

## **“I ALREADY HAVE A SHAREHOLDERS AGREEMENT”**

- 1. Shareholders Agreement not necessarily a Buy/Sell Agreement**
- 2. Most agreements only have an Option to Purchase (a “Call Option”) for a list of Exit Events**
- 3. Don’t envisage that there will be Buy/Sell Cover that enables “Put and Call Options”**
- 4. Don’t deal with Policy Ownership or Tax issues**
- 5. Requires valuation to determine Purchase Price:**
  - If insurance inadequate, Purchasers might not exercise Option to Purchase**
  - Results in haggling and lower Price**
  - No Vendor Finance Provisions**
- 6. Don’t deal with other needs:**
  - Release of Personal Guarantees**
  - Repayment of Loan Accounts**
- 7. Each agreement usually only deals with one entity at a time,**
  - not all entities in Business Structure**