

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]

Contents

1. Definitions
2. Corporate seller provisions
3. Interpretation
4. Entire agreement
5. Buyer's acknowledgment of inspection
6. Agreement for sale
7. Transfer of Contracts
8. The Price
9. Items to be delivered at completion
10. Completion
11. Transfer of Employees
12. Stocks
13. Debtors
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
20. Confidentiality
21. Publicity / Announcements
22. Damages not adequate
23. Miscellaneous matters
 - Schedule 1: Part 1: Freehold Property
 - Schedule 1: Part 2: Leasehold Property
 - Schedule 2: Assets
 - Schedule 3: Excluded Assets
 - Schedule 4: Warranties
 - 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)

[illegible][illegible]

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 ■■■■■■■■■■■■■■■■■■■■

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 ■■■■■■
■■■■■ .

"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 ■■■■■■■■■■
■■■■■■■■■ .

3. Interpretation

[illegible]

- [illegible]

4. Entire agreement

- [illegible]

5. Buyer's acknowledgment of inspection

The Buyer admits that:

- 5.1. the Assets agreed to [REDACTED]
[REDACTED]; [REDACTED]
- 5.2. he enters into this agreement on the basis of that inspection and not in
reliance on [REDACTED], [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED].

6. Agreement for Sale

- [illegible]

- 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], [REDACTED].
- 6.2. Completion shall take place today, [REDACTED]
[REDACTED].
- 6.3. The assignment of the leasehold [REDACTED]
[REDACTED] 2 [REDACTED] 1.
- 6.4. The transfer of the freehold Property [REDACTED]
[REDACTED] 1 [REDACTED]
1.

7. Transfer of Contracts

The Seller undertakes that for a period of three years, he will do his utmost

- [illegible]

8. The Price

8.1. The Price for the Business shall _____

 _____:

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

[illegible]

8.3. The Price shall be paid as follows:

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

[illegible]

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

9. Items to be delivered at completion

[illegible]

- 9.1. whatever the [REDACTED];
- 9.2. all books [REDACTED];
- 9.3. computer programmes used in [REDACTED];
- 9.4. all data relating to the Business, [REDACTED];
- 9.5. all information and records relating to customers and suppliers, including a list of all the [REDACTED] [REDACTED], [REDACTED];
- 9.6. marketing material in any medium;
- 9.7. complete records relating to Employees, [REDACTED] [6] [REDACTED] .
- 9.8. [only if the seller is a limited company] signed and certified copy of the minutes [REDACTED] .
- 9.9. assignment of the leasehold Property [unless [REDACTED] [REDACTED] [REDACTED]];
- 9.10. transfers of the freehold [REDACTED] [REDACTED]];
- 9.11. forms of transfer of [REDACTED];
- 9.12. transfers of the [REDACTED];
- 9.13. forms of authority addressed to [REDACTED] , [REDACTED] .
- 9.14. a list of sales distributors and agents, identifying sales [REDACTED]

[illegible][illegible]

13. Debtors

[illegible][illegible][illegible][illegible]

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

14. Creditors and liabilities

14.1. The Seller shall immediately discharge all the debts of the ■■■■■
■■■■■, ■■■■■, ■■■■■
■■■■■

OR

- [illegible]

15. Goods and Services

- 15.1. The parties acknowledge that the sale of the Business is a supply of goods under the Sale of Goods Act 1979 (the "Act") and that the goods are of a kind which are sold in the ordinary course of business. The parties further acknowledge that the sale of the Business is a supply of goods under the Act and that the goods are of a kind which are sold in the ordinary course of business.
- 15.2. The Seller shall immediately deliver to the Buyer the Business and all the assets and liabilities of the Business, including but not limited to the following:
- 15.3. The Buyer shall for a period of not less than 7 years from the date of completion of the sale, maintain the Business in the same or a similar form and shall not, without the prior written consent of the Seller, sell or dispose of any part of the Business or any of the assets or liabilities of the Business.

16. Warranties by the Seller

16.1. The Seller warrants to the Buyer that:

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

16.1.2 the Disclosures are true, accurate and comprehensive;

16.1.3 where any Warranty refers to the knowledge, information ■■■
 ■■■■■■■■■■■■■■■■■■■■■■, ■■■■■■■■■■■■■■■■■■■■■■
 ■■■■■■■■■■■■■■■■■■■■■■ ■■■■■■■■■■■■■■■■■■■■■■
 ■■■■■■■■■■■■■■■■■■■■■■.

[illegible]

16.2. The Seller agrees to indemnify the Buyer against all costs claims and

[illegible]

OR

[illegible]

17. Limitation of Seller's liability

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

[illegible]

18. Future activities

In order to give the
..... , :

[illegible][illegible]

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

[illegible][illegible]

19. The Guarantee

[illegible][illegible][illegible]

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

Part 1: Freehold Properties

$$[\underbrace{\alpha_1, \alpha_2, \dots, \alpha_{n-1}}_{\text{nonzero}}, \underbrace{\alpha_n, \alpha_{n+1}, \dots, \alpha_{n+m}}_{\text{nonzero}}, \underbrace{\alpha_{n+m+1}, \alpha_{n+m+2}, \dots, \alpha_{n+m+k}}_{\text{nonzero}}]$$

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:

Address

Signed by [personal name], the Guarantor

Witness to signature:

Name:

Address

Schedule 1: Part 2

Leasehold Property

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..... 50

[..... ,
..... , ,
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1.
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2. [.....]
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3.
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4.
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OR

5. \$ [.....] ,
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6. ,
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7.
..... ,
.....

OR

[illegible]

AND

[illegible][illegible][illegible][illegible][illegible][illegible]

9.6

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


[.....
.....,
.....].

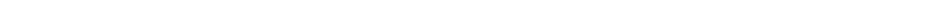
General

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Accounts

[illegible]

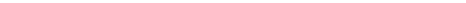
25. 

26. 

27. The Disclosure Letter contains for each Employee:

27.2. a curriculum vitae;

27.4. non-contractual matters and informal arrangements.

28.  .

[illegible][illegible]

31. $\frac{1}{2} \left(\frac{1}{2} + \frac{1}{2} \right) = \frac{1}{2}$

[illegible]

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Freehold and leasehold Properties

45. $\begin{pmatrix} a_1 & a_2 & \cdots & a_n \\ b_1 & b_2 & \cdots & b_n \end{pmatrix} \begin{bmatrix} 1 \\ 0 \\ \vdots \\ 0 \end{bmatrix}$.

47. None of the Properties is:

47.2. situated in a conservation area;

47.4. in an area liable to flooding.

[illegible][illegible][illegible][illegible][illegible][illegible]

[illegible][illegible][illegible][illegible][illegible][illegible]

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Schedule5: Pension scheme

Schedule6: Press release

[Set down the text you have agreed.]

Explanatory notes:

Sale agreement: trading or retail business

General notes

[illegible]

1. Who is the named seller?

[illegible]

2. The Guarantee

[illegible]

For a company, the guarantors should be the directors or controlling shareholders. For a private individual, insist on a spouse, life partner ■ ■ ■ ■
■ ■ ■ ■ . ■ ■ ■ ■ ■ ■ ■ ■ , ■ ■ ■ ■ ■ ■ ■ ■ .

If the seller is just one individual, he may be prepared to become bankrupt after having transferred assets to a spouse. So you ■■■■■■■■■■
■■■■■■■■■■.

[illegible]

3. Advantage to the buyer

[illegible]

4. Warranties and disclosure letter

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

5. Disclosure letter to be worked up

[illegible]

6. Real property references

[illegible]

7. Use a solicitor for conveyancing

[illegible]

8. Initial extra pages

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

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.

[illegible]

•

But if you do change any defined word, make sure it applies to every capitalised use ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ .

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 ■ ■ ■ ■

■■■■■■■■.

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. ■ ■ ■ ■ ■

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

[illegible]

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

[illegible]

You can access more information at:

12. Stocks

13. Debtors

14. Creditors and liabilities

15. Goods and Services Tax (GST)

16. Warranties by the Seller

[illegible]

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, _____

_____, _____
_____.



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

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

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

Schedule 1, part 1:

[illegible]

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 
6. We have provided for a witness,  .

Schedule 1, part 2:

Leasehold property: we have provided a full ■■■■■■■■■■, ■■■■
■■■■■■■■■■■■■■■■■■.

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 tenant in common, not a tenant by the entirety, and the seller is not bound by the lease.

Schedule 2 : Assets

List assets to be sold

Schedule 3 : Excluded Assets

List excluded assets

Schedule 4 : Warranties:

Note: matters relating to warranties

[illegible]

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 is “**What is the task?**”

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
 , (.....)
 , 60

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 ■■■■. ■■
■■■■■■■■■■■
■■■■■■■■■■■
, ■■■■■■■■■■. ■■■■■■■■■■
■■■, ■■■■■■■■■■.

Warranties - 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 ■■■■■■■■■■
■■ “■■■■■” ■■■■■■■■■■
; ■■■■

- [illegible]

Warranties - buyer's response

[illegible]

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

_____ , _____ , _____ , _____

_____ . _____

_____ . _____

_____ . _____

_____ “ _____ ” _____ , _____

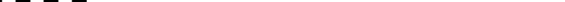
_____ .

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.

“ ” “

[illegible][illegible]
















































































































These are very  .
 .

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

[illegible]

We have no comment.

Freehold and leasehold Properties

Most of these items cover the facts that would be                                                                                                               

Intellectual Property

[illegible]

Information technology (“IT”)

[illegible]

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