

# Buy-Sell Agreement Essentials Checklist

Use this list to ensure your Buy-Sell Agreement is comprehensive, effective, and ready to protect all owners in the event of transition.


## 1. Parties to the Agreement

- ☐ Identify all current owners (shareholders, members, or partners).
- ☐ Include the business entity as a party if applicable.

## 2. Triggering Events

- ☐ Death
- ☐ Disability
- ☐ Retirement
- ☐ Voluntary Exit or Resignation
- ☐ Involuntary Termination or Expulsion
- ☐ Divorce or bankruptcy of an owner
- ☐ Dispute among owners
- ☐ Sale or transfer of interest to a third party

## 3. Valuation of Ownership Interests

- ☐ Method for determining business value (e.g., appraisal, formula, fixed price)
  - ☐ Frequency of updates to valuation (e.g., annually)
  - ☐ Who will conduct the valuation? (e.g., independent appraiser)
  - ☐ Definition of “fair market value” if used
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## 4. Purchase Terms

- ☐ Who has the right or obligation to buy? (e.g., other owners, company, third party)
- ☐ Is the purchase mandatory or optional?
- ☐ Sequence of rights (e.g., right of first refusal, company first or owners first)
- ☐ Payment terms (e.g., lump sum, installment payments)
- ☐ Interest rate and schedule if seller financing is used
- ☐ Security or collateral for unpaid balances

## 5. Funding the Agreement

- ☐ Life insurance policies on each owner
- ☐ Disability buy-out insurance
- ☐ Company reserves or sinking fund
- ☐ Use of seller notes or third-party financing

## 6. Restrictions on Transfer

- ☐ Prohibition on transferring ownership without consent
- ☐ Right of first refusal if an owner receives an outside offer
- ☐ Conditions under which transfers are allowed

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## 7. Tax and Legal Considerations

- ☐ Financial reports are accurate, timely, and professionally prepared.
- ☐ I have a current will and/or trust that reflects business ownership.
- ☐ I've worked with an advisor to assess the tax implications of a transfer, sale, or emergency event.
- ☐ I have a current and signed *Buy-Sell Agreement in place*.

## 8. Dispute Resolution

- ☐ Mediation or arbitration clauses
- ☐ Jurisdiction and venue for legal disputes

## 9. Updates and Reviews

- ☐ Set timeline for periodic review (e.g., every 2–3 years)
- ☐ Procedures for updating agreement due to ownership or legal changes

## 10. Signatures and Execution

- ☐ All parties sign and date
- ☐ Witnesses or notary (if required)
- ☐ Store executed copies in secure and accessible locations

***Download this checklist and let's talk about your next steps. Schedule a Risk Review Call.***



*Disclaimer: This checklist is for general informational and discussion purposes only and is not intended as legal, tax, or financial advice. We are not attorneys, and this resource should not be used as a substitute for professional legal counsel. Please consult a qualified attorney to draft or review your buy-sell agreement.*