



## Buy-Sell Agreement Checklist

<p>How is the Business Structured?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Proprietorship</li> <li><input type="checkbox"/> Partnership</li> <li><input type="checkbox"/> C Corporation</li> <li><input type="checkbox"/> S Corporation (Maintain S Election)</li> <li><input type="checkbox"/> Professional Corporation</li> <li><input type="checkbox"/> Limited Liability Company</li> <li><input type="checkbox"/> Other _____</li> </ul> <p>Who are the Parties to the Agreement?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Related</li> <li><input type="checkbox"/> Unrelated</li> <li><input type="checkbox"/> Spouse (Community Property)</li> </ul> <p>What Triggering Events are Identified?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Death</li> <li><input type="checkbox"/> Disability</li> <li><input type="checkbox"/> Retirement</li> <li><input type="checkbox"/> Termination of Employment</li> <li><input type="checkbox"/> Divorce, Marital Separation</li> <li><input type="checkbox"/> Loss of License</li> <li><input type="checkbox"/> Act of Law</li> <li><input type="checkbox"/> Bankruptcy</li> <li><input type="checkbox"/> Other Insolvency Laws</li> <li><input type="checkbox"/> Felony Conviction</li> <li><input type="checkbox"/> Other _____</li> </ul> <p>Is "Disability" Defined, and if so, How?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Disability Insurance Policy</li> <li><input type="checkbox"/> Social Security</li> <li><input type="checkbox"/> Other _____</li> </ul> <p>How is the Buy-Out Structured?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Cross Purchase</li> <li><input type="checkbox"/> Stock Redemption</li> <li><input type="checkbox"/> Combination</li> <li><input type="checkbox"/> Trusteed Arrangement</li> </ul>	<p>How is the Business Value Determined?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Stated Value</li> <li><input type="checkbox"/> Formula</li> <li><input type="checkbox"/> Independent Appraiser</li> <li><input type="checkbox"/> Other (explain)</li> </ul> <p>Does the Business Value reflect Current FMV?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Yes</li> <li><input type="checkbox"/> No</li> </ul> <p>How often is the Valuation Updated?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Annually</li> <li><input type="checkbox"/> Every ____ Years</li> <li><input type="checkbox"/> Never</li> <li><input type="checkbox"/> Other _____</li> </ul> <p>Is the Business Value the same for all Triggering Events?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Yes</li> <li><input type="checkbox"/> No (explain)</li> </ul> <p>Does the Agreement provide for Life Insurance to Cover a Buy-Out at Death?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Ownership/Beneficiary Consistent</li> <li><input type="checkbox"/> Payment of Premiums</li> <li><input type="checkbox"/> Procedure upon Failure to Pay Premiums</li> <li><input type="checkbox"/> Disposition of Policies at Death or During Life</li> <li><input type="checkbox"/> Ability to Purchase Additional Insurance</li> <li><input type="checkbox"/> Requirement to Maintain Insurance Funding</li> <li><input type="checkbox"/> Policy Schedule</li> <li><input type="checkbox"/> Allocation of Excess Proceeds</li> </ul>	<p>Does the Agreement provide for Disability Buy-Out Insurance?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Yes</li> <li><input type="checkbox"/> No</li> </ul> <p>What are the Payment Terms?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Lump Sum</li> <li><input type="checkbox"/> Installment (Promissory Note)</li> <li><input type="checkbox"/> Other</li> </ul> <p>Are there Dispute Resolution Provisions?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Arbitration</li> <li><input type="checkbox"/> Mediation</li> <li><input type="checkbox"/> Other _____</li> </ul> <p>Are Relevant Schedules Attached?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Life Insurance</li> <li><input type="checkbox"/> Ownership Percentages</li> <li><input type="checkbox"/> Stock Classes</li> <li><input type="checkbox"/> Trustee Agreement, if applicable</li> <li><input type="checkbox"/> Other Applicable Agreement</li> </ul> <p>Mandatory Non-Competition Clause for Seller?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Yes</li> <li><input type="checkbox"/> No</li> </ul> <p>Are Loans made to Business Callable at Death?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Yes</li> <li><input type="checkbox"/> No</li> </ul>
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