# PURCHASE AGREEMENT

This Purchase Agreement (this "Agreement") is made on _____, 20____ for the purchase of the business known as _____ (the "Business"), located at _____.

Seller: _____, mailing address _____.

Buyer: _____, mailing address _____.

What is being bought (check one): [ ] substantially all of the assets of the Business; [ ] all of the Seller's [ ] shares [ ] membership interests in _____ (the "Company"); [ ] only the specific assets listed below.

**1. PURCHASED ASSETS OR INTERESTS**

Included (check all that apply): [ ] furniture, fixtures and equipment; [ ] inventory and supplies; [ ] vehicles; [ ] customer and supplier lists; [ ] business name and intellectual property; [ ] website, domains, accounts and phone numbers; [ ] transferable licenses and permits; [ ] accounts receivable; [ ] goodwill; [ ] books and records.

Specific items: _____

The Seller keeps its cash, bank accounts, entity and tax records, insurance policies, and these items: _____.

For a share or interest purchase, the Company keeps its own assets, contracts and liabilities, and the Seller will pay off the Company's loans and release all liens at or before Closing unless the Buyer agrees otherwise in writing.

**2. PURCHASE PRICE AND PAYMENT**

The Purchase Price is $_____. Deposit at signing: $_____, held by _____, credited at Closing and returned to the Buyer if a closing condition fails or the Seller breaches.

Seller financing: $_____ of the price will be paid by a promissory note at _____% simple interest per year over _____ months, secured by the purchased assets or interests. The balance is paid at Closing by wire transfer.

Earn-out (optional): up to $_____ more, calculated as _____ over _____ months after Closing.

Inventory: [ ] included in the price; [ ] counted at Closing at the lower of cost or market, with the price adjusted from a target of $_____.

For an asset purchase, the parties will allocate the price among the assets under Internal Revenue Code Section 1060 and file IRS Form 8594 consistently.

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**3. LIABILITIES, CONTRACTS AND EMPLOYEES**

The Buyer assumes only these liabilities: _____. The Seller keeps and will pay every other debt and liability of the Business arising before Closing, including taxes, loans, payables, wages and claims.

Contracts and leases transferred (with any required consents): _____.

Employees: [ ] the Buyer may offer jobs to employees it chooses; [ ] the Buyer will offer jobs to all employees; [ ] the Buyer will not hire the employees. The Seller pays all wages and other amounts earned before Closing.

**4. REPRESENTATIONS AND CONDITIONS**

The Seller states that it has authority to sell; it owns what is sold free of liens; the financial records it provided are true and complete in all material respects; the business complies with the law and holds its permits; no lawsuits are pending or threatened; and all taxes have been filed and paid. The Buyer states that it has authority and funds to close.

Due diligence period: _____ days. The Buyer's duty to close also depends on (check all that apply): [ ] financing; [ ] the landlord's consent to the lease transfer; [ ] other consents; [ ] licenses and permits; [ ] no major negative change in the Business.

**5. CLOSING**

Closing will take place on _____. The Seller will deliver a bill of sale (or, for a share or interest purchase, the endorsed certificates or an assignment of interests), assignments of contracts and intellectual property, vehicle titles, lien releases, keys and passwords. The Buyer will deliver the payment and any note and security agreement. Rent, utilities and similar charges are prorated as of Closing.

The parties will give any bulk sale or tax clearance notice the state requires (for example New York Form AU-196.10 or New Jersey Form C-9600), and the Buyer may hold back from the price any tax the agency says the Seller owes.

**6. TRANSITION, NON-COMPETE AND NON-SOLICITATION**

The Seller will train and assist the Buyer for _____ days after Closing at no extra charge.

For _____ years after Closing, the Seller and its owner _____ will not compete with the Business within _____, and will not solicit its customers or employees. Some states limit a seller's non-compete, for example California (Bus. & Prof. Code § 16601) and Louisiana (two years at most).

**7. INDEMNIFICATION**

Each party will indemnify the other for breaches of its representations and promises, and the Seller will indemnify the Buyer for liabilities it kept and for taxes before Closing. Representations survive for _____ months. Liability for inaccurate representations is capped at $_____, except for title, taxes, kept liabilities and fraud. No claims until losses total more than $_____.

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**8. GENERAL TERMS**

The laws of the State of _____ govern this Agreement. Any lawsuit about it will be brought in the courts serving _____ County. This Agreement is the complete agreement between the parties and can be changed only in a signed writing. If a court finds any part unenforceable, the rest stays in effect. It may be signed in counterparts and electronically.

Additional terms: _____

**SIGNATURES**

**Seller**

Signature: _____ Date: _____

Printed Name: _____

**Buyer**

Signature: _____ Date: _____

Printed Name: _____

**Owner of the Seller (for the non-compete and transition duties)**

Signature: _____ Date: _____

Printed Name: _____

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