

EXERCISE

PRINCIPAL ACQUISITION AGREEMENTS

Background

You've been assigned to a deal team representing Tempo Cycles in its acquisition of SPI Components and have been given the following information:

- The deal is structured as a purchase of SPI's assets.
- Tempo is purchasing specific assets and assuming specific liabilities.
- Tempo is paying the purchase price in cash and stock.
- The deal will have a delayed closing.

The partner asks you think about the implications the above information will have on the draft of the asset purchase agreement, and wants to discuss your thoughts in a meeting.

Instructions

Come prepared to discuss at least five ways the above information will impact the draft of the asset purchase agreement.