



# Buy Sell Agreement

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This **Buy-Sell Agreement** (the "**Agreement**" hereinafter) is made and entered into as of \_\_\_\_\_, by and among the following parties:

1. \_\_\_\_\_, residing at

\_\_\_\_\_  
 ("**Shareholder 1**"),

2. \_\_\_\_\_, residing at

\_\_\_\_\_  
 ("**Shareholder 2**"),

3. \_\_\_\_\_, a \_\_\_\_\_ corporation, with its principal office located at \_\_\_\_\_ (the "**Company**").

**WHEREAS**, the Shareholders are all of the shareholders of the Company;

**WHEREAS**, the Shareholders desire to provide for the purchase of shares of the Company in the event of death, disability, retirement, voluntary transfer, or involuntary transfer;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

## 1. Definitions

**1. Shares:** All shares of the Company now or hereafter issued and outstanding.

**2. Fair Market Value:** The value of the Shares as determined by the procedure outlined in Article V.

**3. Involuntary Transfer:** Any transfer of Shares by operation of law, including but not limited to bankruptcy, divorce, or court order.

**4. Voluntary Transfer:** Any transfer of Shares other than an Involuntary Transfer, including by gift, sale, or pledge.

**5. Disability:** A condition that renders a Shareholder unable to perform their usual duties for a continuous period of \_\_\_\_\_ days, as certified by a licensed physician.

**6. Triggering Event:** An event that gives rise to the purchase obligation under this Agreement, including death, disability, retirement, voluntary transfer, or involuntary transfer.

## 2. Restriction of Transfer

No Shareholder shall transfer Shares except in accordance with the terms of this Agreement. Transfers to family members, trusts for estate planning, or other Shareholders are permitted but remain subject to this Agreement.

Any transfer in violation of any provision of this Agreement shall be void and ineffectual, shall not operate to transfer any interest or title in the purported transferee, and shall give Company and Shareholders an option to purchase such Shares in the manner and on the terms and conditions provided for herein.

## 3. Mandatory Sale Events

- **Death:** Upon death of a Shareholder, the deceased Shareholder's Shares shall be sold to the Company or the remaining Shareholders according to the provisions in this Agreement.
- **Disability:** In the event a Shareholder becomes Disabled, the Company or remaining Shareholders shall have the option to purchase the Shares at Fair Market Value.
- **Retirement:** A Shareholder intending to retire shall give \_\_\_\_\_ days' notice, at which point the Company or remaining Shareholders shall have the option to purchase the Shares.
- **Involuntary Transfer:** If an Involuntary Transfer is attempted, the Company or remaining Shareholders shall have the right to purchase the Shares at Fair Market Value to prevent the transfer to an external party.

## 4. Voluntary Transfers

- **Right of First Refusal:** If a Shareholder desires to sell Shares to a third party, the Shares must first be offered to the Company and then to the remaining Shareholders at the same price and terms.
- **Notice Requirement:** The selling Shareholder must provide written notice of the intent to transfer, including terms of the proposed transaction.
- **Exercise of Rights:** The Company and Shareholders have \_\_\_\_\_ days from receipt of notice to exercise their right to purchase.

## 5. Valuation of Shares

- **Annual Valuation:** The Shareholders shall agree annually on the Fair Market Value of the Company and memorialize it in writing.
- **Appraisal Method:** If no agreed-upon valuation exists, a qualified independent appraiser selected by mutual agreement shall determine Fair Market Value.
- **Binding Appraisal:** The appraiser's determination shall be final and binding on all parties.

## 6. Payment Terms

Unless otherwise agreed, the purchase price shall be paid over a period not to exceed \_\_\_\_\_ years. A minimum of \_\_\_\_\_% of the purchase price shall be paid at closing. The unpaid balance shall bear interest at the rate of \_\_\_\_\_% per annum. The purchasing party may grant a security interest in the Shares to secure the payment of the balance.

## 7. Insurance

The Company may maintain life insurance policies on Shareholders to fund the purchase of Shares upon death. The Company may also maintain disability insurance for similar funding purposes. The Company shall be the owner and beneficiary of any such policies.

## 8. Miscellaneous

**Governing Law** - This Agreement shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_.

**Entire Agreement** - This document constitutes the entire agreement among the parties with regard to the subject of this Agreement and supersedes all prior agreements.

**Amendments** - This Agreement may only be amended in writing, signed by all parties.

**Binding Effect** - This Agreement shall be binding upon and inure to the benefit of the parties and their heirs, successors, and assigns.

**Severability** - If any provision is deemed invalid or unenforceable, the remainder shall not be affected.

**Notices** - All notices shall be in writing and delivered personally or by certified mail to the addresses set forth above.

**IN WITNESS WHEREOF**, the parties have executed this Buy-Sell Agreement as of the date first written above.

**Shareholder 1**

**Name**

**Date**

**Signature**

\_\_\_\_\_

**Shareholder 2**

**Name**

**Date**

**Signature**

\_\_\_\_\_

**Company**

**Name**

**Date**

**Signature**

\_\_\_\_\_

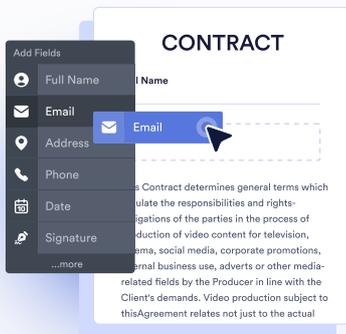


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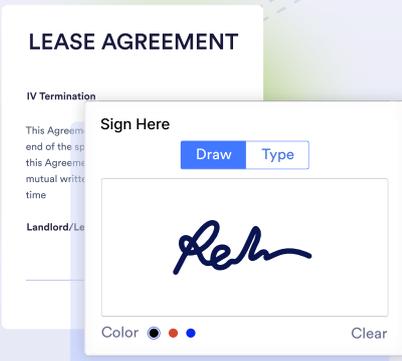
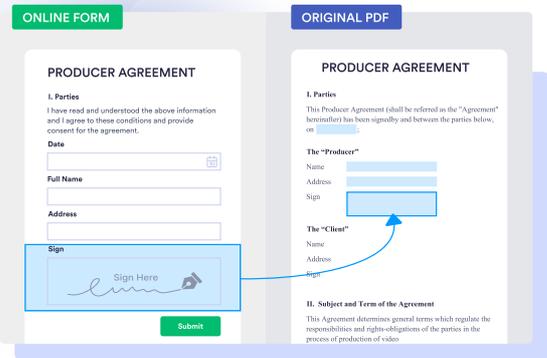
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