

## Sample Asset Sales – Purchase Agreement

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### ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, is made this \_\_\_\_ day of \_\_\_\_\_, 2004, by and among RODNEY DANGERFIELD and RODNEY PRODUCTIONS, INC., a Corporation organized under the laws of the State of California (hereinafter collectively known as "Seller") and JOE STANDUP (hereinafter known as "Buyer"). Buyer and Seller shall collectively be known herein as "the Parties".

#### BACKGROUND

WHEREAS, Seller desires to sell various assets, known herein as the "Acquired Assets", under the terms and conditions set forth below;

WHEREAS, Buyer desires to purchase the assets offered for sale by Seller under the terms and conditions set forth below; and

IN CONSIDERATION of the mutual promises and other valuable consideration exchanged by the Parties as set forth herein, the Parties, intending to be legally bound, hereby agree as follows:

#### A. Description of the Assets.

1. Acquired Assets. As used in this agreement, the term "Acquired Assets" shall mean the assets of the Seller listed immediately below that are being purchased by Buyer under this agreement:
  - a. Rodney's library of jokes
  - b. Intellectual property rights to the phrase "I don't get no respect"
  - c. Future royalty rights of Rodney from the movie Caddyshack.
2. Exclusion of other assets of Seller. No assets of Seller other than the Acquired Assets are being purchased by Buyer pursuant to this agreement and, therefore, under this agreement Buyer acquires no ownership in any assets of Seller other than those known herein as the Acquired Assets.

#### B. Consideration.

1. Purchase Price. The total purchase price (including the value of any liabilities or debts of Seller assumed by Buyer under this agreement) to be paid by Buyer to Seller for the Acquired Assets is \$100,000 (hereinafter "Purchase Price"). The Purchase Price consists of a cash payment in the amount of \$70,000 to be made on or before the execution of this agreement and liabilities of Seller to be assumed by Buyer in the amount of \$30,000 (hereinafter "Assumed Liabilities").

- a. Assumed Liabilities. As part of this asset purchase agreement, Buyer hereby assumes the liabilities of Buyer in the amounts and as described below:

<u>Description of Debt</u>	<u>Amount of Debt</u>
Low Down Bar & Grill	\$ 10,000
Sally's Lounge	\$ 20,000

Buyer shall not assume nor have any responsibility with respect to any obligation or debt of Seller except those specifically listed herein which shall hereafter be defined in this agreement as the "Assumed Liabilities".

#### C. Representations and Warranties.

1. Seller's Representations and Warranties. As a material inducement to Buyer to enter into this Agreement, Seller (jointly and severally if there is more than one Seller) makes the following representations and warranties to

Buyer:

- a. Seller possesses clear title to all Acquired Assets free of any claims, encumbrances or liens of third parties other than those disclosed in writing to Buyer prior to the execution of this agreement,
- b. Seller is not subject to any unpaid tax assessments nor liens other than those disclosed in writing to Buyer prior to the execution of this agreement,
- c. The Acquired Assets contain no hidden damages or defects known to Seller other than those disclosed in writing to Buyer prior to the execution of this agreement,
- d. Seller is not insolvent at the time of the sale.

2. **Buyer's Additional Representations and Warranties.** No additional warranties or representations are to be given to the Seller by the Buyer other than those already contained in other sections of this asset sales agreement such as the promise to make future payments (if any).
3. **Continuation of Representations and Warranties.** All representations and warranties contained in this Agreement (if any) shall continue in full force and effect after execution of this agreement. If either party later learns that a warranty or representation that it made is untrue, it is under a duty to promptly disclose this information to the other party in writing. No representation or warranty contained herein shall be deemed to have been waived or impaired by any investigation made by or knowledge of the other party to this Agreement.

**D. Noncompete Agreement.** For a period of twelve (12) months after the date of this Agreement (to be known as the "Noncompete Period"), Seller shall not directly or indirectly solicit business from customers or clients of Buyer nor engage in (as an employee, principal, shareholder, partner, consultant or any other capacity) any enterprise conducting business activities that are the same or similar to those of Buyer within the "the Noncompete Geographic Area" (defined below). Finally, during the Noncompete Period, Seller shall not directly or indirectly solicit any employee of Buyer for employment elsewhere (i.e., employment with any person or entity other than Buyer).

1. Seller's bar from soliciting business from "customers or clients" of Buyer applies to all individuals or entities who were or are "customers or clients" of Buyer at any time during the Noncompete Period.
2. The term "Noncompete Geographic Area", for purposes of this agreement, shall be defined as Continental United States.

**E. Interest rate on all late payments of the Purchase Price.** The interest rate on all late payments of the Purchase Price made by Buyer to Seller under this agreement shall be 8% per annum to be compounded annually.

**F. Documents to be signed by Seller.** Seller shall execute all instruments of sale, transfer, conveyance and assignment (such as a deed or title) as Buyer reasonable requests to effect and complete transfer of the Acquired Assets.

**G. Indemnification of Attorneys Fees and out-of-pocket costs.** Should any party materially breach this agreement (including representations and warranties made to the other side), the non-breaching party shall be indemnified by the breaching party for its reasonable attorneys fees and out-of-pocket costs which in any way relate to, or were precipitated by, the breach of this contract (including the breach of representations or warranties). This provision shall not limit in any way the remedies either party may have otherwise possessed in law or equity relative to a breach of this contract. The term "out-of-pocket costs", as used in this contract, shall not include lost profits.

**H. Integration.** This Agreement, including the attachments mentioned in the body as incorporated by reference, sets forth the entire agreement between the Parties with regard to the subject matter hereof. All prior agreements, representations and warranties, express or implied, oral or written, with respect to the subject matter hereof, are hereby superseded by this agreement. This is an integrated agreement.

**I. Severability.** In the event any provision of this Agreement is deemed to be void, invalid, or unenforceable, that provision shall be severed from the remainder of this Agreement so as not to cause the invalidity or unenforceability of the remainder of this Agreement. All remaining provisions of this Agreement shall then continue in full force and effect. If any provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope and breadth permitted by law.

**J. Modification.** Except as otherwise provided in this document, this agreement may be modified, superseded, or voided only upon the written and signed agreement of the Parties. Further, the physical destruction or loss of this document shall not be construed as a modification or termination of the agreement contained herein.

**K. Acknowledgements.** Each party acknowledges that he or she has had an adequate opportunity to read and study this Agreement, to consider it, to consult with attorneys if he or she has so desired.

**L. Exclusive Jurisdiction for Suit in Case of Breach.** The Parties, by entering into this agreement, submit to jurisdiction in Los Angeles, CA for adjudication of any disputes and/or claims between the parties under this agreement. Furthermore, the parties hereby agree that the courts of Los Angeles, CA shall have **exclusive** jurisdiction over any disputes between the parties relative to this agreement, whether said disputes sounds in contract, tort, or other areas of the law.

**M. State Law.** This Agreement shall be interpreted under, and governed by, the laws of the state of California.

IN WITNESS WHEREOF and acknowledging acceptance and agreement of the foregoing, Seller and Buyer affix their signatures hereto.

**SELLER(S)**

**BUYER(S)**

\_\_\_\_\_  
**Rodney Dangerfield**  
Dated: \_\_\_\_\_, 2004

\_\_\_\_\_  
**Joe Standup**  
Dated: \_\_\_\_\_, 2004

\_\_\_\_\_  
**Rodney Productions, Inc.**  
**By:**  
**Title:**  
Dated: \_\_\_\_\_, 2004

(Note: This page is **not** to be attached to your Asset Sales Contract.)

### **INSTRUCTIONS REGARDING EXECUTION OF YOUR Asset Sales Contract**

- A. **Attachments.** Please remember that in responding to our questionnaire, you indicated that you would prepare the following separate attachments to go with this agreement:
1. Attachment 1: [Not used with this agreement—Description of assets to be sold];
  2. Attachment 2: [Not used with this agreement—list of the dates and amounts of all payments of the purchase price];
  3. Attachment #3: [Not used with this agreement—detailed description of all debts of the Seller that the Buyer is assuming].

If you are to create an attachment for this contract, make sure it has a bold-type heading **ATTACHMENT #\_\_** (with the correction number for your attachment inserted, i.e., 1, 2 or 3. All attachments should be made part of the contract when it is executed and attached to each party's original. Do not add the attachments later.

- B. Read the entire contract carefully, but we suggest that you pay special attention to the representations and warranties given by the buyer and seller in "Section C" of the contract. If there are any item(s) that require disclosure in writing to the other party, it is a sound practice to attach a copy of the written disclosure to the contract.
- C. We recommend that you execute two originals of your Asset Sales Agreement—one for the buyer to retain and the other for the seller.
- D. We recommend that you consult your tax accountant or lawyer before entering into this agreement to have the tax consequences of this transaction explained or verified for you.
- E. What if I decide to make changes to my document? We will keep your responses to the online questionnaire in our database for 60 days after the date of purchase. You may go to the User Administration section of our site to call up your form questionnaire and make changes—the URL is <https://www.medlawplus.com/user/> . You shall need your "user name" and "password" to re-enter the system. Once in the User Administration area, click on the text link to your form questionnaire which is located on the upper-left of the page. Make the desired changes to your responses in the questionnaire and submit to create a revised document. If you have problems calling up your old data, email us at [administrator@medlawplus.com](mailto:administrator@medlawplus.com). We do our best to give a prompt response to all inquiries, usually within a few hours.
- NOTE: Upon registration, our system emailed to you our record of your "user name" and "password".

#### **DISCLAIMER**

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