

# ***SoCal Business Broker***

## **Covenant Not To Compete**

The following definitions and designations shall apply in this Covenant without regard to number or gender:

**Business:**

**Seller:**

**Buyer:**

**Term:**

**Area:** Any place within a \_\_\_\_\_ mile radius of the above Business location

The parties acknowledge that Seller has carried on the above Business in the above area prior to this sale. As part of this sale, Seller covenants with Buyer for the above term not to (1) carry on a similar business conducted within the above area, or (2) attempt to hire any current employees, or (3) solicit any current customers of the Business.

As used in this Covenant, "carry on" a business shall mean acting as an owner, partner, shareholder, director, officer, employee, agent, or in any other capacity or being connected in any manner with that business, and a "similar business" shall mean one which competes in any substantial way with the above Business.

Notwithstanding the above, this Covenant shall not apply to the following activities of Seller: None

If Seller is a corporation, this Covenant applies in an individual capacity to any person signing this document on behalf of that corporation. This Covenant shall become an asset of the Business with a value of \$ \_\_\_\_\_ and may be transferred as part of any future sale of the Business. This Covenant is intended to comply with California Business and Professions Code Section 16601. Any part of this Covenant, which is held invalid, shall be severed and shall not impair the validity of any other parts. This document is effective upon the consummation of the transfer of the Business from Seller to Buyer.

Executed on \_\_\_\_\_, at \_\_\_\_\_, CA.

\_\_\_\_\_  
Seller

\_\_\_\_\_  
Buyer