

State of [INSERT STATE]

## PURCHASE AGREEMENT

### **Background:**

This Purchase Agreement (the “Agreement”) is created and effective as of the [INSERT DATE] (the “Commencement Date”).  
The Agreement is between:

- [INSERT SELLER DETAILS] (“Seller”)
- [INSERT BUYER DETAILS] (“Buyer”)

Collectively the “Parties”.

The Buyer and the Seller agree to the following terms with the intention to be legally bound:

### **Sale:**

- The Seller agrees to sell and the Buyer agrees to purchase [INSERT PROPERTY DETAILS] (the “Sale Property”), subject to the satisfaction of the Conditions outlined within this Agreement, the Seller shall sell with full title guarantee and free from all Encumbrances [or, to the extent that it is not the owner thereof, shall procure the sale with full title guarantee and free from all Encumbrances] and the Buyer, with a view to carrying on the Business as a going concern, shall purchase with effect from the [INSERT COMPLETION DATE] (“Completion Date”) the Sale Property.
- Unless this Agreement has been terminated in accordance with its terms, Completion shall take place on the Completion Date.

### **Purchase Price:**

- The purchase price is the sum of \$[INSERT AMOUNT] this is inclusive of any sales tax (“Purchase Price”), which shall be paid by the Buyer to the Seller on the Completion Date.
- Payment of the Purchase Price shall be made by [cash] OR [personal cheque] OR [money order] OR [cashier’s check] OR [credit or debit card] OR [bank transfer] OR [INSERT OTHER].
- The payments shall be made in accordance with the following schedule:
  - [\$(INSERT AMOUNT) previously paid by the Buyer as a deposit.]
  - [\$(INSERT AMOUNT) paid on the Completion Date]
  - [\$(INSERT AMOUNT) in equal instalments payable on the [INSERT DATE] of each month until the Purchase Price paid in full.]
- All payments to be made to the Seller under this Agreement shall be made in sterling by electronic transfer of immediately available funds to [the Seller OR the Seller's Solicitors (who are irrevocably authorised by the Seller to receive the same)] [to the following account: [INSERT ACCOUNT DETAILS]].
- [Payment to the Seller's Solicitors in accordance with this clause shall be a good and valid discharge of the obligations of the Buyer to pay the sum in question to the Seller, and the Buyer shall not be concerned to see the application of the monies so paid.]
- The Buyer is responsible for filing and paying all applicable sales and use tax returns and any other expenses that arise in relation to the transfer of the Property.
- The Seller is responsible for paying all personal property taxes associated with the ownership of the Property, accruing up until the Completion Date and this responsibility will pass onto the Buyer following the Completion Date.

### **Delivery:**

- The Buyer will be entitled to take possession of the Property on [INSERT POSSESSION DATE].
- If the delivery is to be made at a date after the Completion Date, the Seller must ensure that the Property is delivered in the same condition as it was when last inspected by the Buyer.

### **Sellers and Buyers Obligations**

- [The Buyer shall:
  - with effect from the Completion Date, assume responsibility for the payment and performance of this Agreement; and
  - indemnify the Seller against all Losses suffered or incurred by the Seller arising out of or in connection with the Buyer's failure to comply with this clause 12.]
- Nothing in this agreement shall pass to the Buyer, or shall be construed as acceptance by the Buyer of, any liability, debt or other obligation of the Seller (whether accrued, absolute, contingent, known or unknown) for anything done or omitted to be done before the Completion Date in the course of or in connection with this Agreement and the Seller shall:
  - indemnify the Buyer against all Losses suffered or incurred by the Buyer, arising out of or in connection with any such thing; and
  - perform any obligation falling due for performance or which should have been performed before the Completion Date,
- The Seller agrees with the Buyer that it will, in accordance with its normal practice, pay, satisfy or discharge all debts, liabilities and obligations relating in any way to the Business which are not expressly assumed by the Buyer under this agreement.
- If the Buyer becomes aware that the Seller has failed to discharge any such liabilities and believes that this failure may damage the goodwill of the Business as carried on by the Buyer after the Completion Date, it may give notice of that fact to the Seller. If the Seller does not provide evidence that the liability in question is disputed on reasonable grounds in a form reasonably satisfactory to the Buyer, the Buyer may satisfy such liability on the Seller's behalf and shall be entitled to immediate reimbursement from the Seller of the amount paid by the Buyer.

### **Warranties:**

- The Seller acknowledges that the Buyer is entering into this Agreement on the basis of the warranties.
- The Seller represents and warrants that:
  - Unless otherwise disclosed, each warranty is true, accurate and not misleading on the date of this Agreement;
  - They have the good and marketable title to the Property and the full authority to sell the Property;
  - Represents that the Property is sold free from all encumbrances, liens, indebtedness, or liabilities;
  - Upon the Sellers request, provide the Buyer with a Bill of Sale for the Property;
  - Promptly notify the Buyer in writing if any event occurs that would or may constitute as a breach of this Agreement or their obligations under it. This shall include sufficient detail to enable the Buyer to make an informed assessment of the nature, scope and impact of the notified breach or anticipated breach.
- The Seller makes no other representations or warranties concerning the Property, which is being sold and assigned “as is,” and without any warranty of merchantability or fitness for a particular purpose.
- The Seller explicitly disclaims any representations or warranties regarding the value, condition, functionality, or suitability of the Property for any particular purpose and the Buyer will have no recourse against the Seller for the Property.

#### **Limitation of Liability:**

- The aggregate liability of the Seller for all Claims shall not exceed [£[AMOUNT] OR an amount equal to the Purchase Price].
- The Seller shall not be liable for a Claim unless notice in writing summarising the nature of the Claim (in so far as it is known to the Buyer) and, as far as is reasonably practicable, the amount claimed, has been given by or on behalf of the Buyer to the Seller.
- Nothing in this clause limitation of liability applies to exclude or limit the liability of the Seller:
  - if and to the extent that a Claim arises or is delayed as a result of dishonesty, fraud, wilful misconduct or wilful concealment by the Seller, its agents or advisers; or
  - in respect of a breach of any of the warranties.

#### **Insurance:**

- The Seller shall maintain in force, up to and including the Effective Time, all the policies of insurance which have been Disclosed and shall procure that from the date of this Agreement, the interest of the Buyer under or pursuant to this Agreement in respect of the Fixed Assets, the Moveable Assets and the Properties is noted on all such policies effected by or for the benefit of the Seller in respect thereof.
- [If any of the Fixed Assets, the Moveable Assets or the Properties are lost, destroyed or damaged prior to the Completion Date, the Buyer may, by notice in writing to the Seller, either:
  - require the Purchase Price to be reduced [by the amount that the Asset in question is valued at in the Accounts]; or require that the insurance monies (if any) recoverable in respect thereof shall be paid to it and the Seller shall direct the insurance company accordingly, and in such event any such insurance monies received by the Seller shall be held by it on trust for the Buyer absolutely.]

#### **Notices:**

- A notice given to a party under or in connection with this Agreement shall be in writing and shall be delivered by hand or sent by pre-paid first-class post, recorded delivery or special delivery in each case to that party's address.

#### **No Variation and Waiver:**

- No variation of this Agreement shall be effective unless it is in writing and signed by or on behalf of each party for the time being. A waiver of any right or remedy under this Agreement or by law is only effective if it is given in writing and is signed by the party waiving such right or remedy. Any such waiver shall apply only to the circumstances for which it is given and shall not be deemed a waiver of any subsequent breach or default.

#### **Survival:**

- If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause 27 shall not affect the validity and enforceability of the rest of this Agreement.

#### **Entire Agreement:**

- This Agreement (together with the documents referred to in it) constitutes the entire Agreement between the parties and supersedes and extinguishes all previous discussions, correspondence, negotiations, drafts, agreements, promises, assurances, warranties, representations, arrangements, and understandings between them, whether written or oral, relating to its subject matter. Each party acknowledges that in entering into this Agreement (and any documents referred to in it), he does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement or those documents. Nothing in this clause 28 shall limit or exclude any liability for fraud.

#### **Assignment and Other Dealings:**

- No party shall assign, transfer, mortgage, charge, subcontract, declare a trust over a deal in any other manner with any or all of his rights and obligations under this Agreement (or any other document referred to in it) without the prior written consent of the other party (such consent

not to be unreasonably withheld or delayed). Each party confirms that he is acting on his own behalf and not for the benefit of any other person.

**Third Parties:**

- Except as expressly provided elsewhere in this Agreement, no one other than a party to this Agreement, its successors and permitted assignees, shall have any right to enforce any of its terms.

**Governing Law and Jurisdiction:**

- This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of [INSERT STATE]. Each party irrevocably agrees that the courts of [INSERT STATE] have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).

**Disputes:**

- If a dispute arises under or in connection with this agreement (“Dispute”), including any Dispute arising out of any amount due to a party, then before bringing any legal proceedings or commencing any other alternative dispute resolution procedure in connection with such Dispute, a party must first give written notice (“Dispute Notice”) of the Dispute to the other party describing the Dispute and requesting that it is resolved under the dispute resolution procedure described in this clause 32. Disputes arising under this agreement shall be resolved by: (Insert those that apply)
  - [Bringing proceedings in the courts of [INSERT STATE].]
  - [Arbitration in accordance with the American Arbitration Association.]
  - [Mediation. If the parties fail to come to an agreement by mediation, then it shall be resolved through arbitration.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Commencement Date.

**Seller Name**

**Seller Signature**

**Seller Name**

**Seller Signature**

**Buyer Name**

**Buyer Signature**

**Buyer Name**

**Buyer Signature**