

## **Business sale agreement: motor repair garage or service station**

**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 to the Buyer 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. Publicity / Announcements
21. Damages not adequate
22. Miscellaneous matters
  - Schedule 1: Leasehold Property
  - Schedule 2: Assets
  - Schedule 3: Excluded Assets
  - Schedule 4:
    - Warranties
    - General
    - Accounts
    - Assets
    - Trading and contracts
    - Employees
    - Leasehold Properties
    - Information technology ("IT")

# **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 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*

**It is now agreed as follows:**

## 1. Definitions

## **2. Corporate seller provisions**

### **3. Interpretation**

## 4. Entire agreement



## **5. Buyer's acknowledgment of inspection**

The Buyer admits that:

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

## 6. Agreement for sale

- 6.1 Subject to the terms of this agreement, [REDACTED]  
[REDACTED]  
[REDACTED]:
- 6.1.1 the Business as a going concern;
  - 6.1.2 the Leasehold Property;
  - 6.1.3 the Assets;
  - 6.1.4 the Stocks;
  - 6.1.5 the benefit of the Contracts;
  - 6.1.6 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] 1.

## 7. Transfer of Contracts

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

- 7.1 enter into any novation agreement.
- 7.2 provide information about [REDACTED]  
[REDACTED] [REDACTED].
- 7.3 immediately tell the [REDACTED]  
[REDACTED].

## **8. The Price**

- 8.1 The Price for the Business shall [REDACTED]  
[REDACTED]  
[REDACTED]:
- |   |                      |
|---|----------------------|
| Goodwill  | \$ [REDACTED]        |
| Leasehold Properties                                | \$ [REDACTED]        |
| Assets  | \$ [REDACTED]        |
| Contracts and all other property, Assets and rights | Nil                  |
| The Stocks  | To be ascertained    |
| <b>Total Price [excluding Stock]</b>                | <b>\$ [REDACTED]</b> |
- 8.2 The Price shall be paid as follows:
- 8.2.1 as to \$ [amount], by banker's draft / [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].
- 8.2.2 as to the [REDACTED], [REDACTED]  
[REDACTED].
- 8.3 If the assignment of the Lease cannot be completed today, [REDACTED]  
[REDACTED] / [REDACTED]  
[REDACTED] \$ [REDACTED] [REDACTED]  
[REDACTED].

## **9. Items to be delivered to the Buyer at completion**

- The Seller shall handover to the Buyer or otherwise [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED], [REDACTED]:
- 9.1 whatever the [REDACTED]  
[REDACTED];
- 9.2 all books [REDACTED], [REDACTED];
- 9.3 all information and records relating to customers and suppliers,  
including a list of all the [REDACTED] [REDACTED]  
[REDACTED] [REDACTED], [REDACTED]

- 9.4 complete records relating to Employees, [ 6 ].

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

9.6 assignment of the leasehold Property *[unless]* [ ];

9.7 marketing material of every sort in any medium;

9.8 all other [ ].

## 10. Completion

## **11. Transfer of Employees**



## 12. Stocks

- 12.1 For the purpose of [REDACTED], [REDACTED]  
[REDACTED] \$ [REDACTED].

OR



## **13. Debtors**

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

## **14. Creditors and liabilities**



QR

.....



## **15. Goods and Services Tax (GST)**



## **16. Warranties by the Seller**

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

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

*OR*

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

## 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], [REDACTED], [REDACTED]  
[REDACTED] \$ [10,000]. [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED].

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

## 18. Future activities

In order to give the [REDACTED]  
[REDACTED], [REDACTED]:

18.1 for a period of [2] years after today's date without the Buyer's prior  
written consent [REDACTED] [3] [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED]  
[REDACTED];

- 18.2 within [three years] of today, make or sell any product or service which competes with any [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].
- 18.3 within [three years] of today, employ or provide work [REDACTED]  
[REDACTED],  
[REDACTED]  
[REDACTED].
- 18.4 trade under any name [REDACTED]  
[REDACTED].

## 19. The Guarantee

- 19.1 [Each of] [REDACTED]  
[REDACTED]:
- 19.1.1 that every statement, [REDACTED]  
[REDACTED];
- 19.1.2 that he will procure [REDACTED]  
[REDACTED];
- 19.1.3 that he will indemnify the Buyer against all [REDACTED], [REDACTED]  
[REDACTED]  
[REDACTED];
- 19.2 [Each of] The Guarantor accepts that compliance by the [REDACTED]  
[REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED].
- 19.3 [Each of] The Guarantor accepts that the Buyer is [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].
- 19.4 This guarantee is limited to:
- 19.4.1 the sum of [sum] in total;
- 19.4.2 claims notified to [REDACTED] [REDACTED]  
[REDACTED].

## **20. Publicity / Announcements**

OR

## 20.2 No party shall:

20.2.1 make any public announcement; or

20.2.2 disclose any information; or

20.2.3

A decorative horizontal separator at the bottom of the page, consisting of three rows of black squares arranged in a grid pattern.

..... , .....  
.....  
.....  
.....

## **21. Damages not adequate**

## 22. Miscellaneous matters

- 22.2 [REDACTED]
- 22.3 [REDACTED], [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED].
- 22.4 [REDACTED]  
[REDACTED]  
[REDACTED], [REDACTED], [REDACTED]  
[REDACTED], [REDACTED], [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED]  
[REDACTED].
- 22.5 [REDACTED]  
[REDACTED]  
[REDACTED].
- 22.6 [REDACTED]  
[REDACTED]  
.
- 22.7 [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED]  
[REDACTED].
- 22.8 [REDACTED]  
[REDACTED].
- 22.9 [REDACTED]  
[REDACTED]  
[REDACTED]  
- [REDACTED].

1. It shall be deemed to have been delivered:

2. [REDACTED];
3. [REDACTED]

4. [REDACTED] - [REDACTED] 24 [REDACTED]  
[REDACTED] . [REDACTED]  
[REDACTED] . [REDACTED] ( [REDACTED]  
[REDACTED] ) [REDACTED]  
[REDACTED].

**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** [Seller name in full]

AND

**Signed by** [Buyer name in full]

AND

**Signed by** [Guarantor]

## Schedule 1: Leasehold Property

[REDACTED]  
[REDACTED]  
[REDACTED] 50 [REDACTED].

[REDACTED], [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED]

1. [REDACTED]  
[REDACTED]  
[REDACTED].

2. [REDACTED] [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].

3. [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED], [REDACTED],  
[REDACTED].

4. [REDACTED]  
[REDACTED].

*OR*

5. [REDACTED] \$[REDACTED] [REDACTED], [REDACTED]  
[REDACTED]  
[REDACTED].

6. [REDACTED], [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED], [REDACTED].

7. [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED].

*OR*

8. [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED].
- AND
9. [REDACTED], [REDACTED]  
[REDACTED]  
[REDACTED]:
- 9.1 [REDACTED]  
[REDACTED];
- 9.2 [REDACTED]  
[REDACTED];
- 9.3 [REDACTED]  
[REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED].
- 9.4 [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].
- 9.5 [REDACTED], [REDACTED]  
[REDACTED], [REDACTED] [7 [REDACTED]] [REDACTED]  
[REDACTED].
- 9.6 [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED]  
[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

**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

1. ██████████  
██████████.
2. ██████████, ██████████  
██████████, ██████████, ██████████,  
██████████.
3. ██████████  
██████████, ██████████.
4. ██████████, ██████████, ██████████  
██████████.
5. ██████████, ██████████  
██████████, ██████████, ██████████, ██████████  
██████████  
██████████.
6. ██████████  
██████████, ██████████  
██████████, ██████████.
7. ██████████  
██████████  
██████████ [ ███████ ] ██████████  
██████████, ██████████.  
██████████.

### Accounts

8. ██████████  
██████████ [ ███████ ] ██████████  
██████████.
9. ██████████  
█ [ ██████████ ].

10. The Accounts:

10.1. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED];

10.2. [REDACTED], [REDACTED]  
[REDACTED];

10.3. [REDACTED] 1993,  
[REDACTED];

11. [REDACTED]  
[REDACTED]:

its purchase price;

its net realisable value.

12. [REDACTED]  
[REDACTED]  
[REDACTED].

13. [REDACTED]  
[REDACTED]; [REDACTED]

13.1. [REDACTED]  
[REDACTED];

13.2. [REDACTED]  
[REDACTED]  
[REDACTED].

13.3. [REDACTED]  
[REDACTED].

14. [REDACTED]  
[REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED].  
[REDACTED]  
[REDACTED].

## **Assets**

15. All Assets:

15.1. are transferred by this agreement and

- 15.2. [REDACTED], [REDACTED]  
[REDACTED];
- 15.3. [REDACTED]  
[REDACTED];
16. [REDACTED]  
■ [REDACTED] \$ [REDACTED])  
■ [REDACTED]  
■ ■ .

### **Trading and contracts**

17. [REDACTED]  
■ [REDACTED].
18. [REDACTED]  
■ [REDACTED]  
■ ■ .
19. ■ [REDACTED] [25] ■ [REDACTED]  
■ [REDACTED]  
■ [REDACTED] [25] ■ [REDACTED]  
■ [REDACTED].
20. ■ [REDACTED] [REDACTED] ■ [REDACTED], ■ [REDACTED]  
■ [REDACTED].
21. ■ [REDACTED] ■ [REDACTED] [REDACTED] [REDACTED]  
■ ■ ].
22. ■ [REDACTED], ■ [REDACTED], ■ [REDACTED]  
■ [REDACTED], ■ [REDACTED]  
■ [REDACTED]  
■ [REDACTED].
23. ■ [REDACTED]  
■ [REDACTED], ■ [REDACTED]  
■ [REDACTED]  
■ [REDACTED].
24. ■ [REDACTED]  
■ [REDACTED]  
■ [REDACTED]  
■ ■ .

25. [REDACTED]  
[REDACTED]  
[REDACTED].

## **Employees**

26. The Disclosure Letter contains for each Employee:
- 26.1. an employment history;
  - 26.2. a curriculum vitae;
  - 26.3. terms of employment;
  - 26.4. non-contractual matters and informal arrangements.

27. [REDACTED]  
[REDACTED].

28. [REDACTED]  
[REDACTED] [REDACTED]  
[REDACTED].

29. [REDACTED] \$ [REDACTED]  
[REDACTED].

30. The Seller is involved in no employment dispute.

31. [REDACTED]  
[REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].

32. [REDACTED], [REDACTED], [REDACTED]  
[REDACTED]  
[REDACTED], [REDACTED].

33. [REDACTED]  
[REDACTED].

## **Leasehold Property**

34. [REDACTED]  
[REDACTED].
35. [REDACTED]  
[REDACTED].

## **Information technology (“IT”)**

12 ■

1

## **End of Warranties**

## Schedule5: Press release

*[Set down the text you have agreed].*

## Explanatory notes:

## **Business sale agreement: motor repair garage or service station**

## General notes

## 1. Who is the named seller?

## **2. The Guarantee**

### **3. Advantage to the buyer**

#### **4. Warranties and disclosure letter**

## **5. Disclosure letter to be worked up**

## **6. Property lease references**

## 7. Initial extra pages

## Paragraph specific notes

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

## 1. Definitions

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

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

## **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

It may be important to specify prices ■ ■ ■ ■ ■ ■ ■ ■ :

Goodwill

## Leasehold property

## Assets

# Intellectual Property

#### **Stock for sale or manufacture**

#### **9. Items to be delivered at completion**

The necessity to transfer rights and contracts with third party suppliers may cause problems. 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 [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

## 10. 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

## **11. Employees transferred**

You can access more information at:

## 12. Stocks

### **13. Debtors**

## **14. Creditors and liabilities**

## **15. Goods and Services Tax (GST)**

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



## **16. Warranties by the Seller**

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 possible.

### **17. Limitation of Seller's liability**

## **18. Future activities**

## **19. The Guarantee**

## **20. Publicity / Announcements**

Edit or delete.

#### **21. Damages not adequate**

## **22. Miscellaneous matters**

## **Schedule 1:Leasehold property**

## Schedule 2: Assets

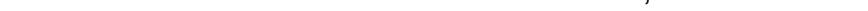
## List assets to be sold

### 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. They are simpler than you thought! Here now is an  ,  .

## **Warranties - the inside-out promises**

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 ██████████ .

*Suppose the seller warrants:*

The reply to this [REDACTED]

..... , .....

### **Warranties - seller's tactics**

The “task” of the seller is essentially to provide full and truthful information and to   
  
  
  
“

## **Warranties - 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.

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

## **Warranties: drafting notes continued**

## General

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].

## Accounts

## Assets

## **Trading and Contracts**

## **Employees**

Despite these extensive [REDACTED], [REDACTED]  
[REDACTED].

## **Leasehold Property**

## Information technology (“IT”)

## Schedule 5: Press release

Provide text or delete if not required

## End of notes