

ZA-COMbsl02

Sale agreement: manufacturing business

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"Disclosures"	means the disclosures set out in a disclosure letter of today's date from the [REDACTED].
"Distributor"	means a third party who has contracted to assist in some way with the sale of [REDACTED] / [REDACTED], [REDACTED].
"Domain Name"	means any or all of the [REDACTED]: [name].com [name2].com [name3].co.za
"Employees"	means people who are employed by the Seller for [REDACTED].
"Excluded Assets"	means the Assets listed in Schedule 3 which are owned by the Seller but [REDACTED].
"Fixed Assets"	means all plant, machinery, tools, equipment and vehicles owned by the Seller for the [REDACTED] 2.
"Goodwill"	means the goodwill in relation to the Business, being goodwill of the Seller until [REDACTED].
"Intellectual Property"	means all intellectual property owned by the Seller and used in the Business, including intellectual property of every sort, whether or not registered or registrable in any country, including intellectual property of kinds coming into existence after today; and including, [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED].
"ISP"	means the Internet service provider; that is any provider of any service in [REDACTED].
"Lease"	Means the lease or leases under which the Property, [or [REDACTED], [REDACTED].
"Payment Service Provider"	means the banking intermediary who provides the service of transferring money from the Website [REDACTED].
"Party"	means a party to this Agreement and "Parties" [REDACTED].
"Price"	means the price to be paid for the Business [REDACTED].

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7.4. Unless the debtor shows a contrary intention when making payment,
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.....,
.....

7.5. The Seller may inspect the books of the Buyer
..... 12
.....

8. Creditors and Liabilities

8.1. The Seller shall immediately discharge all the debts of the
.....,
.....
.....

8.2. The Seller shall remain liable for all claims by third parties in respect of
any goods or services supplied by the Seller or any act or omission of
the Seller prior to ,
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8.3. After today, the Buyer must discharge the outstanding obligations and
liabilities of the Seller under the Contracts,
.....
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.....

8.4. The Buyer shall not be liable for any breach of any contract by the
.....
.....,
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.....

9. Value Added Tax (VAT)

9.1. The Parties shall procure that the sale of the Business ■■■■■■■■■■
 ■■■■■■■■■■
 ■■■■■■■■■■ .

9.2. The Seller shall immediately deliver to the ■■■■■■■■■■
 ■■■■■■■■■■
 ■■■■■■■■■■ .

9.3. The Buyer shall for a period of not less than 6 years from ■■■■■■■■■■
 ■■■■■■■■■■
 ■■■■■■■■■■ , ■■■■■■■■■■ , ■■■■■■■■■■
 ■■■■■■■■■■ .

10. Warranties by the Seller

The seller warrants to the buyer that:

10.1. If more than one person constitute the ■■■■ , ■■■■■■■■■■
 ■■■■■■■■■■
 ■■■■■■■■■■ ;

10.2. The warranties set ■■■■■■■■■■ 4 ■■■■■■■■■■
 ■■■■ ;

10.3. The disclosures are true, accurate and comprehensive;

10.4. Where any warranty refers to the knowledge, information ■■■■■■■■■■
 ■■■■■■■■■■ , ■■■■■■■■■■
 ■■■■■■■■■■
 ■■ .

10.5. The seller agrees to indemnify the buyer against all costs claims and ■
 ■■■■■■■■■■
 ■■■■■■■■■■
 ■■■■■■■■■■
 ■■■■ .

11. Future Activities

In order to give the ■■■■■■■■■■
 ■■■■■■■■■■ , ■■■■■■■■■■ :

14.3. No waiver by a Party, in exercising any right shall operate as a [REDACTED]
[REDACTED]
[REDACTED]; [REDACTED]
[REDACTED].

14.4. If any term in this Agreement is at any time held by any jurisdiction to be void, invalid or unenforceable, then it shall be treated as [REDACTED]
[REDACTED], [REDACTED]
[REDACTED]
[REDACTED]. [REDACTED]
[REDACTED], [REDACTED]
[REDACTED].

14.5. Contracts with Employees:

14.5.1 The parties agree that with effect from the date hereof, the employees shall [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

14.5.2 The seller agrees to indemnify and hold the [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

14.6. In the event of a dispute arising out of or in connection with [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

14.7. This Agreement binds [REDACTED]
[REDACTED].

14.8. This Agreement shall be interpreted according to the [REDACTED]
[REDACTED]
[REDACTED].

Signed by [\[personal name\]](#), duly authorized for the Seller

Witness to signature: name:

Address

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

Witness to signature: name:

Address

Signed by [personal name], the Guarantor

Witness to signature: name:

Address

9. Until the consent of the Landlord has been obtained, [REDACTED]
[REDACTED]
[REDACTED] :

9.1. he is [REDACTED] ;

9.2. the licence fee [REDACTED]
[REDACTED] ;

9.3. the Buyer will observe all the covenants in the lease and generally
comply [REDACTED]
[REDACTED]
[REDACTED] , [REDACTED] - [REDACTED] - [REDACTED]
[REDACTED] .

9.4. the Buyer will be liable for third party public [REDACTED]
[REDACTED]
[REDACTED] .

9.5. The assignment of the Lease, in the [REDACTED] ,
[REDACTED] 7 [REDACTED]
[REDACTED] .

9.6. [REDACTED]
[REDACTED] , [REDACTED]
[REDACTED]
[REDACTED] , [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] .

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

Witness to signature: name:

Address

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

Witness to signature: name:

Address

Signed by [personal name], the Guarantor

Witness to signature: name:

Address

Schedule 2 - Fixed Assets

[List fixed assets]

Schedule 3 - Excluded Assets

[List excluded assets]

Schedule 4 - Warranties

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

Assets

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2.,, ..
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3.
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4.
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5. 2
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6.,,
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 - 6.1.
.....;
 - 6.2. have been regularly and properly maintained;
 - 6.3.
.....;
 - 6.4. (.....
.....) [.....
.....] 6

Stocks

7.
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8.
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30.
..... (.....)
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31.
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32.,
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Insurance

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34.
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35.
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Joint Ventures and Partnerships

36. The Seller:

36.1.
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36.2.
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36.3.,
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Statutory restrictions

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40. ,
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Litigation

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Seller's activities

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43. (.....)
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Properties

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Warranties work like this: I am a seller. You produce an agreement. In that agreement, (.....)
..... 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 have written in to the agreement. I then qualify them in the letter, so as to make them true. I do this by providing the information which then
.....
..... “ ”.
....., (.....)
.....

In that way, before he can sue you, the buyer has to prove not merely that the warranty is breached, but that you knew it was wrong
.....
.....
.....:

“Where any Warranty refers to the knowledge, information or belief of the Seller, he undertakes that it has made
.....”
.....,
.....!

Suppose the Seller warrants:

“Neither the Seller nor any of its shareholders has any interest, directly or indirectly, in any ”

The reply to this warranty above could also be that

Now, finally, let us suppose the warranty had not been in the draft agreement at all. This is what would have happened: I sell to you. My dear old mum steps in and makes the peace between me and my brother and in five minutes I am in there
.....
.....
.....,
.....

.....

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 attorney, you will have to decide whether this creates an unlevelled playing field. “ ” ” “ ”. !

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

Warranties: drafting notes continued

General

The warranties have been widely drawn so that they are likely to cover a buyer’s , -

Assets

The most important answers sought here are as

.....!

Stocks

The quality and saleability of stock is the area where most arguments later arise. It is very easy for a seller to hide un-saleable stock or fail to
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Accounts

The basis of valuation of the business is
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Suppliers and customers

Of course they have! The purpose of these warranties is
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....."

Licenses, consents and passwords

In any business which has been operating for more than a few years,
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Seller's activities

This section is particularly important if the seller is a company. There are circumstances where
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Contracts

Particular care should be taken with major contracts which could affect the viability of

