



**FARM JOURNAL**  
*Legacy Project*

DEVELOPED BY FARM JOURNAL  
 AND SUPPORTED BY **PIONEER**  
A DUPONT BUSINESS

Cultivating Multigenerational Success  
 in the Agricultural Community

## Buy/Sell Review

With so many components involved, it makes sense to periodically review your buy-sell agreement. This review tool will help you assess the viability of your current agreement and identify those areas that should be updated. It can also be used to ensure any new agreement you draft includes (or at least considers) the relevant points, provisions, and mechanisms.

CASH NEEDS	Yes	No	N/A
1. Did you include all owners, including spouses in community property states, and the business entity?			
2. Are there any provisions conditioning ownership/acquisition based on family relations, or other factors?			
3. Have the spouses agreed to accept the terms of the agreement with regard to community property/marital interest?			
METHOD OF VALUATION	Yes	No	N/A
1. If appraisal:			
a. Are appraiser qualifications specified?			
b. Is the appraiser selection method specified?			
• Mutual agreement.			
• Each party selects an appraiser and results are averaged.			
• Each party selects an appraiser, then the appraisers choose a third appraiser to do the work.			





(1) Is there a provision for funding options – disability insurance, promissory notes, sinking fund, etc.; and does the provision include terms, conditions and deadlines?

5. Other Potential Buy/Sell Triggers for Discussion

a. Termination of employment.

b. Involuntary disposition (bankruptcy or insolvency of an owner).

c. Divorce of non-owner spouse.

MISCELLANEOUS CONSIDERATIONS	Yes	No	N/A
1. Will the IRS accept the terms/conditions or your buy/sell agreement?			
2. Do your stock certificates reflect ownership/transfer restrictions?			
3. For S Corporation, does the agreement restrict ownership to eligible parties?			
4. Does your agreement contain a provision binding heirs and legal bequests to the conditions of the agreement?			
5. Does it include a covenant not to compete that applies to any departing owners?			

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