**Agreement to Sell Business Format**

**SOLE PROPRIETORSHIP**

The agreement is made on dd /mm/yy\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ there after termed as “Seller”, and \_\_\_\_\_\_\_\_\_\_\_\_, there after termed as “Buyer”.

The parties hereby state and declare that:

1.  The Seller owns this premise and carries out a business known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ situated at \_\_\_\_\_\_\_\_\_, in the City \_\_\_\_\_, In the County \_\_\_\_\_\_\_, and in the state \_\_\_\_\_\_\_\_\_\_\_\_\_.

2.  The Seller wishes to sell and Buyer wishes to buy such business/business premise for mutually agreed price and on the following agreed terms and conditions.

For the reason of sale and purchase, and for a mutually agreed consideration, the seller and Buyer agree to enter into a contract.

1.  Sale of Business. The seller has agreed to sell and the Buyer has agreed to purchase this business which is free from all liabilities and encumbrances, the above‑described business. This agreement to sell contract would include the lease to such premises, the goodwill of the business, all of rights of the seller in contracts, licenses, and agreements, and all physical assets and possessions which are owned and used by Seller in the business specified above and mentioned in Exhibit A, other than property which are specifically excluded from the contract. This sale is exclusive of cash on hand or in banks on the date of closing or such other property as is listed in Exhibit B.

2.  Consideration. The Buyer and Seller have agreed to transfer a sum of \_\_\_\_\_\_\_\_\_\_\_\_in consideration for the sale and transfer on the above mentioned business.

3.  Allocation of Purchase Price. The Sale/purchase price will be allocated to the following assets belonging to the business as mentioned below:

(a)  The sale/ purchase price for premises at \_\_\_\_\_\_\_\_\_\_\_.

(b)  The sale/ purchase price of equipment, furniture, and fixtures \_\_\_\_\_\_\_\_\_

(c)  The sale/ purchase price of Goodwill \_\_\_\_\_\_\_

(d)  The value of Stock in trade at the time of sale on the premises or to be delivered on or before the date of sale of a sum of \_\_\_\_\_\_\_\_\_\_.

(e)  The Accounts receivable of Rs.\_\_\_\_\_\_\_\_\_\_\_\_\_.

(f)  The value of outstanding contracts of Rs.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Total amount of Rs. \_\_\_\_\_\_\_\_\_\_\_.

4.  Terms of payment.  As per the agreement, the payment of the sale price/purchase price should be paid by the seller by the buyers in the following manner:

(a)    Amount of Rs.\_\_\_\_\_\_\_ in cash at time of closing the deal.

(b)    The balance of Rs. \_\_\_\_ to be paid with an interest amount of \_\_\_\_% per annum, for an agreed monthly installment of Rs\_\_\_\_\_\_\_\_\_\_ per month. The first installment to begin from the dd/mm/yy \_\_\_\_\_\_\_\_ till dd/mm/yy\_\_\_\_\_\_\_\_\_\_\_.

To execute this monthly installment, buyer has to execute a promissory note to the seller on the closing.

5.  Adjustments at Closing. Adjustments shall be made at the time of closing for all operating expenses including, but not limited to, rent, insurance premiums, utility charges, payroll, and payroll taxes.

6.  Time of Closing. The closing of this deal will take place at the office premises on dd/mm/yy\_\_\_\_\_. Upon payment of the portion of the purchase price then due to Seller, Seller shall deliver to Buyer such instruments of transfer as are necessary to transfer to Buyer the business and property referred to herein.  Such instruments of transfer shall effectively transfer to Buyer full title to the business and property free of all liens and encumbrances.

7.  Covenant Not to Compete. The Seller should not begin or start or involve himself or engage in any business similar to this transaction, directly or indirectly from the period \_\_\_\_\_\_ to \_\_\_\_\_\_. Similar business or transaction is defined as\_\_\_\_\_\_\_\_

8.  Representations of Seller. Seller represents and deserves the following:

(a)  The seller is qualified to carry on the business as he owns and can operate the business under the State of Law\_\_\_\_\_\_.

(b)  The seller becomes the owner of the business and all the assets mentioned in Exhibit A. He becomes an absolute owner of all the property, except those mentioned in Exhibit C.

(c)  The seller has to be assured that there are no proceedings, judgments, or liens pending against him or against the business.

(d)  Seller has to make sure that the entire transaction is smooth as per the statute and the transaction does not violate any federal, state, and local statutes, laws, and regulations. There is no adverse impact on the Seller’s properties or business operations.

(e)  He will, up to the date of closing, operate his business in the usual and ordinary manner and will not enter into any contract except as may be required in the regular course of business.

9. Risk of Loss by Fire. The risk of any damage, destruction, loss or damage by fire or any other reason has to be borne by the seller. In case of any loss exceeding Rs\_\_\_\_\_\_ they buyer has an option to terminate this agreement.

10.  Assumption of Liabilities. According to the contract the Buyer has agreed to the assets and contracts in Exhibit A and any owns liability arising after signing the contract and before closing the deal. The buyer cannot be held liable or held responsible for any obligation other than those explicitly mentioned herein.

11.  Modification. After agreeing to this agreement, no changes or modifications should be made unless mutually agreed upon and it has to be in writing by both the parties.

12. Binding Effect. Both the parties have to bind by this Agreement.

13.  Governing Law and Fees: This is a legal document and incase of any event of legal enforcement arises by either of the parties, the legal fee will be borne by the party breaching the contract. This agreement is governed by the laws of the state of \_\_\_\_\_

This agreement is signed in the presence of the witness and executed on dd/mm/yy\_\_\_\_\_

Seller \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Buyer\_\_\_\_\_\_\_\_\_

Attachments:

Exhibit A:  Schedule of Assets Included

Exhibit B:  Schedule of Assets Excluded

Exhibit C:  Schedule of Encumbrances