

State of _____

BUY- SELL AGREEMENT

This Buy-Sell Agreement (this "Agreement") is made as of this _____ day of _____, 20____
(the "Effective Date"), by and among _____ [Company name], a
_____ [State] corporation located at _____
_____ [Address] (the "Company") and each of the individuals listed on Schedule A attached
hereto (each a "Shareholder" and collectively, the "Shareholders").

ARTICLE I PURPOSE

1. **Shares.** The Shareholders own all of the outstanding shares of the Company (the "Shares") in the amounts outlined in Schedule A.

2. **Purpose.** The Shareholders have entered into this agreement to: (Check all that apply)

- Restrict the transfer of the Shares by Shareholders
- Ensure any sale of the Shares is in accordance with established procedures
- Provide stability and continuity in the management of the Company
- Maintain ownership or control of the Company
- Create a market for Shareholders to sell Shares
- Determine how Shares will be transferred in the event of a death, disability, or other involuntary transfer of Shares
- Set an estate tax value for a deceased Shareholder's Shares
- Establish an accepted purchase price for Shares
- Other: _____

ARTICLE II RESTRICTIONS ON TRANSFER

1. **Restriction on Transfer.** Except as permitted in this Agreement, the parties will not sell, transfer, pledge, assign, hypothecate, encumber or alienate (each a "Transfer") any of the Shares. Any Transfer not in accordance with this Agreement shall be void.

2. **Certificates.** (Check one)

- Not applicable.
- All certificates representing the Shares now owned or hereafter acquired by each Shareholder shall have the following legend conspicuously printed on its face:

“The shares represented by this certificate are subject to certain restrictions contained in a Buy-Sell Agreement among the Company and the Shareholders. A copy of the Buy-Sell Agreement is on file at the principal office of the Company.”

ARTICLE III VOLUNTARY TRANSFERS

1. **Permitted Transfers.** (Check one)

- The Shareholders shall NOT be allowed to Transfer any Shares except as provided in this Agreement.
- The Shareholders shall be allowed be allowed to Transfer Shares: (Check all that apply)
- Transfers to other shareholders
 - Transfers to a revocable trust
 - Transfers to the shareholder’s immediate family
 - Other: _____

Any permitted transferee shall hold the Shares subject to the provisions of this Agreement.

2. **Notice of Transfer.** In the event a Shareholder wishes to sell any Shares (the “Offering Shareholder”) other than pursuant to a permitted transfer as described above (if any), the Shareholder shall provide a written notice to: (Check one)

- The other Shareholders (the "Remaining Shareholders")
- The other Shareholders (the "Remaining Shareholders") first and then the Company
- The Company
- The Company first and then the other Shareholders (the “Remaining Shareholders”)

of its intention to sell the Shares (a “Notice of Transfer”). A Notice of Transfer shall specify the following:

- The name and address of the purchaser (the “Third Party Purchaser”)
- The number of shares being sold (the “Offered Shares”)
- The price per share
- The payment and other terms of the proposed sale

3. **Transfer of Shares.** (Check one)

- (Select if written notice is provided to the **Remaining Shareholders only**)
- For _____ days after receipt of a Notice to Transfer, the Remaining Shareholders shall have the option to purchase the Offered Shares at the price and in accordance to the terms in the Notice to Transfer in proportion to their respective ownership interests of the outstanding Shares.

If any Remaining Shareholder fails to give timely notice or declines to purchase its proportionate share, the other Remaining Shareholders shall have the option to purchase that Remaining Shareholder's proportionate share of the Offered Shares, in proportion to their respective ownership interests of the outstanding Shares. If the Remaining Shareholders elect to purchase less than all of the Offered Shares, the Offering Shareholder may sell (Check one) the Offered Shares to the Third-Party Purchaser at the price and in accordance to the terms in the Notice to Transfer any Offered Shares not purchased by the Remaining Shareholders to the Third-Party Purchaser at the price and in accordance to the terms in the Notice to Transfer.

(Select if written notice is provided to the **Remaining Shareholders first and then the Company**)

For _____ days after receipt of a Notice to Transfer, the Remaining Shareholders shall have the option to purchase the Offered Shares at the price and in accordance to the terms in the Notice to Transfer in proportion to their respective ownership interests of the outstanding Shares. If any Remaining Shareholder fails to give timely notice or declines to purchase its proportionate share, the other Remaining Shareholders shall have the option to purchase that Remaining Shareholder's proportionate share of the Offered Shares, in proportion to their respective ownership interests of the outstanding Shares. At the end of the _____-day option period, the Remaining Shareholders shall notify the Company of the number of Offered Shares they intend to purchase. For _____ days after receipt of such notification, the Company shall have the option to purchase any Offered Shares not being purchased by the Remaining Shareholders at the price and in accordance to the terms in the Notice to Transfer. If the Remaining Shareholders and/or the Company elect to purchase less than all of the Offered Shares, the Offering Shareholder may sell (Check one) the Offered Shares to the Third-Party Purchaser at the price and in accordance to the terms in the Notice to Transfer any Offered Shares not purchased by the Remaining Shareholders and/or the Company to the Third-Party Purchaser at the price and in accordance to the terms in the Notice to Transfer.

(Select if written notice is provided to the **Company only**)

For _____ days after receipt of a Notice to Transfer, the Company shall have the option to purchase the Offered Shares at the price and in accordance to the terms in the Notice to Transfer. If the Company elects to purchase less than all of the Offered Shares, the Offering Shareholder may sell (Check one) the Offered Shares to the Third-Party Purchaser at the price and in accordance to the terms in the Notice to Transfer any Offered Shares not purchased by the Company to the Third-Party Purchaser at the price and in accordance to the terms in the Notice to Transfer.

(Select if written notice is provided to the **Company first and then the Remaining Shareholders**)

For _____ days after receipt of a Notice to Transfer, the Company shall have the option to purchase the Offered Shares at the price and in accordance to the terms in the Notice to Transfer. At the end of the _____-day option period, if the Company has elected to purchase less than all of the Offered Shares, it shall notify the Remaining Shareholders of the

number of Offered Shares remaining available for purchase. For _____ days after receipt of such notification, the Remaining Shareholders shall have the option to purchase any Offered Shares not being purchased by the Company at the price and in accordance to the terms in the Notice to Transfer in proportion to their respective ownership interests of the outstanding Shares. If the Company and/or the Remaining Shareholders elect to purchase less than all of the Offered Shares, the Offering Shareholder may sell (Check one) the Offered Shares to the Third-Party Purchaser at the price and in accordance to the terms in the Notice to Transfer any Offered Shares not purchased by the Company and/or the Remaining Shareholders to the Third Party Purchaser at the price and in accordance to the terms in the Notice to Transfer.

4. **Duties of Transferees.** Unless otherwise provided in this Agreement, as a condition to any Transfer, each Third-Party Purchaser and any other purchaser or subsequent transferee must agree to be bound by the terms of this Agreement.

Adoption Agreement (Check one)

Not applicable.

Each Third-Party Purchaser and any other purchaser or subsequent transferee shall become a party to this Agreement by executing the Adoption Agreement attached hereto as Annex A.

ARTICLE IV INVOLUNTARY TRANSFERS

1. **Involuntary Transfers.** The following events shall each constitute an “Involuntary Transfer Event” and the affected Shareholder shall be referred to as the “Withdrawing Shareholder” and the remaining Shareholders shall be referred to as the “Non-Withdrawing Shareholders”: (1) the death of a Shareholder; (2) the total mental or physical disability of a Shareholder; (3) the termination of a Shareholder’s employment with the Company; and (4) the bankruptcy or insolvency of a Shareholder.

2. **Sale of Shares.** Upon the occurrence of any of the events specified in Paragraph 1, the Withdrawing Shareholder or the personal representative of the Withdrawing Shareholder shall notify the Company of the Involuntary Transfer Event.

Upon receipt of such notice: (Check one)

The Company will purchase all Shares. The Company shall redeem or purchase for cancellation all of the Shares owned by the Withdrawing Shareholder within _____ days from receipt of the notice.

The Company will purchase Shares first and then the Non-Withdrawing Shareholders. The Company, at its option, shall redeem or purchase for cancellation the Shares owned by the Withdrawing Shareholder within _____ days from receipt of the notice. In the event the Company redeems or purchases less than all of the Shares owned by the Withdrawing Shareholder, the Company shall notify

the Non-Withdrawing Shareholders of the number of unpurchased Shares remaining, and the Non-Withdrawing Shareholders shall purchase the remaining Shares on a pro-rata basis within _____ days from receipt of the notice.

The Non-Withdrawing Shareholders will purchase all Shares. The Company shall notify the Non-Withdrawing Shareholders of the Involuntary Transfer Event and the number of Shares owned by the Withdrawing Shareholder. The Non-Withdrawing Shareholders shall purchase all of the Shares owned by the Withdrawing Shareholder on a pro-rata basis within _____ days from receipt of the notice.

The Non-Withdrawing Shareholders will purchase Shares first and then the Company. The Company shall notify the Non-Withdrawing Shareholders of the Involuntary Transfer Event and the number of Shares owned by the Withdrawing Shareholder. The Non-Withdrawing Shareholders shall, at their option, purchase the Shares owned by the Withdrawing Shareholder on a pro-rata basis within _____ days from receipt of the notice. In the event the Non-Withdrawing Shareholders purchase less than all of the Shares owned by the Withdrawing Shareholder, the Company shall purchase the remaining Shares within _____ days from receipt of the notice.

ARTICLE V VALUATION OF SHARES

1. **Purchase Price.** The purchase price per share to be paid for any Transfer of Shares due to an Involuntary Transfer Event (the "Purchase Price") shall be: (Check one)

\$ _____ per share.

The book value per share of the Shares. The book value of the Shares shall be determined by the Company's regular independent certified public account. If the Company does not have a regular independent certified public account, the Company shall select an independent certified public account. The book value shall be calculated in accordance with generally accepted accounting principles.

The fair market value per share of the Shares. The fair market value of the Shares shall be set and agreed upon by the Company and the Shareholders within _____ days after an event requiring a determination of the purchase price of the Shares. If the parties are unable to agree on a fair market value, the fair market value shall be set by a mutually agreed upon qualified independent appraiser. If the parties cannot in good faith agree upon an independent appraiser, the independent appraiser shall be chosen by a court of competent jurisdiction.

Determined by an agreed upon appraiser. Within _____ days after an event requiring a determination of the purchase price of the Shares, the Company and the selling Shareholders shall select a mutually agreed upon qualified appraiser to appraise the value of the Company and set a purchase price.

Other: _____

2. Other Provisions. _____

ARTICLE VI PAYMENT AND TRANSFER OF SHARES

1. **Payment.** The Purchase Price for the Transfer any Shares due to the death of a Shareholder shall be payable out of the proceeds of any life insurance policy required to be carried on the life of the Withdrawing Shareholder by the Shareholders or the Company. To the extent there is no life insurance policy or the life insurance proceeds are less than the Purchase Price, the remaining amount shall be payable in/by: (Check one)

- Cash
- A negotiable promissory note
- _____ [Number] equal installment payments

All other payments shall be payable in/by: (Check one)

- Cash
- A negotiable promissory note
- _____ [Number] equal installment payments

2. **Transfer of Title.** The Selling Shareholder or Withdrawing Shareholder shall deliver the certificates representing the Shares being transferred, properly endorsed for transfer or accompanied by an assignment agreement to the transferee.

3. **Life Insurance.** (Check one)

- Not applicable.
- The Company shall carry a life insurance policy on the life of each Shareholder. The Company shall be responsible for all premiums and costs related to such life insurance policy. Each life insurance policy shall carry a minimum payout of at least \$ _____.
- Each Shareholder shall carry a life insurance policy on the life of the Shareholder. Each Shareholder shall be responsible for all premiums and costs related to such life insurance policy. Each life insurance policy shall carry a minimum payout of at least \$ _____.

**ARTICLE VII
TERM AND TERMINATION**

1. **Term.** This Agreement shall be effective and binding upon the parties as of the Effective Date.

2. **Termination.** This Agreement will terminate in the event one of the following occurs:

(Check all that apply)

- Written consent of a majority of the Shareholders
- Death or incapacity of all of the Shareholders
- Bankruptcy, receivership or dissolution of the Company
- A single Shareholder becoming the owner of all of the Shares
- Other: _____

**ARTICLE VIII
MISCELLANEOUS**

1. **Amendments.** This Agreement may be amended or modified only by a written agreement signed by all of the parties.

2. **Notices.** Any notice or other communication given or made to any party under this Agreement shall be in writing and delivered by hand, sent by overnight courier service or sent by certified or registered mail, return receipt requested, to the Company at the address stated above and to the Shareholders at the address in the Company's records.

3. **No Waiver.** No party shall be deemed to have waived any provision of this Agreement or the exercise of any rights held under this Agreement unless such waiver is made expressly and in writing. Waiver by any party of a breach or violation of any provision of this Agreement shall not constitute a waiver of any other subsequent breach or violation.

4. **Assignment.** No party hereto shall have the right to assign its rights or delegate its duties hereunder without the written consent of the other parties, which consent shall not be unreasonably withheld.

5. **Severability.** If any provision of this Agreement is held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid, legal and enforceable as though the invalid, illegal or unenforceable parts had not been included in this Agreement.

6. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective legal representatives, heirs, administrators, executors, successors and permitted assigns.

SCHEDULE A

NAME OF SHAREHOLDER	NUMBER OF SHARES

ANNEX A

ADOPTION AGREEMENT

This Adoption Agreement (this "Agreement") is executed as of this _____ day of _____, 20____ by the undersigned (the "Transferee") pursuant to the Buy-Sell Agreement dated as of September 28, 2020 (the "Buy-Sell Agreement") by and between _____ (the "Company") and the Shareholders listed in Schedule A thereto.

WHEREAS, the Transferee is hereby acquiring certain shares of the Company (the "Shares") which are restricted by and subject to the terms and conditions of the Buy-Sell Agreement; and

WHEREAS, the Transferee has received and reviewed a complete copy of the Buy-Sell Agreement.

NOWHEREFORE, as partial consideration for transfer of such Shares, the Transferee hereby agrees as follows:

1. **Agreement.** The Transferee hereby agrees, that upon the execution of this Agreement, the Transferee shall become a party to the Buy-Sell Agreement, and shall be fully bound by and subject to the terms and conditions of the Buy-Sell Agreement as though an original party thereto.

2. **Notices.** Any notice required pursuant to the Buy-Sell Agreement shall be delivered to the Transferee at the following address:

Name: _____

Address: _____

3. **Governing Law.** The terms of this Agreement shall be governed by and construed in accordance with the laws of the State of _____, not including its conflicts of law provisions.

IN WITNESS WHEREOF, the Transferee has executed this Agreement as of the date first written above.

Transferee Signature

Transferee Full Name