

DIVORCE BUYOUT AGREEMENT

This Divorce Buyout Agreement ("Agreement"), dated this _____, is made by and between _____ ("Buying Spouse"), with a mailing address of _____, and _____ ("Selling Spouse"), with a mailing address of _____. Buying Spouse and Selling Spouse are collectively referred to as the "Parties."

WHEREAS, the Parties were married on _____, and the status of the Parties' marital dissolution or separation is as follows: (check one)

- ☐ - **Final Decree Entered.** A final judgment or decree of dissolution of marriage has been entered by the _____ Court, Case No. _____, on _____.
- ☐ - **Divorce Proceeding Pending.** A petition for dissolution of marriage is currently pending before the _____ Court, Case No. _____.
- ☐ - **No Court Proceeding Filed.** The Parties have separated and intend to formalize their separation or divorce, but no petition has yet been filed with a court.

WHEREAS, Selling Spouse holds an interest in the following marital property, which the Parties wish to have transferred to Buying Spouse as part of the division of their marital property: _____ (the "Asset");

WHEREAS, Selling Spouse wishes to sell, transfer, and relinquish all of Selling Spouse's right, title, and interest in the Asset to Buying Spouse, and Buying Spouse wishes to purchase and receive the same, 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 OF THE ASSET. For the consideration specified under Section 3 of this Agreement, Selling Spouse shall sell, transfer, and assign to Buying Spouse, and Buying Spouse shall purchase and accept from Selling Spouse, all of Selling Spouse's right, title, and interest in and to the Asset, free and clear of any mortgage, lien, charge, security interest, or other encumbrance, except for any such encumbrance stated here: _____.

2. TYPE OF ASSET. The Asset is best described as follows, which shall govern which additional provisions of this Agreement apply: (check all that apply)

☐ - **Real Property.** Real estate, including the marital residence or any other real property, located at _____. Section 6 of this Agreement applies.

☐ - **Business Interest.** An ownership interest in a business entity known as _____, consisting of _____. Section 7 of this Agreement applies.

☐ - **Retirement or Pension Benefit.** An interest in a retirement, pension, or deferred compensation plan known as _____. Section 8 of this Agreement applies.

☐ - **Vehicle.** A motor vehicle described as _____. Section 9 of this Agreement applies.

☐ - **Financial Account or Other Personal Property.** A financial account or item of personal property described as _____. Section 9 of this Agreement applies.

3. **PURCHASE PRICE.** The purchase price for the Asset shall be as follows: (check one)

☐ - **Fixed Amount.** Buying Spouse agrees to pay a fixed price of \$_____.

☐ - **Appraised Value.** Buying Spouse agrees to pay the fair market value of the Asset, as determined by an appraiser jointly selected by the Parties, who shall perform a valuation on _____. All such appraisal costs will be borne _____.

☐ - **Value Stated in Marital Settlement Agreement.** Buying Spouse agrees to pay the value assigned to the Asset in the Parties' Marital Settlement Agreement dated _____, which is \$_____.

☐ - **Offset Against Other Marital Property.** No cash payment shall be made; instead, the value of the Asset, agreed to be \$_____, shall be credited against other marital property received by Selling Spouse, as further described in the Parties' Marital Settlement Agreement or in Section 19 of this Agreement.

☐ - **Other.** Buying Spouse agrees to pay as follows: _____.

4. **PAYMENT.** Buying Spouse shall pay the above-described purchase price for the Asset (hereafter, the "Purchase Price") to Selling Spouse in the following manner: (check one)

☐ - **Lump Sum.** The full Purchase Price shall be paid on or before _____.

☐ - **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)

☐ - **Monthly Intervals.** Buying Spouse shall pay and deliver any subsequent installments every month, with the final payment due on _____.

☐ - **Yearly Intervals.** Buying Spouse shall pay and deliver any subsequent installments every year, with the final payment due on _____.

☐ - **Other Intervals.** Buying Spouse shall pay and deliver any subsequent installments as follows: _____.

_____ The final payment shall be due on _____.

☐ - **Specific Dates.** Buying Spouse shall pay and deliver subsequent installments on the following dates: _____.

☐ - **Offset, No Cash Payment.** As stated in Section 3, the Purchase Price shall be satisfied entirely through an offset against other marital property, and no direct payment shall be made by Buying Spouse to Selling Spouse.

☐ - **Other.** _____

Buying Spouse agrees that interest shall accrue on any unpaid balance at _____ % per annum.

Buying Spouse 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:** _____

5. SECURITY FOR PAYMENT. If any portion of the Purchase Price remains unpaid after the Closing Date, such unpaid amount shall be secured as follows: (check one)

☐ - **No Security.** The unpaid balance shall be an unsecured obligation of Buying Spouse.

☐ - **Promissory Note and Lien.** Buying Spouse shall execute a promissory note in favor of Selling Spouse, secured by a lien against the Asset until the Purchase Price is paid in full, in a form to be agreed upon by the Parties.

☐ - **Life Insurance.** Buying Spouse shall maintain a life insurance policy naming Selling Spouse as beneficiary in an amount not less than the unpaid balance, until the Purchase Price is paid in full.

6. TRANSFER OF REAL PROPERTY. If the Asset includes real property, the following additional terms shall apply:

- a.) Deed. Selling Spouse shall execute and deliver to Buying Spouse a _____ conveying all of Selling Spouse's right, title, and interest in the real property described in Section 2, to be recorded in the applicable county land records at _____ expense.
- b.) Mortgage and Refinance. A deed alone does not release either Party from personal liability on any existing mortgage. (check one)

☐ - **Refinance Required.** Buying Spouse shall use best efforts to refinance any existing mortgage on the property, in Buying Spouse's name alone, on or before _____, to remove Selling Spouse from all liability.

☐ - **No Existing Mortgage.** The property is not subject to a mortgage or other lien requiring refinance.

☐ - **Other Arrangement.** _____

- c.) Indemnification Pending Refinance. Until any required refinance is completed, Buying Spouse shall be solely responsible for, and shall indemnify and hold Selling Spouse harmless from, all mortgage payments, property taxes, insurance, and other carrying costs associated with the property.

7. TRANSFER OF BUSINESS INTEREST. If the Asset includes a business interest, the following additional terms shall apply:

- a.) Assignment. Selling Spouse shall execute all documents reasonably necessary to assign and transfer the business interest described in Section 2 to Buying Spouse, including any required entity consents, amendments to the entity's governing documents, or transfer of a physical or beneficial certificate of ownership.
- b.) Resignation. Selling Spouse shall resign from any office, directorship, or managerial role held with the business, effective as of the Closing Date, unless otherwise agreed by the Parties in writing.
- c.) Entity Consent. The Parties acknowledge that the transfer of the business interest may require the consent of other owners of the business or compliance with any applicable buy-sell, operating, partnership, or shareholder agreement, and the Parties agree to cooperate in obtaining any such consent.

8. RETIREMENT ACCOUNTS AND QUALIFIED DOMESTIC RELATIONS ORDER (QDRO). If the Asset includes an interest in a retirement, pension, or deferred compensation plan, the following additional terms shall apply: the Parties acknowledge that a division of an employer-sponsored retirement or pension plan generally requires a separate court order — commonly known as a Qualified Domestic Relations Order ("QDRO") for plans governed by ERISA, or an equivalent order for governmental or military plans — approved by the plan administrator and entered by the court with

jurisdiction over the Parties' divorce. This Agreement does not, by itself, transfer any interest in a retirement or pension plan. The Parties agree to cooperate in good faith to prepare, execute, and submit any such order as promptly as reasonably possible, and Buying Spouse _____ bear the cost of preparing the order. Until such an order is entered and accepted by the plan administrator, Selling Spouse shall remain the record owner of the retirement account, and any obligation of Selling Spouse to transfer or preserve the described interest is subject to entry of the order. The Parties are advised to consult a qualified attorney or QDRO specialist, as errors in preparing such an order can result in significant adverse tax consequences or loss of benefits.

9. TRANSFER OF VEHICLES, FINANCIAL ACCOUNTS, AND OTHER PERSONAL PROPERTY. If the Asset includes a vehicle, financial account, or other item of personal property, the following additional terms shall apply:

- a.) Vehicle. Selling Spouse shall execute a certificate of title transfer, or other documents required by the applicable state motor vehicle agency, to transfer ownership of any vehicle described in Section 2 to Buying Spouse, and shall cooperate in satisfying or transferring any lien on the vehicle.
- b.) Financial Accounts. Selling Spouse shall execute any documents required by the financial institution to transfer ownership of any account described in Section 2 to Buying Spouse, or to remove Selling Spouse as an owner or authorized signer on the account.
- c.) Personal Property. Selling Spouse shall deliver possession of any tangible personal property described in Section 2 to Buying Spouse on or before _____.

10. REPRESENTATIONS AND WARRANTIES OF SELLING SPOUSE. Selling Spouse hereby represents and warrants to Buying Spouse that all the following statements are true and correct:

Selling Spouse has full power, authority, and capacity to enter into this Agreement and any documents to be delivered pursuant to this Agreement;

The execution, delivery, and performance of this Agreement by Selling Spouse does not, and the consummation of the transaction contemplated hereby will not, result in a breach of or default under any agreement to which Selling Spouse is a party or by which Selling Spouse is bound;

This Agreement and the documents to be delivered hereunder have been duly executed and delivered by Selling Spouse, and constitute legal, valid, and binding obligations of Selling Spouse, enforceable against Selling Spouse in accordance with their respective terms;

There is no claim, action, suit, proceeding, or governmental investigation of any nature pending or, to Selling Spouse's knowledge, threatened against or by Selling Spouse relating to or affecting the Asset or that challenges or seeks to prevent, enjoin, or otherwise delay the transactions contemplated by this Agreement; and

Selling Spouse is the sole legal, beneficial, record, and equitable owner of the Asset, free and clear of all encumbrances whatsoever, unless any encumbrances have otherwise been disclosed in this Agreement.

11. REPRESENTATIONS AND WARRANTIES OF BUYING SPOUSE. Buying Spouse hereby represents and warrants to Selling Spouse that all the following statements are true and correct:

Buying Spouse has full power, authority, and capacity to enter into this Agreement and any documents to be delivered pursuant to this Agreement;

The execution, delivery, and performance of this Agreement by Buying Spouse does not, and the consummation of the transaction contemplated hereby will not, result in a breach of or default under any agreement to which Buying Spouse is a party or by which Buying Spouse is bound; and

Buying Spouse has, or has access to, funds sufficient to pay the Purchase Price as required under this Agreement.

12. INDEMNIFICATION. Each Party shall defend, indemnify, and hold harmless the other Party from and against all claims, judgments, damages, liabilities, losses, costs, and expenses, including reasonable attorneys' fees, arising from or relating to: (a) any inaccuracy in or breach of that Party's representations or warranties under this Agreement; (b) that Party's failure to perform any covenant or obligation under this Agreement; or (c) any debt, liability, or obligation that Party has agreed to assume under this Agreement, including with respect to the Asset. This indemnification is in addition to, and not in lieu of, any obligations set forth in the Parties' Marital Settlement Agreement or final decree of dissolution.

13. TAX TREATMENT. Under Section 1041 of the Internal Revenue Code, transfers of property between spouses, or between former spouses if incident to divorce, are generally not taxable events, and the receiving spouse generally takes the transferor's tax basis in the property. The Parties acknowledge that this general rule may not apply to every transfer contemplated by this Agreement — for example, distributions from a retirement plan pursuant to a Qualified Domestic Relations Order may be taxable to the recipient depending on how the distribution is taken — and each Party is solely responsible for their own tax reporting and tax liability arising from this Agreement. Nothing in this Agreement constitutes tax advice, and the Parties are encouraged to consult their own tax advisors.

14. RELEASE OF CLAIMS. Effective upon the transfer of the Asset and Selling Spouse's receipt of all amounts then due under this Agreement, Selling Spouse releases and waives all further right, title, and interest in and to the Asset, and acknowledges that Selling Spouse shall have no further rights or claims to the Asset. Except for the obligations created by this Agreement, the Parties' Marital Settlement Agreement, and any final decree of dissolution, each Party releases the other from all

claims arising from their shared ownership of, or relationship to, the Asset prior to the Closing Date.

15. RELATIONSHIP TO DIVORCE PROCEEDING AND MARITAL SETTLEMENT AGREEMENT. This Agreement is intended to implement, and to be consistent with, the division of marital property set forth in the Parties' Marital Settlement Agreement, if any, dated _____, and/or any final judgment or decree of dissolution of marriage entered in the proceeding described above. This Agreement does not modify, and shall not be construed to modify, the terms of any such settlement agreement or court order. In the event of any conflict between this Agreement and a final court order, the terms of the court order shall control, and the Parties agree to cooperate in good faith to conform this Agreement accordingly.

16. 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, other than the Parties' Marital Settlement Agreement and any final decree of dissolution referenced in Section 15.

17. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, personal representatives, 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.

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

19. 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. Nothing in this Agreement shall be construed to limit the jurisdiction of any court presiding over the Parties' divorce or dissolution proceeding.

20. 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.

21. COUNTERPARTS. This Agreement may be executed in any number of counterparts and by the Parties 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.

22. ADDITIONAL TERMS AND CONDITIONS.

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

Buying Spouse Signature: _____ **Date:** _____
Print Name: _____

Selling Spouse Signature: _____ **Date:** _____
Print Name: _____