

Agreement for Sale of Sole Proprietorship Law Practice with Restrictive Covenant

Agreement made on the _____ (*date*), between
_____ (*Name of Buyer*) of _____
_____ (*street address, city, state, zip code*), referred to herein as *Buyer*, and _____ (*Name of Seller*), of _____
_____ (*street address, city, state, zip code*), referred to herein as *Seller*.

1. Sale of Practice

Seller hereby sells and turns over to Buyer, as of _____ (*date*), Seller's law practice located at _____
_____ (*street address, city, state, zip code*), and agrees to use Seller's best influence and endeavor to have existing clients use Buyer for their continuing and future needs for legal services.

2. Subject Matter of Sale

A. Seller shall turn over to Buyer all open and unfinished claims and cases incident to Seller's law practice, and all of Seller's goodwill (which is valued at \$ _____), accounts receivable, fixtures, furniture and furnishings, office supplies, office files, and records.

B. All claims and cases so turned over to the Buyer pursuant to this Agreement shall be properly noted on the records of the Buyer.

3. Covenant Not to Compete

Seller, without the prior, express, and written consent of Buyer, will not engage in the practice of commercial law in the (*e.g., city or town of* _____)
_____, _____ (*Name of County*), County,
_____ (*Name of State*), incident to receipt of claims or causes of action, for a period of _____ years from _____ (*date*).

4. Covenants Against Encumbrances

Seller warrants and covenants that all of the law practice and assets sold to Buyer are free and clear of any and all liens, encumbrances, and indebtedness of any nature whatsoever.

5. Assignment of Lease

Seller will assign, or cause to be assigned, to Buyer, on or before the effective date of this Agreement, the lease of the premises located at _____
_____ (*street address, city, state, zip code*), held by Seller as Lessee. Additionally, Seller will assign, or cause to be assigned, to the Buyer, on or before the effective date of this Agreement, the Leases to the following described office equipment currently being leased by the Seller: (*describe the equipment being leased and the leases*) _____

_____.

6. Payment

Buyer agrees to pay as consideration for the law practice and assets included in the sale, the following:

A. **Cash.** \$_____ in cash on the execution of this Agreement, receipt of which is acknowledged by Seller.

B. **Note.** A Promissory Note executed by Buyer Debtor in favor of Seller, in the principal sum of \$_____, together with interest thereon from date at the rate of _____% per annum on the unpaid balance until paid, payable at

(**street address, city, state, zip code**), or at such other place as the holder hereof may designate in writing, in _____ (**number**) consecutive monthly installments of \$_____, with the first of said installments being due and payable on the _____ (**date**), and each subsequent monthly installment shall be due and payable on the first day of each succeeding month thereafter until the entire indebtedness evidenced by this Note is fully paid, except any remaining indebtedness, if not sooner paid, shall be due and payable on _____ (**date**);

C. **Percentages of Fees.** Monthly for a period of _____ years from _____ (**date**), an amount equal to _____% of all fees collected by Buyer from the law practice.

D. **Goodwill; Effect of Non-residence or Death of Seller.** It is recognized that a portion of the goodwill being purchased by Buyer will be dependent on the continued support and goodwill of Seller, and it is therefore agreed that if, prior to _____ (**date**), Seller ceases to be a bona fide resident of _____ (**name of state**), or dies, the percentages named in **Paragraph C of Section 6** of this Agreement shall be reduced by _____%, and, in case of death, shall be payable to the estate of Seller.

7. Assistance by Seller to Buyer

Seller shall devote a reasonable amount of Seller's time to the details involved in turning over the law practice to Buyer during the months of _____ (**names months**), _____ (**name of year**), compensation for which is included in the amounts set forth in **Section 6** of this Agreement.

8. Delivery of Possession; Seller's Warranty

Seller shall deliver possession to Buyer of the law practice and assets sold on or before _____ (**date**), together with all records and documents necessary for Buyer to carry on the law practice. Seller warrants that all fixtures, furnishings, and other personal property sold, will be delivered to Buyer on _____ (**date**), in as good condition as they exist on the date of execution of this Agreement, allowing for reasonable use in the ordinary course of business and for ordinary wear and tear.

9. Proration of Taxes and Utilities

Personal property taxes on the items of personal property sold will be prorated between Seller and Buyer as of _____ **(date)**. Utility expenses will be prorated as of _____ **(date)**.

10. Severability. The invalidity of any portion of this Agreement will not and shall not be deemed to affect the validity of any other provision. If any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provision.

11. 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.

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

13. 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

20. 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 of Seller)

(Printed Name of Buyer)

(Signature of Seller)

(Signature of Buyer)