BUSINESS PURCHASE AGREEMENT

1. 1. Parties

This Business Purchase Agreement (the "Agreement") is made effective as of [EFFECTIVE DATE] between [SELLER NAME], a [ENTITY TYPE OR INDIVIDUAL] located at [SELLER ADDRESS] (the "Seller"), and [BUYER NAME], a [ENTITY TYPE] located at [BUYER ADDRESS] (the "Buyer"). The business being sold is [BUSINESS NAME], a [ENTITY TYPE] organized in the State of [STATE] operating at [BUSINESS ADDRESS] (the "Business" or the "Company"). Each Party represents that the person signing below has full authority to bind that Party, that no consent of any third party is required except as disclosed in the Disclosure Schedule, and that entering into this Agreement will not breach any other obligation of that Party. Notices are effective when delivered by hand, by nationally recognized overnight courier, or by email with confirmation of receipt to [SELLER EMAIL] and [BUYER EMAIL].

2. 2. Purchase and Sale of the Business

Subject to the terms of this Agreement, the Seller will sell and the Buyer will purchase [PERCENTAGE, e.g., 100 percent] of the issued and outstanding [SHARES / MEMBERSHIP INTERESTS / PARTNERSHIP INTERESTS] of the Company (the "Interests"), free and clear of all liens, pledges, options, and restrictions other than those disclosed in the Disclosure Schedule. The sale transfers the Business as a going concern, including the entity itself and all of the assets, contracts, permits, licenses, goodwill, intellectual property, inventory, employee relationships, and books and records held by the Company as of the Closing, together with all liabilities of the Company except those the Seller expressly agrees to satisfy or retain under Section 10. The Business will be delivered as an operating concern, in substantially the condition it is in on the Effective Date, ordinary wear and ordinary course changes excepted.

3. 3. Purchase Price and Allocation

The total purchase price for the Interests is [PURCHASE PRICE] (the "Purchase Price"), payable as follows: [DEPOSIT AMOUNT] as the deposit described in Section 4; [CASH AT CLOSING] in immediately available funds at the Closing; [HOLDBACK AMOUNT] retained under Section 13 to secure indemnification claims; and [SELLER NOTE AMOUNT] under a promissory note bearing interest at [INTEREST RATE] and payable over [NOTE TERM], secured by [SECURITY, e.g., a pledge of the purchased Interests]. [EARNOUT PROVISION, e.g., an additional amount of up to [EARNOUT CAP] is payable if the Business achieves [PERFORMANCE TARGET] during the [EARNOUT PERIOD]]. The Purchase Price is calculated on the assumption of normalized working capital of [TARGET WORKING CAPITAL] and cash-free, debt-free delivery, and will be adjusted dollar for dollar within [ADJUSTMENT PERIOD, e.g., 60 days] after Closing based on a closing statement prepared by [PREPARING PARTY]. The Parties will file consistent tax returns reflecting the allocation set out in Schedule [ALLOCATION SCHEDULE].

4. 4. Deposit and Escrow

Within [DEPOSIT DUE PERIOD, e.g., three business days] of signing, the Buyer will deposit [DEPOSIT AMOUNT] with [ESCROW AGENT NAME] under an escrow agreement in the form attached as Exhibit [ESCROW EXHIBIT]. The deposit is credited against the Purchase Price at Closing. The deposit is fully refundable to the Buyer if the Buyer terminates during the due diligence period under Section 5, if a condition to Closing in Section 8 is not satisfied or waived, or if the Seller breaches this Agreement. The deposit is forfeited to the Seller as liquidated damages, and not as a penalty, if the Buyer fails to close after all conditions have been satisfied, the Parties agreeing that actual damages from a failed sale would be difficult to calculate. The escrow agent will release funds only on joint written instruction of both Parties or on a final order of a court of competent jurisdiction, and escrow fees will be shared [ESCROW FEE SPLIT].

5. 5. Due Diligence Period and Access

The Buyer has until [DILIGENCE DEADLINE, e.g., 45 days after the Effective Date] (the "Diligence Period") to investigate the Business. During the Diligence Period the Seller will give the Buyer and its accountants, lawyers, and lenders reasonable access during business hours to the financial statements and tax returns for the last [NUMBER] years, bank records, accounts receivable and payable aging, customer and supplier lists and contracts, leases, permits and licenses, insurance policies, employee census and compensation data, litigation files, and intellectual property records. Access will be arranged so as not to disrupt operations, and the Buyer will not contact employees, customers, or suppliers without the prior written consent of the Seller. All information disclosed is confidential and governed by the confidentiality agreement between the Parties dated [NDA DATE]. The Buyer may terminate this Agreement for any reason by written notice before the end of the Diligence Period and receive a full refund of the deposit.

6. 6. Representations and Warranties of the Seller

The Seller represents and warrants that, except as disclosed in the Disclosure Schedule: the Seller owns the Interests free of liens and has full authority to sell them; the Company is validly existing and in good standing and holds all licenses and permits required to operate the Business; the financial statements delivered to the Buyer were prepared consistently and fairly present the financial condition and results of the Business; there are no undisclosed liabilities, guarantees, or off-balance-sheet obligations; all taxes due have been paid and all returns filed; there is no pending or threatened litigation, audit, or governmental investigation; all material contracts are valid, in force, and not in default, and none will terminate or require consent because of this transaction; the Company owns or holds valid licenses to all intellectual property used in the Business; the Business complies in all material respects with applicable law; employee and benefit matters are as described in the Disclosure Schedule; and no representation made here omits a fact needed to keep it from being misleading.

7. 7. Representations and Warranties of the Buyer

The Buyer represents and warrants that it is duly organized, validly existing, and in good standing under the laws of its state of organization, and that it has full corporate power and authority to enter into this Agreement and to complete the transaction, with all internal approvals obtained. The Buyer represents that this Agreement is a binding obligation enforceable against it, that entering into it will not violate any law, order, or contract binding on the Buyer, and that no consent, approval, or filing is required other than those identified in Section 8. The Buyer represents that it has, or at Closing will have, sufficient funds available to pay the Purchase Price and to operate the Business afterward, and that it has conducted its own independent investigation of the Business and is relying only on the representations expressly stated in this Agreement. The Buyer is acquiring the Interests for its own account and not with a view to distribution in violation of securities laws.

8. 8. Conduct of the Business Before Closing

From the Effective Date until the Closing or termination of this Agreement, the Seller will operate the Business in the ordinary course consistent with past practice, will preserve the goodwill of the Business and its relationships with customers, suppliers, landlords, and employees, and will maintain existing insurance coverage and normal levels of inventory, supplies, and maintenance. Without the prior written consent of the Buyer, the Seller will not: sell or encumber any material asset outside the ordinary course; increase compensation or benefits other than as already scheduled; hire or terminate any key employee; enter into, materially amend, or terminate any material contract or lease; incur debt or grant a security interest; declare a distribution other than as permitted under Section

3; change accounting or tax practices; or take any action that would make a representation in Section 6 untrue at Closing. The Seller will promptly notify the Buyer of any event that has or could reasonably have a material adverse effect on the Business.

9. 9. Conditions to Closing

The obligation of the Buyer to close is subject to the following conditions, each of which the Buyer may waive in writing: the representations of the Seller remain true in all material respects at Closing; the Seller has performed all covenants required of it; no material adverse change has occurred in the Business; all required third-party consents, landlord consents, franchisor approvals, and governmental permits have been obtained and are transferable or reissuable to the Buyer; the Buyer has obtained the financing described in [FINANCING CONTINGENCY]; key employees identified in Schedule [KEY EMPLOYEE SCHEDULE] have signed employment or retention agreements; and no injunction or legal proceeding prevents the transaction. The obligation of the Seller to close is subject to the representations of the Buyer remaining true, the performance of all covenants by the Buyer, and receipt of the Purchase Price and the signed closing documents. If a condition remains unsatisfied by [OUTSIDE DATE], either Party may terminate without liability except for a breach that caused the failure.

10. 10. Closing and Closing Deliverables

The Closing will take place on [CLOSING DATE] at [CLOSING LOCATION OR REMOTELY BY ELECTRONIC EXCHANGE], and ownership, risk, and control of the Business pass to the Buyer at that moment. At Closing the Seller will deliver: assignments or certificates transferring the Interests; resignations of the existing directors, managers, and officers; corporate books, minute books, share registers, and tax records; consents obtained under Section 9; payoff letters and lien releases for all secured debt not assumed; keys, access credentials, passwords, and control of bank accounts, domains, and business accounts; the non-competition agreement under Section 11; and a certificate confirming the representations remain true. The Buyer will deliver the Purchase Price less the deposit and holdback, the executed promissory note and security documents, evidence of authority, and its own closing certificate. The Parties will also sign the transition services agreement under Section 12 and prorate rent, utilities, prepaid expenses, deposits, taxes, and payroll as of the Closing date.

11. 11. Non-Competition and Non-Solicitation of the Seller

In consideration of the Purchase Price, and recognizing that the Buyer is paying substantially for the goodwill of the Business, the Seller agrees that for [NON-COMPETE PERIOD, e.g., three years] after Closing it will not, directly or indirectly, own, operate, finance, manage, advise, or be employed by any business that competes with the Business as conducted at Closing within [GEOGRAPHIC AREA, e.g., a 50-mile radius of the Business location]. For the same period the Seller will not solicit or accept business from any customer or client of the Business, solicit or interfere with any supplier or referral source, or hire or solicit any employee of the Business except through a general public advertisement. The Seller will not use or disclose any confidential information of the Business and will not use the business name, trademarks, phone numbers, domains, or social media accounts of the Business. The Parties agree these restrictions are reasonable and necessary to protect the value being purchased, and that a court may narrow rather than void any restriction it finds excessive.

12. 12. Transition Assistance and Training

For [TRANSITION PERIOD, e.g., 90 days] after Closing, the Seller will provide the Buyer with training and transition assistance for up to [HOURS PER WEEK] per week at [TRANSITION COMPENSATION, e.g., no additional charge / a rate of [HOURLY RATE]]. Assistance includes introducing the Buyer to key customers, suppliers, landlords, lenders, and referral sources; explaining operating procedures, pricing practices, systems, and vendor terms; assisting with the transfer of accounts, licenses, utilities, insurance, and payroll; and answering questions about historical records. The Seller will send a joint announcement to customers and suppliers in a form approved by both Parties and will not disparage the Business or the Buyer. Any assistance beyond the stated hours or period will be provided under a separate consulting arrangement at [EXTENDED RATE]. The Seller performs this assistance as an independent contractor and not as an employee of the Buyer.

13. 13. Indemnification, Survival, Basket, and Cap

The representations and warranties survive the Closing for [SURVIVAL PERIOD, e.g., 18 months], except that those concerning ownership of the Interests, authority, taxes, and fraud survive until [FUNDAMENTAL SURVIVAL PERIOD, e.g., the applicable statute of limitations]. The Seller will indemnify the Buyer against losses arising from any breach of a representation or covenant of the Seller, from any liability of the Business relating to a period before Closing that was not disclosed, and from any tax attributable to a pre-Closing period. The Buyer will indemnify the Seller for breaches of its own representations and for liabilities of the Business arising after Closing. No indemnification claim may be made until aggregate losses exceed [BASKET AMOUNT], after which recovery is for [ALL LOSSES FROM THE FIRST DOLLAR / ONLY THE EXCESS], and total liability is capped at [INDEMNITY CAP, e.g., 15 percent of the Purchase Price], except for fraud, intentional misrepresentation, and the fundamental representations. The holdback under Section 3 is the first source of recovery, and each Party must give written notice of a claim within the survival period.

14. 14. Governing Law, Termination, and General Provisions

This Agreement is governed by the laws of the State of [GOVERNING STATE], without regard to conflict of laws rules, and any dispute will be resolved first by good-faith negotiation for [NEGOTIATION PERIOD, e.g., 30 days], then by mediation in [MEDIATION LOCATION], and finally in the state or federal courts located in [VENUE COUNTY AND STATE]. This Agreement may be terminated by mutual written consent, by the Buyer during the Diligence Period, by either Party if a Closing condition is not satisfied by the Outside Date, or by either Party on a material breach by the other that is not cured within [CURE PERIOD, e.g., 10 days] of written notice. Each Party bears its own legal, accounting, and advisory fees unless otherwise stated, and the prevailing Party in any enforcement proceeding may recover reasonable attorney fees. This Agreement, with its schedules and exhibits, is the entire agreement between the Parties and replaces all prior letters of intent, term sheets, and discussions except any confidentiality agreement, which remains in force. Amendments must be in writing and signed by both Parties, and neither Party may assign this Agreement without written consent except to an affiliate of the Buyer that assumes all obligations.

15. 15. Signatures

By signing below, each Party confirms that it has read this Agreement, has had the opportunity to consult its own legal and tax advisors, and agrees to be bound by its terms as of the Effective Date. SELLER: [SELLER NAME]. Signature: ______________________. Printed Name: [SELLER SIGNER NAME]. Title: [TITLE]. Date: [DATE]. BUYER: [BUYER NAME]. Signature: ______________________. Printed Name: [BUYER SIGNER NAME]. Title: [TITLE]. Date: [DATE]. SPOUSAL CONSENT (if required by state law): [SPOUSE NAME]. Signature: ______________________. Date: [DATE]. This Agreement may be executed in counterparts, and electronic signatures have the same effect as original signatures on a single document.

16. Disclaimer

This template is provided for general informational purposes only and is not legal advice. The sale of a business carries significant tax, securities, employment, and successor liability consequences that depend on the deal structure and on the law of the states involved, and non-compete enforceability in particular varies widely. Have qualified counsel and an accountant review the structure, the disclosure schedule, and the tax allocation before signing. Use of this template does not create an attorney-client relationship with ScanContract.