

State of \_\_\_\_\_

# BUSINESS PURCHASE AGREEMENT

This Business Purchase Agreement (the "Agreement") is made effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "Effective Date") by and among:

Seller(s): \_\_\_\_\_ (collectively referred to as the "Seller") and

Buyer(s): \_\_\_\_\_ (collectively referred to as the "Buyer").

WHEREAS, the Seller owns and operates a business identified as \_\_\_\_\_ [Business name], a \_\_\_\_\_ [State]: (Please check one)

- |                                                    |                                                        |
|----------------------------------------------------|--------------------------------------------------------|
| <input type="checkbox"/> Corporation               | <input type="checkbox"/> Partnership                   |
| <input type="checkbox"/> Sole proprietorship       | <input type="checkbox"/> Limited partnership           |
| <input type="checkbox"/> Limited liability company | <input type="checkbox"/> Limited liability partnership |

situated at \_\_\_\_\_ [Address], which engages in the business of: \_\_\_\_\_ [Description] (the "Business"); and

WHEREAS, both parties intend for the Seller to sell the Business to the Buyer at the price, terms, and conditions specified below, along with any attached documents and exhibits, if applicable.

NOW, THEREFORE, in light of the reasons stated and in consideration of the mutual promises and agreements of the parties involved, the Seller and the Buyer hereby agree as follows:

1. Sale of Business. Under the terms and conditions outlined in this Agreement, the Seller agrees to sell, assign, transfer, convey, and deliver to the Buyer, who agrees to purchase and acquire from the Seller, all rights, title, and interests that the Seller holds in the Business, including: (Please check one)

- ☐ The assets detailed in Exhibit A attached hereto.
- ☐ ALL inventory, receivables, equipment, patents, trademarks, licenses, business records, goodwill, going concern, and other assets of the Business, whether tangible or intangible.
- ☐ The following assets only: (Please check all that apply)
- ☐ (a) Cash. Cash and cash equivalents of the Business available on hand or in financial institutions.
- ☐ (b) Receivables. Accounts receivable, notes receivable, and other amounts owed to the Business.
- ☐ (c) Inventory. All inventory and works in progress, regardless of location.

- ☐ (d) Intellectual Property: This includes all intellectual property associated with the Business, such as patents, copyrights, trade secrets, know-how, trademarks, software, and any other content created for the Business.
- ☐ (e) Goodwill: The goodwill and ongoing reputation of the Seller concerning the Business.
- ☐ (f) Licenses and Permits: All transferable licenses, permits, approvals, registrations, certificates, and other authorizations pertinent to the Business.
- ☐ (g) Contracts and Other Agreements: All contracts and agreements, including leases, supply contracts, purchase orders, and other third-party contracts essential for the operation of the Business.
- ☐ (h) Books and Records: All books, records, surveys, ledgers, files, documents, lists, reports, and other related materials and data associated with the Business.
- ☐ (i) Prepayments: All prepaid expenses incurred by the Business.
- ☐ (j) Equipment and Fixtures: All equipment, fixtures, and other tangible assets belonging to the Business.
- ☐ (k) Real Property: All real estate owned by the Business, including buildings, fixtures, structures, signage, and improvements.
- ☐ (l) Insurance: All insurance policies of the Business along with any claims, refunds, or proceeds related to them.
- ☐ (m) Tax Refunds: All refunds or claims for any federal, state, local, or foreign taxes paid by the Business.
- ☐ (n) Subsidiaries and Investments: All membership or equity interests in any subsidiary, joint venture, or other investments held by the Business.
- ☐ (o) Personnel Records: All personnel records and files pertaining to employees of the Business.
- ☐ (p) Claims or Rights: All claims, causes of action, or rights of recovery associated with the Business.
- ☐ (r) Other: \_\_\_\_\_

2. Excluded Assets. Notwithstanding any provisions to the contrary in this Agreement, the Seller shall not sell, assign, transfer, convey, or deliver to the Buyer the following assets: (Please check one)

- ☐ Not applicable.
- ☐ Assets listed in Exhibit B attached hereto.
- ☐ Excluded Assets: \_\_\_\_\_

3. Assumed Liabilities. Unless otherwise stated in this document, the Buyer agrees to assume and take responsibility for: (Please check one)

- ☐ The liabilities listed in Exhibit C attached hereto.
- ☐ ALL current liabilities incurred by the Seller related to the Business.
- ☐ The following liabilities only: (Please check all that apply)
- ☐ (a) Accounts Payable. All accounts payable of the Business.
- ☐ (b) Accrued Payroll. All accrued payroll owed to employees of the Business or any amounts owed concerning employee benefit plans.
- ☐ (c) Employee-Related Expenses. All liabilities related to employees, including severance or costs linked to employee termination.
- ☐ (d) Tax Payable. Any taxes or liabilities associated with the Business or its ownership.
- ☐ (e) Environmental Liabilities. All obligations and liabilities regarding environmental laws or regulations.

- ☐ (f) Contractual Obligations. All duties and responsibilities associated with the contracts and agreements involved in the sale of the Business.
- ☐ (g) Accrued Other Business Expenses. All other current liabilities and expenses related to the Business.
- ☐ (h) Other:
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4. Excluded Liabilities. Notwithstanding any provisions to the contrary in this Agreement, the Buyer will not assume or be responsible for: (Select one)

- ☐ Not applicable.
- ☐ Any liabilities associated with excluded assets, in addition to the liabilities detailed in Exhibit D attached hereto.
- ☐ Any liabilities related to excluded assets, in addition to the following liabilities:
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5. Purchase Price. The Buyer will pay the Seller a total purchase price for the sale of the business amounting to \$\_\_\_\_\_ (the "Purchase Price"), to be paid via wire transfer: (Select one)

- ☐ At the time of closing.
- ☐ Including a deposit as outlined below:

- (a) \$\_\_\_\_\_ at or before signing this Agreement, which amount shall be held in escrow and applied to the Purchase Price at the time of closing; and
- (b) The remaining balance at the time of closing, subject to any adjustments specified in other sections of this Agreement.

6. Allocation of Purchase Price. The Purchase Price will be allocated in compliance with Internal Revenue Code §1060: (Select one)

- ☐ As mutually agreed by the parties within thirty (30) days following the closing date.
- ☐ As follows:

| Asset | Value    |
|-------|----------|
|       | \$ _____ |
|       | \$ _____ |
|       | \$ _____ |
|       | \$ _____ |
|       | \$ _____ |
|       | \$ _____ |
|       | \$ _____ |

7. Adjustments at Closing. (Check one)

- ☐ Not applicable.
- ☐ Adjustments shall be made at the time of closing as follows: \_\_\_\_\_
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8. Closing Date. The sale and transfer of assets, as well as the closing under this Agreement, will occur on \_\_\_\_\_, 20\_\_\_\_ (the "Closing"). At that time, the Seller will provide possession of the tangible property and all assets included in the sale to the Buyer, along with any necessary instruments and documents required to transfer the Business and assets. The Seller will also execute and deliver all appropriate papers and instruments for filing, essential for transferring ownership of the trade name to the Buyer, and will subsequently refrain from using that name for any reason. Once the delivery is completed to the Buyer and the Seller receives the remaining balance of the Purchase Price, the sale from Seller to Buyer will be finalized and effective, granting the Buyer ownership and possession of the Business and its assets.

9. Seller's Representations and Warranties. The Seller represents and warrants that:  
(Check all that apply)

- ☐ (a) The Seller is duly organized and qualified, existing validly and in good standing in accordance with the laws of its state of formation.
- ☐ (b) The Seller possesses the necessary power and authority to enter into and fulfill the obligations of this Agreement.
- ☐ (c) The Seller owns and holds good and marketable title to the property involved in this sale, free from all transfer or assignment restrictions and encumbrances, except as outlined in this Agreement.
- ☐ (d) The Seller is not obligated to obtain any consents, approvals, or authorizations from any governmental authority to execute, deliver, and fulfill its responsibilities under this Agreement.
- ☐ (e) The execution and delivery of this Agreement by the Seller will not create any conflicts or violations of any material agreements to which the Seller is a party or result in a lien against the Business.
- ☐ (f) There are no ongoing or threatened proceedings, judgments, or liens against the Seller or the Business.
- ☐ (g) The Seller has adhered to all relevant federal, state, and local statutes, laws, and regulations affecting its properties or business operations, and has received no notices of violations or citations from governmental agencies.
- ☐ (h) The Seller has not entered into any contracts to sell, pledge, or mortgage any part of the Business.
- ☐ (i) The Seller possesses all necessary licenses and permits required to operate the Business.
- ☐ (j) The Seller has paid all applicable taxes, including federal, state, and local.
- ☐ (k) The Seller maintains a general liability and casualty insurance policy in effect with amounts consistent with those carried by similar companies.
- ☐ (l) The Seller has provided the Buyer with true, complete, and accurate information and documents regarding the Business, with no information containing untrue material facts or omitting to state any material facts.

10. Buyer's Representations and Warranties. The Buyer represents and warrants that:  
(Check all that apply)

- ☐ (a) The Buyer is duly organized and qualified, existing validly and in good standing in accordance with the laws of its state of formation.
- ☐ (b) The Buyer has the necessary power and authority to enter into and fulfill the obligations of this Agreement.

- ☐ (c) The Buyer is not obligated to obtain any consents, approvals, or authorizations from any governmental authority to execute, deliver, and fulfill its responsibilities under this Agreement.
- ☐ (d) There are no ongoing or threatened proceedings, judgments, or liens against the Buyer that could impact or delay its acquisition of the Business.
- ☐ (e) The execution and delivery of this Agreement by the Buyer will not create any conflict or lead to a violation or default of any significant agreements to which the Buyer is currently a party.
- ☐ (f) The Buyer acknowledges that the Seller is providing no additional representations or warranties beyond what is stated in this Agreement.

11. Covenants. Between the signing of this Agreement and the Closing date:

- (a) The Buyer shall have the right, at their own expense, to inspect or have inspected by a certified public accountant or other financial expert, the books and records of the Business at any reasonable time before the Closing.
- (b) The Seller will continue to operate the Business in a typical and ordinary manner and will refrain from entering into any contracts except those required in the normal course of business.
- (c) The Seller shall not remove or allow the removal of any Business inventory, except in cases of ordinary sales or returns to suppliers for credit.
- (d) The Seller is responsible for paying all taxes, whether federal, state, or local.
- (e) The Seller will not take any action that could lead to a violation or breach of any contracts related to the Business.
- (f) The Seller will not raise the salary or commissions of any employee, agent, or representative of the business.

12. Conditions Precedent. (Check one)

- ☐ Not applicable.
- ☐ The Closing is contingent upon the fulfillment of the following conditions on or before the Closing date:

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13. Covenant Not to Compete. (Check one)

- ☐ Not applicable.
- ☐ The Seller agrees to a non-compete clause.

(a) The Seller shall not participate in any business similar to this transaction in any capacity—whether directly or indirectly—as a principal, agent, manager, owner, partner, employee, officer, director, or stockholder of any company. The Seller will also refrain from becoming financially or otherwise involved in any business, trade, or occupation that competes with the sold business within a radius of \_\_\_\_\_ miles from the City of \_\_\_\_\_, for a period of \_\_\_\_\_ ☐ months ☐ years following the closing date, or for as long as the Buyer or their successors continue to operate a similar business, whichever comes first. The parties acknowledge that this provision is a fundamental aspect of this Agreement and is crucial to the sale and purchase of the Seller's business. For the purposes of this Agreement, "business similar to that involved in this transaction" encompasses the following:

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(b) (Check if applicable, strike out if not) ☐ The parties agree that the Buyer has the right to assign this restrictive covenant if the Buyer sells the business, and the Seller agrees to remain bound by the covenant in relation to any subsequent purchases made by the Buyer.

(c) The Seller shall pay the sum of \$\_\_\_\_\_ to the Buyer for each week during which the Seller breaches or violates the non-compete restrictive covenant outlined herein. The Buyer's acceptance of such payments each week does not waive or release the Buyer's rights to seek further violations by pursuing equitable relief in a court of law.

**Notices.** All notifications under this Agreement must be in writing. A notice is effective upon receipt and may be sent through one of the following methods: personal delivery, overnight courier service, certified or registered mail, postage prepaid, with return receipt requested, addressed to the party being notified at the address provided by either party with reasonable notice to the other.

**Amendment.** This Agreement can only be amended or modified through a written agreement signed by both parties.

**Survival of Terms.** All covenants, warranties, and representations contained herein shall survive this Agreement and the closing date.

**Binding Effect.** This Agreement shall be binding upon and benefit the parties and their successors and assigns. Neither party may assign its rights or delegate its duties under this Agreement without the prior written consent of the other party.

**Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_, without consideration of the principles of conflict of laws.

**Disputes.** Any dispute arising from this Agreement shall be resolved through:

☐ Court litigation. Disputes shall be handled in the courts of the State of \_\_\_\_\_. Each party waives any objections regarding the venue for any such suit, action, or proceeding in that court.

(Check if applicable, strike out if not)

☐ If either party initiates legal action to enforce its rights under this Agreement, the prevailing party shall be entitled to recover expenses (including reasonable attorneys' fees) incurred in connection with the action and any appeal.

☐ Binding arbitration. Binding arbitration will be conducted in accordance with the rules of the American Arbitration Association.

☐ Mediation.

☐ Mediation, then binding arbitration. If mediation does not resolve the dispute, it will be settled through binding arbitration in accordance with the rules of the American Arbitration Association.

22. Counterparts. This Agreement may be signed in multiple counterparts, each of which will be considered an original, and together they will form a single cohesive document.

23. Headings. The headings of the sections in this Agreement are intended for reference only and will not influence the meaning, construction, or interpretation of any provisions contained within.

24. No Waiver. No Party shall be regarded as having waived any provision of this Agreement or the exercise of any rights under it unless such waiver is explicitly stated in writing.

25. Severability. Should any provision of this Agreement be deemed invalid, illegal, or unenforceable in whole or in part, the remaining provisions will still remain valid, legal, and enforceable as if the invalid, illegal, or unenforceable portion had never been included.

26. Entire Agreement. This Agreement, along with its attachments and any related documents, constitutes the complete agreement between the parties, superseding any prior representations, warranties, covenants, or conditions, except those expressly stated herein or in associated materials.

27.

**Miscellaneous.**

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**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first written above.

|                         |                         |
|-------------------------|-------------------------|
| <hr/>                   | <hr/>                   |
| <b>Seller Signature</b> | <b>Seller Full Name</b> |
| <br><hr/>               | <br><hr/>               |
| <b>Seller Signature</b> | <b>Seller Full Name</b> |
| <br><hr/>               | <br><hr/>               |
| <b>Buyer Signature</b>  | <b>Buyer Full Name</b>  |
| <br><hr/>               | <br><hr/>               |
| <b>Buyer Signature</b>  | <b>Buyer Full Name</b>  |

## **EXHIBIT A**

## **EXHIBIT B**

## EXHIBIT C

## **EXHIBIT D**