BUY-SELL AGREEMENT

This Buy-Sell Agreement (this "Agreement") takes effect on _____, 20____ (the "Effective Date").

Company: _____, a [ ] limited liability company [ ] corporation [ ] partnership, principal office _____ (the "Company").

Owners (each an "Owner"), with each Owner's percentage of the Company (its "Percentage"): (1) _____, address _____, _____%; (2) _____, address _____, _____%; (3) _____, address _____, _____%; (4) _____, address _____, _____%. The Percentages total 100%.

1. TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL

No Owner may sell, give, pledge or otherwise transfer any part of its interest in the Company (its "Interest") except as this Agreement allows. Any transfer that breaks this Agreement is void.

Before an Owner sells any part of its Interest to an outsider, it will give the Company and the other Owners written notice of the offer. For _____ days, [ ] the Company [ ] the other Owners, in proportion to their Percentages, may buy all of the offered Interest at the same price and terms, and then the other party in line may do so for 15 more days. If no one buys all of it, the Owner may sell to the named buyer within 90 days on terms no better for the buyer, and the buyer must agree in writing to be bound by this Agreement.

2. TRIGGER EVENTS

Each event checked below is a "Trigger Event" for the Owner it happens to. Mark each one M (the purchase is mandatory) or O (the purchase is optional): [ ] death ____; [ ] disability, meaning inability to perform substantially all usual duties for _____ days in a row ____; [ ] retirement on or after age ____ with ____ days' notice ____; [ ] choosing to leave the business ____; [ ] termination of employment by the Company ____; [ ] divorce that awards part of the Interest to a spouse ____; [ ] bankruptcy or seizure by a creditor ____.

For a mandatory event, the buyer must buy and the Owner or its estate must sell the Owner's entire Interest at the Price. For an optional event, the buyer may buy by written notice within 60 days after the Price is fixed. Bankruptcy purchases apply only as far as the law allows.

3. PURCHASE STRUCTURE

The buyer is (check one): [ ] the other Owners, in proportion to their Percentages (cross-purchase); [ ] the Company (redemption), to the extent the law allows it to pay; [ ] first the Company, then the other Owners, with the Company buying any remainder in a mandatory purchase (wait and see).

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4. PURCHASE PRICE

The Price is the Owner's Percentage multiplied by the Company Value as of the last day of the month before the Trigger Event. The Company Value is (check one): [ ] the value in the latest certificate signed by all Owners, now $_____, updated each year, with an appraisal if no certificate has been signed in 24 months; [ ] fair market value set by an independent appraiser; [ ] book value from the Company's balance sheet, with no goodwill; [ ] _____ times the average annual pre-tax net income for the last three full fiscal years.

The Price is reduced by any amount the Owner owes the Company.

5. FUNDING AND PAYMENT

Funding (check all that apply): [ ] life insurance of at least $_____ on each Owner, owned by [ ] the other Owners [ ] the Company; [ ] disability buyout insurance; [ ] Company cash reserves. Insurance proceeds received for a purchase are paid to the selling Owner at closing, up to the Price.

Payment (check one): [ ] the full Price at closing; [ ] _____% at closing and the rest under a promissory note in equal monthly payments over ____ years with interest at ____% per year, never more than the highest lawful rate, prepayable without penalty.

Closing will take place within _____ days after the Price is fixed. The selling Owner will deliver its Interest free of liens and resign from any Company office, and the Company will work to release the selling Owner from personal guarantees of Company debts.

6. SPOUSES AND TAXES

Any interest an Owner's spouse or former spouse holds or receives in an Owner's Interest is subject to this Agreement. In community property states, a spouse may co-own an Interest acquired during the marriage, so each married Owner should have its spouse sign the Spousal Consent below.

No party has made any statement about the tax effects of this Agreement, and each Owner has been advised to get its own tax and legal advice. The Price may not control the value of an Interest for federal estate tax purposes (26 U.S.C. § 2703). If the Company owns life insurance used for a redemption, the proceeds may increase the Company's value for estate tax purposes (Connelly v. United States, 602 U.S. 257 (2024)).

7. GENERAL TERMS

The laws of the State of _____ govern this Agreement. Disputes will be resolved (check one): [ ] in the courts serving _____ County; [ ] by mediation, then court; [ ] by mediation, then binding arbitration.

This Agreement is the entire agreement about its subject, can be changed only in a writing signed by the Company and all Owners, binds the Owners' heirs and estates, and may be signed in counterparts and electronically. If any part is unenforceable, the rest stays in effect. A party may ask a court to order a required sale or purchase to be completed.

Additional terms: _____

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Date signed: _____

SIGNATURES

Company (by authorized signer, title)

Signature: _____ Date: _____

Printed Name: _____

Owner

Signature: _____ Date: _____

Printed Name: _____

Owner

Signature: _____ Date: _____

Printed Name: _____

Owner

Signature: _____ Date: _____

Printed Name: _____

Owner

Signature: _____ Date: _____

Printed Name: _____

SPOUSAL CONSENT

I am the spouse of the Owner named below. I have read this Agreement and agree that any interest I have or later acquire in my spouse's Interest, including any marital or community property interest, is bound by it. If I acquire any part of that Interest, I will sell it as this Agreement provides.

Spouse signature: _____ Printed name: _____-
Spouse of: _____ Date: _____

Spouse signature: _____ Printed name: _____-
Spouse of: _____ Date: _____

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