

CORPORATE SHARE BUYOUT AGREEMENT

This Corporate Share Buyout Agreement ("Agreement"), dated this _____ is made by and between _____ ("Buyer"), with a mailing address of _____ and _____ ("Seller"), with a mailing address of _____. Buyer and Seller are collectively referred to as the "Parties." _____, a _____ corporation (the "Corporation"), joins this Agreement solely for purposes of the sections expressly referencing it.

WHEREAS, Seller owns _____ shares of _____ stock of the Corporation, represented by Certificate No(s). _____ or held in book-entry form, which shares are referred to herein as the Seller's "Interest";

WHEREAS, Seller wishes to sell to Buyer, and Buyer wishes to purchase from Seller, the Interest, subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. **PURCHASE AND SALE.** For the consideration specified under Section 5 of this Agreement, Seller shall sell to Buyer, and Buyer shall purchase from Seller, all of Seller's right, title, and interest in and to the Interest, free and clear of any mortgage, pledge, lien, charge, security interest, claim, or other encumbrance, except for any such encumbrance stated here: _____.

2. **STRUCTURE.** This buyout is structured as: (check one)

- ☐ – **Cross-Purchase.** Buyer purchases the Interest directly from Seller.
- ☐ – **Redemption.** The Corporation purchases the Interest from Seller, and the Interest shall be ☐ retired ☐ held as treasury stock. The Corporation represents that the purchase complies with applicable statutory solvency and surplus requirements.

3. **TRANSFER RESTRICTIONS AND CORPORATE APPROVALS.** This buyout is made in compliance with, or pursuant to a valid waiver of, all transfer restrictions in the Corporation's bylaws and any shareholder agreement, and copies of any required consents, resolutions, or waivers are attached as Exhibit _____. Closing is further conditioned on delivery of certified resolutions of the _____ of the Corporation approving this Agreement.

4. **CLOSING.** The closing of this transaction ("Closing") shall occur on or before _____ ("Closing Date"), at a time and location agreeable to the

Parties. Closing is conditioned on the following: the resolutions and approvals described in Section 3 of this Agreement; and _____.

5. **PURCHASE PRICE.** The purchase price for the Interest ("Purchase Price") is: (check one)

- ☐ – **Fixed Amount.** Buyer agrees to pay a fixed price of \$_____.
- ☐ – **Appraised Value.** Buyer agrees to pay the fair market value of the Interest, as determined by an appraiser jointly selected by the Parties, who shall perform a valuation on _____. All such appraisal costs will be borne _____.
- ☐ – **Formula.** Buyer agrees to pay an amount calculated as follows: _____ determined as of _____.
- ☐ – **Other.** Buyer agrees to pay as follows: _____.

The valuation ☐ shall ☐ shall not apply discounts for minority interest or lack of marketability.

6. **PAYMENT.** Buyer shall pay the above-described purchase price for the Interest (hereafter, the "Purchase Price") to Seller in the following manner: (check one)

- ☐ – **Lump Sum.** The full Purchase Price shall be paid on the Closing Date.
- ☐ – **Installments.** The Purchase Price shall be paid in installments, the first of which shall be due on _____, in the amount of \$_____. The remaining installments shall be subject to the following schedule: (check one)
- ☐ – **Weekly Intervals.** Buyer shall pay and deliver any subsequent installments every week, with the final payment due on _____.
- ☐ – **Monthly Intervals.** Buyer shall pay and deliver any subsequent installments every month, with the final payment due on _____.
- ☐ – **Yearly Intervals.** Buyer shall pay and deliver any subsequent installments every year, with the final payment due on _____.
- ☐ – **Other Intervals.** Buyer shall pay and deliver any subsequent installments as follows: _____. The final payment shall be due on _____.
- ☐ – **Specific Dates.** Buyer shall pay and deliver subsequent installments on the following dates: _____.

Buyer hereby agrees that interest shall accrue on any unpaid balance at _____% per annum.

☐ – **Other.** _____

Buyer shall deliver any payments toward the Purchase Price using the following methods of payment: (check all that apply)

☐ – **Bank Wire**

☐ – **Cash**

☐ – **Cashier's Check**

☐ – **Other:** _____

7. ALLOCATION THROUGH CLOSING; DIVIDENDS. Dividends and distributions declared but unpaid as of the Closing Date shall be paid to ☐ Seller ☐ Buyer. Seller shall have no right to dividends or distributions declared by the Corporation after the Closing Date.

8. REPRESENTATIONS AND WARRANTIES OF SELLER. Seller hereby represents and warrants to the Buyer that all the following statements are true and correct:

Seller has full power, authority, and capacity to enter into this Agreement and any documents to be delivered pursuant to this Agreement, and the execution, delivery, and performance of this Agreement does not, and the consummation of the transaction contemplated hereby will not, result in a breach of or default under any agreement to which Seller is a party or by which Seller is bound;

This Agreement has been duly and validly executed and delivered by Seller and constitutes Seller's valid and binding obligation, enforceable against Seller in accordance with its terms;

Seller is the lawful record and beneficial owner of the Interest, free and clear of any liens, claims, agreements, charges, security interests, and encumbrances unless otherwise disclosed in this Agreement, and the sale, conveyance, assignment, and transfer of the Interest in accordance with this Agreement transfers to Buyer legal and valid title to the Interest, free and clear of all liens, security interests, or pledges; and The financial statements and records of the Corporation provided to Buyer are true, complete, and accurate in all material respects, and the Corporation has no liabilities except as reflected in them or disclosed in this Agreement.

9. REPRESENTATIONS AND WARRANTIES OF BUYER. Buyer hereby represents and warrants to the Seller that all the following statements are true and correct:

Buyer has full power, authority, and capacity to enter into this Agreement and any documents to be delivered pursuant to this Agreement, and the execution, delivery, and performance of this Agreement does not, and the consummation of the transaction contemplated hereby will not, result in a breach of or default under any agreement to which Buyer is a party or by which Buyer is bound; and

Buyer has, or has access to, funds sufficient to pay the Purchase Price as and when due under this Agreement.

10. INDEMNIFICATION BY SELLER. Subject to the other terms and conditions of this Agreement, Seller shall defend, indemnify, and hold harmless the Buyer from and against all claims, judgments, damages, liabilities, settlements, losses, costs, and expenses, including attorneys' fees and disbursements, arising from or relating to any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement or any document to be delivered hereunder, and any such loss arising from or relating to any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by Seller pursuant to this Agreement or any document to be delivered hereunder.

11. INDEMNIFICATION BY BUYER. Subject to the other terms and conditions of this Agreement, Buyer shall defend, indemnify, and hold harmless Seller from and against all claims, judgments, damages, liabilities, settlements, losses, costs, and expenses, including attorneys' fees and disbursements, arising from or relating to any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this Agreement or any document to be delivered hereunder, or any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by Buyer pursuant to this Agreement or any document to be delivered hereunder.

12. NON-COMPETE AND NON-SOLICITATION. As part of this Agreement, there shall be: (check one)

☐ – **Non-Compete and Non-Solicitation Restrictions.** A portion of the Purchase Price serves as consideration for the following covenant. Seller acknowledges possessing proprietary information, including trade secrets, whose use in competition could harm the Corporation's business after the sale. Seller therefore agrees not to compete, on the following terms:

- a.) Scope. In the specific business or practice of: _____.
- b.) Term. For a period of _____ after the Closing Date.
- c.) Geographic Area. Within: _____.

If a court finds any part of this covenant overbroad in scope, term, or geographic area, it shall be enforced to the maximum extent the law allows rather than voided. For the term described above, Seller also shall not solicit, for a competing purpose, any customer of the Corporation served during the _____ months before the Closing Date, and shall not solicit or hire any employee or contractor of the Corporation.

☐ – **No Non-Compete or Non-Solicitation Restrictions.** Seller shall not be restricted from engaging in the same or a similar business, or from soliciting or hiring the Corporation's customers, employees, or contractors.

13. RELEASE. Effective upon the transfer of the Interest and Seller's receipt of all amounts then due at Closing, Seller releases and waives all claims, rights, and interests in and to the Interest, and acknowledges that Seller shall have no further rights or

claims to the Interest. Each Party releases the other from all claims arising from their shared ownership of, or relationship to, the Corporation prior to Closing, except for obligations created by this Agreement and claims arising from fraud.

14. **SELLER'S CLOSING DELIVERIES.** At the Closing Date, Seller shall deliver to Buyer: the certificate(s) representing the Interest, duly endorsed or accompanied by an executed stock power (or, for book-entry shares, an executed irrevocable transfer instruction), together with the Corporation's updated stock ledger reflecting the transfer. Seller shall also deliver written resignations from all officer, director, manager, and employee positions Seller holds with the Corporation, effective as of the Closing Date. Seller shall additionally deliver: _____.

15. **BUYER'S CLOSING DELIVERIES.** At the Closing Date, Buyer shall deliver to Seller the following: _____.

16. **LIABILITIES.** The Buyer agrees to assume: (check one)

☐ – **No Liabilities.** The Buyer assumes no debts, obligations, or liabilities of the Seller relating to the Interest, whether known or unknown, except as expressly stated in this Agreement.

☐ – **Some Liabilities.** The Buyer agrees to assume the following liability(ies): (check all that apply)

☐ – **Accounts payable**

☐ – **Past and current business expenses**

☐ – **Contractual obligations of the business**

☐ – **Leasehold interests**

☐ – **Legal liabilities and pending claims**

☐ – **Past and current taxes owed by the business**

☐ – **Payroll owed to past and current employees, independent contractors, and agents**

☐ – **Other:** _____

All liabilities not expressly assumed by the Buyer remain the sole responsibility of the Seller.

17. **ENTIRE AGREEMENT.** This Agreement and the documents to be delivered hereunder constitute the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

18. **SUCCESSORS AND ASSIGNS.** This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld or

delayed. No assignment shall relieve the assigning Party of any of its obligations hereunder.

19. **AMENDMENT AND MODIFICATION.** This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each Party.

20. **GOVERNING LAW.** This Agreement shall be construed, interpreted, and enforced in accordance with, and shall be governed by, the laws in the State of _____ without reference to, and regardless of, any applicable choice or conflicts of laws principles.

21. **SEVERABILITY.** In the event any provision or part of this Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Agreement, will be inoperative.

22. **COUNTERPARTS.** This Agreement may be executed in any number of counterparts and by the several parties hereto in separate counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same Agreement.

23. **ADDITIONAL TERMS AND CONDITIONS.**

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above.

Buyer Signature: _____ **Date:** _____
Print Name: _____

Seller Signature: _____ **Date:** _____
Print Name: _____