

# Partner's Business Assets & LLC Units Purchase Agreement

- 🔊 This is a sample document useful to offer a buyout of a partner in an LLC. You are buying out the business and its assets (with a provision for certain exclusions if necessary).
- 🔊 The original draft was derived from an asset buyout agreement, rather than a "stock" purchase agreement.
- 🔊 See also, "Business Assets Purchase" Agreement – this is when you buy just the assets of the business, but not the business itself (which may have numerous "skeletons in the closet" that you do not want to become liable for).
- 🔊 While, from a company standpoint, the listing of assets and liability is not needed in a buyout agreement like this one, you can list them.

Date: **[Date]**

To: **[Name of Seller]**

From: **[Owner/Founder]**  
**[Company]**

Subject: **Business Assets and LLC Units Purchase Agreement**

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Attached is a "Business Assets and LLC Units Purchase" Agreement to establish the transition of our partnership relationship.

I believe that it embodies everything we discussed.

Please read the agreement carefully.

We recommend that you also have it reviewed by your own qualified legal counsel.

Please sign and return it to me asap.

Thank you very much!

# From JIAN

## NOTICE:

We wish we could provide an agreement that was tailored *exactly* to your business. While this is not always possible, we feel that we've come very close and that this document provides you with the head-start that you need to get your deal moving. Nevertheless, we must make this disclaimer:

- 🔊 **Do Not Use This Agreement 'As-Is.'**
- 🔊 **This Agreement Is Not Legal Advice.**
- 🔊 **Read it Thoroughly and Make All Appropriate Changes to Fit Your Requirements.**
- 🔊 **You Should Have this Agreement Reviewed and Approved by a Qualified Attorney at Law Before Using It.**
- 🔊 **JIAN Accepts No Liability for the Effectiveness of This Document For Your Purposes.**

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We're building a network of business experts who are eager to help you when you need it. They can review your work, make suggestions, handle unique situations and introduce you to influential people. On our website you can search by expertise and location, then e-mail or jump straight to their website. Although they are professionals and charge for their services, most offer an initial consultation free of charge. They're in your area and you can contact them directly.

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
Things change, laws change, the world changes... new ideas come along all the time. When you register, you can access our website to get updates and changes... like new and improved spreadsheets and documents. They can be downloaded directly to your computer.

- Please visit our website under [Updates](#).


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## Editing Your Sample Contract

Since this entire agreement is formatted in Word, you can edit it like any other Word document. You can jump from variable to variable by clicking the above  green arrows (JIAN Menu) which will take you forward / backward and highlight the entire sample text identified within the “[ ]” brackets – simply edit / type-over with your information.

To make sure you have filled in all the variables, use Word's 'FIND' function to locate any “[ ]” which may contain an unedited variable.

- Click the  icon in the JIAN menu above to turn the expert comments on/off.
- Upon completion, delete any unnecessary blank lines that remain.
- You may format this document any way you like.
- Delete this page.

# Partner’s Business Assets & LLC Units Purchase Agreement

☞ This introductory paragraph lists the date and the parties to this Agreement. We formatted this agreement uniquely to make it easy on others (judge, arbitrator(s), etc. God forbid) to readily understand who is involved, when the agreement begins and some basic summary background information.

Effective Date                                    **[Date]**

between    **[Company Legal Name]**, (“[Company]”)  
a   [State] [Corporation/Partnership/Sole Proprietorship/Resident],  
located at                                        [Address]  
  [City], [State] [Zip Code]

and    **[Seller Name]**, (“Seller”)  
a   [State] [Corporation/Partnership/Sole Proprietorship/Resident]  
located at                                        [Address].

## Summary

1. The Seller and Buyer are in business together producing [silk scarves and ties / importing auto parts] (the “Product”), with a mailing address of [Address], [City], [State] [Zip Code], (collectively referred to as the “Business”).

☞ Section 2 identifies all of the principals of the business. If the business is a corporation, then all of the individual shareholders should be listed. If it is a partnership, then all of the individual partners should be listed. If it is a sole proprietorship, then the owner should be listed.

2. The Managing Owners are [Owner/Founder] and [Seller], residents of [State]. Current existing Member Owners of the Business are listed on Exhibit A.

☞ Section 3 merely states that the Seller is transferring and the Buyer is acquiring the assets, liabilities, and products, of the business as of the closing date (the date the transaction becomes final).

☞ Note that the closing date may or may not be the date of this Agreement. Generally, it will be a few days or weeks following the date of this Agreement. This allows the Buyer to verify that the business is in order, and to put together payment, and any other necessary information.

3. [Company] under the management of [Owner/Founder] desires to acquire 100% interest of Seller’s [number] Class A Units of the Business, its Products, properties, and assets, given the terms and conditions described in this Agreement, as of the Effective Date stated above.

4. [Company] will compensate the Seller a total sum of [\$xxx,xxx] as defined on Exhibit B, and [Company] desires to describe in this Agreement the terms and conditions of the sale and purchase of the Business, its properties and assets.

5. Any intellectual property or other rights currently not in the Business, but belonging in the Business are also being transferred or conveyed to [Company] with the Business.

## **1. Purchase of Assets, LLC Units & Assumption of Intellectual Property Rights**

### **1.1 LLC Units & Assumption of Intellectual Property Rights**

☞ Section 1.1.1 is a standard section that merely states that the Seller will sell and the Buyer will buy the assets identified in the following sections. In a few cases an addendum should be completed so as to identify the particular assets in more detail.

1.1.1 Subject to the terms, conditions, representations and warranties made in this Agreement, on the Effective Date, the Seller will validly sell, assign, and transfer to [Company], and [Company] will validly purchase from the Seller the entire right, title and interest in and to the Business, as a going concern, and all intellectual property and assets (except as otherwise specifically provided in this Agreement) used by the Seller in or arising out of such Business, including, without limiting the generality of the foregoing, all of the following:

☞ Exhibit C should include a thorough listing of any and all of the product, inventory, and supplies being transferred.

1.1.2 [Product, Inventory and supplies] listed in Exhibit C.

☞ Exhibit D should include a thorough listing of any accounts receivable that are being transferred.

1.1.3 [Trade Accounts Receivable] listed in Exhibit D (except those described in Section 1.2).

☞ Exhibit E should include a thorough listing of all of the machinery and equipment being transferred.

1.1.4 [Office furniture, office equipment, manufacturing equipment, computer equipment and other machinery and equipment] listed in Exhibit E.

1.1.5 [All of the right, title and interest in and to all fixtures and leasehold improvements of the Seller.]

1.1.6 [Prepaid expenses, deferred charges, claims for refunds, and deposits.]

1.1.7 [Telephone numbers, service marks, the trade name [trade name / trademark / service mark], and all other trade names and trademarks (including the goodwill represented by that), trade secrets, Business records and files, lists of current and potential Customers and Vendors, promotional materials, copyrighted materials and all other intangible items, including the goodwill of Business as a going concern.]

1.1.8 [All rights under the contracts, leases, licenses, insurance policies, fidelity and contract bonds, and other Agreements relating to the Business, as listed in Exhibit F.]

1.1.9 [All documents, files, Agreements, instruments, records, notices, Membership Certificates, affidavits, statements, and all other papers and information of any kind relating to the Business or the Assets, including but not limited to such items stored in computer memories, on microfiche, electronically or by any other means, used, made or compiled by or on behalf of the Seller or made available to the Seller (all of which shall be delivered by the Seller to the main premises of the Business (if not already present there) on or before the Effective Date.

☞ Section 1.1.10 is quite broad in that it covers all of the assets of the business, whether or not they have been identified above and whether or not they are on the balance sheets of the business.

☞ The Seller may want to omit this section so that the Buyer cannot later claim that there were certain assets of the business that he never received despite the fact that they were not specifically included in this Agreement. By deleting this section, the burden is on the Buyer to list all of the assets that are being transferred to him. By leaving this section intact, the burden is on the Seller to list any of the assets not being transferred in the following section of the Agreement.

1.1.10 [All other property and assets of every kind and description whether personal, real, mixed, tangible or intangible, wherever located and whether or not reflected on its balance sheet.

## 1.2 Assets Excluded

☞ The following Sections, 1.2 through 1.2.8, should be given great care. The previous section gave a fairly expansive definition of assets, this next section gives an opportunity to exclude specific assets. In the event that the Seller does not wish to exclude one or more of the assets listed below, merely delete that section from the Agreement. If an item is deleted, however, the Buyer may wish to specifically include the asset in Section 1.1 as an asset being transferred.

1.2.1 The following assets are not being sold by the Seller or purchased by the Buyer and are specifically excluded from the meaning of the term “Assets”:

- ☞ Leased items may be excluded. Note, however, that if they are not excluded, the leasing company will need to be notified and approve of the transfer.
- ☞ Section 1.2.2 lists the leased items, if any, that the Seller does not want transferred to the Buyer (or the Buyer does not want transferred to him).
  - [One copy machine]
  - [alarm system]
  - [one Chevrolet / Dodge van / automobile that are being leased by the Seller].
- ☞ Certain receivable may be retained by the Seller. Section 1.2.3 lists the receivable, if any, that the Seller does not want transferred to the Buyer.

1.2.3 (Receivable due the Seller from

- [Enter Name] and [Enter Name] on the Closing Date.
  - Xxx
  - xxx
- ☞ Section 1.2.4 states that the Seller's unemployment compensation reserve account is generally not transferred; you should check with the State Unemployment Office as this may vary from state to state.

1.2.4 The Seller's unemployment compensation reserve account under the [State] Unemployment Insurance Code.

☞ In Section 1.2.5, the Seller may retain any cash on hand as of the closing date.

1.2.5 Cash and cash equivalent items, including Lender accounts, money market accounts, certificates of deposit and Lender deposits, on hand at the close of business on the Closing Date.

- ☞ In Section 1.2.6, the Seller will generally want to retain the accounts receivable amounts due for a certain period prior to the closing date. The following section provides for this as well as any Moines owed from litigation commenced prior to the closing date so long as these receivable are not specifically identified in Exhibit E, trade-out transactions.
- ☞ In general, 60 days is appropriate for retaining accounts receivable, though the Seller may want to use a different number of days depending on the usual course of business.

1.2.6 Accounts receivable earned from operations of the Business during the period beginning on the date [Month, Day, Year] [30 / 60 / 90] days prior to the Closing Date and ending on the Closing Date, and accounts receivable as to litigation commenced prior to the Closing Date against a debtor for purposes of collection, provided that they do not include accounts receivable arising from the trade-out transactions listed in Exhibit E.

☞ In Section 1.2.7, the Seller would retain any court judgments in its favor regarding the collection of any accounts receivable.

1.2.7 All judgments in favor of the Seller in connection with the collection of accounts receivable.

1.2.8 Accounts receivable to the extent arising from any trade-out transactions other than those listed on Exhibit E; and

☞ Section 1.2.9 merely relates to the books of the company prior to the sale.

1.2.9 All checkbooks, stubs, books of account, ledgers, and journals relating to the prior operation of the Business.

### **1.3 Liabilities**

☞ Section 1.3 lists all of the liabilities that are being assumed by the Seller as of the closing date. The Seller is agreeing to assume only those liabilities that accrue and arise after the closing date. If the Seller will not be assuming one or more of these liabilities, that liability should be deleted from the list that follows.

☞ Liabilities assumed include: paid and unpaid orders for products (such products should be itemized in Exhibit A), accrued vacation rights of the Seller's employees as itemized in Exhibit F, and obligations pursuant to the Agreements listed in Exhibit D.

1.3.1 Subject to the terms and conditions of this Agreement, the Buyer will, as of the Closing Date, assume from the Seller and agrees to discharge only those liabilities and obligations that both accrue and arise after the Closing Date with respect to:

(1) the paid sales orders / Agreements for Products as listed on Exhibit A to be delivered by the Seller to the Buyer at the Closing, and

(2) the sales Agreements for sales of the Products as listed on Exhibit A to be delivered by the Seller to the Buyer at the Closing, and all commission obligations to the sales personnel of the Seller arising from the sales Agreements to the extent attributable to Products sold after the Closing, and

(3) accrued vacation rights as listed in Exhibit F to be delivered at Closing, and

(4) the Agreements listed on Exhibit D, a true and correct copy of each Agreement has been provided to the Buyer by the Seller (for the purposes of this Agreement). An obligation under such Agreements is considered to have arisen and accrued after the Closing Date if performance or sale closed on [Month, Day, Year].

## **2. Infringement**

☞ Section 2 deals with infringement. It states that the Buyer will have the right to bring an action against the Seller, but if the Buyer elects not to bring an action, the Seller may elect to do so.

2.1 Each party will notify the other of any infringements of rights in the Products, Trade Names, Trademarks that come to either party's attention.

2.2 In the event of any infringement of any rights granted to [Company] in this Agreement, [Company] will have the first option to bring any action for such infringement on behalf of itself and the Seller, and the Seller will cooperate fully with [Company] in such action; and in such event [Company] will bear the expenses of the action, may recover its expenses, and receive the proceeds from any sums recovered in the action.

2.3 If [Company] declines in writing to bring any such action, the Seller may proceed and will pay for all expenses of the action, and may recover its expenses from any sums recovered in the action.

## **3. Non-Disclosure Agreement**

☞ Section 3 is a standard Non-Disclosure Agreement whereby both the Buyer and the Seller agree that any confidential information disclosed to the other is the property of the disclosing party and

must not be disclosed to third parties. The exception to this is when the information becomes available to the general public.

[Company] has disclosed to the Seller concerning confidential know-how, financial information, product costs, pricing structure, and trade secrets as was necessary to further the purposes of this Agreement. All confidential know-how, financial information, product costs, pricing structure, and trade secrets disclosed shall remain the sole property of the party that disclosed them, and the receiving party shall have no interest in or rights with respect to them except as expressly defined in this Agreement.

The Seller agrees to maintain all such confidential information in confidence to the same extent that it protects its own similar proprietary information, which in no event will be less than the safeguards a reasonably prudent business would exercise in similar circumstances, and further agrees to take all reasonable precautions to prevent any unauthorized disclosure of such information.

The restriction on disclosure shall survive this Agreement for an indefinite period but does not apply to any information that

- (1) becomes generally known or publicly available through no act or failure to act on the part of the receiving party; or
- (2) is furnished to others by [Company] without restriction on disclosure.
- (3) is rightfully and lawfully furnished to the receiving party by a third party without restriction on disclosure.

#### **4. Covenant Not to Compete**

Seller agrees to avoid any act that would directly or indirectly compete with the Business and to avoid contact with existing buyers, retailers and vendors associated with the Business for a period of (1) year, unless there was a pre-existing relationship established prior to [Date / Year]. Seller further agrees to avoid any act that would harm the goodwill of the Business in the general market place. Such harm may be irreparable and cannot be measured exactly and for which there may be no adequate remedy. [Company] shall have the specific right to enforce the provisions of this Agreement through injunctive relief and shall be entitled to recover all legal fees and expenses incurred. Damage to Buyer goodwill in the market will constitute a stipulated damage to include estimated damages, loss of business, and all appropriate litigation and collection costs in each and every instance, up to \$50,000 per occurrence, where the Seller fails to protect Buyer's goodwill following a period of three years.

#### **5. Default; Termination**

- ☞ Section 4.1 addresses as to when the Buyer is in material breach. For example if his or her payment for the business was somehow inadequate and he acted in bad faith but the transaction was still closed, the Seller would notify the Buyer of this breach (a formality, but required), and if the Buyer did not cure the breach within the prescribed period by making full payment, the Seller would be able to terminate the Agreement.
- ☞ Where the Buyer has acted in good faith but there is a dispute regarding payments due to the Seller, the Seller should deposit any disputed amounts in an escrow account, and the matter should be arbitrated.
- ☞ Assuming there is arbitration, you should insert the county and state where you want the arbitration to take place.

5.1 In the event of a Material Breach by the Seller of a material provision of this Agreement, which breach is not cured within sixty (60) days after written notice of such breach is delivered to the Seller by [Company], then [Company] will have the right to pursue any remedies at law or equity, and [Company] may pay into an interest bearing escrow account with a commercial bank any payments due the Seller as

security for payment of any damages, arising from any Material Breach by the Seller of any provision of this Agreement. Upon resolution of the claim, the amounts in escrow, including accrued interest, will be distributed to the Seller after deduction of the amounts, if any, required to be paid to [Company].

🔊 Section 4.2 addresses when the Seller is in material breach. For example, if he misrepresents the assets of the business and the Buyer learns about the misrepresentation after the Closing, the Buyer would notify the Seller of this breach (a formality, but required), and if the Seller does not cure the breach within the prescribed period, generally 60 days, the Buyer would be able to terminate the Agreement. In addition to or in lieu of termination, the Buyer has other legal rights; for example, he may sue for damages or for specific performance, where the Seller would be forced to comply with the letter of the contract. In the event that the Seller is in material breach, the Buyer has the right to put any amount due to the Seller into an escrow account pending resolution of legal action.

5.2 In the event of a Material Breach by the Seller of a material provision of this Agreement, which breach is not cured within sixty (60) days after written notice of such breach is delivered to the Seller by the Buyer, then the Buyer may, effective sixty (60) days after such notice to the Seller, terminate this Agreement. In addition to or in lieu of its rights to terminate this Agreement upon a Material Breach by the Seller, the Buyer will have the right to pursue any remedies at law or equity, and the Buyer may pay into an interest bearing escrow account with a commercial bank any payments due the Seller as security for payment of any damages, arising from any Material Breach by the Seller of any provision of this Agreement. Upon resolution of the claim, the amounts in escrow, including accrued interest, will be distributed to the Seller after deduction of the amounts, if any, required to be paid to the Buyer. In any event, the Buyer may terminate this Agreement immediately if the Seller breaches obligations defined in Sections 1, 2, 3 or 4, and any amounts, payments or fees resulting from the Sellers breach, whether directly or indirectly, shall be deemed the property of the Buyer who maintains the rights to all legal and equitable remedies.

## 6. General Provisions

🔊 The General Provisions that follow are fairly standard. These provisions enhance the balance of the Agreement by explaining issues such as notice, assignment, legal remedies, waiver, and attorney fees.

6.1 **Independent Contractors.** The relationship between both parties established by this Agreement is that of independent contractors, and nothing contained in this Agreement shall be construed to give either party the power to direct and control the day-to-day activities of the other. Neither party is an agent, representative or partner of the other party. Neither party shall have any right, power or authority to enter into any agreement for, or on behalf of, or incur any obligation or liability of, or to otherwise bind, the other party. This Agreement shall not be interpreted or construed to create an association, agency, joint venture or partnership between the parties or to impose any liability attributable to such relationship upon either party.

🔊 You must decide which state governs this Agreement and where any legal action would be taken. Generally, it is your (company's) state of residence.

5.2 **Governing Law & Jurisdiction.** This agreement and the parties' actions under this Agreement shall be governed by and construed under the laws of the state of [State], without reference to conflict of law principles. The parties hereby expressly consent to the jurisdiction and venue of the federal and state courts within the state of [State]. Each party hereby irrevocably consents to the service of process in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such party at its address set forth in the preamble of this Agreement, such service to become effective thirty (30) days after such mailing.



☞ This Agreement is intended to be the only Agreement, and that no other documents or communications are binding. Therefore, it is very important to make sure that everything [Company] and [Client] have agreed to be included in this Agreement. Otherwise, it is as if it was not agreed to.

5.3 **Entire Agreement.** This Agreement, including the attached exhibits, constitutes the entire Agreement between both parties concerning this transaction, and replaces all previous communications, representations, understandings, and Agreements, whether verbal or written between the parties to this Agreement or their representatives. No representations or statements of any kind made by either party, which are not expressly stated in this Agreement, shall be binding on such parties.

☞ Any changes to this Agreement must be in writing and signed by the party against whom that writing is to be used.

5.4 **All Amendments in Writing.** No waiver, amendment or modification of any provisions of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom such waiver, amendment or modification is sought to be enforced. Furthermore, no provisions in either party's purchase orders, or in any other business forms employed by either party will supersede the terms and conditions of this Agreement.

☞ All notices between the parties must be in writing and either delivered in person or by certified or registered mail, return receipt requested.

5.5 **Notices.** Any notice required or permitted by this Agreement shall be deemed given if sent by registered mail, postage prepaid with return receipt requested, addressed to the other party at the address set forth in the preamble of this Agreement or at such other address for which such party gives notice hereunder. Delivery shall be deemed effective three (3) days after deposit with postal authorities.

☞ In the event of a lawsuit or any legal proceeding involving this Agreement, the losing party will have to pay the winning party his or her costs and expenses, including reasonable attorney fees.

5.6 **Costs of Legal Action.** In the event any action is brought to enforce this Agreement, the prevailing party shall be entitled to recover its costs of enforcement including, without limitation, attorneys' fees and court costs.

☞ Legal remedies, i.e., money damages, may not be sufficient; therefore, both parties agree to equitable remedies such as an injunction where the breaching party would be required to do or not to do something.

5.7 **Inadequate Legal Remedy.** Both parties understand and acknowledge that violation of their respective covenants and Agreements may cause the other irreparable harm and damage, that may not be recovered at law, and each agrees that the other's remedies for breach may be in equity by way of injunctive relief, as well as for damages and any other relief available to the non-breaching party, whether in law or in equity.

☞ Assuming the parties wish to use Arbitration in the event of a dispute, the following section should be included. You take your chances with an arbitrator, but it keeps legal costs down and keeps you out of a drawn out legal process.

5.8. **Arbitration.** Any dispute relating to the interpretation or performance of this Agreement shall be resolved at the request of either party through binding arbitration. Arbitration shall be conducted in [County], [State] in accordance with the then-existing rules of the American Arbitration Association. Judgment upon any award by the arbitrators may be entered by any state or federal court having jurisdiction. [Company] and [Client] intend that this Agreement to arbitrate be irrevocable.

☞ Merely delaying to bring an action that one party has a right to bring does not cause that party to lose or waive his right to pursue that action.

5.8 **Delay is Not a Waiver.** No failure or delay by either party in exercising any right, power or

remedy under this Agreement, except as specifically provided in this Agreement, shall operate as a waiver of any such right, power or remedy.

☞ Neither party will be blamed if there is a problem resulting from something beyond its control, such as an earthquake, flood, war.

**5.9 Force Majeure.** In the event that either party is unable to perform any of its obligations under this Agreement or to enjoy any of its benefits because of any Act of God, strike, fire, flood, governmental acts, orders or restrictions, Internet system unavailability, system malfunctions or any other reason where failure to perform is beyond the reasonable control and not caused by the negligence of the non-performing party (a “Force Majeure Event”), the party who has been so affected shall give notice immediately to the other party and shall use its reasonable best efforts to resume performance. Failure to meet due dates resulting from a Force Majeure Event shall extend such due dates for a reasonable period. However, if the period of nonperformance exceeds sixty (60) days from the receipt of notice of the Force Majeure Event, the party whose ability to perform has not been affected may, by giving written notice, terminate this Agreement effective immediately upon such notice or at such later date as is therein specified.

☞ This section limits the ability of either party to transfer any of its rights or delegate any of its duties to third parties.

☞ You want to make sure that you can sell your business along with all of the relationships you have developed along the way. (Often these relationships can add tremendous value to your business and you want to make sure that all of your agreements can be transferred to the new owners.) I wouldn't want to seek (let alone pay for) permission to sell my company.

☞ Generally, neither party may assign their respective rights to a third party; however, with the possible exception of assignment to a successor corporation or partnership, either party may transfer its rights or obligations under this Agreement without the approval of the other party. This Agreement would be binding on the 3<sup>rd</sup> party.

☞ However, you may want to limit each other's ability to pass along this deal to another possibly unknown and possibly unfriendly entity. The second paragraph prevents unauthorized transfer of responsibilities...

☞ CHOOSE one or the other of these two following paragraphs.

**5.10 Assignability & Binding Effect.** Except as expressly set forth within this Agreement, neither party may transfer or assign, directly or indirectly, this Agreement or its rights and obligations hereunder without the express written permission of the other party, not to be unreasonably withheld; provided, however, that both parties shall have the right to assign or otherwise transfer this Agreement to any parent, subsidiary, affiliated entity or pursuant to any merger, consolidation or reorganization, provided that all such assignees and transferees agree in writing to be bound by the terms of this Agreement prior to such assignment or transfer. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

☞ This paragraph DOES NOT ALLOW either party to transfer its rights to a successor company without prior approval.

**5.10 Non-Assignability & Binding Effect.** Except as otherwise provided for within this Agreement, neither party may assign any of its rights or delegate any of its obligations under this Agreement to any third party without the express written permission of the other. Any such assignment is deemed null and void.

☞ If any part of this Agreement is unenforceable or invalid, the balance of the Agreement should still be enforced. Basically, ignore any sections that are invalid.

**5.11 Certain Sections Invalid.** If any provisions of this Agreement are held by a court of competent

jurisdiction to be invalid under any applicable statute or rule of law, they are to that extent to be deemed omitted and the remaining provisions of this Agreement shall remain in full force and effect.

🔊 The headings of the various sections are meant to explain or otherwise give meaning to those sections; they are for convenience only.

5.13 **Headings.** The titles and headings of the various sections and sections in this Agreement are intended solely for convenience of reference and are not intended for any other purpose whatsoever, or to explain, modify or place any construction upon or on any of the provisions of this Agreement.

🔊 Even after the termination of the Agreement, the parties may still have certain responsibilities such as keeping information confidential.

5.14 **Survival of Certain Provisions.** The warranties and the indemnification and confidentiality obligations set forth in the Agreement shall survive the termination of the Agreement by either party for any reason.

### **Understood, Agreed & Approved**

We have carefully reviewed this contract and agree to and accept all of its terms and conditions. Upon execution of this Agreement, Seller agrees to no other future claims of the Business. We are executing this Agreement as of the Effective Date above.

[Company]

Seller

---

[Owner/Founder]  
[Title]

---

[Seller Name]  
[Title]

# Exhibit A

## Current Existing Member Owners of the Business

- [Xxx]
- [Xxx]
- [Xxx]

# Exhibit B

## Compensation

🔊 If you are going to include an installment payment as part of this agreement, you may want to use the Promissory Note template included with AgreementBuilder.

- The total sum of \$[000,000,000] to be comprised of:
- Cash \$[000,000]
- Royalties, paid at [xx]% up to \$[000,000]
- Monthly installment payments of \$[00,000] for which a Promissory Note is attached as Exhibit G

# Exhibit C

## Product, Inventory, Supplies & Equity

- [Xxx]
- [Xxx]
- [Xxx]

# Exhibit D

## Accounts Receivable

- Xxx
- Xxx
- xxx

# Exhibit E

## Certain Assets of the Business

Description:

- Office furniture, office and manufacturers equipment
- computer equipment
- other machines and equipment
- Serial number / Fixed Asset Account number



# Exhibit F

## Current Agreements

- Sales Orders
- Agreements
- Contracts, Leases, Licenses
- Insurance Policies, Fidelity and Contract Bonds, and
- Other Agreements

# Exhibit G

**Promissory Note**