

# ASSET PURCHASE AGREEMENT

THIS AGREEMENT made effective as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

BY AND BETWEEN:

**[NAME OF SELLER]**  
a company organised under the laws of New Zealand  
[business address of Seller]  
(hereinafter referred to as "Seller")

**OF THE FIRST PART**

- and -

**[NAME OF BUYER]**  
a company organised under the laws of New Zealand  
[business address of Buyer]  
(hereinafter referred to as "Buyer")

**OF THE SECOND PART**

**RECITALS:**

- A. WHEREAS Seller carries on the business of \_\_\_\_\_ [give brief description of the type of business, under the name of \_\_\_\_\_ [Name of Business] (the "Business"), at \_\_\_\_\_ [insert the address of the Business] (the "Premises");
- B. AND WHEREAS Seller desires to transfer, sell, convey, assign and deliver to Buyer, and Buyer desires to acquire from Seller, the Business and all of the assets of the Business, in accordance with the terms and subject to the conditions of this Agreement.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

## 1. Sale of Business; Purchase Price

1.1. Subject to the terms and conditions of this Agreement, Seller hereby sells, conveys, assigns, transfers and delivers to Buyer, the Business (including the assets listed on Exhibit A (the "Purchased Assets"), but specifically excluding the excluded assets listed on Exhibit A1 (the "Excluded Assets")), for the total sum of \_\_\_\_\_ [INSERT PURCHASE PRICE IN WORDS] DOLLARS (\$####.##) (the "Purchase Price"). The Purchase Price shall be allocated among the assets of the Business as follows:

(a)	Plant and equipment	###.##
(b)	Furnishings	###.##
(c)	Inventory / stock in trade	###.##
(d)	Accounts receivable	###.##
(e)	Good will	###.##
(f)	Outstanding contracts	###.##

**TOTAL:** \$###.##

1.2. The Purchase Price will be paid by Buyer as follows:

(a)	Earnest money (upon signing of the Agreement)	###.##
(b)	Down payment	###.##
(c)	Promissory Note	###.##
(d)	Balance due on Closing	###.##

**TOTAL:** \$###.##

1.3. Seller acknowledges receipt of the earnest money deposit in the amount of \$\_\_\_\_\_ from Buyer. If the transaction contemplated by this Agreement is not completed for any valid reason, the earnest money deposit will be returned to Buyer without penalty or interest.

1.4. Seller shall deliver to Buyer good and marketable title to the Purchased Assets free and clear of any and all liabilities, liens, claims, charges, encumbrances, mortgages, security interests, pledges, rights of offset, adverse claims, and restrictions of any type, kind or nature (collectively, "Liens"), except as otherwise expressly provided in this Agreement.

## 2. Promissory Note

The Promissory Note given by Buyer shall be in the principal amount of \$\_\_\_\_\_ and shall be in the form of Exhibit B hereto (the "Note"). The Note will bear interest at the rate of \_\_\_\_\_ percent (##%) per year, payable \_\_\_\_\_ [set out how the note will be payable, e.g. monthly, quarterly, yearly, etc] in equal instalments of \$\_\_\_\_\_, with the first payment due on \_\_\_\_\_. Buyer shall have the option to prepay the amount of the Note, in whole or in part, at any time without limitation or penalty.

## 3. Liabilities Not Assumed

3.1. Except for those liabilities specifically set out in Exhibit C hereto, Buyer shall not assume any liabilities, obligations or commitments of Seller of any kind, known or unknown, contingent or otherwise, of whatsoever kind or nature, and the same shall remain the sole responsibility of Seller and Seller will indemnify and hold Buyer, its officers, directors and shareholders, and each of them, harmless from and against any and all such liabilities, expenses or obligations, including, but not limited to:

- (a) deferred expenses, trade account liabilities and capitalised leases;
- (b) product liability claims;
- (c) liabilities in respect of any past or current employee of Seller or the termination thereof, including severance pay, annual leave, workers compensation payments, superannuation guarantee charge payments or other payments due in respect of such employees of Seller;
- (d) income, sales, transfer or other taxes, including taxes arising out of the transactions contemplated by this Agreement; or
- (e) legal expenses or other transaction costs associated with the transactions contemplated by this Agreement.

3.2. Buyer will offer to hire or retain, on its customary basis, any or all of the employees or consultants of Seller, but Buyer shall not assume or be bound by any of Seller's employment or consulting contracts or other obligations with respect to such employees and consultants.

**THIS IS A 14-PAGE DOCUMENT (INCLUDING SCHEDULES).**