redacted], [redacted]-[redacted], [redacted].

8. [redacted][[redacted]][redacted], [redacted].

Accounts

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9. [redacted] [redacted] [redacted].

10. [redacted] [redacted].

11. The Accounts:

    11.1. [redacted];

    11.2. [redacted], [redacted];

    11.3. [redacted] 1993, [redacted];

    11.4. [redacted].

12. [redacted]:

    its purchase price;

    its production cost;

    its net realisable value.

13. [redacted].

14. [redacted], [redacted], [redacted]; [redacted]

    14.1. [redacted];

    14.2. [redacted].

    14.3. [redacted].

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15. [redacted]

Assets

16. All Assets:

    16.1. are transferred by this agreement and

    16.2. [redacted];

    16.3. [redacted];

17. [redacted] $[[redacted]]] [redacted] [[redacted]] [redacted].

Trading and Contracts

18. [redacted] - [redacted] - [redacted].

19. [redacted].

20. [redacted], [redacted] [[redacted] / [redacted]] [redacted]

21. [redacted].

22. [redacted] [[redacted] / [redacted]] [redacted].

23. [redacted] [25] [redacted]

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[redacted] [25] [redacted].

24. [redacted] [redacted] [redacted], [redacted].

25. [redacted] [redacted].

26. [redacted], [redacted], [redacted], [redacted].

27. [redacted], [redacted].

28. [redacted].

29. [redacted].

Employees

30. The Disclosure Letter contains for each Employee:

    30.1. an employment history;

    30.2. a curriculum vitae;

    30.3. terms of employment;

    30.4. non - contractual matters and informal arrangements.

31. [redacted].

32. [redacted] - [redacted].

33. [redacted] [redacted], [redacted] [redacted] % [redacted].

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34. [redacted] [redacted] [redacted] .

35. [redacted] $[redacted] [redacted] .

36. The Seller is involved in no employment dispute.

37. [redacted] , [redacted] .

38. [redacted] , [redacted] , [redacted] , [redacted] .

39. [redacted] .

40. [redacted] , [redacted] , [redacted] .

Statutory restrictions

41. [redacted] 1986 .

42. [redacted] , [redacted] .

43. [redacted] .

44. [redacted] .

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Litigation and regulation

45. [redacted].

46. [redacted], [redacted].

47. [redacted].

Freehold and leasehold Properties

48. [redacted] [1].

49. [redacted].

50. None of the Properties is:

    50.1. [redacted];

    50.2. situated in a conservation area;

    50.3. [redacted];

    50.4. in an area liable to flooding.

51. [redacted] 1 [redacted], [redacted].

52. [redacted].

53. [redacted], [redacted] - [redacted].

54. [redacted].

55. [redacted], [redacted].

56. [redacted].

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57. [redacted].

58. [redacted]:

58.1. [redacted];

58.2. [redacted].

59. [redacted]:

59.1. water;

59.2. drainage;

59.3. electricity;

59.4. gas;

59.5. telecommunications.

60. [redacted].

61. [redacted].

62. [redacted]:

62.1. [redacted].

62.2. there are no rent reviews in progress.

63. [redacted].

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Intellectual Property

64. [redacted], [redacted].

65. [redacted].

66. [redacted].

67. [redacted].

68. [redacted].

69. [redacted].

70. [redacted] - [redacted].

Information technology ("IT")

71. [redacted]:

    71.1. the name;

    71.2. name and contact information of registrant;

    71.3. [redacted], [redacted];

    71.4. date to which the name is registered.

72. [redacted].

73. [redacted], [redacted].

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74. [redacted].

75. [redacted]:

75.1. [redacted];

75.2. technical, customer and client support services;

75.3. [redacted];

75.4. an email service provider.

76. [redacted]12 [redacted].

77. [redacted].

78. [redacted].

79. [redacted]:

79.1. [redacted];

79.2. what password he uses;

79.3. [redacted].

79.4. [redacted].

End of Warranties

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Schedule5: Pension scheme

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Schedule 6: Press release

[Set down the text you have agreed].

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Explanatory notes:

Business sale agreement: any business

General notes

This is a long document which requires many changes. We suggest you save a perfect copy in case ■ ■ ■

The seller has a reason to sell. That may not be the reason he has given to you. The only way you can cover yourself is through the warranties. An agreement for the sale and purchase of a business or a company is all about the warranties. What you ask in warranties, and what the seller replies in the disclosure letter are of great importance. If a warranty does not apply, delete it. Generally, do [redacted] . [redacted] - [redacted] . [redacted] .

14. Disclosure letter to be worked up

The agreement proposes that the disclosure letter is handed over at completion. It is - in the final accepted version. However, the buyer should obtain a draft disclosure letter as soon as ever possible. It will contain many matters for the buyer's further investigation. It is likely that [redacted] , [redacted] , [redacted] .

15. Real property references

If no real property is to change hands, delete all references to it. Otherwise, read on. A formal legal assignment of each property will be required. This document contains a form of assignment of leasehold in the first schedule. It should be repeated for each [redacted] . [redacted] .

16. Use a solicitor for conveyancing

A freehold property can be transferred only by a suitable form of transfer, for which you will need help from a solicitor or licensed conveyancer. However, a large part of the work of a conveyancer is spent in preliminary matters and drawing the agreement for sale which usually precedes the transfer document, signed at "completion". The answers to the usual preliminary enquiries are covered by the warranties. The buyer should make sure that the replies in the disclosure letter are accurate and avoid "fudge". You may need to add more warranties [redacted] : [redacted] , [redacted] , [redacted] . [redacted] .

17. Initial extra pages

In a document as complicated as this, it is good practice for all parties to initial each page [redacted] .

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Paragraph specific notes

(some points are covered in the Warranties ■ ■ ■ ■ ■ ■ ■ ■)

1. Definitions

Please read the general notes sent along with ■ ■ ■ ■ ■ ■ ■ ■ .

For “Confidential Information”, we have provided a very full menu of items. Depending on your business, ■ ■ ■ ■ ■ ■ ■ ■

7. Transfer of Contracts

If you buy a business as a going concern, you need to be sure that every person with whom the business deals, comes with it. It is generally impossible to fix up contract transfer arrangements in advance of the purchase, so this paragraph covers the best way to deal after the event. The most crucial part is the co-operation of the seller. If ■ , ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ . ■ , ■ .

8. The Price

The buyer may wish to apportion the purchase price among the assets so that if by chance some item is not available on completion, there is some yardstick for a claim. In most cases however, the basis for a claim would ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

buyer will not be ■ , ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

While it is the responsibility of the seller to make certain that the law is complied with, the [redacted].

Also note that extra protection is given to certain groups of employees. These include the staff for cleaning, catering, laundry and [redacted].

You can access more information at:

https://www.employment.govt.nz/workplace-policies/[redacted] / [redacted] - [redacted] - [redacted] - [redacted] - [redacted] /

12. Stocks

Stock can be anything, so the agreement is drawn in broad terms. In practice, there will be occasions when ten people employed by auditors will be needed to count the stocks and other occasions when [redacted].

13. Debtors

The arrangement we have provided is the most common [redacted].

14. Creditors and liabilities

We think this is a good arrangement but [redacted].

15. Goods and Services Tax (GST)

Sale of business as going concern from one registered person to another registered person is zero-rated [redacted].

16. Warranties by the Seller

See later for full [redacted].

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This paragraph - confirmation of the warranties - is critical to [redacted] .

This paragraph provides for the warranties to be given by both the seller and the guarantor. In addition, in another paragraph, the guarantor guarantees the performance of the contract by the seller. The buyer's position against [redacted] . [redacted] .

The guarantor may have a lesser interest than the legal seller, for example as a non-executive director of the seller, or as a relative of the seller if an individual. In that case, [redacted] . [redacted] , [redacted] .

The extent of the guarantee can also be [redacted] .

To claim for breach of warranty the buyer must prove money loss. He is also under a duty of care to reduce his loss so far as [redacted] . [redacted] , [redacted] .

17. Limitation of seller's liability

This paragraph limits the liability of the seller. This is a usual provision, but flexible, [redacted] . [redacted] , [redacted] .

18. Future activities

The buyer should never take the seller's word for the proposition that the seller will not compete and will say only good things about the buyer and the business. The seller should be bound to appropriate "good behaviour". A covenant (promise) not to compete is not enforced by the courts unless it is reasonable in [redacted] . [redacted] . [redacted] . [redacted] , [redacted] .

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19. The Guarantee

This agreement is guaranteed by two individuals. If the seller is ■ ■ ■ ■ ■ ■ ■ ■ , ■ ■ ■ ■ ■ ■ ■ ■

To be certain that a freehold property is agreed to be [redacted] , [redacted] :

1. Accurately describes or refers to the subject property
2. Describes the buyer by name
3. Is signed by or for the seller
4. That the seller has authority to sell
5. That the agreement contained here is [redacted]
6. We have provided for a witness, [redacted] .

Schedule 1, part 2:

Leasehold property: we have provided a full [redacted] , [redacted] .

However, the seller should also require a document in which the landlord gives his consent to the assignment and accepts the buyer as his new tenant. If he fails to do so, the buyer is technically a [redacted] . [redacted] , [redacted] , [redacted] .

Schedule 2 - Assets

List assets to be sold

Schedule 3 - Excluded Assets

List excluded assets

Schedule 4 - Warranties:

Note: matters relating to warranties

To use this document you have to understand how warranties work. [redacted] ! [redacted] . [redacted] , [redacted] , [redacted] .

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Warranties - the inside-out promises

I will now address the task itself and tell you how to make it happen. The first matter to consider [redacted] “[redacted]-[redacted]-[redacted]” [redacted].

The agreement is drawn by the buyer. That is fair because the buyer knows nothing about the business and the seller knows everything (we hope)! So the [redacted]-[redacted], [redacted], [redacted], [redacted]. [redacted] “[redacted]”. [redacted]. [redacted], [redacted], [redacted].

Warranties work like this: I am a [redacted]. [redacted]. [redacted], [redacted] ([redacted]) [redacted], [redacted] 60 [redacted].

The letter of disclosure is the other “half” of the process. In my letter of disclosure, I refer in turn to each of the warranties you [redacted]. [redacted], [redacted]. [redacted]. [redacted]. [redacted] “[redacted]”. [redacted], [redacted] ([redacted]) [redacted].

In that way, before he can sue you, the buyer has to [redacted], [redacted]. [redacted]. [redacted]:

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“Where any warranty refers to the knowledge, information [redacted] ”. [redacted] !

Suppose the seller warrants:

“Neither the seller nor any of its shareholders [redacted] .”

The reply to this [redacted] .

Now, finally, let us suppose the warranty had not been in the draft agreement at all. This is what would have happened: [redacted] .

You may find aspects of my illustration to be immoral. That may [redacted] .

Warranties - seller’s tactics

The “task” of the seller is essentially to provide full and truthful information and to [redacted] “ [redacted] ” [redacted] .

As a seller, [redacted] :

- You be the one to [redacted] “ [redacted] ” [redacted] ; [redacted]

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- When you receive the draft [redacted], [redacted]; [redacted]
- in your draft disclosure letter, which [redacted], [redacted]; [redacted]
- Consider the breadth of each warranty. [redacted], [redacted]; [redacted]
- Even where you “answer” the warranty in some [redacted], [redacted], [redacted] “[redacted]” [redacted] “[redacted]”;
- At all costs avoid the easy way out of leaving the warranties [redacted]. [redacted], [redacted], [redacted].

Warranties - buyer’s response

If you want a fair and satisfactory outcome, use warranties. [redacted]. [redacted]. [redacted]. [redacted], [redacted]. [redacted].

However, if your warranties are all “absolute” in matters where it is unreasonable to expect the seller to [redacted], [redacted], [redacted], [redacted]. [redacted]. [redacted]. [redacted] “[redacted]” [redacted], [redacted].

Set out the warranties according to the transaction. Do not include warranties which [redacted], [redacted]. [redacted], [redacted] - [redacted]!

If the seller is represented by a solicitor, you will have to decide whether this creates an unlevel playing field. [redacted] “[redacted]” [redacted]” [redacted]

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[redacted]

Some solicitors acting for a buyer will see the provision of warranties as an opportunity to go back to [redacted]

Warranties: drafting notes continued

It is good practice to delete irrelevant warranties, [redacted]

General

These are very [redacted]

With reference to licences and consents: in any business which has been operating for more [redacted]

Accounts

The basis of valuation of the business is likely to have been the last audited annual accounts, [redacted]

Assets

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The most important answers sought here are as [redacted] !

Trading and Contracts

This section covers every contract - from customers and suppliers to the office cleaner and the car leases. Particular care should be taken with [redacted] / [redacted] / [redacted] , [redacted] ([redacted]) [redacted] .

The buyer's requirement for details of customers and suppliers will be [redacted] 1 , 000 [redacted] .

The most common reason for litigation about contracts arises because someone, [redacted] , [redacted] , [redacted] , [redacted] . [redacted] .

Employees

The proposition in law intends to support a fair process and holds [redacted] , [redacted] .

Despite these extensive [redacted] , [redacted] .

Statutory restrictions

These warranties are general, [redacted] - [redacted].

Litigation and regulation

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We have no comment

Freehold and leasehold Properties

Most of these items cover the facts that would be [redacted].

Intellectual Property

All businesses acquire some intellectual property. Even quite small [redacted].

Information technology (“IT”)

These are of course an item of intellectual property. We have placed them under a separate heading to [redacted].

Schedule 5 - Pension scheme

Provide the text for pension scheme and arrangements

Schedule 6 - Press release

Provide text or delete if not required

End of notes

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