

BUY-SELL AGREEMENT

This Buy-Sell Agreement (this "Agreement") is entered into and made effective as of (the "Effective Date"), by and among [COMPANY NAME], a Llc organized under the laws of the State of DE, with its principal office at [COMPANY S PRINCIPAL OFFICE ADDRESS] (the "Company"), and the individuals and entities listed on **Schedule A** (each, an "Member" and collectively, the "Members"). The Company and the Members are each a "Party" and collectively the "Parties."

Recitals

A. The Members collectively own one hundred percent (100%) of the issued and outstanding Membership Interests of the Company.

B. The Parties desire to (i) restrict the transfer of Membership Interests so as to preserve the continuity, ownership, and character of the Company's business; (ii) provide a fair and orderly mechanism for the purchase and sale of Membership Interests upon the occurrence of certain triggering events; and (iii) create a market for Membership Interests where none otherwise exists.

C. The Parties acknowledge that this Agreement is entered into for bona fide business purposes and that its terms are the product of arm's-length negotiation among the Parties.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows.

1. Definitions

"Membership Interest" means a membership interest in the Company, including all economic, voting, and management rights associated therewith.

"Purchase Price" means the amount payable for the Membership Interests being purchased under this Agreement, calculated in accordance with Section 4.

"Triggering Event" means any event set forth in Section 3 that obligates or permits the purchase of an Member's Membership Interests.

"Selling Member" means the Member (or the estate, legal representative, trustee, or successor thereof) whose Membership Interests are being sold under this Agreement.

"Purchasing Party" means the Company or the other Members, as provided herein.

2. General Transfer Restrictions

Except as expressly permitted by this Agreement, no Member shall sell, transfer, assign, pledge, hypothecate, encumber, gift, devise, or otherwise dispose of any Membership Interest (whether voluntarily, involuntarily, by operation of law, or otherwise), in whole or in part, without the prior written consent of all other Members. Any purported transfer in violation of this Agreement shall be void ab initio and of no force or effect, and the Company shall not recognize any such purported transferee as the holder of any Membership Interest.

Continuation of restrictions — transferee adoption agreement. As a condition to the effectiveness of any permitted transfer, any transferee of an Membership Interest shall execute and deliver to the Company a counterpart signature page or adoption agreement, thereby becoming a party to this Agreement and bound by all of its terms. No transfer shall be valid until the transferee has so executed and delivered such adoption agreement, and the Company shall not record any transfer on its books until such execution and delivery has occurred.

Permitted transfers. Notwithstanding the foregoing restrictions, the following transfers are permitted, provided the transferee executes an adoption agreement as required above: (a) transfers to another then-current Member; (b) transfers to the Company pursuant to this Agreement; (c) transfers to a revocable living trust for the estate-planning benefit of the transferring Member, provided such Member remains the sole trustee and sole beneficiary during the Member's lifetime; and (d) transfers to immediate family members (spouse, child, parent) as part of a bona fide estate plan, in each case subject to the Member's continuing obligations under this Agreement.

3. Triggering Events

Upon the occurrence of any Triggering Event with respect to an Member, the Membership Interests held by the affected Member (or the Member's estate, trustee, spouse, creditor, or legal representative) shall be subject to purchase as set forth in this Section 3 and Sections 4–5.

Hybrid Purchase Structure

Upon the occurrence of a Triggering Event, the Company shall have the first option to purchase all or any portion of the Selling Member's Membership Interests. To the extent the Company does not exercise that option in full within thirty (30) days, the other Members shall be obligated to purchase any remaining Membership Interests pro rata.

4. Purchase Price and Valuation

Fair market value — independent appraisal. The Purchase Price shall equal the fair market value of the Selling Member's Membership Interests as determined by an independent business appraiser credentialed by the American Institute of Certified Public Accountants (ABV) or the American Society of Appraisers

(ASA). The appraiser shall be selected by mutual agreement of the Company and the Selling Member within thirty (30) days after the Triggering Event. If they cannot agree, each shall appoint one appraiser, and the two appraisers shall appoint a third neutral appraiser. The Purchase Price shall be the average of the two closest of the three appraisals. Appraisal costs shall be borne by the Company.

Annual valuation review. The Members agree to meet at least once per calendar year, no later than the end of January, to review and, if appropriate, update the valuation terms set forth in this Section 4 by executing an updated Schedule B (Valuation Certificate). If the Members fail to hold a review meeting or fail to update the valuation in any given year, the most recently agreed valuation shall continue to govern until updated. This deemed-continuity provision ensures the Agreement's valuation terms remain operative and enforceable even in the face of Member inattention.

5. Payment Terms

Installment payment. The Purchase Price shall be paid as follows: (i) 20% of the Purchase Price in cash at closing (the "Down Payment"); and (ii) the balance shall be evidenced by a promissory note of the Purchasing Party, payable in equal consecutive monthly installments over a period of 5th (5) years, bearing interest at the annual rate of 5%, which shall not be less than the Applicable Federal Rate (AFR) in effect on the closing date under IRC §1274 to avoid imputed interest under IRC §7872. The promissory note shall be substantially in the form attached as **Exhibit D** and shall be secured by a pledge of the transferred Membership Interests held in escrow until paid in full.

Hybrid — insurance plus installment. At closing, the Purchasing Party shall first apply all available insurance proceeds to the Purchase Price. Any remaining balance shall be paid as provided in the Installment Payment subsection above, with the insurance proceeds credited toward the Down Payment obligation.

Closing. Closing of any purchase under this Agreement shall occur at the Company's principal office, or such other place as the Parties may agree, within the timeframe set forth above. At closing, the Selling Member (or the Selling Member's legal representative) shall deliver duly executed assignment and transfer documents, and the Purchasing Party shall deliver the Purchase Price (or the Down Payment plus executed promissory note, as applicable).

6. Insurance Funding

Insurable interest recital. The Parties acknowledge and agree that each owner of a life insurance policy contemplated by this Agreement has a valid insurable interest in the life of each insured person, arising from the economic relationship between the Members and the Company as contemplated by this Agreement. Each insured Member consents to being insured under such policies.

Entity-owned insurance. The Company shall apply for, own, pay premiums on, and be the sole named beneficiary of one or more life insurance policies on the life of each Member. The death proceeds of each

policy shall be at least **\$1,000,000.00** (one million dollars and 00/100) per insured Member as set forth on Schedule B, or such greater amount as is reasonably calculated to fully fund the Company's redemption obligation. The Company shall keep all required policies in force. Each Member acknowledges that premiums paid by the Company are not deductible by the Company under IRC §264 and that, upon receipt of death proceeds, the Company's basis in the retiring Member's Membership Interests is the redemption price paid, not a stepped-up basis allocable to the surviving Members.

IRC §101(j) notice-and-consent acknowledgment. The Parties acknowledge that, under Internal Revenue Code §101(j) (26 U.S.C. §101(j)), death benefits received by an employer from an employer-owned life insurance contract on the life of an employee are included in gross income **unless**, prior to the issuance of the policy, (i) the employee was notified in writing that the employer intended to insure the employee's life and of the maximum face amount for which the employee could be insured; (ii) the employee provided written consent to being so insured, including consent to continue coverage after termination of employment; and (iii) the employee was informed in writing that the employer would be the beneficiary of any proceeds.

Each insured Member hereby **acknowledges receipt of written notice** of the Company's intent to insure the Member's life in the amount of at least **\$1,000,000.00**, **consents in writing** to being so insured (including continuation of such coverage after termination of employment or ownership), and **acknowledges** that the Company will be the owner and beneficiary of the proceeds. This acknowledgment is executed prior to policy issuance and satisfies the notice-and-consent requirements of IRC §101(j)(4). Each Member shall also execute IRS Form 8925 (or successor form) as directed by the Company.

7. Right of First Refusal

If any Member (the "Selling Member") receives a bona fide written third-party offer to purchase all or any portion of the Selling Member's Membership Interests that the Selling Member desires to accept, the Selling Member shall deliver written notice (the "ROFR Notice") to the Company and each other Member setting forth (i) the identity of the proposed transferee, (ii) the Membership Interests proposed to be transferred, (iii) the purchase price, and (iv) all other material terms of the proposed transfer.

Election period. Within 30 days after receipt of the ROFR Notice, the Company and the other Members (in that order of priority) may elect, by written notice, to purchase all (but not less than all) of the offered Membership Interests on the same terms set forth in the ROFR Notice. If multiple Members elect, each shall purchase on a pro-rata basis (by then-current ownership).

Failure to exercise. If the Company and the other Members do not collectively elect to purchase all of the offered Membership Interests within the election period, the Selling Member may complete the sale to the third-party transferee within ninety (90) days thereafter, on terms no more favorable to the transferee than those set forth in the ROFR Notice. If the sale is not completed within ninety (90) days, the Membership Interests shall again be subject to this Right of First Refusal.

8. Specific Performance and Remedies

The Parties acknowledge that the Membership Interests are unique, that breach of this Agreement will cause irreparable harm not fully compensable by monetary damages, and that each Party shall be entitled to seek specific performance, injunctive relief, and other equitable remedies to enforce this Agreement, without the necessity of posting a bond or proving actual damages. All remedies are cumulative.

9. Confidentiality

The existence and terms of this Agreement, the valuation methodology, Schedule B, and all financial information exchanged in connection with this Agreement are confidential. No Party shall disclose such information to any person other than (a) such Party's attorneys, accountants, insurance brokers, and lenders who are bound by confidentiality obligations, (b) as required by applicable law, subpoena, or court order (with reasonable advance notice to the other Parties where legally permissible), or (c) as required for the administration of this Agreement.

10. State-Specific Provisions

11. Termination and Amendment

Termination. This Agreement shall terminate upon the earliest of: (a) written agreement of Members holding a supermajority (at least 66.7%) of the outstanding Membership Interests; (b) the dissolution, receivership, or bankruptcy of the Company; or (c) the date on which only one Member (or the Member's successor) owns any Membership Interests.

Amendment. This Agreement may be amended only by a written instrument executed by Members holding a supermajority (at least 66.7%) of the outstanding Membership Interests and by the Company.

Anti-windfall protection. Notwithstanding the foregoing, no termination or amendment of this Agreement may disadvantage any Member whose Membership Interests have been offered (or deemed offered) for sale under this Agreement but for which the closing has not yet occurred. Any such termination or amendment shall be void as against the affected Member to the extent it would reduce, delay, or defeat the Member's right to payment.

12. Dispute Resolution

Mediation; Arbitration. The Parties shall first attempt in good faith to resolve any dispute through non-binding mediation in [VENUE CITY FOR DISPUTES], DE for a period of thirty (30) days. If mediation is unsuccessful, the dispute shall be resolved by binding AAA arbitration under the Commercial Arbitration Rules in the same venue.

13. General Provisions

Governing Law. This Agreement is governed by the laws of the State of DE, without regard to its conflict-of-laws rules.

Notices. All notices under this Agreement shall be in writing and shall be deemed given: (a) upon personal delivery; (b) on the third day after deposit in U.S. registered or certified mail, postage prepaid, return receipt requested; (c) on the next business day after deposit with a nationally recognized overnight courier; or (d) upon confirmed delivery by email to the email address the recipient has designated in writing. Electronic notices shall be enforceable under the federal ESIGN Act (15 U.S.C. §7001 et seq.) and applicable state UETA. The initial notice address for each Party is set forth on Schedule A.

Binding Effect. This Agreement shall bind and benefit the Parties and their respective heirs, successors, legal representatives, estates, trustees, and permitted assigns.

Counterparts and Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Electronic and PDF signatures are valid and binding.

Entire Agreement. This Agreement, together with its Schedules and Exhibits, constitutes the entire agreement between the Parties concerning its subject matter and supersedes all prior or contemporaneous communications, representations, and agreements. To the extent this Agreement conflicts with the Company's operating agreement, bylaws, or partnership agreement, this Agreement controls as among the Parties.

Severability. If any provision of this Agreement is held unenforceable, the remainder shall continue in full force, and the invalid provision shall be narrowed (not stricken) to the minimum extent necessary to be enforceable while preserving the Parties' original intent.

Waiver. No failure or delay in exercising any right shall operate as a waiver, nor shall any single or partial exercise preclude further exercise. Waivers must be in writing and signed by the waiving Party.

Effectiveness. This Agreement becomes effective on the Effective Date upon execution by all Members listed on Schedule A and by an authorized officer of the Company.

Signatures

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

COMPANY:

Authorized Officer

PRINTED NAME

SIGNATURE

DATE

Members:

Member

PRINTED NAME

SIGNATURE

DATE

Schedule A — List of Members

| Member | Address | Ownership % | |---|---|---| | [OWNER 1 FULL LEGAL NAME] | [OWNER 1 ADDRESS] | 50% |

Schedule B — Valuation / Insurance Face Amounts

Valuation method: Independent appraisal at each Triggering Event

Minimum life insurance face amount per insured Member: \$1,000,000.00

| Insured Member | Minimum Policy Face Amount | |---|---| | [OWNER 1 FULL LEGAL NAME] | \$1,000,000.00 |