

## RESTRICTIVE AGREEMENT

This Restrictive Agreement (the "Agreement") is made and entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and among:

*XYZ CORPORATION*, a New York corporation ("XYZ");

*JOHN DOE* ("DOE"); and

*ABC CORPORATION*, a New York corporation ("ABC").

### RECITALS

Whereas, XYZ and Doe have had extensive and valuable experience in the service business performing maintenance, service, repair, and other related activities on heating, ventilating and air conditioning systems, equipment and controls. All of such business operations are referred to as the "Business"; and

Whereas, ABC desires to enter into a restrictive agreement with XYZ and Doe so that ABC may engage in business without competition from them;

NOW, THEREFORE, in consideration of the recitals and of the representations, warranties, covenants and agreements contained, and intending to be legally bound, the parties agree as follows:

### ARTICLE I

#### RESTRICTIVE COVENANT

1.1 *Restrictive Covenant.* XYZ and Doe agree that, for a period of three years from and after the date of this Agreement, they will not, directly or indirectly, own, manage, operate, finance, join, control or participate in the ownership, management, operation, financing or control of, or be connected as a shareholder, director, officer, partner, principal, agent, representative, consultant or otherwise with, or use or permit their names to be used in connection with, the Business or enterprise engaged in the service business performing maintenance, service, repair, and other related activities on heating, ventilating and air conditioning systems, equipment and controls, within 50 miles of Franklin, New York. XYZ shall liquidate and dissolve, under applicable laws, not later than 18 months from January \_\_\_\_\_, 20\_\_. In the event that the provisions of this Section 1.1 should ever be deemed to exceed the time, geographic, product or other limitations permitted by applicable law in any jurisdiction, then such provisions shall be deemed reformed in such jurisdiction to the maximum time, geographic, product or other limitations permitted by applicable law. XYZ and Doe specifically acknowledge and agree that the foregoing restrictions are reasonable and necessary to protect the legitimate interests of ABC, that ABC would not have entered into an Agreement among them dated January \_\_\_\_\_, 20\_\_, for the purchase of certain assets of XYZ in the absence of such restrictions, that any violation of such restrictions will result in irreparable injury to ABC, that the remedy at law for any breach of the foregoing restrictions will be inadequate, and that, in the event of any such breach, ABC, in addition to any other relief available to it, shall be entitled to temporary and permanent injunctive relief without the necessity of proving actual damages. XYZ and Doe

**SAMPLE**