

**CONTRACT
FOR SALE OF BUSINESS**

Purchaser:

Vendor:

Date:

CONTRACT FOR SALE OF BUSINESS

MADE EFFECTIVE this ___ day of _____, _____ by and between:

[NAME OF VENDOR]
[business address of Vendor]
(hereinafter referred to as the 'Vendor')

OF THE FIRST PART

- and -

[NAME OF PURCHASER]
[business address of Purchaser]
(hereinafter referred to as 'Purchaser')

OF THE SECOND PART

RECITALS

- A. Vendor carries on the business of _____, under the name of _____ *[Name of Business]* (the 'Business'), at _____ *[insert the address of the Business]*, _____ *[city / town]*, Victoria (the 'Premises'), and
- B. Vendor wishes to sell to Purchaser the Business (which term shall include the assets set out in Schedule A), for the Purchase Price (as hereinafter defined), and the marketable stock of the Business (the 'Stock') for the value thereof, and
- C. Purchaser wishes to purchase the Business, on the terms and conditions set out in this Contract.

THEREFORE in consideration of the mutual covenants and agreements contained in this Contract and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows —

1. Attachments

1.1 The following attachments are incorporated into and form part of this Contract —

- 1.1.1 Special Conditions
- 1.1.2 Particulars of Sale
- 1.1.3 Schedule A – List of Assets
- 1.1.4 Schedule B – Equipment Hire Contracts
- 1.1.5 Schedule C – Terms of Lease

2. Sale of Business

- 2.1 Subject to the terms and conditions of this Contract, Vendor agrees to sell, and Purchaser agrees to purchase from Vendor, the Business (including all assets of the Business as listed on Schedule A), for the total sum of _____ **DOLLARS** (\$ _____) (the 'Purchase Price').
- 2.2 The Purchase Price will be paid by Purchaser in accordance with the Particulars of Sale.
- 2.3 Vendor acknowledges receipt from Purchaser of the deposit ('Deposit') in the amount of \$ _____. If the transaction contemplated by this Contract is not completed for any valid reason, the Deposit will be returned to Purchaser without penalty or interest.

3. Cooling Off Period

- 3.1 Purchaser may cancel this Contract within three (3) clear business days of executing the Contract (the 'Cooling Off Period') UNLESS Purchaser —
- 3.1.1 received independent legal advice from a solicitor prior to executing the Contract, or
 - 3.1.2 previously entered into a similar contract in respect of the Business.
- 3.2 To cancel this Contract, Purchaser must, within the Cooling Off Period, give Vendor or Vendor's agent written notice of such rescission.
- 3.3 If this Contract is cancelled during the Cooling Off Period as provided in this Clause, any amounts paid by Purchaser to Vendor hereunder shall be immediately refunded.

4. Closing

- 4.1 The purchase and sale of the Business will close on _____ [insert date] at _____ o'clock a.m. / p.m. at _____, in the City of _____, Victoria, or at such other time and place as the parties may agree (the 'Closing').
- 4.2 At the Closing, and upon payment by Purchaser of the residue of the Purchase Price due upon Closing, Vendor shall transfer the Business and the Stock to Purchaser, free from all encumbrances, provided that ownership of the Business shall not pass to Purchaser until the entire Purchase Price is paid in full.
- 4.3 Upon Closing, Vendor shall deliver the assets of the Business to Purchaser in good working order and in the same state of repair (reasonable wear and tear excepted) as at the date of this Contract, unless otherwise agreed in writing by Purchaser.
- 4.4 At Closing, Vendor shall execute and deliver the following documents —
- 4.4.1 a bill of sale for all equipment, inventory, parts, supplies and other personal property being transferred as part of the assets of the Business,
 - 4.4.2 all accounting books, tax statements and financial records of the Business,
 - 4.4.3 lists of all customers and suppliers for the Business,
 - 4.4.4 transfer of the business name,
 - 4.4.5 equipment hire contracts listed in Schedule B,
 - 4.4.6 transfer of all permits, licences and approvals required to operate the Business, and
 - 4.4.7 any and all other documents, deeds or instruments necessary to transfer the Business and the Stock to Purchaser.
- 4.5 Vendor shall arrange for the transfer of all utilities and other services connected with the Premises into the name of Purchaser.
- 4.6 Vendor shall, by no later than the Closing Date —
- 4.6.1 ensure that the Premises can be lawfully used for the Business, and
 - 4.6.2 comply with any order or notice affecting the Business or the Premises made before the Closing Date.

5. Payment of Purchase Price

- 5.1 Purchaser agrees to pay —
- 5.1.1 the Deposit by or on the date specified in the Particulars of Sale, and

5.1.2 the residue of the Purchase Price on Closing.

All money payable under this Contract, other than the Deposit, may be paid to Vendor, Vendor's solicitor, or to such other person as Vendor may designate.

5.2 Deposit money received by any person must be held as a stakeholder as if Division 3 of Part 1 (but not section 27) of the *Sale of Land Act* 1962 applied and as if a reference in that Division to land was a reference to the Business.

5.3 All payments hereunder must be by bank cheque, cash or bank transfer.

6. Contract Subject to Finance Approval

6.1 This Contract is subject to Purchaser's lender approving a loan to finance the purchase of the Business by _____ [insert date] (the 'Approval Date') or such later date as Vendor may agree to. Purchaser may cancel the Contract if the loan is not approved by the Approval Date ONLY if Purchaser —

6.1.1 has made timely application for the loan,

6.1.2 has taken all actions and signed all documents reasonably required to obtain the lender's approval of the loan,

6.1.3 serves written notice on Vendor cancelling the Contract within two (2) business days after the Approval Date, and

6.1.4 is not in default under any other condition of this Contract when such written notice is given.

6.2 If this Contract is cancelled in accordance with paragraph 6.1, any amounts paid by Purchaser to Vendor hereunder shall be immediately refunded.

7. Premises Lease (*delete if not applicable*)

7.1 Vendor shall make the current Premises lease available for inspection by Purchaser at least _____ days prior to the Closing Date.

7.2 Vendor shall, by no later than _____ [insert date], obtain a lease of the Premises in Purchaser's name either —

7.2.1 by transferring the current lease with the landlord's written consent, or

7.2.2 by a new lease,

in accordance with Schedule C. If the current lease is to be transferred to Purchaser, Purchaser agrees to prepare the transfer, unless the lease provides otherwise.

7.3 Both parties shall take all reasonable steps and sign all necessary instruments in order to obtain the transfer of the existing lease or to finalise the new lease (as the case may be).

7.4 Vendor must continue to perform all of the obligations of the lessee under the lease until the Closing Date.

7.5 If the freehold of the Premises is subject to a mortgage or charge, Vendor shall obtain the written consent of the mortgagee or chargee to the transfer or the new lease (as the case may be).

7.6 Purchaser may cancel this Contract if —

7.6.1 the landlord does not consent to the transfer of the Premises lease from Vendor to Purchaser, or

7.6.2 the landlord does not grant a new lease to Purchaser, or

7.6.3 a mortgagee or chargee does not consent to the transfer or the new lease (as the case may be).

In the event that Purchaser cancels this Contract under this paragraph, any money paid by Purchaser hereunder shall be refunded to Purchaser.

7.7 Purchaser is responsible for paying —

7.7.1 stamp duty payable on the transfer or new lease (as the case may be), and

7.7.2 legal costs payable for the preparation of the transfer or new lease (as the case may be).

7.8 Vendor is responsible for paying all other costs of the transfer or new lease (as the case may be), including expenses related to obtaining the consent of the landlord and any mortgagee or chargee.

8. Debts of the Business

8.1 All debts of the Business incurred by Vendor up to the Closing Date shall remain the sole responsibility of Vendor.

8.2 The parties agree that the assets of the Business do not include debts owed to Vendor on the Closing Date.

9. Operation of the Business Prior to Closing

9.1 Vendor shall, from the date of this Contract to the Closing, carry on the Business in the ordinary course and shall not enter into any unusual contract or other agreement affecting the operations of the Business without the written consent of Purchaser.

9.2 Prior to the Closing, Vendor shall permit Purchaser or its representatives to make, during normal business hours, such investigations of the Premises and the property and assets of the Business and of its financial and legal condition as Purchaser deems necessary or advisable. Upon request of Purchaser, Vendor shall allow inspection of the Premises by officers of the municipality or officers authorised by any government department.

9.3 Vendor shall assist Purchaser with running the Business for a period of _____ weeks following the Closing.

THIS IS AN 8-PAGE AGREEMENT, with an additional 7 pages of schedules attached. GET THE FULL FORM AT www.megadox.com/d/8995.