

BUSINESS SALE AGREEMENT

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This Business Sale Agreement (this "**Agreement**") is entered into as of [EFFECTIVE DATE] (the "**Effective Date**") by and between:

[SELLER LEGAL NAME], a [STATE] [ENTITY TYPE, e.g. limited liability company] with its principal place of business at [SELLER ADDRESS] ("**Seller**"); and

[BUYER LEGAL NAME], a [STATE] [ENTITY TYPE] with its principal place of business at [BUYER ADDRESS] ("**Buyer**").

Seller and Buyer are each a "**Party**" and together the "**Parties**."

Recitals. Seller owns and operates a business known as [BUSINESS NAME], engaged in [DESCRIBE THE BUSINESS] (the "**Business**"). Seller wishes to sell, and Buyer wishes to buy, the Business on the terms set out below. The Parties intend the sale to be structured as [AN ASSET SALE / A SALE OF THE EQUITY INTERESTS IN THE ENTITY THAT OWNS THE BUSINESS]. In consideration of the mutual promises below, the Parties agree as follows.

1. Sale and Purchase

1.1 Agreement to sell. Subject to the terms of this Agreement, Seller agrees to sell, and Buyer agrees to buy, the Business as a going concern, free and clear of all liens, security interests, and encumbrances except those Buyer expressly assumes in writing.

1.2 What is included. The sale includes [DESCRIBE: e.g. tangible assets, inventory, equipment, goodwill, trade name, customer lists, contracts, intellectual property, and permits transferable by law] (collectively, the "**Purchased Assets**"), as itemized in **Schedule A**.

1.3 What is excluded. The sale excludes [DESCRIBE EXCLUDED ASSETS, e.g. cash on hand, accounts receivable as of closing, personal property, and the items listed in Schedule B] (the "**Excluded Assets**").

1.4 Liabilities. Buyer assumes only the liabilities expressly listed in **Schedule C** (the "**Assumed Liabilities**"). All other liabilities of the Business, whether known or unknown, remain Seller's responsibility (the "**Retained Liabilities**").

2. Purchase Price and Payment

2.1 Purchase price. The total purchase price for the Business is [AMOUNT] in [CURRENCY, e.g. US dollars] (the "**Purchase Price**"), subject to the adjustments in Section 2.4.

2.2 Payment. Buyer will pay the Purchase Price as follows: (a) a deposit of [AMOUNT] on signing, held [IN ESCROW / BY SELLER]; (b) [AMOUNT] in cash at Closing; and (c) the balance of [AMOUNT] under a promissory note on the terms in **Schedule D**, if applicable.

2.3 Allocation. The Parties will allocate the Purchase Price among the Purchased Assets as set out in **Schedule E** and will file consistent tax returns reflecting that allocation as required by applicable law.

2.4 Adjustments. The Purchase Price will be adjusted for **[PRORATIONS OF RENT, UTILITIES, TAXES, PREPAID EXPENSES, AND INVENTORY VALUE]** as of the Closing Date, with a true-up within **[NUMBER]** days after Closing.

2.5 Taxes. Each Party is responsible for its own transfer, sales, and similar taxes as required by applicable law. The Parties will cooperate to obtain any available exemptions and to comply with any bulk-sales or successor-liability requirements that apply in the jurisdiction.

3. Closing

3.1 Closing date. The closing of the sale (the "**Closing**") will occur on **[CLOSING DATE]**, or on another date the Parties agree, at **[LOCATION OR REMOTELY BY ELECTRONIC EXCHANGE OF DOCUMENTS]** (the "**Closing Date**").

3.2 Seller's deliveries. At Closing, Seller will deliver: (a) a bill of sale and assignment for the Purchased Assets; (b) assignments of contracts, leases, and intellectual property; (c) consents required to transfer the Purchased Assets; and (d) any keys, records, and possession needed to operate the Business.

3.3 Buyer's deliveries. At Closing, Buyer will deliver the cash portion of the Purchase Price, any promissory note and security documents, and an assumption agreement for the Assumed Liabilities.

3.4 Possession. Buyer takes possession and control of the Business at Closing, and risk of loss passes to Buyer at that time.

4. Representations and Warranties of Seller

4.1 Authority and title. Seller has the authority to enter into this Agreement and owns the Purchased Assets free and clear of encumbrances except as disclosed.

4.2 Financial information. The financial statements and records provided to Buyer fairly present the Business in all material respects and were prepared in a consistent manner.

4.3 Compliance and litigation. To Seller's knowledge, the Business complies in all material respects with applicable laws and permits, and there is no pending or threatened litigation except as disclosed in **Schedule F**.

4.4 Contracts and assets. The contracts being assigned are valid and in good standing, and the Purchased Assets are in the condition represented, ordinary wear and tear excepted.

5. Representations and Warranties of Buyer

5.1 Authority. Buyer has the authority to enter into this Agreement and to perform its obligations.

5.2 Funds. Buyer has, or will have at Closing, the financial resources to pay the cash portion of the Purchase Price.

5.3 Independent review. Buyer has had the opportunity to inspect the Business and to conduct due diligence, and is not relying on any representation outside this Agreement.

6. Covenants

6.1 Conduct before Closing. Between signing and Closing, Seller will operate the Business in the ordinary course, preserve its goodwill and relationships, and not take extraordinary actions outside the ordinary course

without Buyer's consent.

6.2 Access. Seller will give Buyer reasonable access to the Business's records, premises, and personnel for due diligence and transition planning.

6.3 Non-competition. For **[NUMBER]** years after Closing and within **[GEOGRAPHIC AREA]**, Seller will not engage in a business that competes with the Business, to the extent permitted by applicable law. **[Scope and enforceability of non-competes vary substantially by jurisdiction; confirm with counsel.]**

6.4 Transition assistance. Seller will provide reasonable transition assistance for **[NUMBER]** days after Closing to help Buyer assume operations.

7. Conditions to Closing

7.1 Mutual conditions. Each Party's obligation to close is subject to: (a) the other Party's representations being accurate in all material respects at Closing; (b) the other Party having performed its obligations; and (c) no law or order prohibiting the sale.

7.2 Buyer's conditions. Buyer's obligation to close is also subject to receipt of required third-party consents, satisfactory due diligence, and the absence of a material adverse change in the Business.

8. Indemnification

8.1 By Seller. Seller will indemnify Buyer against losses arising from Retained Liabilities, breaches of Seller's representations or covenants, and pre-Closing operation of the Business.

8.2 By Buyer. Buyer will indemnify Seller against losses arising from Assumed Liabilities, breaches of Buyer's representations or covenants, and post-Closing operation of the Business.

8.3 Procedure and limits. The indemnified Party will give prompt written notice of any claim and allow the indemnifying Party to participate in the defense. Indemnification claims are subject to a **[BASKET / DEDUCTIBLE]** of **[AMOUNT]** and a cap of **[AMOUNT]**, except for fraud, title, and Retained or Assumed Liabilities.

9. General Provisions

9.1 Governing law and venue. This Agreement is governed by the laws of the State of **[STATE]**, without regard to its conflict-of-laws rules. The Parties submit to the exclusive jurisdiction of the state and federal courts located in **[COUNTY, STATE]**.

9.2 Notices. Notices must be in writing and sent to the addresses above (or as updated in writing) and are effective on receipt.

9.3 Assignment. Neither Party may assign this Agreement without the other's prior written consent, except that Buyer may assign to an affiliate or successor on written notice.

9.4 Entire agreement; amendment. This Agreement, with its Schedules, is the entire agreement between the Parties on its subject and supersedes prior discussions. It may be amended only by a writing signed by both Parties.

9.5 Severability and waiver. If any provision is unenforceable, the rest remains in effect. A Party's failure to enforce a provision is not a waiver.

9.6 Survival. The representations, warranties, covenants, and indemnification obligations survive Closing for the periods stated or, if none is stated, for **[NUMBER]** months, except for those that by their nature should survive

longer.

9.7 **Counterparts and electronic signature.** This Agreement may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement.

IN WITNESS WHEREOF, the Parties have executed this Business Sale Agreement as of the Effective Date.

SELLER

BUYER

Signature: _____

Signature: _____

Printed name: **[NAME]**

Printed name: **[NAME]**

Title: **[TITLE]**

Title: **[TITLE]**

Date: _____

Date: _____

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