

Sale of Part

Agreement

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Date: << Day >> day of << month

Reference No. << >>

Parties:

"Partner I": <<Name>>

"Partner II": <<Name>>

["Partner III": <<Name>>

["Partner IV": <<Name>>

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And

"The Company": <<Name>>

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DEFINITIONS

1. In this agreement the following terms shall have the following meanings.

'Business' means the business of the <<desc>> by the Partners in partnership of <<name of firm>>

'Cash' means the cash in hand at the Effective Date of <<amou>> of "in full" (in £ numbers)>>

'Debts' means the debts due to the 'the Partners' at the Effective Date of << III

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'Effective Date' means the date on which the Business is to be exchanged and completed

'Employees' means the employees of the Business who are in Schedule IX and all other persons who are deemed to be employed in the Business at the time of the transfer effected by this agreement

'Excluded Assets' means the assets of the Business (the Properties) [<<Other>>].

'Goodwill' means the goodwill of the Business including the right for the use of the name of the Business now or previously used by the Partners or any of them as carrying on the Business in the course of the Business and the right not to use the name of the Business [the Business].

'Insurance Policies' means the insurance policies listed in Schedule VII.

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'I.P. Rights'	means designs Schedule	nts, trade marks, registered and secret processes listed in
'Liabilities'	means respect Schedule	ties and other obligations of or in ding at the Effective Date listed in
'Partners'	means	, [Partner III and Partner IV].
'Plant'	means equipm	and machinery, fixtures, fittings, sted in Schedule I.
'Prepayments'	means respect Compa	osits received by the Partners' in ts [whether or not assumed by the
'Purchase Contracts'	means leasing Schedule	o the burden) of all purchase nce and other contracts listed in
'Sale Assets'	means connec Exclud	sed and owned by it in the Effective Date except the
'Stocks'	means stock a	isted in Schedule II and all other e Business at the Effective Date.
'Sale Contracts'	means licences	ent and pending contracts, sted in Schedule IV.
'Transfer Regulations'	means Regula	ings (Protection of Employment)
'clause' and 'schedule'	mean c shows	his agreement unless the context

BACKGROUND

- 2.1 The Partners have from Business as a partnership.
- 2.2 The share capital of the Company is held by the Partners [who are the only Directors of the Company]
- 2.3 The Partners wish to sell the Sale Assets to the Company

SALE

- 3.1 The Partners agree to sell the Business and the Sale Assets to the Company and the Company agrees to buy

3.2 The sale and purchase shall be completed on the Effective Date.

commencement of business on

ENCUMBRANCES

4. The Sale Assets and each of them shall be free from all restrictions, liens, and other encumbrances.

to all charges, covenants, or any of them.

EXCLUDED ASSETS

5. The sale and purchase effected hereunder shall not include the Excluded Assets.

not include the Excluded Assets.

PURCHASE PRICE

6. The purchase price for the sale of the Company under clause 11 and << the Sale Assets as the parties agree or in accordance with the Partners, the Company or the Partners shall be

the obligations undertaken by the Company shall be apportioned between the Sale Assets as designated by the <<the

COMPLETION

7. The sale and purchase shall be completed on the Effective Date.

Effective Date.

PAYMENT OF THE PURCHASE PRICE

8. On completion the Company shall pay the purchase price to the Partners or as the latter may direct.

to the Partners or as the latter may direct.

TRANSFER OF SALE ASSETS

9. On completion the Partners shall transfer to the Company the Sale Assets capable of being transferred by delivery;

the Sale Assets capable of being transferred by delivery;

9.1 put the Company into possession of the Sale Assets capable of being transferred by delivery;

9.2 execute all documents necessary to transfer the Sale Assets which cannot be transferred by delivery; and

the Sale Assets which cannot be transferred by delivery; and

9.3 do all other things reasonable and necessary to vest the Sale Assets in the Company and give the Company possession of the Sale Assets in accordance with this agreement.

the Company to vest the Sale Assets in the Company in accordance with this agreement.

DEBTS

10. The Company shall discharge and satisfy all debts and liabilities outstanding as at the Effective Date and shall compensate the Partners in full on the Effective Date for all debts and liabilities in respect of such Liabilities and contracts.

The Company shall adopt and perform all contracts and shall at all times discharge and satisfy all debts and liabilities in respect of such Liabilities and contracts.

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TITLE

11. The Partners shall use its best efforts to ensure that the Company obtains the consent of any person having any interest in any of the Sale Assets to the Company including the benefit and burden of the Sale Assets.

EMPLOYEES

12. The Partners and the Company shall ensure that the Transfer Regulations apply to the transfer of the Business as regards the Employees. On completion they will be transferred to the employment of the Company in accordance with the law and the Company shall compensate the Partners in full or in part for any liabilities in respect of the Employees which arise on or after the transfer.

ACCOUNTS AND RECORDS

13.1 The Partners shall deliver to the Company on completion all its accounts and records relating to the Business.

13.2 The Company shall retain all the accounts and records for a period of <<number>> years from the Effective Date and shall allow the Partners to inspect and make copies of them in person or by agent during that period.

CONTINUING OBLIGATIONS

14. The provisions of this agreement shall continue in force after completion shall continue in force in full and the right conferred on either party shall not be affected by the Effective Date.

VAT

15.1 The purchase price for the Business is exclusive of value added tax but the parties shall use their best efforts to obtain the relief available under the Finance Act 1995 (s) Order 1995.

15.2 If the relief is not available in respect of such of the Sale Assets as are chargeable to value added tax the Partners shall pay to the Partners a sum equal to the value added tax at the standard rate which is chargeable to value added tax for them.

GOVERNING LAW

16. This agreement shall be governed by the law of the United Kingdom.

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SCHEDULES

17. Schedules I to X listed below are part of Partnership Agreement (No. << >>) form part of this agreement

- Schedule I Plant and machinery
- Schedule II Stock and inventory
- Schedule III Debts due to partners
- Schedule IV Sale contracts
- Schedule V Hire-purchase contracts, etc
- Schedule VI Patents, trademarks
- Schedule VII Insurance policies
- Schedule VIII Debts due to third parties
- Schedule IX Employees
- Schedule X Pensions of employees

IN WITNESS whereof the parties have signed their names the day and year first herein written.

Signed as a deed by Partner I

Signed as a deed by Partner II

[Signed as a deed by Partner III

[Signed as a deed by Partner IV

Witnessed by

Signed as a deed on behalf of the

Witnessed by

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Agreement Reference No. << >>

Schedule I : Plant and machinery
Description

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Schedule II : Stock and materials
Description

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Schedule III : Debts due to Partners
Description

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Schedule IV : Sale contracts, orders
Description

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Schedule V : Hire purchase, maintenance
Description

<< >>

Schedule VI : Intellectual property
Description

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Schedule VII : Insurance policies
Description

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Schedule VIII : Debts due by the Partners
Description

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Schedule IX : Employees
Description

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Schedule X : Pensions of employees
Description

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