



## Purchase and Sale Agreement: a Checklist

This checklist is designed as a guide for the preparation of practice purchase and sale agreements. By gaining an understanding of the items to be included in such a document, you can ensure that your lawyer has considered the key issues.

There are two basic structures under which a dentist can purchase a dental practice. The purchaser either buys the dental assets directly from the vendor, or the vendor sells the shares of the professional corporation that owns the dental assets. Whether the proposed transaction is in the form of an asset or share sale, the terms of the contract are basically much the same. Share purchase/sale agreements typically include additional provisions for indemnification by the vendor to hold the buyer harmless against all liabilities of the corporation.

You must remember that each purchase and sale transaction has unique features, and you may wish to address specific issues to suit your particular circumstances. It is, therefore, important that you consult with legal counsel and other professional advisors who have expertise in the purchase and sale of dental practices.

### 1. Description of assets to be acquired

In the agreement, you need to identify the assets to be purchased, as well as the assets that are to be excluded. For illustrative purposes, here is a sample provision.

The assets of the Vendor include the following:

- a) The goodwill of the practice including all records, patient charts, X-rays and models for all patients, all lists of patients and documents and all other information relating to the practice, and the continued right to use the existing telephone number of the practice and the right of the Purchaser to represent itself as carrying on the Vendor's practice in continuation with the Vendor (hereinafter collectively called the "Goodwill");
- b) All leasehold property and interest therein and all improvements, appurtenances and fixtures thereon situated on that portion of the Lands which the Vendor leases from the Landlord (hereinafter called the "Leasehold Property");