Business
Planning

One-Way Buy-Sell Agreement

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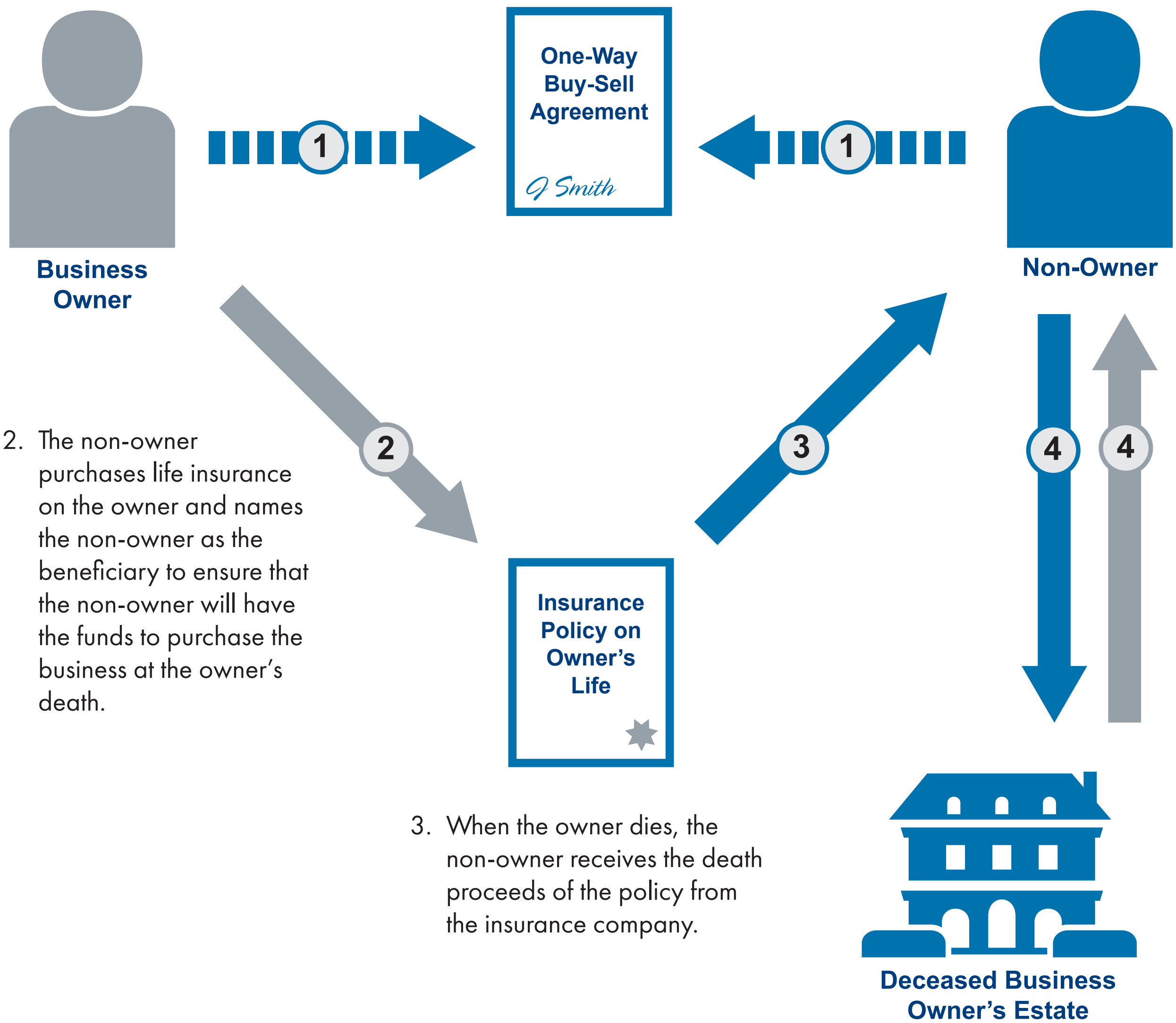
Business Planning

ONE-WAY BUY-SELL AGREEMENT

1. The owner of a business enters into a buy-sell agreement with a non-owner under which the owner agrees to sell, and the non-owner agrees to buy, the business upon the owner's death (or possibly other triggering events) at a price specified in the agreement.



2. The non-owner purchases life insurance on the owner and names the non-owner as the beneficiary to ensure that the non-owner will have the funds to purchase the business at the owner's death.

3. When the owner dies, the non-owner receives the death proceeds of the policy from the insurance company.

4. The non-owner uses the death proceeds to carry out the purchase obligation under the one-way buy-sell agreement.