# General Form of Agreement for Sale of Business by Sole Proprietor -- Asset Purchase Agreement

Agreement made on the ***(date)***, between

***(Name of Buyer)*** of

***(street address, city, county, state, zip code)***, referred to herein as ***Buyer***, and ***(Name of Seller)***, d/b/a ***(Name of Business)*** located at

***(street address, city, county, state, zip code)***, referred to herein as ***Seller***.

Whereas, *Seller* now owns and conducts a ***(type of business)*** business by the name of ***(Name of Business)*** at the address above set forth; and

Whereas, *Seller* desires to sell and *Buyer* desires to buy the Business for the price and on the terms and conditions set forth below.

Now, therefore, for and in consideration of the mutual covenants contained in this agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

# Sale of Business

*Seller* shall sell to *Buyer*, free from all liabilities and encumbrances, *Seller*'s above- described business, including the premises located at the address set forth above, and all other assets listed and as more specifically set forth in the attached **Schedule A**, which is incorporated by reference.

# Consideration

In consideration for the transfer of the above-described Business from *Seller* to *Buyer*, *Buyer* shall pay to *Seller* $ , which *Seller* shall accept from *Buyer* in full payment for the Business, subject to the terms and conditions contained in this Agreement.

# Allocation of Purchase Price

The purchase price of $ shall be allocated to the various assets of the business as follows:

* 1. The premises at

## (street address, city, county, state, zip code): $ ;

* 1. Equipment, furniture, and fixtures: $ .
  2. Good will: $ .
  3. Stock in trade on premises or to be delivered prior to closing day: $ .
  4. Notes and accounts receivable: $ .
  5. Outstanding contracts: $ .

# Time and Manner of Payment

The purchase price shall be paid on or before the Closing Date set forth below.

# Closing

Closing of this sale shall take place on ***(date)***, the *Closing Date*, at the office of ***(Name of Attorney)***, attorney for *Seller* at

***(street address, city, state, zip code)***, At such time, on *Buyer* shall pay the purchase price and *Seller* shall deliver to *Buyer* the appropriate Bill of Sale and Warranty Deed, as well as all other instruments of sale, conveyance, or assignment that may be required for the proper transfer by *Seller* to *Buyer* of all of the assets of the above-described Business set forth in the attached Schedule A, free of all encumbrances. These instruments shall contain the usual warranties and affidavits of title. On the closing date, adjustments will be made for premiums on insurance, payroll, payroll taxes, and ***(list other items to be adjusted)***

, the net amount of which adjustments shall either increase or decrease the purchase price, as the case may be.

# Representations of Seller

*Seller* represents and warrants:

* 1. *Seller* is duly qualified under the laws of ***(name of state)*** to carry on its business as now owned and conducted at the address set forth above.
  2. **Exhibit A**, which is attached and incorporated by reference, sets forth the balance sheet of *Seller* as of ***(date)***, which balance sheet has been prepared in accordance with generally accepted accounting principles followed by *Seller* throughout the period indicated and fairly represents the financial position of *Seller* as of the date of the balance sheet and the results of *Seller*'s operations for that period.
  3. *Seller* has good and marketable title to all assets set forth in the attached **Schedule A**, whether real or personal, and whether tangible or intangible. All of these assets are free and clear of all restrictions on transfer or assignment and are free and clear of all encumbrances except for those disclosed in the balance sheet set out in **Exhibit A**. *Seller* is not bound by any contractual obligations not listed in the mentioned balance sheet.
  4. *Seller* has complied with, and is not in violation of, all applicable federal, state, and local statutes, laws, and regulations affecting *Seller*'s properties or the operation of *Seller*'s business.

# Covenant Not to Compete

*Seller* shall not participate in any way, directly or indirectly, in a business similar to that being sold by this Agreement to *Buyer*, within miles of the Business for a term of years from the date of closing.

# Conduct of Business

Between the date of the execution of this Agreement and the date of closing, *Seller* will carry on *Seller*'s business in the usual and ordinary manner and will not enter into any unusual contract or make any unusual commitment affecting the operation of the business beyond the closing date without the consent of *Buyer*.

# No Waiver

The failure of either party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of any of the terms and conditions of this Agreement, shall not be construed as subsequently waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

# Governing Law

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of .

# Notices

Any notice provided for or concerning this Agreement shall be in writing and shall be deemed sufficiently given when sent by certified or registered mail if sent to the respective address of each party as set forth at the beginning of this Agreement.

# Attorney’s Fees

In the event that any lawsuit is filed in relation to this Agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorney fees.

# Mandatory Arbitration

Any dispute under this Agreement shall be required to be resolved by binding arbitration of the parties hereto. If the parties cannot agree on an arbitrator, each party shall select one arbitrator and both arbitrators shall then select a third. The third arbitrator so selected shall arbitrate said dispute. The arbitration shall be governed by the rules of the American Arbitration Association then in force and effect.

# Entire Agreement

This Agreement shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

# Modification of Agreement

Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if placed in writing and signed by each party or an authorized representative of each party.

# Assignment of Rights

The rights of each party under this Agreement are personal to that party and may not be assigned or transferred to any other person, firm, corporation, or other entity without the prior, express, and written consent of the other party.

1. In this Agreement, any reference to a party includes that party's heirs, executors, administrators, successors and assigns, singular includes plural and masculine includes feminine.

WITNESS our signatures as of the day and date first above stated.

## (Printed name) (Printed name)

***(Signature of Seller)*** ***(Signature of Buyer)***