

Buy-Sell Agreement(s) (Rate buy-sell agreements 0-10 using standard scale.)		Covered	Rate 0-10	Not Covered	Desirable to add?	
					Yes	No
•	Is there an agreement controlling or restricting the disposition of stock?					
•	Items which should be present:					
a.	Right of first refusal					
b.	Death					
c.	Disability					
d.	Disenchantment					
e.	Divorce					
f.	Consent of spouse					
g.	Early retirement					
h.	Inactive employee/owner					
i.	"Bad Boy or Girl" behavior					
j.	Price					
k.	Valuation methodology(s)					
l.	Terms					
m.	Personal bankruptcy					
n.	Puts and/or calls					
o.	Windfall sale					
p.	Potential adjustment events (i.e. estate tax valuation)					
q.	Minority discounts					
r.	Non compete and/or non-solicitation					
s.	Loan guarantees					
t.	Transfer of stock which could threaten S Corporation status					
u.	Gift restriction or buy back provisions?					
v.	Security and personal guarantees to indemnify seller(s)					
w.	"Drag along" clause					
x.	Correct buyer and seller					
y.	Tax-smart (cross purchase v. stock redemption)?					
z.	Is the agreement adequately funded? Use and misuses of life insurance? Who owns LI? Who is responsible for premium payments?					
aa.	Who pays for litigation?					
bb.	Anti-deadlock provision					
cc.	Insufficient surplus to redeem					
dd.	Actions requiring super majority					
ee.	Compensation minimum/maximum/guidance					
ff.	"Stay Bonus" for key employees to stay and work through ownership change(s)					

0 - 1	Don't have it/totally ineffective.
2 - 3	Have it, but not used or in effect.
4 - 5	Needs improvement, unsatisfactory - high priority
6 - 7	Okay, could be better - low priority
8 - 9	Very good - fine tuning possible
10	Setting the standard - "best practice"