

Buy-Sell Questionnaire — Confidential Information

THE RUSHFORTH FIRM, LTD., A PROFESSIONAL LIMITED-LIABILITY COMPANY

office@rushforth.org / (702 or 855) 255.4552

1. Company.

Version of 21Nov02

Name	Address	Phones	Tax ID No.
<i>Company</i>		Office	

2. All Owners (Shareholders, Members, Partners) and (if Company is Party), Members of Executive Board (directors, managers, managing partner, etc.). Use reverse side if more space is needed.

Capacity (Owner, director, officer, etc.)	Name	Address	Social Sec. No.

3. Additional Information.

Type of Company	<input type="checkbox"/> corporation; <input type="checkbox"/> limited-liability company (LLC); <input type="checkbox"/> limited-liability partnership (LLP); <input type="checkbox"/> limited partnership; <input type="checkbox"/> general partnership; <input type="checkbox"/> other (<i>specify here</i>):	
Miscellaneous	Status Quo: <input type="checkbox"/> pre-emptive rights; <input type="checkbox"/> cumulative voting; <input type="checkbox"/> transactions with interested directors permitted; <input type="checkbox"/> s corporation election made. Desired change: <input type="checkbox"/> pre-emptive rights; <input type="checkbox"/> cumulative voting; <input type="checkbox"/> transactions with interested directors permitted; <input type="checkbox"/> s corporation election.	
Key Elements to Agreement	<input type="checkbox"/> Company redemption mandatory. <input type="checkbox"/> Cross-purchase. Funded with <input type="checkbox"/> life insurance and/or <input type="checkbox"/> disability insurance. <input type="checkbox"/> Right of first refusal on lifetime sale. <input type="checkbox"/> Binding for estate tax valuation. <input type="checkbox"/> Sale or gift to family (or trusts for family) permitted. <input type="checkbox"/> Shares/units become nonvoting when they pass to heirs or beneficiaries of will or trust.	
Vote Required to Amend	Articles: <input type="checkbox"/> majority; <input type="checkbox"/> 2/3 ; <input type="checkbox"/> 3/4; <input type="checkbox"/> _____.	Bylaws / Operating Agreement: <input type="checkbox"/> unanimous; <input type="checkbox"/> majority; <input type="checkbox"/> 2/3 ; <input type="checkbox"/> 3/4; <input type="checkbox"/> _____.



1. LIFETIME TRANSFERS

- 1.1 Right of First Refusal. The agreement will provide that if an owner desires to accept an offer to purchase the owner's interest, the other owner(s) may purchase that interest on the same terms and conditions; provided, that:
- (a) Owners may transfer interests to family members (or trusts for their benefit) without "triggering" the right of first refusal which is otherwise applicable to voluntary transfers but if there is a buy-out of interests of a owner, the family members (or the trusts holding their interests) also must sell their interests.
 - (b) If an Owner wishes to sell his or her interest, ALL of his interest must be offered under the right of first refusal.
 - (c) If interests are offered, ALL of the offered interests (not just some of them) must be purchased by the other owner(s) on a pro rata basis, or, failing that by the company. Owners and company may elect not to purchase and, if all interests are not purchased, the company must be liquidated.
- 1.2 Voting Rights. Lifetime transfers are automatically stripped of any voting rights.
- 1.3 Lifetime Triggering Events. Interest of owner must or may be sold with other owners or the company having a right of first refusal upon insolvency; disability (See 2.); voluntary withdrawal or retirement; termination for cause.

2. DISABILITY OF OWNER. If a Owner becomes totally disabled:

- 2.1 Agreement is to be silent as to purchase upon disability.
- 2.2 The owner's interests will be purchased.
- 2.3 A disabled owner's successor(s) is not obligated to sell but may demand that the remaining owner(s) or company purchase the deceased owner's interest.
- 2.4 A deceased owner's successor(s) is obligated to sell if the remaining owner(s) or company elect to purchase the deceased owner's interest.
- 2.5 Disability insurance is required NOT required.

3. DEATH OF OWNER

- 3.1 A deceased owner's interest will be purchased.
- 3.2 A deceased owner's interests will be purchased.
- 3.3 Life insurance is required NOT required.
- 3.4 A deceased owner's successor(s) is not obligated to sell but may demand that the remaining owner(s) or company purchase the deceased owner's interest.
- 3.5 A deceased owner's successor(s) is obligated to sell if the remaining owner(s) or company elect to purchase the deceased owner's interest.
- 3.6 Agreement is to be silent as to purchase upon death.



4. PRICE

- 4.1 Agreed upon value.
- (a) Current agreed upon value: \$_____ per _____.
- (b) Automatic cost-of-living adjustment based on Consumers' Price Index.
- (c) Agreed upon value provision does not apply unless most recently agreed to within ____ months of triggering event.
- 4.2 Appraisal by qualified business appraiser.
- 4.3 Good will is to be taken into account, whether or not carried on the books.

5. MISCELLANEOUS ISSUES

- 5.1 "Redemption" (Company must purchase.) Other owners have first election to purchase, but they must purchase all or none.
- 5.2 "Cross-purchase" (Owners must purchase.) Company has first election to purchase, but it must purchase all or none.
- 5.3 Owners are to covenant not to compete with the company after cessation of employment.
- (a) Number of years:
- (b) Geographical area:
- 5.4 If interests are to be purchased, purchaser may pay in installments evidenced by a Note (rather than all cash):
- (a) Term of months: _____
- (b) Minimum monthly payment: \$_____.
- (c) Rate of interest: _____; _____% of the applicable short- mid- long-term federal rate.
- (d) Percent of price as cash down payment: _____%, but not less than available insurance.
- 5.5 New stock:
- (a) The company is NOT to issue new stock unless it is subject to the Agreement.
- (b) The issuance of new stock is to be prohibited.
- (c) New stock may be issue, but it first must be offered to the Owners in proportion to their interests.
- (d) If a Owner who is a director or officer sells his interests (or ceases to be a principal of an entity which is a Owner) the Owner must resign as a director and officer.



5.6 A Subchapter S election is to be maintained.

6. **ENFORCEMENT**

6.1 Disputes are to be resolved by arbitration.

6.2 Nevada or _____ law will apply, and the venue for any litigation will be in Las Vegas, Nevada or _____.