

Buy-sell agreement

PREVIEW
BUY AND SELL AGREEMENT

This agreement is made on _____, by and between [name], an individual residing in [address], (hereinafter called "_____"), and [name], an individual residing in [address], (hereinafter called "_____").

[name], and [name], each control and hold _____ percent (_____%) of the issued and outstanding shares of capital stock of [name], a Texas corporation with principal offices in _____ County, Texas, (hereinafter called the "Corporation"); and

The parties hereto desire to promote their mutual best interest by providing for a method by which either party may offer for sale all of his shares of capital stock of the Corporation to the other party and by imposing certain restrictions and obligations in connection with the transfer of shares of capital stock of the Corporation:

Section 1. Definitions. As used in this Agreement, the following terms shall have the meanings assigned to them in this Section:

(a) Capital Stock. The term "capital stock" shall mean the shares of the class designated as capital stock of the Corporation as of the date of this Agreement or shares of any class or classes resulting from any reclassification thereof.

(b) Shareholder. The term "shareholder" shall mean [name] and [name].

Section 2. Obligations to Buy and Sell. If either shareholder wishes to terminate his relationship with the other shareholder insofar as the same relates to its ownership of capital stock in the Corporation entirely for any reason whatsoever, including deadlock or differences in policy regarding the business and affairs of the Corporation, such shareholder may, by notice in writing, inform the other shareholder of his intention and shall in such notice set forth the dollar value he places on all of his shares of capital stock. Within twenty (20) days of the receipt of such notice of intention, the other shareholder must elect either to buy all of the shares of capital stock of the notifying shareholder or sell all of his shares of capital stock to the notifying shareholder, in either case at the price stated in the original notice by the notifying shareholder. The other shareholder shall advise the notifying shareholder in writing within the twenty-day period of his election to buy or sell. The election by the other shareholder to either buy or sell shares of capital stock shall be binding on each shareholder to buy or sell, as the case may be. The failure of the other shareholder to advise the notifying shareholder in writing of his election to either buy or sell within the twenty (20) day period shall be deemed conclusively to be an election by the other shareholder to sell his shares of capital stock to the notifying shareholder.

Section 3. Delivery and Payment. If, pursuant to the terms of this Agreement, any shareholder become obligated to purchase shares of capital stock, delivery of such shares by the selling shareholder and payment therefor by the other shareholder shall be made as follows:

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(a) Delivery. Within ten (10) days after the date a shareholder becomes obligated to purchase shares of capital stock from the other shareholder, the selling shareholder shall deliver the certificate or certificates representing the shares of capital stock to be sold at the principal office of the Corporation, duly endorsed in blank for transfer or accompanied by an appropriate stock power, together with all documents necessary or appropriate for an effective transfer, and shall have affixed to such certificate all required stock transfer stamps, if any, or deposit with the other shareholder at that time sufficient funds to pay for such stamps.

(b) Payment. If any shareholder becomes obligated to purchase shares of capital stock pursuant to the provisions of this Agreement, such shareholder shall, simultaneously with the delivery of the shares purchased to the principal office of the Corporation, as provided, pay to the selling stockholder in cash at such office the specified price of the shares of capital stock so purchased.

(c) Other Matters. Concurrently with the consummation of any sale of all the shares of capital stock owned by a shareholder, the selling shareholder shall deliver the resignations of the members of the Board of Directors of the Corporation theretofore representing his interests.

Section 4. After Acquired Shares. Whenever any shareholder hereafter acquires any shares of capital stock, such shares so acquired shall be subject to all of the terms and provisions of this Agreement.

Section 5. Restriction. No shareholder shall sell, assign, transfer, pledge or otherwise dispose of all or any of its shares of capital stock without the prior written consent of the other shareholder.

Section 6. Enforcement. No shares of capital stock shall be transferred on the books of the Corporation, nor shall any sale, assignment, transfer or other disposition thereof be effective unless and until the terms and provisions of this Agreement are first complied with, and in case of violation of this Agreement by the attempted transfer of shares of capital stock without compliance with the terms and provisions hereof, such sale, assignment, transfer or other disposition shall be invalid and of no effect, and the other shareholder shall have the right to compel the holder and/or purported transferee to transfer and deliver the same to it, in which event the price payable for each share of capital stock which the other shareholder elects to purchase shall be the price per share paid by the purported transferee.

Section 7. Endorsement. The certificate or certificates representing shares of capital stock now owned or hereafter acquired by each shareholder shall have conspicuously stamped, printed or typed thereon the following legend:

"Under the terms of a certain Agreement _____, between the principal shareholders of _____ Corporation (a copy of which is on file at the principal office of the Corporation and to which reference is hereby made for all purposes), the following restrictions and obligations are imposed in connection with the transfer of the shares covered hereby:

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"(1) The shares represented hereby may not be sold, assigned, transferred, pledged or otherwise disposed of without the written consent of the other shareholder;

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"(2) The holder hereof may at any time place a value on the shares represented hereby and notify the other shareholder. The other shareholder, upon receipt of such notice, must purchase all of the shares of the notifying shareholder or sell all of its shares of the Corporation to the notifying shareholder, in either case at the price stated in such notice."

Section 8. Termination. This Agreement shall terminate upon the happening of any one or more of the following events.

(a) The adjudication of the Corporation as a bankrupt, the execution by it of an assignment for the benefit of creditors or the appointment of a receiver of the Corporation; or

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(b) The voluntary or involuntary dissolution of the Corporation.

Section 9. Miscellaneous.

(a) Notice. All notices hereunder shall be deemed to have been given when deposited in the mails by certified mail addressed to either party at his address given below or at any other address of which he shall have notified the person giving such notice in writing.

(b) Entirety and Modification. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and no amendment or modification hereof shall be effective unless evidenced by written agreement signed by both parties hereto.

THIS DOCUMENT

(c) Assignment. Neither this Agreement nor any portion hereof may be assigned by either party without the express written consent of the other party hereto.

(d) Binding Effect and Governing Law. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, and shall be governed by and construed in accordance with the laws of the State of Texas.

Signed on _____.

THANK YOU

[Name]
[Address]

[Name]
[Address]
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Buy-sell restricted stock legend

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1. The following buy-sell restricted stock legend should be placed on stock certificates which are the subject of a buy-sell agreement.
2. The legend recites that any sale of the stock is subject to specified restrictions and/or terms and conditions set forth in a separate document. The restricted legend should be adequate to transfer of shares of the stock without compliance with the separate agreement.

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Form: Buy-sell restricted stock legend

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The shares of stock represented by this certificate are subject to a Buy-Sell Agreement _____, a copy of which is on file at the principal office of the company, and the shares may not be sold, transferred, assigned, pledged, hypothecated, or otherwise disposed of except in strict accordance with the terms of that agreement. A copy of the Buy-Sell Agreement will be furnished without charge to the holder of this certificate upon receipt by the company at its principal place of business or registered office of a written request from the holder requesting such a copy.

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