**Checklist for When you are Selling a Business**

The Sale Agreement has certain things that must be included:

* **Identification of parties**
* Names
* Addresses
* **Character of each party**
* Corporation
* Sole proprietorship
* Professional practitioner
* **Recitals**
* Business or profession conducted by seller
* Desire of seller to sell and buyer to buy
* Desire of seller to retire
* **Assets subject to agreement**
* Business building and other real property
* Good will; use of firm name or customer lists
* Stock in trade
* Equipment, furniture, and fixtures
* Patents, copyrights, trademarks, and trade names
* Cash on hand and on deposit
* Insurance policies
* Notes and accounts receivable, securities for debts, and outstanding contracts
* Other assets
* Valuation of assets sold
* **Nature of consideration**
* Payment of money
* Assumption of debts and liabilities
* Other consideration
* **Allocation of purchase price to various assets sold**
* **Time and manner of payment**
* All cash on closing
* Part payment on signing and balance on closing
* Deposit held in escrow until closing
* Installment payments
* Mortgage or other collateral security
* Forfeiture of deposit for default in paying purchase price
* Other methods of payment
* Personal guaranty of payment by buyer
* **Closing**
* Delivery of instruments of transfer
* Payment of purchase price
* Acquisition of necessary rulings and approvals
* Conduct of business until closing
* Date of closing
* Inspection of assets sold
* **Inspection of books, records, and premises**
* Furnishing of customer list
* Furnishing of supplier list
* **Representations by seller**
* Title to property and assets
* Authority to enter into agreement
* Accuracy and completeness of books and records
* All outstanding liens, contracts, judgments, and other obligations disclosed
* Absence of labor disputes
* Validity of patents, copyrights, trademarks, and trade names
* Compliance with all laws affecting business
* Survival of representations
* **Indemnification of buyer**
* **Assumption by buyer of lease**

Obtaining of lessor’s consent to assignment of lease

* **Assumption by buyer of outstanding contracts**

Disavowal of contracts not listed by seller

* **Assumption by buyer of seller’s collective bargaining agreement**
* **Payment of broker’s commission**
* **Instruction of buyer by seller in operation of business**

Employment of seller as executive of buyer

* **Covenant not to compete**
* Territory
* Duration
* **Responsibility for obtaining necessary approvals and making necessary filings**
* Tax rulings
* Antitrust rulings
* Similar approvals
* **Payment of sales or use taxes imposed on transfer of assets**
* **Payment of other taxes**
* **Transfer of tax identification numbers**
* **Insurance**
* **Contingencies**
* On buyer’s obtaining license or permit
* On buyer’s continuation as franchisee
* **Execution of bill of sale to transfer personal properties**
* **Transfer of titles of motor vehicles**
* **Execution of warranty deed to transfer real properties**
* **Risk of loss**
* **Remedies on default**
* **Assignability of rights under agreement**
* **Modification of agreement**
* **Arbitration of disputes**
* **Manner of giving notice**
* **Binding effect of agreement on successors and assigns**
* **Governing law**
* **Date of execution**
* **Signatures**