Sale agreement: trading or retail 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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- 2. Corporate seller provisions
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- 8. The Price
- 9. Items to be delivered at completion
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- 11. Transfer of Employees
- 12. Stocks
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- 14. Creditors and liabilities
- 15. Goods and Services Tax (GST)
- 16. Warranties by the Seller
- 17. Limitation of Seller's liability
- 18. Future activities
- 19. The Guarantee
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- 21. Publicity / Announcements
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- 23. Miscellaneous matters

Schedule 1: Part 1: Freehold Property
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General Accounts Assets

Trading and contracts

Employees

Statutory restrictions Litigation and regulation

Freehold and leasehold Properties

Intellectual Property

Information technology ("IT")

Schedule 5: Pension scheme Schedule 6: Press release

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] and \blacksquare \blacksquare \blacksquare \blacksquare

----;-----[------];----

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

		, ∎												"		"		"	= 1		
"						ı .															

It is now agreed as follows:

1. Definitions

So far as the context permits •••••:	s, 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
"Assets"	means all tangible and intangible assets whatever, owned by the
"Business"	means the [type of business] business carried on by the Seller until today under the name and style ••• •• [••• ••• •• •• •••] ••• ••• •••
"Confidential Information"	means all information about the Business, including any information which may give a commercially competitive advantage to
	:
	information about employees, their performance and ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
	data or information relating to suppliers, product plans, marketing strategies, finance, performance, operations, customer
	•;
	information about the Intellectual Property, the know-how and all
	information created or arising from this

	agreement;
	information owned by a third party and in respect of which the Seller • • • • • • • • • • • • • • • • • • •
	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 and
"Contracts"	means current contracts of the Seller in relation to the Business, •••••••••••••••••••••••••••••••••••
"Creditors"	means trade creditors and accrued charges in connection with the Business • • • • • • • • • • • • • • • • • •
"Disclosures"	means the disclosures set out in \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare
"Disclosure Letter"	means the disclosure letter of the same date as this agreement from the Seller • • • • • • • •
"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

"Goodwill"	means the goodwill in relation to the Business, being goodwill of the Seller until
"Intellectual Property"	means intellectual property of every sort, whether or not registered or registrable in any country, including intellectual property of all kinds coming into existence after today, and including patents, trade marks, unregistered marks, designs, copyrights, software, domain names, discoveries, know-how, creations
"ISP"	means the Internet service provider; that is any provider of any service in ••••••.
"Last Accounts Date"	means the date to which the Accounts have ■
"Lease"	means the lease or leases under which the Property, [or • • • • • • • • • • • • • • • • • • •
"Payment Service Provider"	means the banking intermediary who provides
"Price"	means the •••••••••••••••••••••••••••••••••••
"Products / Services"	means the products
"Property/Properties"	means the freehold or leasehold properties, = = = = = = , = = = = = = = = = = = =
"Stocks"	means stocks of Products, raw materials, work in progress and finished goods, and goods for

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

2. Corporate seller provisions

If the	Seller is a = = = = = = = = = = = = = - = = = = =
2.1.	Every reference to the Seller shall be interpreted
2.2.	The Business may •••••••••••••••••••••••••••••••••••
2.3.	Every reference to the Business shall be interpreted as • • • • • •
2.4.	Every reference to the Company

3. Interpretation

This a	agreement = = = = = = = = = = = = = = = = = = .
3.1.	A reference to one
3.2.	A reference to a person includes reference to that person's successors legal representatives,
3.3.	A reference to the knowledge, information, belief or awareness
3.4.	A reference to a paragraph or schedule is to
3.5.	The headings to the paragraphs and schedules (• • • • • • •) • •
3.6.	Any agreement by any party not to do or
3.7.	[except where stated otherwise],
3.8.	A reference to an act or
3.9.	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

4.	Entire	agreement
----	---------------	-----------

4.1.	Letter	arty acknowledges that this agreement and the Disclosure
4.2.		as any relevant law permits, conditions,
4.3.		f the parties warrant that he = = = = = = = = = = = = = = = = = =
4.4.		eller warrants and undertakes that he is not
Buy	er's a	cknowledgment of inspection
The B	uyer adı	mits that:
5.1.		sets agreed to
5.2.	reliance	ers into this agreement on the basis of that inspection and not in
Agre	eemer	nt for Sale
6.1.	Subject	t to the terms of this agreement,
	••••	
	6.1.1	the Business as a going concern;
	6.1.2	the Goodwill;
	6.1.3	the Property;

	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 \blacksquare					
6.2.	Comple	etion shall take place today, 					
6.3.	The assignment of the leasehold ••••••••••••••••••••••••••••••••••••						
6.4.	The transfer of the freehold Property 1						
Tran	sfer c	of Contracts					
		dertakes that for a period of [three years], he will do his utmost					
7.1.	enter in	to any novation agreement.					
7.2.	provide information about • • • • • • • • • • • • • • • • • • •						
7.3.	confirm to any person or governmental authority such details						
7.4.	immedi	ately inform the					

8. The Price

9.

8.1.	The Price for the Business shall		
	Goodwill	\$[1
	Freehold Properties	\$[1
	Leasehold Properties	\$[1
	Assets	\$[1
	Intellectual Property rights	\$[1
	Contracts and all other property	Nil	
	The Stocks	To be	ascertained
	Total Price [excluding Stock]	\$ [1
8.2.	Insofar as this agreement provides for the transfer to	the B	uyer of ■ ■ ■ ■ ■ ■ - ■ ■
8.3.	The Price shall be paid as follows:		
	8.3.1 as to \$ [amount], by banker's draft / • • •		
	•••••		
	8.3.2 as to the \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare .		•••••
8.4.	If the assignment of the Lease cannot be completed		./
Item	s to be delivered at completion		

The Seller shall handover to the Buyer or otherwise deliver \blacksquare \blacksquare \blacksquare

9.1.	whatever the = = = = = = = = = = = = = = = = = = =
9.2.	all books • • • • • • • , • • • • • • • • • • •
9.3.	computer programmes used in \blacksquare
9.4.	all data relating to the Business,
	;
9.5.	all information and records relating to customers and suppliers, including a list of all the [• • • •] • • • • • • • • • • • • • •
9.6.	marketing material in any medium;
9.7.	complete records relating to Employees, ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
9.8.	[only if the seller is a limited company] signed and certified copy of the minutes
9.9.	assignment of the leasehold Property [unless = = = = = = = = = = = = = = = = = =
9.10.	transfers of the freehold • • • • [• • • • • • • • • • • • • •
9.11.	forms of transfer of ;
9.12.	transfers of the = = = = = = , = = = = = = = = = = = =
9.13.	forms of authority addressed to
9.14.	a list of sales distributors and agents, identifying sales

		;
	9.15.	policies of insurance, continuing;
	9.16.	all other • • • • • • • • • • • • • • • • • • •
10.	Con	npletion
	10.1.	As soon as the items listed above have passed into the possession
	10.2.	The Buyer shall be • • • • • • • • • • • • • • • • • •
	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.
	10 4	As soon as possible and in any event within [two days] from today, ■ ■
	10.11	
		,
	10.5	The Seller has a continuing obligation to do what is \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare
	10.5.	
		•••••
	10.6.	The Buyer shall not be obliged to
	10.7.	If any or all of the transactions set out in this paragraph do not ■ ■ ■

11.	1. Transfer of Employees								
	11.1.	The parties agree that the Employees							
	11.2.	The Buyer agrees to indemnify the Seller against any							
12.	Sto	cks							
	12.1.	For the purpose of • • • • • • • • • • • • • • • • • •							
	OR								
	12.2.	The Parties shall within [14 days] of today's date jointly attend to the							
	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							
	AND								
	12.4.	The amounts agreed or decided under the last previous sub-paragraph shall be paid							

12

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	[5]
12.5.	The Seller shall be liable for
Deb	tors
13.1.	The Buyer shall use all reasonable effort to collect the debts on
13.2.	If it becomes apparent to the Buyer that recovery of any of the book debts is not likely to be possible within • • • • • • • • • • • • • • • • • • •
	-,
13.3.	Where a debtor who has so failed to pay,
13.4.	Unless the debtor shows a contrary intention when making payment, ■
13.5.	The Seller may inspect the books of the Buyer for
	••••
Cred	ditors and liabilities
14.1.	The Seller shall immediately discharge all the debts of the

OR

14.2.	The Seller shall remain liable for all claims by third parties in respect of any [Products / Services] supplied by the Seller or any act or omission of the Seller prior
14.3.	After [Products / Services], the Buyer must discharge the outstanding obligations and liabilities of the Seller under the Contracts,
14.4.	The Buyer shall not be liable for any breach of any contract by the , , , , , , , , , , , , , , , , , , ,
Goo	ds and Services
15.1.	The parties acknowledge that the sale of the Business is a supply \blacksquare
15.2.	The Seller shall immediately deliver to the Buyer • • • • • • • • • • • • • • • • • • •
15.3.	The Buyer shall for a period of not less than 7 years from ■ ■ ■ ■ ■ ■

16. Warranties by the Seller

16.1.	The Se	eller warrants to the Buyer that:
	16.1.1	the Warranties set • • • • • • • • [4] • • • • • • • • • • • • • • • • • • •
	16.1.2	the Disclosures are true, accurate and comprehensive;
	16.1.3	where any Warranty refers to the knowledge, information ■ ■
	16.1.4	where the subject matter of a Warranty may refer both to the
		,
		••••••
16.2.	The Se	ller agrees to indemnify the Buyer against all costs claims and
	••••	
16.3.	The Wa	arranties in this agreement are not ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
OR		
16.4.	no clair	arranties in this agreement are not limited in monetary value, but
	••••	
	••••	
Limi	itation	of Seller's liability
17.1.	Seller u	in the case of death or personal injury, the total liability of the under ••••••••••••••••••••••••••••••••••••
	••••	

	17.2.	This paragraph (and any other paragraph which excludes or restricts the liability of the Seller)
18.	Futu	ure activities
		ler to give the
	18.1.	commence or continue any business or activity whatsoever • • • • • • • • • • • • • • • • • • •
	18.2.	within [three years] of today, promote or sell any product or service which competes with any
	40.0	
	18.3.	within [three years] of today, employ or provide work
	18.4.	trade under any name ••••;
	18.5.	register nor purchase nor use any Internet domain
19.	The	Guarantee
	19.1.	[Each of]
		19.1.1 that every statement, $\blacksquare \blacksquare \blacksquare$
		19.1.2 that he will procure

	19.1.3	that he will indemnify the Buyer against all
19.2.		of] The Guarantor accepts that compliance by the
19.3.	[Each o	of] The Guarantor accepts that the Buyer is
19.4.	J	arantee is limited to:
		the sum of [sum] in total; claims notified to the •••••[••••] ••••••
Con	fident	iality
20.1.	The Se	ller now undertakes that he will:
	20.1.1	except as provided in this •••, ••••;
	20.1.2	not use the Confidential • • • • • • • • • • • • • • • • • • •
	20.1.3	not use any name or mark similar • • • • • • • • • • • • • • • • • • •
	20.1.4	not use any trade name or • • • • • • • • • • • • • • • • • •
20.2.		aragraph does not apply to disclosure to the extent required he rules of any stock exchange or by applicable

	20.3.	The obligations set out in this paragraph
	20.4.	The provisions of this paragraph shall continue The provision of this paragraph shall continue The provision of this paragraph shall continue
21.	Pub	licity / Announcements
	21.1.	No public or press announcement shall be made • • • • • • • • • • • • • • • • • • •
	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
		except, that no party shall be prohibited from making
	21.3.	The parties agree to the issue of *** ****
22.	Dan	nages not adequate
	partie	out prejudice to any other rights or remedies which a party may have, the s now acknowledge and agree that damages would not be an adequate dy for
		,

23.	Misc	cellaneous matters
	23.1.	No amendment or variation to this agreement
	23.2.	The parties acknowledge and agree that this
	23.3.	So far as any time,
	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
	23.5.	The rights and obligations of the
	23.6.	Any obligation in this agreement
	23.7.	No failure or delay by any party to exercise any right,
	23.8.	The parties agree that
	23.9.	Any communication to be served on either party by

It shall be deemed to have been delivered:

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Signed by [personal name] on behalf of [Seller Company] 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 [Seller name in full]

AND

Signed by [Buyer name in full]

AND

Signed by [Guarantor name in full]

Schedule 1: Properties

Address

Part 1	: Freehold Properties
1.	
2.	
3.	The Seller sells with full title guarantee.
4.	[5]
_	
5.	
	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:

Signed by [personal name], the Guarantor
Witness to signature:
Name:
Address

Schedule 1: Part 2

Leasehold Property

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OR 8. AND 9 9.1 ---: 9.2 9.3 9.4 ----------------9.5 9.6

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

Schedule 2: Assets

[list assets]

Schedule 3: Excluded Assets

[list excluded assets]

Schedule 4: Warranties

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J.																															
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Accounts

.............

• [• • • • • • • • •].
The Accounts:
11.1.
11.2.
11.3.
11.4.
its purchase price;
its production cost;
its net realisable value.
••,•••••••
14.1.
14.2.
14.3.

15.	
Asse	ets
16.	All Assets:
	16.1. are transferred by this agreement and
	16.2.
	16.3.
17.	
Trad	ing and Contracts
18.	
19.	
20.	
21.	[25]
22.	[[
23.	

24.	
25.	
26.	
Emple	oyees
27.	The Disclosure Letter contains for each Employee:
	27.1. an employment history;
	27.2. a curriculum vitae;
	27.3. terms of employment;
	27.4. non-contractual matters and informal arrangements.
28.	
00	
29.	
30.	
31.	
32.	
JZ.	
33.	The Seller is involved in no employment dispute.

			• •	•••			- ·	• •	- 1			- I	 	•	 		 , -			•			- ·	•
35.	• • •						•		- 1			- 1			 -	-		•	 -	- 1				
36.																								
	• • •			•		•	- 1	-	- 1			- 1	-		 •	= !								
Statut	ory r	est	rict	ion	S																			
38.										•	•	- 1		•	 •	-	• •	= 1	 •	• •	• •			•
39.		• •	 	• •		•	- 1	•	- 1			- 1	-		 •	= 1		-	•	- 1	-	-	■ ,	
40.	• • •	• •	••		-	•	•	• •	•	• •	•		• •		 •	= 1		•	 •	- 1	• •	•		
41.	• • •																							• •
Litigat	ion a	and	reg	gula	tio	n																		
42.																			•	•				• •
43.	.																		•	• •	• •			•
44.		• •																		- I	• •			• •

Freeh	old and leasehold Properties
45.	
46.	
47.	None of the Properties is:
	47.1. ;
	47.2. situated in a conservation area;
	47.3.
	47.4. in an area liable to flooding.
48.	
49.	
50.	
51.	
52.	
53.	
54.	
55.	
	55.1.

	55.2.	••••••
56.	•••	
		water;
		drainage;
		electricity;
	56.4.	gas;
	56.5.	telecommunications.
57.	• • •	
58.		
59.		
	59.1.	
	59.2.	there are no rent reviews in progress.
60.		•••••, ••••, •••
	•••	
Intelle	ectual	Property
61.		
		,
62.		

63.		•••	•••		•							=		-		•	•		•	-			•	-	•
64.	•••	•••	• • •		•							-		-	- •	• •	•		• •	-	•		• •	-	•
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67.		• • •		•	• •						ı =	-		-		•	•	••	• •	•	= !	•		•	•
Inforn	nation	techn	olog	ıу ("	IT")																			
68.					•		· = 1		•			-		-			•	••		•	•	•		•	-
	68.1.	the n	ame;		•																:				
	68.2.	name	e and	con	ntac	t in	for	mat	tior	n of	f re	gis	stra	nt;											
	68.3.			. .		📰		= 1		-	■ •	•		•		• •	•	•	•	•		•	• •	•	-
	68.4.	date	to wh	nich	the	na	me	is	reg	ist	ere	ed.													
69.		•••														• •	•		• •	-	= 1		• •	-	•
70.	•••				•																				
71.																	-		•	-			•	• .	•
72.					•							, ■													
	72.1.			•	• •	•	.		-	-	•	•		•	•	• •	ı =		•		•

	72.2. technical, customer and client support services;
	72.3. ;
	72.4. an email service provider.
73.	
	12
74.	
75.	
76.	
	-,:
	76.1.
	76.2. what password he uses;
	76.3.
	76.4.

End of Warranties

Schedule5: Pension scheme

Schedule6: Press release

[Set down the text you have agreed.]

Explanatory notes:

Sale agreement: trading or retail business

General notes

1. Who is the named seller?

In naming a party at the top of the document, use the personal version for any human person or people who are together a partnership, and the \blacksquare \blacksquare \blacksquare \blacksquare

2. The Guarantee

This note covers the general proposition about a guarantee. As you will appreciate, a contract with a company is often worth nothing. The money you pay could be in the Bahamas with the director and his wife a few hours after you have completed. If you buy from a human person, you are safer, but

You can obtain additional security by structuring your deal for payment in instalments, particularly if the amount is related to profit performance. Most sellers will be reluctant to accept this,

3. Advantage to the buyer

This document is usually drawn and submitted by the buyer to the seller. If you are the seller, you have a great advantage if you are able to present this draft to

4. Warranties and disclosure letter

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

5. Disclosure letter to be worked up

6. 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

7. 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

8. Initial extra pages

Paragraph specific notes

(Some points are covered in the Warranties ■ ■ ■ ■ ■ ■ ■ ■ ■ 1. **Definitions** For "Confidential Information", we have provided a very full menu of items. Depending on your business, But if you do change any defined word, make sure it applies to every You should first decide on the contents of the document, then return to check what definitions are needed and whether they really 2. **Corporate seller provisions** This paragraph enables the references to "Business" to have legal meaning when the legal reality is that a "business" does not exist. It cross references the parties and obligations back to the seller company. If the seller in **\\ \B** 3. Interpretation Leave these items in place unless there is a good reason to edit or remove. Each of these items has been carefully considered in the context of this agreement and has been included for a purpose. 4. **Entire agreement** This paragraph prevents a party from later saying he was relying on some other document or web site or what was said. If other documents are to be relied on (if any), let them be ********, ********, ********* 5. Buyer's acknowledgment of inspection In practice the buyer will have inspected whatever he needs to inspect. This paragraph is usually required to protect the seller. If you = = = = = = = = = =

6.

Agreement for sale

There is an overlap in this list: use the descriptions that are $\blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare$
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 he
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 \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare
•••••
It may be important to specify prices ■ ■ ■ ■ ■ ■ ■ :
Goodwill
Leasehold property
Freehold property
Assets
Intellectual Property
Stock for sale or manufacture
You should consult an accountant as to the most favourable apportionments, although the other party will also have a view as \blacksquare
Items to be delivered at completion
It is essential for a smooth transaction that the seller assembles absolutely all the documents which will be needed on completion. It is a good idea to ask the seller for a list of them when you send him with a copy of this agreement in final form. Remember to

7.

8.

9.

It is not of course necessary to physically move or hand assets to the buyer. Delivery means delivery of possession. Some assets may of course be handed over physically, such as keys and certain books of account. If the buyer will not be
The necessity to transfer rights and contracts with third party suppliers causes problems. Issues arise because Internet service suppliers usually operate on inflexible standard terms. Many have no procedure for fast transfer of their service. This puts a business buyer in a difficult position. Take a payment service provider. The business buyer needs the transfers in order to operate the business. He cannot afford to risk buying the business before the payment service is operating to
We suggest that the best way must be to put the obligation on the seller to get all service changes in place, subject to a telephone call, which can be made on the same day as completion of the deal. That means the seller has to contact all these people and sort out their systems and procedures. He
••••.
Alternatively, the buyer should open his own separate account with each service provider. Even that
Completion
It is a matter of negotiation and agreement as to the mechanics of completion and in particular when final issues are to be completed. Leasehold property will have been dealt with in advance, but domain names may present more difficulty since there are no provisions for a conditional transfer. The buyer has to decide how long
The power to rescind is very strong. Usually, when a buyer has taken control of •••••, •••, •••••

11. Transfer of Employees

10.

In law, an employer has an obligation to not sell or transfer any
While it is the responsibility of the seller to make certain that the law is complied with the buyer
Also note that extra protection is given to certain groups of employees. These include the staff for cleaning, catering, laundry and
You can access more information at:
https://www.employment.govt.nz/workplace-policies/
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
Debtors
The arrangement we have provided is the most common \blacksquare
Creditors and liabilities
We think this is a good arrangement but ••••••••••••••••••••••••••••••••••
Goods and Services Tax (GST)
Sale of business as going concern from one registered person to another registered person is zero-rated

12.

13.

14.

15.

16.

Warranties by the Seller

This paragraph - confirmation	of the warranties - is critical to
the guarantor. In addition, in an	warranties to be given by both the seller and other paragraph, the guarantor guarantees the seller. The buyer's position against ■ ■ ■
a non-executive director of the sindividual. In that case, ■ ■ ■	er interest than the legal seller, for example as seller, or as a relative of the seller if an
The extent of the guarantee car	n also be = = = = = = = = = = = = =
	the buyer must prove money loss. He is also nis loss so far as
•••••	•••••
Limitation of Seller's liability	
This paragraph limits the liability flexible, ••••••••••••••••••••••••••••••••••••	
Future activities	
seller will not compete and will s business. The seller should be	e seller's word for the proposition that the say only good things about the buyer and the bound to appropriate "good behaviour". A sete is not enforced by the courts unless it is

17.

18.

	•••••
19.	The Guarantee
	This agreement is guaranteed by two individuals. If the seller is \blacksquare
	This is a very tough guarantee. It assumes that the guarantors are able to perform - that they are the people with whom you have negotiated your purchase. In court, a guarantee is usually treated as
20.	Confidentiality
	Warranties cover only matters that exist at the date of the sale. The future must be covered separately. Confidential information is defined as that relating to the business, so this paragraph protects the secrets of the
21.	Publicity / Announcements
	Edit or delete.
22.	Damages not adequate
	Technical provision to prevent a judge from insisting on damages only, ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
23.	Miscellaneous Matters
	A number of special points. We have identified each of these as important to protect you. Some are relevant to particular paragraphs in the document, some apply more
	These are just as valid in law as if we had written them

Sche	Schedule 1, part 1:			
	To be certain that a freehold property is agreed to be sold •••••:			
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 \blacksquare			
6.	We have provided for a witness, •••••••••••••••••••••••••••••••••••			
Sche	dule 1, part 2:			
	Leasehold property: we have provided a full \blacksquare			
	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			
	••••••••••			
Schee	dule 2 : Assets			
	List assets to be sold			
Sche	dule 3 : Excluded Assets			
	List excluded assets			
Sche	dule 4 : Warranties:			
Note:	matters relating to warranties			
	To use this document you have to understand how warranties work. They are simpler than you thought! Here now is an *** *** *** **** *			

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
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
Warranties work like this: I am a = = = . = = = = = = = = = . =
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
In that way, before he can sue you, the buyer has to

	"Where any warranty refers to the knowledge, information • • • • • • • • • • • • • • • • • • •
	Suppose the seller warrants:
	"Neither the seller nor any of its shareholders = = = = = = = = = = = = = = = = = = =
	The reply to this
	Now, finally, let us suppose the warranty had not been in the draft agreement at all. This is what would have happened:
	You may find aspects of my illustration to be immoral. That may \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare
	,
Warra	nties - seller's tactics
	The "task" of the seller is essentially to provide full and truthful information and to
	As a seller, ••••••••••••••••••••••••••••••••••••
•	You be the one to •••••••••••••••••••••••••••••••••••
	; ■ ■ ■ ■ © Andrew Taylor and Net Lawman Ltd

•	When you receive the draft \blacksquare
•	in your draft disclosure letter, which \blacksquare
•	Consider the breadth of each warranty.
•	Even where you "answer" the warranty in some = = = , = = = = = = =
•	At all costs avoid the easy way out of leaving the warranties ••••••••••••••••••••••••••••••••••••
Warra	nties - buyer's response
	If you want a fair and satisfactory outcome, use warranties.
	However, if your warranties are all "absolute" in matters where it is unreasonable to expect the seller to
	Set out the warranties according to the transaction. Do not include warranties which
	If the seller is represented by a solicitor, you will have to decide whether this creates an unlevel playing field.

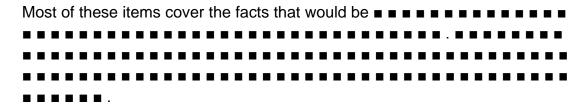
•••	• • • • • • • • • • • • • • • • • • • •				"
					•!
орроі	e solicitors acting for tunity to go back to				s as an
	,				
Warranties: drafting notes continued					
	ood practice to delete	"			
General					
These ■ ■ ■	e are very = = = =	• • • • • • • •			• • • • • •
opera ■ ■ ■	reference to licences				
:::	•••	•••••		•••••	••••
Accounts					
	easis of valuation of the all accounts,		•••••	peen the last	•••••
					

Assets

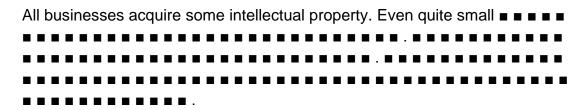
The most important answers sought here are as ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
!
Trading and Contracts
This section covers every contract - from customers and suppliers to the office cleaner and the car leases. Particular care should be taken with
The buyer's requirement for details of customers and suppliers will be 1,000
The most common reason for litigation about contracts arises because someone,
Employees
The proposition in law intends to support a fair process and holds
Despite these extensive
Statutory restrictions
These warranties are general,

We have no comment.

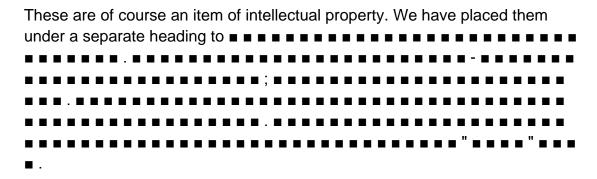
Freehold and leasehold Properties



Intellectual Property



Information technology ("IT")



Schedule 5: Pension scheme

Provide the details of pension scheme and arrangements

Schedule 6: Press release

Provide text or delete if not required

End of notes