

BUY-SELL AGREEMENT

THIS AGREEMENT is made on _____ (month) _____ (date), 20____, by and between JULIE SMITH and ROBERT JONES, (hereinafter referred to individually as “Shareholder” and collectively as “Shareholders”), of SUCCESSFUL COMPANY, INC. (hereinafter referred to as the “Corporation”). The purpose of this Agreement is to provide for continuity of ownership and control of the Corporation in the event that a Shareholder dies or desires to transfer his or her shares of the Corporation. To accomplish this purpose, the parties hereto agree as follows:

1.00. **SHARE OWNERSHIP.** The Shareholders own all of the outstanding shares of the Corporation as follows:

Shareholder’s Name	Shareholders
JULIE SMITH	500 shares
ROBERT JONES	500 shares

2.00. **RESTRICTION ON TRANSFER.** Any sale, assignment, transfer, pledge, or other disposition of any shares of the Corporation that is not in accordance with the provisions of this Agreement is void and transfers no right, title, or interest in or to the shares.

3.00. **SHARE LEGEND.** Immediately following execution of this Agreement, each Shareholder shall execute a certification to be filed with the corporate records evidencing receipt of notice of said restrictions. All subsequent holders of uncertificated shares shall execute like certifications.

In the event the Corporation issues certificates, each certificate shall be inscribed with the following legend:

SALE, TRANSFER, OR HYPOTHECATION OF THE SHARES REPRESENTED BY THIS CERTIFICATE IS RESTRICTED BY THE PROVISIONS OF THE BUY-SELL AGREEMENT DATED _____, 20____, A COPY OF WHICH MAY BE INSPECTED AT THE OFFICES OF THE COMPANY, AND ALL PROVISIONS OF WHICH ARE INCORPORATED BY REFERENCE IN THIS CERTIFICATE.

4.00. **NOTICE OF RESTRICTIONS.** The Shareholders by execution of this Agreement acknowledge that each is fully aware of restrictions on transfer, and that all notices of such restrictions, as are required by the Illinois Business Corporation Act, have been received by them and each of them.

Subsequent transfers of shares shall execute and file with the corporation such documents evidencing notice of restriction as shall be required by the corporation.

5.00. **NOTICE OF INTENTION TO TRANSFER SHARES.** Except as provided hereinafter, a Shareholder may not transfer, encumber, or in any way dispose of any shares of the Corporation, or any right or interest in them, without obtaining the prior written consent of the Corporation and of the other Shareholders, unless the Shareholder shall have given written notice to the Corporation, the other Shareholders, and the Secretary, in accordance with this paragraph and the paragraph defining Notices below, of his or her intention to do so. The notice must (i) set forth the name of the proposed transferee and a description of the transferee's background and financial condition, (ii) specify the number of shares to be transferred, the price per share and the terms of payment, and (iii) include a copy of the purchase contract.

5.01. For sixty (60) days after the notice is given (the “Purchase Period”), the other Shareholders shall have the option to purchase the withdrawing Shareholder’s shares either at the price and on the terms stated in the withdrawing Shareholder’s notice or at the price and on the terms provided herein. Within the Purchase Period, if any other Shareholder desires to acquire any part or all of the offered shares, this Shareholder shall give notice of election to purchase the shares to the Corporation, the withdrawing Shareholder, and the Secretary in accordance with this paragraph and the paragraph defining Notices below. The notice must state the number of shares the Shareholder offers to purchase, and whether the Shareholder elects to purchase the shares at the price and on the terms set forth in the notice given by the withdrawing Shareholder or at the price and on the terms provided herein.

If the total number of shares specified in the notices of election to purchase exceeds the number of available shares, each Shareholder shall be entitled to purchase such proportion of the available shares as the number of Corporation shares held by the other Shareholders electing to purchase, up to the number of shares specified in the Shareholder’s notice of election to purchase. The shares not purchased on such a priority basis shall be allocated by the secretary of the Corporation in one or more successive allocations to any Shareholder electing to purchase more than the number of shares to which the Shareholder has a priority right in such proportion as the number of shares held by the Shareholder bears to the total number of shares held by the other Shareholders electing to purchase the allocated shares, up to the number of shares specified in the Shareholder’s notice of election to purchase. The Secretary shall promptly notify each Shareholder of the number of shares as to which the Shareholder’s election was effective. In the event all shares subject to notice hereunder are not purchased by other

Shareholders or by the Corporation hereunder, then the election of Shareholders hereunder shall be void, and the Shareholders giving notice, may complete the transfer as hereinafter provided.

5.02. For Thirty (30) days following the end of the Purchase Period, the Corporation shall have the option to purchase any shares of the withdrawing Shareholder that the other Shareholders have not elected to purchase. The Corporation shall have the option to purchase these shares either at the price and on the terms stated in the withdrawing Shareholder's notice or at the price and on the terms provided herein. If the Corporation desired to exercise the option, within the prescribed period, the Secretary of the Corporation shall give notice of that fact to the withdrawing Shareholder in accordance with this paragraph and the paragraph defining Notices below; provided however, that the other Shareholders and the corporation must buy all shares subject to the notice above, or the options of the Shareholders and corporation provided herein shall be void. The notice must state the number of shares to be purchased, and whether the Corporation elects to purchase the shares at the price and on the terms set forth in the withdrawing Shareholder's notice, or at the price and on the terms provided herein. The Corporation's right to exercise the option to purchase the shares is subject to the restrictions governing the right of a corporation to acquire its own shares set forth in Sections 9.05 and 9.10 of The Business Corporation Act of 1983 (805 ILCS 5/9.05, 9.10) and such other pertinent government restrictions as are now, or hereafter may become, effective.

5.03. In the event the Corporation and the other Shareholders do not purchase all of the shares set forth in the withdrawing Shareholder's notice and each of them, then all such shares may be transferred to the proposed transferee specified in the notice at any

time within 30 days of the date the Corporation's option to purchase the shares lapses. No transfer of the shares shall be made after the end of the 30-day period, nor shall any change in the terms of the transfer be permitted without giving a new notice of intention to transfer in compliance with the requirements of this paragraph and the paragraph defining Notices below.

5.04. Each transferee and any subsequent transferee of the shares shall hold the shares subject to all of the provisions of this Agreement, and shall make no further transfers except as provided in this Agreement.

6.00. **TRANSFER OF SHARES TO A TRUST.** Notwithstanding any other provision of this Agreement, a Shareholder may transfer all or any part of his or her shares to a revocable trust of which the Shareholder is the sole trustee, provided that there are no beneficiaries of the trust other than the transferring Shareholder and his or her spouse or children. If, however, the transferring Shareholder subsequently ceases to act as trustee of the trust, all other Shareholders, and then the Corporation, shall have the right to purchase the shares at the price and on the terms provided herein.

7.00. **TRANSFER OF SHARES TO OTHER SHAREHOLDERS.** Shareholder may at any time elect to sell his or her shares to the other Shareholders, or to the Corporation, in accordance with this paragraph and at the price and on the terms provided herein. The withdrawing Shareholder shall exercise this election by giving written notice of the election to the Corporation, the other Shareholders, and the Secretary in accordance with this paragraph and the paragraph defining Notices below. The notice must specify the number of shares that the Shareholder elects to sell.

7.01. For thirty (30) days after the notice is given (the “Option Period”), the other Shareholders shall have the option to purchase all or any part of the shares by giving notice of election to purchase the shares to the Corporation, the withdrawing Shareholder, and the Secretary in accordance with this paragraph and the paragraph defining Notices below. The notice must specify the number of shares that the Shareholder elects to purchase. If the total number of shares specified in the notices of election to purchase exceeds the number of available shares, the shares shall be allocated by the Secretary in accordance with this Agreement.

7.02. For thirty (30) days following the end of the Option Period, the Corporation shall have the option to purchase any shares of the withdrawing Shareholder that the other Shareholders have not elected to purchase. If the Corporation desires to exercise the option, within the prescribed period the Secretary of the Corporation shall give notice of that fact to the withdrawing Shareholder and the Secretary in accordance with this paragraph and the paragraph defining Notices below. The notice must specify the number of shares that the Corporation elects to purchase. The Corporation’s right to exercise the option to purchase the shares is subject to the restrictions governing the right of a corporation to purchase its own shares set forth in sections 9.05 and 9.10 of The Business Corporation Act of 1983 (805 ILCS 5/9.05, 9.10) and such other pertinent government restrictions as are now, or hereafter may become, effective.

7.03. Anything to the contrary notwithstanding, this paragraph shall not obligate the Corporation or Shareholders to purchase shares offered hereunder.

8.00. SHAREHOLDER OFFER OF SHARES.

8.01. A shareholder (the “Offeror”) may at any time make a buy-sell offer (the “offer”) to the remaining Shareholder or Shareholders (the “Offeree”) by notifying the Offeree in writing of the exercise of this right and stating in such notice the cash price per share and other terms at which the Offeror is willing either to buy all the shares owned by the Offeree, or to sell the Offeree all of the shares owned by the Offeror, with the price per shares owned by the Offeror, with the price per share and the other terms being the same for both the purchase and the sale. Unless otherwise provided in this Agreement, the offer shall not be revocable once the aforesaid notice had been delivered to the Offeree.

8.02. Within thirty (30) days after receipt by the Offeree of the offeror’s written notice of the Offer, the Offeree shall send to the Offeror a written notice stating whether the Offeree elects (1) to purchase from the Offeror all the shares owned by the Offeror at the price per share and other terms stated in the Offer, or (2) to sell to the Offeror all the shares owned by the Offeree at the price per share and other terms stated in the Offer. If the Offeree shall fail to notify the Offeror whether he elects to buy or to sell within the time period specified above, such failure shall be deemed to be an election to sell all his shares to the Offeror at the price and other terms specified in the Offer. The Offeror shall be entitled to withdraw the buy-sell offer by giving the Offeree written notice of the withdrawal prior to the earlier of (1) the date the Offeree gives the Offeror written notice of his election to purchase or to sell pursuant to this provision or (2) the date on which the Offeree shall be conclusively deemed to have elected to sell his shares to the Offeror.

8.03. The closing of the sale shall be held at the Corporation's principal place of business (or at such other place as the Offeror and the Offeree may in writing agree) no later than thirty (30) days after the expiration of the notice period specified in paragraph 8.02. If this date is a Saturday, Sunday, or Holiday, then the closing shall be held on the first business day thereafter. At the closing, the purchasing Shareholder or Shareholders (the "Purchaser") shall deliver to the selling Shareholder or Shareholders (the "Seller"):

A. unless otherwise stated in the Offer, payment in full for the purchased shares by certified or bank cashier's check, payable to the order of the Seller;

B. an attorney's opinion that the sale is an exempt transaction under applicable federal and state securities laws; and

The seller shall deliver to the Purchaser:

A. share certificates (or transfer orders in the case of uncertificated shares) for all the shares that are to be purchased, with applicable documentary tax stamps affixed thereto and either duly endorsed in blank for transfer or with duly executed stock powers attached;

B. a certificate, dated as of the closing date, containing a representation and warranty, that on the closing date, the Seller has transferred, or caused to be transferred, to the Purchaser good and marketable title to all the shares in question, free and clear of all claims, equities, liens, charges and encumbrances;

9.00. **PURCHASE AT SHAREHOLDER'S DEATH.** Upon a Shareholder's death, the surviving Shareholders shall purchase, or shall cause the Corporation to purchase all shares transferred by reason of such death.

9.01. **PRICE.** The price of the shares shall be as determined herein.

10.0. **INVOLUNTARY TRANSFER OF SHARES OTHER THAN BY DEATH.** In the event a Shareholder is adjudicated, a bankrupt makes an assignment for the benefit of creditors, is unable to fully participate in the business of the Corporation for more than one year due to any physical or mental impairment, or attempts to force the dissolution of the Corporation, the other Shareholders, and then the Corporation, shall have the option, for a period of 90 days following notice of any such event, to purchase all of the shares owned by said Shareholder. The option shall be exercisable first by the other Shareholders and then by the Corporation, and shall be exercised as provided hereinabove. The price for the shares and the terms of purchase shall be as provided herein.

11.00. **PURCHASE PRICE.** The purchase price of shares shall be determined in accordance with the provisions of Exhibit "A" hereto.

12.0. **PAYMENT OF PURCHASE PRICE.**

12.01. The purchase price for shares shall be paid in cash.

13.00. **INSURANCE ON SHAREHOLDER'S LIVES.** The Corporation or the majority of its Shareholders may desire to insure or partially insure promises in this Agreement to purchase from a deceased Shareholder's estate shares, which he owned prior to his death; therefore the Shareholders or Corporation may from time to time, but shall not be obligated to purchase, own and be beneficiary of insurance policies on the lives of Shareholders.

13.01. If, during any Shareholder's lifetime, all of an insured Shareholder's shares are transferred in accordance with any provision of this Agreement, then for a

period of thirty (30) days from the date of such transfer, such Shareholder, if then living, shall have the right, but not the obligation, to purchase for cash, any policies of insurance on his or her life owned by the Corporation or by Shareholders.

The purchase price of each policy shall be the interpolated terminal reserve value thereof as of the date of the transfer of the last of such Shareholder's shares pursuant the provisions of this Agreement.

14.00. **THE CLOSING.** Unless otherwise agreed by the parties, the closing of the sale and purchase of shares shall take place at the general offices of the Corporation.

14.01. In the case of a purchase of shares from a deceased Shareholder's estate hereunder, the closing shall take place forty (40) days after any required notice by the personal representative of the deceased Shareholder's estate. In the case of a purchase of shares under a y paragraph other than by reason of a Shareholder's death, the closing of the sale and purchase shall take place fourteen (14) days after the delivery to the selling Shareholders of written notice by the last of the purchasing party or parties to deliver such notice of its, his, hers, or their exercise of the option or options to purchase the selling Shareholder's shares. In either of said cases, if the determination of the net worth of the Corporation by a certified public accounting firm is required, under Exhibit A, the closing shall take place ten days after the date of which such firm files with the parties such determination, if that day is later than either of the dates above specified.

14.02. Upon the closing of the sale and purchase, the selling and purchasing parties shall execute and deliver to each other the various documents which shall be required to carry out their undertakings hereunder including the payment of cash, the execution and delivery of notes and the assignment and delivery of stock certificates.

Upon the closing, the selling Shareholder shall deliver to the Corporation his or her resignation and that of his or her nominees, if any, as officers and directors of the Corporation and any of its subsidiaries.

14.03. The sale and purchase of shares, which the surviving or remaining Shareholders are to purchase, shall take place immediately prior to the sale and purchase of shares, if any, which the Corporation is to purchase.

15.00. **NOTICES.** All notices, requests, demands, and other communications given pursuant to this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or within 72 hours after mailing if mailed to the party to whom notice is to be given by postage prepaid, registered or certified mail, return receipt requested, and properly addressed to the party at the party's address set forth on the signature page of this Agreement or at the subsequent address that the party may designate by written notice to the other parties. Copies of such notices and proof of service thereof shall be filed with the secretary of the Corporation.

16.00. **TERMINATION OF THE AGREEMENT.** This Agreement shall terminate:

16.01. On the written agreement of all of the Shareholders.

16.02. On the dissolution, bankruptcy, or insolvency of the Corporation.

16.03. On the death of all of the Shareholders, simultaneously or within a period of twenty (20) days of each other.

16.04. At such time as only one Shareholder remains.

16.05. At the election of the insured Shareholder if the other Shareholders violate any of the provisions of the Agreement, which create an obligation

to insure the life of such Shareholder and fails to remedy such violation within ten days after a written demand to do so is given by the insured Shareholder.

17.00. **AMENDMENT OF THE AGREEMENT.** The provisions of this agreement may be waived, altered, amended, or repealed in whole or in part only upon the written consent of all of the Shareholders.

18.00. **BINDING AGREEMENT.** This Agreement shall be binding on, and shall inure to the benefit of, the parties to this Agreement and their heirs, legal or personal representatives, successors, and assigns.

19.00. **GOVERNING LAW.** This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois.

20.00. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter of the Agreement, superseding all prior agreements and understandings between the parties with respect to the subject matter.

21.00. **PARTIAL INVALIDITY.** If any of the provisions of this Agreement shall be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability, shall not affect any other provisions of this Agreement, which shall be construed as if such provision had never been part of this Agreement.

22.00. **HEADINGS.** The headings of the paragraphs of this Agreement are inserted for convenience only and do not constitute part of this Agreement and shall not be used in its construction.

23.00. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

24.00. **INSPECTION OF AGREEMENT.** A copy of this Agreement shall be provided to the Secretary of the Corporation. The Secretary of the Corporation shall keep the copy available for inspection at any reasonable time by any interested person requesting to see the copy.

25.00. **SPECIFIC PERFORMANCE.** The parties agree that a failure of any party to comply with the terms and conditions of this Agreement cannot be adequately compensated by money damages. Therefore, the parties agree that each party may enforce any obligations under this Agreement by specific performance, as ordered by any court of competent jurisdiction.

26.00. **ATTORNEYS' FEES AND COSTS.** In the event an action is initiated to enforce any of the terms of this Agreement, the prevailing party or parties shall be entitled to receive from the other party or parties shall be entitled to receive from the other party or parties reasonable attorneys' fees, costs, and expenses incurred in the action.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first shown above.

SUCCESSFUL COMPANY, INC.

By: _____
JULIE SMITH

By: _____
ROBERT JONES

Being all the Shareholders of SUCCESSFUL COMPANY, INC.

EXHIBIT “A”

DETERMINATION OF PURCHASE PRICE

1. The price of each Share to be purchased under this Agreement shall be its Fair Market Value on the Valuation Date.

2. The term “Fair Market Value” as used in paragraph 1. of this Exhibit A shall be an amount, which is determined by dividing the “Net Worth” of the Corporation as determined below, by the number of shares issued and outstanding at the “Valuation Date.”

3. The Valuation Date, as used herein, shall be:

- (a) in the case of a purchase following involuntary transfer by Shareholder occurred;
- (b) in the case of a purchase pursuant volitional sale hereunder, the last day of the month preceding the month in which the Corporation received the notice of the proposed transfer as provided herein.

Provided, however, that, if the date so determined follows by less than four calendar months, the close of the Corporation’s last preceding fiscal year, then the last day of such fiscal year shall be the Valuation Date.

4. Subject at all times to paragraph 6. of this Exhibit A, the term “Net Worth” as used in paragraph 2. of this Exhibit A shall be an amount equal to the amount of the Corporation’s assets, less the amount of its liabilities, on the Valuation date as disclosed by the Corporations’ books of account regularly maintained in accordance with generally accepted accounting principles consistently applied by adjusted as follows:

- (a) Insurance, if any, owned by the Corporations on the life of a deceased Shareholder whose shares are the subject of purchase hereunder shall be valued at its cash value on the Valuation Date and not its face value.
- (b) No adjustment shall be made on account of any event occurring subsequent to the Valuation Date, whether the event constitutes an adjustment to the federal or state income tax liability of the Corporation or otherwise.
- (c) Reserves for contingent liabilities shall not be treated as liabilities.
- (d) No amount shall be included for goodwill.
- (e) There shall be added to the amount of depreciable assets (except assets described in (f) below) and there shall be deducted from the reserve for depreciation with respect thereto the amount, if any, by which the amount of the reserve for depreciation reflected on the Corporations' books of account exceeds the amount of a reserve calculated on a straight line basis.
- (f) Real estate and the improvements thereon, but excluding furniture, fixtures, machinery and equipment, shall be valued at their fair market value on the Valuation Date and not their value as shown on the Corporation's books of account. The value of the real estate and improvements shall be determined by an appraiser appointed by the joint written direction of the selling and purchasing parties executed and delivered to the appraiser within ten days of the appointment of a

personal representative for the deceased Shareholder's estate in the case of a sale hereunder, or within ten days after the exercise of the purchase options in the case of a sale hereunder.

The appraisal shall be in writing, and when made, shall be filed with the firm of certified public accountants for its use in determining the corporations' Net Worth.

- (g) The Corporation's investment in wholly owned subsidiaries shall be reflected not at cost but at an amount equal to the net worth of the subsidiary determined in the same manner as herein provided for the determination of the Net Worth of the Corporation.
- (h) Securities owned by the Corporation, which are listed on any public exchange or over-the-counter, shall be valued at the mean between the high and the low prices quoted for the securities on such exchange or over-the-counter on the Valuation Date, or if this was not a trading day, then on the last day immediately preceding the Valuation Date on which the securities were traded.

5. In the case of a purchase of shares hereunder, if the price, if any, offered to the proposed transferee is less than the purchase price determined hereunder, that price rather than the price so determined, shall be the price of shares to be purchased under this Agreement.

6. The Shareholders and the Corporation may, at any time and from time to time, determine "Net Worth" as used in paragraph 2. of this Exhibit A by executing and filing with the Corporation a written instrument wherein such determination is set forth,

whereupon, for the period of time stated in the instrument “Net Worth” so determined shall supersede “Net Worth” as determined in paragraph 4. Such written instrument may, but need not, read as follows:

The undersigned, being all the parties to that certain Stock Purchase Agreement, dated _____, do hereby pursuant to paragraph 6. of Exhibit A to said Agreement, agree that between _____, and _____, both dates inclusive, the Net Worth of SUCCESSFUL COMPANY, INC. shall be an amount equal to _____.

SUCCESSFUL COMPANY

By: _____
JULIE SMITH, Its President

JULIE SMITH, Shareholder

ROBERT JONES, Shareholder

7. The value off the Corporation’s Net Worth, if determined, as provided above, shall be determined by the firm of certified public accountants regularly employed by the Corporation, or, if for any reason, such firm does not make such determination, then such determination shall be made by any reputable firm or certified public accountants employed for the purpose by the Corporation.

8. The determination shall be made only after said firm has verified the accuracy of the Corporation’s books of account by the making of a formal audit thereof.