

Prepared by: \_\_\_\_\_ Date of Offer: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Per: \_\_\_\_\_ MLS No: \_\_\_\_\_

**Made between:**

**(" Buyer)**  
\_\_\_\_\_

**and:**  
**(" Seller")**  
\_\_\_\_\_

**and:**  
**(" Principal")**  
\_\_\_\_\_

The Buyer hereby offers and agrees to buy and assume from the Seller on and subject to the terms set forth below, the property, assets and undertaking of the business known as:

**(" Business")**  
\_\_\_\_\_

**(" Address")**  
\_\_\_\_\_

**The Purchase Price for the Business Assets will be:**

\_\_\_\_\_ **(Dollars)**

**ASSETS AND PURCHASE PRICE ALLOCATION:** The total Purchase Price shall include the assets more particularly described below on any Schedule attached and shall be allocated for tax purposes to the various assets of the Business as follows:

	Allocation
Equipment	\$ _____
Goodwill	\$ _____
Leasehold Improvements	\$ _____

**A. COMPLETION:** The Completion of the transaction contemplated hereby ( the " Completion") will take place on \_\_\_\_\_ day of \_\_\_\_\_, year \_\_\_\_\_ ( the " Completion date"). Time shall be essence hereof, and unless the balance of the Purchase Price is paid on or before the Completion Date ( other than by reason of the Buyer or the Seller not being satisfied or waiving the forgoing conditions), the Seller may at the Seller's option terminate this Contract and in such event the amount paid by Buyer including the Deposit will be absolutely forfeited to the Seller on account of damages, without prejudice to the Seller's other remedies. If the forgoing conditions are not waived or fulfilled by the Buyer and the Seller respectively, the Deposit will be returned to the Buyer.

**B. POSSESSION:** The Seller will deliver possession of the Business Assets to the Buyer on \_\_\_\_\_ day of

\_\_\_\_\_, year \_\_\_\_\_ (possession date") free of any other liens, charges, encumbrances, claims to possession and any tenancies.

C. **ADJUSTMENT** : All revenues and expenses, including prepaid expenses, relating to the Business will be adjusted ( the " Adjustments") between the Seller and Buyer As at the Possession date to the effect that in respect of any period before that time the Seller will bear all such expenses and received all such revenues and that from and after that time the Buyer will bear all such expenses and receive all such revenues.

**D. Agents:**

The Seller has an agency relationship with \_\_\_\_\_

The Buyer has an agency relationship with \_\_\_\_\_

The Seller and Buyer have consented to a client relationship under Designated Agency with \_\_\_\_\_, and \_\_\_\_\_.

Each of the Seller and Buyer acknowledges and confirms that its/his agent has made no representations, warranties or other statements on which it/he has relied in connection with entering into this Contract.

**CONDITIONS**

This offer is subject to and conditional upon the following conditions:

**(1) Financial Statements, Equipment List and Lease Contract**

Subject to the Seller to provide Purchaser within 72 hours upon acceptance of this offer

(a) complete and current set of financial statements including a profit and loss statement showing revenue and expenses for a period of 12 months ending (or for the period from the acquisition of the business to date) not more than 120 days before the signing of this agreement,

(b) a statement of assets and liabilities and

(c) a list of all fixtures, equipment, goods, furniture, tools, chattels, rights and other assets not included in the transaction, which list is attached as **SCHEDULE - A**

(d) the existing lease contract.

**Subject to the Buyer** perusing and approving and being satisfied with the said financial statements, equipment list and the existing lease contract by \_\_\_\_\_.

*This condition is for the sole benefit of the Buyer.*

**(2) Lease Contract**

**Subject to the Buyer** being able to obtain a lease contract on terms acceptable to the Buyer from landlord by \_\_\_\_\_.

*This condition is for the sole benefit of the Buyer.*

**(3) Professional Advice**

Subject to the Buyer obtaining independent legal and accounting advice as to the terms and conditions contained in this contract to the satisfaction of the Buyer by \_\_\_\_\_.

*This condition is for the sole benefit of the Buyer.*

The above precedent subject clauses of this offer are for the sole benefit of the Buyer. Unless each condition is waived or declared fulfilled by written notices by the Buyer by the date specified for each condition, this offer becomes null and void and this agreement will be there upon terminated and all the deposit moneys returned immediately to the Purchaser without any liquidated damage and this offer becomes no further effective in force and legal issue.

**(4) Deposit**

Upon acceptance of this offer, the Buyer shall pay an initial deposit of \$\_\_\_\_\_ within 48 hours of acceptance. All deposit monies in this transaction are to be paid by **certified cheque or bank draft** to and held in trust by \_\_\_\_\_ as a stakeholder. Upon removal of all the Buyer's conditions precedent, the deposit will be increased to a total of \$\_\_\_\_\_. The deposit will be applied to the purchase price at Completion. If the Buyer shall fail for any reason other than the fault of the Vendor to close this sale and to complete the purchase on the completion date, the Vendor shall have the right to retain all sums paid by Buyer as liquidated and agreed pre-estimated damages and not as penalty. The forgoing remedies of the Vendor are subject to Vendor's payment of Agent's Commission hereunder.

**(4) Training**

The Seller will provide the Buyer with training and familiarization in all aspects of the Business during normal business hours for a period of \_\_\_\_\_ days prior to completion and \_\_\_\_\_ days after completion date without any remuneration.

**(5) Non-Competition**

For a period of **3 years** from the completion date, the Seller shall not anywhere within a **3 kilometer** radius from the business premises without the prior consent in writing of the Purchaser in any other manner whatsoever directly or indirectly carry on or employed in any business or activity of the nature now carried on by the Seller.

**(6) Assets**

The Buyer is purchasing the assets of the Business. All liabilities occurring on the Business by the completion date are obligation of the Seller. The Buyer is not purchasing any share of the operating or owned company of the Business.

**Included Assets:**

The purchase price includes the assets of the Business contemplated herein includes;

- a) all equipment, fixtures, furnishings, machinery used in connection with the Business;
- b) all rights, title, benefit, and interest under all material contracts of the Business;
- c) all permits, licenses, consents, authorizations, and approvals pertaining to the Business which are assignable;
- d) the goodwill of the Business, inside and outside signs, and phone number of the Business.(Telephone No: \_\_\_\_\_), and Business Name .

**Excluded Assets:**

The following property and assets are specifically excluded from the Purchase and Sale;

- a) cash on hand or on deposit at the close of business on the Completion date;
- b) all accounts, prepaid expenses, deposits and notes receivable at the close of business on the Completion date; and
- c) any chattels exempted from the Purchase and Sales as set out in any schedule to this contract.

Notwithstanding anything herein, this is a purchase of assets only, and no obligations, liabilities, and encumbrances

whatsoever of the Business are being assumed or acquired by the Buyer nor is Buyer obliged to carry on the Business in any fashion.

## **(7) Representations, Covenants and Warranties of Seller**

Upon accepting this offer to purchase the Vendor covenants, warrants and represents with and to the Purchaser that;

a) If the Seller is a corporation, then it is a corporation duly incorporated under the laws of the Province of British Columbia and is validly existing and in good standing under the laws of the Province of British Columbia, and has power and capacity to own and dispose of the Assets owned by it and to carry on the Business as now being conducted by it and to enter into this agreement and carry out its terms to the fullest extent;

b) The execution and delivery of this Agreement and completion of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of Seller;

c) Neither the execution and delivery of this Agreement, nor the completion of the purchase and sale contemplated herein will:

(i) violate any of the terms and provisions of the Articles of Incorporation of Seller, or any order, decree, statute, by-law, regulation, covenant or restriction applicable to it or any of the assets;

(ii) give any person the right to terminate, cancel or remove any of the Assets; result in any fees, duties, taxes, assessments or other amounts relating to any of the Assets becoming due or payable other than British Columbia Social Services Tax, if any, payable by Buyer in connection with the purchase and sale hereunder;

d) Seller has the necessary power and authority to transfer marketable title in the Assets to Buyer free and clear of all mortgages, liens, charges, pledges, security interest, encumbrances or any other claim whatsoever save as herein before provided;

e) Seller has good leasehold title to the Business Premises free and clear of all liens, mortgages, charges and encumbrances save as expressed reserved hereunder and the existing Lease is in good standing;

f) On the possession date, the Vendor will have good and marketable title to the Business and Assets, it shall be free and clear of any and all mortgages, liens, encumbrances or adverse claims whatsoever;

g) On the closing date there will not be any litigious proceedings affecting the Business;

h) Seller has no outstanding orders with respect to the Business complies with all by-laws and regulations, including Building, Health, Fire, License, Zoning, Planning and Electrical on the date of Completion.

i) all government licenses and permits required for the conduct of the Business and the uses to which the Assets have been put have been obtained and are in good standing and such conduct and uses are not in breach of any statute, by-law. Regulation, covenant, restriction, plan or permit to the knowledge of Seller;

j) Seller shall have paid all taxes properly payable at the time closing, including all money properly payable at the time of closing, including all money properly payable to employees, the Workers' Compensation Board and Canada Customs and Revenue Agency;

k) There is no employee who cannot be dismissed for cause or upon proper notice without cause. All existing employee of Seller employed at the business will be terminated by Seller at Closing and paid all salaries, benefits and holding pay to Closing. Buyer may rehire the said employees at the Business as at the Closing Date upon similar terms;

l) Until possession is transferred, the Seller agrees to operate the Business in the ordinary course without material change and to maintain the Business premises, including heating, cooling, Plumbing, and electrical systems, built-in-fixtures, together with all other equipment and assets included in this sale in working order, and to maintain and leave the premises in a clean, orderly condition.

m) All equipment included in the sale is being purchased on an "as is" basis without warranty of merchantability or fitness for any particular purpose; however, at the completion of this sale, all equipment (state in this contract) shall be in working condition, and the Seller, at its sole expense and at the Purchaser's option, shall on or prior to the completion of this sale, repair or replace all equipment not in working condition.

n) Seller shall (if required) execute an assignment of the Seller's interest under the Lease in form and substance satisfactory to the Purchaser, acting reasonably, including provision for continued responsibility of the Seller for liabilities and defaults incurred or permitted prior to the Completion Date and an indemnity by the Seller in favor of the Purchaser with respect to the Lease.

**(8) Authority**

The Purchaser and Seller each warrant to the other that they respectively have the full power and authority to enter into this Contract and to conclude the transaction described herein, and no contract or agreement to which either the Purchaser or the Seller is a party prevents either of them concluding the transaction described herein, nor is the consent of any government authority or third party required.

**(9) Inventory of Goods**

Stock to be purchased separately at a price to be mutually agreed upon by Vendor and the Purchaser. It is agreed that the on hand inventory of marketable goods at the Vendor's cost shall not exceed \$\_\_\_\_\_. The Purchaser may exclude from the purchase and sale any items which the Purchaser reasonably considers unusable or in respect of which the Purchaser is not reasonably satisfied as to proof of direct cost.

**(10) Business Information Provided to the Purchaser**

It is expressly understood and agreed that all written and oral information provided to the Purchaser by the Agent was prepared by the Agent solely from information provided by the Seller, and that the Agent has not done any independent investigation whatsoever of the Business or the information provided by the Seller and does not warrant the accuracy or completeness of same. Further, the Agent has advised the Purchaser to conduct its own independent investigation into the Business and the accuracy of any information provided.

**(11) Incorporation by the Purchaser**

It is hereby acknowledged and agreed that the Purchaser may elect to incorporate. In such event this contract shall be assigned to the company, and the Purchaser shall cause the company (to the extent permitted by law) to assume the same. The Purchaser shall continue to be personally liable for the performance of this contract and the payment of any unpaid balances owed to vendor notwithstanding such assignment and assumption.

**(12) Independent Professional Advice**

The Purchaser and Vendor hereby acknowledge that the Agent has advised them to seek independent legal and accounting advice prior to executing this Contract, and they are not relying on the Agent with respect to the terms or legality of this Contract.

**(13) Holdback**

The Sum of \$\_\_\_\_\_ shall be held back by the Buyer's Solicitor for a maximum of 30 days in the Trust Account until the Buyer's Solicitor has completed the required searches of the followings, in connection with the business in question.

- a. payment of Social Service Tax
- b. remittance of assessments payable under the Worker's Compensation Board Act
- c. no lien, charges or claim under Employment Standard Act

- d. G. S. T. or H.S.T remitted
- e. Outstanding orders of Health, Fire and Municipal Government.
- f. Payroll remittance and
- g. Corporate Tax

**(14) Legal Cost**

The Seller and Buyer shall each pay their own respective legal costs of this agreement and the final documentation thereto.

**(15) Personal Information**

The Buyer and the Seller hereby consent to the collection, use and disclosure by the Agents and salespersons, the real estate boards of which those Agents and salespersons are members and, if the Property is listed on a Multiple Listing Service®, the real estate board that operates that Multiple Listing Service®, of personal information about the Buyer and the Seller:

- A. for all purposes consistent with the transaction contemplated herein;
- B. if the Property is listed on a Multiple Listing Service®, for the purpose of the compilation, retention and publication by the real estate board that operates the Multiple Listing Service® and other real estate boards of any statistics including historical Multiple Listing Service® data for use by persons authorized to use the Multiple Listing Service® of that real estate board and other real estate boards;
- C. for enforcing codes of professional conduct and ethics for members of real estate boards; and
- D. for the purposes (and to the recipients) described in the brochure published by the British Columbia Real Estate Association entitled Working With A Real Estate Agent.

**(16) Acceptance Irrevocable (Buyer and Seller)**

The Seller and the Buyer specifically confirm that this Contract of Purchase and Sale is executed under seal. It is agreed and understood, that the Seller's acceptance is irrevocable until after the date specified for the Buyer to either;

- A. fulfill or waive the terms and conditions herein contained; and/or
- B. exercise any option(s) herein contained.

**(17) Confidentiality.**

Until the Completion Date and, if the purchase and sale contemplated hereby does not complete for any reason forever, the Buyer will keep strictly confidential any and all confidential information learned or obtained by the Buyer about the Business as a result of entering into this Contract, and will not use, directly or indirectly, or allow anyone else to use, directly or indirectly, any such information to compete with the Seller in respect of the Business.

**Other terms:**

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**Deadline For Acceptance.** This offer, or counter-offer, will be open for acceptance until 11:59 PM on \_\_\_\_\_ day of \_\_\_\_\_, year \_\_\_\_\_ and upon acceptance of the offer, or counter-offer, by accepting in writing and notifying the other party of such acceptance there shall be a binding contract on the terms and conditions set forth.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, year \_\_\_\_\_ by:

Buyer: \_\_\_\_\_ Witness: \_\_\_\_\_

Buyer: \_\_\_\_\_ Witness: \_\_\_\_\_

per: \_\_\_\_\_ Address: \_\_\_\_\_

**THE SELLER HEREBY ACCEPTS** (a) the Buyer's offer and agree to sell, transfer and assign the herein, this \_\_\_\_\_ day of \_\_\_\_\_, year \_\_\_\_\_, (b) declares and represents that the Seller is: Resident of Canada\_\_ Non-Resident of Canada\_\_ as defined under the Income Tax Act, ( c) agrees to pay commission as per listing contract, and pay the commission out of the cash proceeds of sale and forward copies of the Seller's Statement of Adjustment to the Selling/Listing Agent as requested forthwith after completion.

Seller: \_\_\_\_\_ Witness: \_\_\_\_\_

Seller: \_\_\_\_\_ Witness: \_\_\_\_\_

Per: \_\_\_\_\_ Address: \_\_\_\_\_