**POINTS OF UNDERSTANDING**

**Sale Particulars**

**Vendor:** XXXXXXXXXXX ABN 00 000 000 000

**Purchaser**: XXXXXXXXXXX and/or Nominee

**Business**: XXXXXXX

**Premises**: XXXXXXXXXXXXXXXX

**Date :** XXXXXXXXXXX

**The Purchaser agrees to purchase from the Vendor the business subject to the conditions set out below:**

* **Purchase Price -** $540,000.00 (representing goodwill, plant & equipment, fixtures and fittings) **plus** Stock at Value.
* **Stock -** The stock to be purchased will be determined by way of stock-take in the presence of both parties the day prior to settlement date. Stock to be valued at cost price. Any stock that is older than 18 months will be discounted at a rate to be confirmed. It is agreed that the vendor will run down stock levels prior to settlement however it is agreed that minimum levels must still be maintained to service customers.
* **Equipment –** As detailed in the most recent Prospectus and will be transferred at settlement to the purchaser unencumbered of any liability or charges.
* **Work in Progress –** This amount will be agreed as at settlement date. The purchaser agrees to pay to a separate bank account as nominated by the vendor, proceeds of each transaction as and when they occur after settlement . Following 90 days from settlement date, any outstanding amounts and items not collected will be deemed to be “dead” transactions that will revert to the purchaser.
* **Premises Lease –** Assignment of the existing lease together with a minimum further 5 year option being granted by the landlord. Alternatively, a new 5year lease with a further 5 year option to be obtained on terms acceptable to the purchaser.
* **Deposit** - $54,000.00 (10%) payable on signing the Contract of Sale.
* **Settlement** **–** XXXXXXX 2017 or earlier by mutual agreement.
* **Due Diligence –** Subject to final due diligence by the purchaser or his representative prior to or within 14 days of contract signing.
* **Finance –** This offer is subject to the purchaser obtaining suitable finance within 30 days of offer acceptance by the vendor.
* **Confidentiality** – The Parties acknowledge that they may each be afforded access to and acquire knowledge of the other party’ proprietary and business information of a confidential nature, including notes and discussions relating to the proposed Sale and due diligence materials. Both Parties acknowledge and accept that any confidential information received pursuant to these Points of Understanding must not be:
  + disclosed to any third party;
  + used by the recipient for its own purposes; or
  + disclosed to employees, contractors or agents who do not have a need to receive this information in connection with these Points of Understanding and the proposed Sale.
* **Employees -** To be employed at the discretion of the purchaser. The value of accrued benefits for staff continuing that do continue to be employed by the purchaser will be paid by the vendor and form part of the Settlement Adjustment Statement and therefore will be deducted from the purchase price.
* **Vendors Employment –** Agreement in principal to the ongoing employment of ….. for 3 to 4 days per week for the next 2 to 3 years as mutually agreed. It is agreed that market rates of pay will apply.
* **Non-Compete –** The Vendor agrees not to either fully or partially own an optometry practice within a 20 km radius for a period of 5 years after settlement or ceasing to be employed by the business. Peter will not engage in optometry employment within a 7 km radius for a period of 2 years after ceasing employment with the purchaser’s business.
* **Contract -** Formal Contract of Sale to be prepared by the vendors solicitor and will reflect, amongst other details, the points of understanding detailed herein.
* **Negotiation Period** – The Parties agree to negotiate in good faith on an exclusive basis the terms of the Contract of Sale for a period no longer than 90 days. This period of exclusive negotiations will commence upon the date of this Agreement being entered into by both Parties.
* **No Material Adverse Change** – The Vendor undertakes that no Material Adverse Change to the business or its operations will occur prior to the completion of the Sale of the business.