
_____, **LLC**

INTEREST PURCHASE AGREEMENT

INTEREST PURCHASE AGREEMENT

THIS INTEREST PURCHASE AGREEMENT (this “Agreement”) is made effective as of the Effective Date (defined below) and entered into as of the undersigned date by and among the Buyer and Seller shown on the Signature Page of this Agreement. Seller and Buyer may also be referred to – from time to time – as the Parties collectively or as a Party individually.

OPTIONAL: Seller’s spouse, also shown on the Signature Page (“Seller’s Spouse”), joins in the execution of this Agreement for the purposes set forth herein.

RECITALS:

WHEREAS the Company was duly formed and organized under the laws of the State of Texas and filed the Certificate;

WHEREAS the Company owns and operates the Business using Confidential Information;

WHEREAS Seller is the beneficial and record owner and holder of Seller’s Interest, and Buyer is the beneficial and record owner and holder of a _____ (_____%) of the Membership Interest in the Company;

WHEREAS the Seller and Buyer had a disagreement over management of the Company but have agreed to resolve their differences by Seller’s sale of Seller’s Interest to Buyer;

WHEREAS the Seller thus wishes to sell to Buyer, and Buyer wishes to purchase from the Seller, the Seller’s Interest;

WHEREAS, the Seller intends to retire and does not intend to establish a Competing Business;

WHEREAS the Parties wish to enter into this Agreement setting out the terms and conditions for the sale by the Seller, and the purchase by Buyer, of Seller’s Interest;

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations contained herein, and such other good and valuable consideration, the receipt and sufficiency of which are hereby confessed and acknowledged, the Parties hereto agree as follows:

- I. Defined Terms.
 - a. Where defined or capitalized terms are used in any Exhibit to this Agreement, they shall have the same meaning as set forth in this Agreement unless otherwise specified in the Exhibit. The terms ‘entity’ and ‘series’ of an entity are as defined under the Texas Business Organizations Code and Texas Business and Commerce Code.
 - b. “Buyer Documents” means any documents to be executed and delivered by Buyer at the Closing pursuant to this Agreement;
 - c. “Business” means the Company’s operation of a [USE THIS DEFINITION TO DESCRIBE THE BUSINESS/OPERATIONS OF THE COMPANY, IF DESIRED];

- d. OPTIONAL [FOR NON-COMPETE]***“Business Area” means a _____ mile radius around the address of _____ [OR AROUND ANY LOCATION WHERE THE COMPANY OPERATED THE BUSINESS];
- e. “Business Material” means all proprietary Business documents, customer lists, methods, vendor agreements, pricing strategies, specifications, written materials, documentation, data and information, whether finished, under development or being tested, whether any or all of the foregoing are in tangible, magnetic, digital or other form which regard, are related to, compose, or comprise Business materials along with any Copyrights appurtenant to such material;
- f. OPTIONAL: “Business Opportunity” means any investment, acquisition, or similar potential opportunity to perform an activity that is the same as or substantially the same as the Business or that constitutes a Competing Business and that is known to the Seller but not previously known/disclosed to the Company or other Company members;
- g. “Certificate” means the Certificate of Formation of the Company filed with the Secretary of State Texas, as may be amended from time to time;
- h. “Claimed Business Asset” means Inventions, Marks, Trade Secrets, Business Material, Confidential Material or other intellectual property personally owned or created by Seller, or allegedly owned or created by Seller, that is being used in the Business or by the Company;
- i. “Closing” means the exchange/delivery of documents, the signed Bill of Sale, and/or the Purchase Price and other items/actions referenced in Section I(e) below;
- j. “Closing Date” means the date on which Closing takes place, which the Parties have initially agreed shall be no later than _____20____, subject to change by if the Parties mutually agree upon another date (as set forth below);
- k. “Company” means _____LLC, a Texas Limited Liability Company organized on _____ bearing Texas entity file number _____;
- l. “Company Agreement” means the operating agreement/company agreement for the Company entitled “_____” and dated _____;
- m. OPTIONAL: “Competing Business” means [SAMPLE LANGUAGE FROM A MEDICAL BUSINESS: *a peritoneal dialysis center; an “end-stage renal disease (“ESRD”) treatment center; a kidney dialysis business providing in-home dialysis/ESRD treatment equipment, counseling, and/or supplies; or another business providing Amia Cyclers/ the Amia APD system. The term “Competing Business” excludes the clinic or hospital-based practice of medicine generally and the practice of nephrology specifically provided that such medical services exclude any on-site dialysis/ESRD treatment or off-site dialysis/ESRD treatment through/using goods or services also provided by the Competing Business. The term “Competing Business” also excludes kidney transplant or other transplant services.*]
- n. “Confidential Information” or “Confidential Material” means any privileged, confidential, or otherwise protectable information regarding the Company that: would not be known to a Party but for being a Member of the Company or but for receiving such information from the Company; protectable information that was received during the course of negotiating this Agreement; and/or any other materials or information regarding the Company that was not in the public domain as of the date this Agreement was executed. The term Confidential Information or Confidential Material shall include Business Material that is not in the public domain;
- o. OPTIONAL [EXPANDED CONFIDENTIAL INFORMATION DEFINITION] “Confidential Information” or “Confidential Material” means any information, material, terms, provisions, and data contained including, but not limited to, all information not generally known to the

Also available as part of the eCourse

[2021 LLCs, LPs, and Partnerships eConference](#)

First appeared as part of the conference materials for the
30th Annual LLCs, LPs and Partnerships session

"Unincorporated Entity Owner Buyouts from the Inside Part 2"