BUY-SELL AGREEMENT

1. Parties and Effective Date

This Buy-Sell Agreement (the "Agreement") is entered into as of ____________ [Effective date (MM/DD/YYYY)] by and among:

____________ [Full legal name of Company] (the "Company"), a ____________ [Entity type (e.g., corporation/LLC/partnership)] organized under the laws of the State of ____________ [State of formation], with its principal place of business at ____________ [Company address]; and

Each of the following owners (each, an "Owner" and collectively, the "Owners"):

____________ [Owner full legal name]
____________ [Owner address]
____________ [Ownership interest/units/shares held]

____________ [Owner full legal name]
____________ [Owner address]
____________ [Ownership interest/units/shares held]

____________ [Add additional Owners as needed]

2. Purpose and Intent

2.1 The purpose of this Agreement is to establish a binding arrangement for the purchase and sale of the ownership interests in the Company upon certain events, and to provide for business continuity and orderly transitions.

2.2 This Agreement is intended to be consistent with the Company's governing documents, including ____________ [Governing document name and date (e.g., Operating Agreement dated MM/DD/YYYY)].

3. Definitions

"Ownership Interest" means ____________ [Define the interests covered: shares, membership interests, partnership interests, units].

"Purchase Price" means the price determined under Section 6.

“Triggering Event” means any event described in Section 5.

“Closing” means the completion of the purchase and sale under this Agreement.

____________ [Add other defined terms needed for the Company structure]

4. Covered Interests and Restrictions

4.1 Covered Interests. This Agreement applies to all Ownership Interests held by the Owners, as described in Section 1, and any additional Ownership Interests acquired by an Owner after the Effective Date.

4.2 Transfer Restrictions. No Owner may sell, assign, pledge, gift, encumber, or otherwise transfer any Ownership Interest except as permitted by this Agreement and ____________ [Reference governing documents].

4.3 Void Transfers. Any attempted transfer in violation of this Agreement is ____________ [State consequence (e.g., void/voidable/not recognized by the Company)].

5. Triggering Events

A “Triggering Event” occurs upon any of the following:

5.1 Death of an Owner.

5.2 Disability of an Owner. Disability will be determined by ____________ [Standard and decision-maker (e.g., treating physician, independent medical exam, insurer determination)].

5.3 Voluntary Transfer or Proposed Sale.

5.4 Termination of Employment/Service. This includes resignation, termination with cause, termination without cause, retirement, or other separation, as applicable to the Owner’s relationship with the Company.

5.5 Bankruptcy or Insolvency.

5.6 Divorce or Domestic Relations Order.

5.7 Deadlock or Dissolution Event.

5.8 Other Event. ____________ [Describe any additional trigger, if applicable].

6. Valuation and Purchase Price

6.1 Valuation Method. The Purchase Price for the applicable Ownership Interest will be determined by:

(a) Fixed Price: the price set in a written certificate signed by the Owners dated ____________ [Date of most recent valuation certificate], updated ____________ [Frequency of updates]; or

(b) Formula: ____________ [Describe objective formula (e.g., EBITDA multiple, book value method)]; or

(c) Appraisal: fair market value determined by ____________ [Appraiser selection method and standards].

6.2 Valuation Date. The valuation date will be ____________ [Date for valuation (e.g., day before Triggering Event, end of last fiscal quarter)].

6.3 Adjustments. The Purchase Price will be adjusted for ____________ [Debt, distributions, unpaid capital calls, taxes, working capital, etc.].

7. Purchase and Sale Obligations

7.1 Mandatory or Optional Purchase. Upon a Triggering Event, the purchase and sale will be:

____________ [Choose: mandatory / optional / first option then mandatory if not exercised]

7.2 Buyer Priority. The buyer(s) will be:

(a) The Company; then if not purchased,

(b) The remaining Owners pro rata (or as otherwise agreed); then if not purchased,

(c) ____________ [Alternative permitted buyer].

7.3 Allocation Among Remaining Owners. If remaining Owners purchase, each will purchase:

____________ [Pro rata based on ownership / equal shares / other allocation method].

7.4 Notice. Written notice of a Triggering Event must be delivered to the Company at:

____________ [Notice address/email]

and to each Owner at the addresses stated in Section 1 (or as later updated).

8. Funding and Security

8.1 Funding Method. The purchase will be funded by one or more of the following:

____________ [Life insurance / disability insurance / company funds / promissory note / third-party financing / combination].

8.2 Insurance Ownership and Beneficiaries. Insurance policies will be:

Owner/policyholder: ____________ [Company/Owners/Trust]
Beneficiary: ____________ [Company/Owners/Trust]
Coverage amount per Owner: ____________ [Amount]
Premium payment responsibility: ____________ [Who pays premiums]

8.3 Security for Deferred Payments. If any portion is financed, security will include:

____________ [Pledge of purchased interests / personal guarantee / lien on assets / other].

9. Closing Mechanics

9.1 Timing. The Closing will occur no later than ____________ [Number] days after ____________ [Triggering Event/valuation/notice], unless extended by written agreement.

9.2 Location and Method. Closing will occur at ____________ [Location] or remotely via ____________ [Electronic method], as permitted by applicable law.

9.3 Deliverables by Seller (or Seller's Representative).

(a) ____________ [Assignment/stock power/unit transfer instrument]
(b) ____________ [Updated ownership ledger acknowledgment]
(c) ____________ [Spousal consent, if applicable]
(d) ____________ [Release of liens/pledges, if any]
(e) ____________ [Other required documents]

9.4 Deliverables by Buyer.

(a) ____________ [Payment instrument and/or promissory note]
(b) ____________ [Security documents, if any]
(c) ____________ [Company approvals/consents]
(d) ____________ [Other required documents]

10. Payment Terms

10.1 Lump Sum or Installments. The Purchase Price will be paid as:

____________ [Lump sum at Closing / installments].

10.2 Installment Terms (if applicable).

Principal amount financed: ____________ [Amount]
Down payment at Closing: ____________ [Amount or %]
Term: ____________ [Number] months/years
Interest rate: ____________ [Rate or benchmark]
Payment frequency: ____________ [Monthly/Quarterly/Other]
Prepayment: ____________ [Allowed/not allowed; penalty terms]
Late charges: ____________ [Late fee terms]

10.3 Offsets. Buyer may offset amounts owed by Seller to the Company for:

____________ [Loans, capital calls, indemnities, damages, etc.].

11. Company and Owner Covenants

11.1 Cooperation. Each party will execute documents and take actions reasonably necessary to carry out this Agreement.

11.2 Confidentiality. The parties will keep terms and valuations confidential except as required for ____________ [Tax filings, lenders, legal compliance, etc.].

11.3 Non-Compete / Non-Solicit (if applicable).

Non-compete scope: ____________ [Industry/activities restricted]
Territory: ____________ [Geographic scope]
Duration: ____________ [Time period]
Non-solicitation scope: ____________ [Customers/employees/contractors]
Exceptions: ____________ [Permitted activities]

11.4 Non-Disparagement (if applicable). ____________ [Scope and duration].

12. Representations and Warranties

12.1 By Each Owner. Each Owner represents and warrants that:

(a) They have authority to enter into this Agreement.
(b) Their Ownership Interest is owned free and clear of ____________ [Liens/encumbrances], except as disclosed: ____________ [Disclosure].
(c) The transfer of the Ownership Interest will not violate any agreement binding on the Owner, except: ____________ [Exceptions].

12.2 By the Company. The Company represents and warrants that:

(a) It is duly organized and in good standing in ____________ [State].
(b) It has authority to enter into this Agreement and perform its obligations.

12.3 Disclaimer. Except as expressly stated, no other representations or warranties are made.

13. Dispute Resolution

13.1 Negotiation. The parties will first attempt in good faith to resolve disputes through informal negotiations.

13.2 Mediation/Arbitration (optional). Disputes will be resolved by:

____________ [Mediation / binding arbitration / court litigation]

Rules/administrator: ____________ [AAA/JAMS/Other]
Seat/venue: ____________ [City, State]
Number of arbitrators (if applicable): ____________ [One/Three]

13.3 Injunctive Relief. A party may seek temporary or injunctive relief in ____________ [Court/venue] as necessary to enforce this Agreement.

14. Governing Law and Venue

14.1 Governing Law. This Agreement will be governed by the laws of the State of ____________ [Governing law state], without regard to conflict-of-laws rules.

14.2 Venue. Any permitted court action will be brought in ____________ [County, State], and each party consents to personal jurisdiction there.

15. Notices

All notices must be in writing and delivered by ____________ [Personal delivery/courier/certified mail/email], to the addresses in Section 1 (or any updated address provided in writing).

16. Taxes and Reporting

16.1 Allocation and Withholding. The parties will handle tax reporting and withholding as required by ____________ [Applicable tax framework], and will provide customary forms including ____________ [Form W-9/1099/other if applicable].

16.2 Tax Advisors. Each party is responsible for its own tax advice.

17. Miscellaneous

17.1 Entire Agreement. This Agreement, together with ____________ [List related documents], constitutes the entire agreement regarding its subject matter and supersedes prior discussions or agreements.

17.2 Amendments. Any amendment must be in writing and signed by ____________ [All Owners/Required majority/Company and affected Owners].

17.3 Waiver. A waiver is effective only if in writing and signed by the waiving party.

17.4 Severability. If any provision is held invalid, the remaining provisions will remain in effect.

17.5 Assignment. No party may assign this Agreement except as permitted by this Agreement.

17.6 Counterparts; Electronic Signatures. This Agreement may be executed in counterparts and by electronic signature, each of which will be deemed an original.

17.7 Further Assurances. The parties agree to execute documents and take actions reasonably necessary to implement this Agreement.

18. Signatures

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

Company

____________ [Company legal name]

By: ________________________
Name: ____________ [Authorized signer name]
Title: ____________ [Authorized signer title]
Date: ____________ [Date (MM/DD/YYYY)]

Owners

____________ [Owner full legal name]
Date: ____________ [Date (MM/DD/YYYY)]

____________ [Owner full legal name]
Date: ____________ [Date (MM/DD/YYYY)]

____________ [Add additional signature blocks as needed]

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