

ASSET PURCHASE AGREEMENT

THIS AGREEMENT effective this ___ day of _____, _____.

BETWEEN:

VENDOR

(hereinafter referred to as the "Vendor")

OF THE FIRST PART

- and -

PURCHASER

(hereinafter referred to as "the Purchaser")

OF THE SECOND PART

WHEREAS:

- A. The Vendor carries on the business of _____;
- B. The Vendor wishes to sell certain of its assets used in its business to the Purchaser who is desirous of purchasing same; and
- C. The Purchaser wishes to operate a _____ franchise, from the location used by the Vendor.

NOW THEREFORE in consideration of the mutual covenants herein contained, the payment of TEN (\$10.00) DOLLARS by each party to the other and other good and valuable consideration, (the receipt and sufficiency of which is hereby acknowledged) the parties covenant and agree as follows:

1. DEFINITIONS

In this Agreement, the following terms shall have the following meanings:

- 1.01 **"Accounts Receivable"** shall mean those receivables due to the Vendor but which are received by the Purchaser after the Closing.
- 1.02 **"Closing"** means the closing of the purchase and sale as contemplated by this Agreement at the time and place determined pursuant to paragraph 14.01.
- 1.03 **"Effective Date"** shall mean _____.
- 1.04 **"Franchise"** shall mean the franchise to be granted by _____ to the Purchaser or the Purchaser's Principal to distribute and sell _____.
- 1.05 **"Furniture and Fixtures"** shall mean those pieces of furniture and those fixtures, tools and equipment whose identity, description and value for the purposes of this Agreement are described on Schedule "A" hereto.
- 1.06 **"Inventory"** shall mean all _____ in the possession of the Vendor at Closing.
- 1.07 **"Inventorying"** means the meeting of the authorized agents of both the Vendor and the Purchaser for the purpose of identifying, describing and valuing the Furniture and Fixtures, the Parts and the Inventory as contemplated by paragraph 4.01 hereof.

- 1.08 **"Lease"** shall mean the lease agreement between the Vendor as tenant, and the Landlord, as landlord, in respect of the Leased Premises.
- 1.09 **"Landlord"** shall mean _____.
- 1.10 **"Leased Premises"** shall mean those lands and buildings described in Schedule "C" to this Agreement.
- 1.11 **"Leasehold Improvements"** shall mean the leasehold improvements installed by the Vendor on the Leased Premises.
- 1.12 **"Leased Equipment"** shall mean the _____, signs and other equipment, which are now and will be at the time of Closing on or within the Leased Premises and in respect of which the Vendor shall have, at the time of Closing, accepted or agreed to accept assignments from the Vendor of the lease contracts relating thereto, which assignments shall have been consented to by the lessor thereunder.
- 1.13 **"Parts"** shall mean those parts and accessories whose identity, quantity and value shall be agreed upon by the Vendor and Purchaser prior to Closing.
- 1.14 **"Purchase Price"** means the purchase price for the Purchased Assets as determined in accordance with paragraph 4.01 hereof.
- 1.15 **"Purchased Assets"** shall mean the assets described in paragraph 3.01 hereof and shall exclude the assets described in paragraph 3.02 hereof.
- 1.16 **"Purchaser's Principal"** shall mean a person designated by the Purchaser and approved by _____ to be the holder of the Franchise.
- 1.17 **"Purchaser"** shall mean PURCHASER.
- 1.18 **"Vendor"** shall mean VENDOR.

2. SCHEDULES

- 2.01 The Schedules hereto are incorporated into and form part of this Agreement.

3. SALE OF PURCHASED ASSETS

3.01 Subject to the terms and conditions of this Agreement, the Vendor agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendor the following property and assets of the Vendor as at and from the Effective Date:

- (a) the Inventory;
- (b) the Parts;
- (c) the exclusive right to the Purchaser to represent itself as carrying on the Purchased Business in continuation of and in succession to the Vendor including the exclusive right to use the name "_____" or any variation thereof, as part of the name of or in connection with the business or any part thereof to be carried on by the Purchaser, subject only to the rights of _____, and the Purchaser shall also be entitled to take over and assume all telephone numbers and mailing addresses used by the Vendor in operating its _____ business at the Leased Premises;
- (d) the Vendor's equity and right or option to purchase, if any, in the Leased Equipment.

3.02 The Purchased Assets shall not include:

- (a) Accounts Receivable of the Vendor arising in the ordinary course of business and which accrue prior to the Effective Date;
- (b) cash on hand or in banks or other depositories;
- (c) prepaid expenses;
- (d) those parts, furniture, fixtures or used vehicles not included in the Inventorying and which parts, furniture, fixtures or used vehicles are not on the Leased Premises on the Effective Date.

THIS IS AN 11-PAGE FORM.