

# Purchase and Sale of Interest Involving Unincorporated Interest from the Outside – Part 3

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1

## Overview

- Initial Considerations
  - Transaction Structure
  - Due Diligence
- Membership Interest Purchase Agreement
  - Payment of Purchase Price
  - Representations and Warranties
  - Covenants
  - Indemnification
  - Dispute Resolution
- Closing and Post-Closing Matters

2

# Initial Considerations

3

## Transaction Structure and Diligence

- Asset purchase vs. membership interest purchase
  - Liability protections
  - Tax considerations
- Minority interest holders
  - How many members of the Company are there? Any holdouts?
  - Separate conveyances and assignment issues
- Are interests unitized or certificated?
- Designation of a “Sellers’ Representative”
  - Who will speak for, and have the authority to bind, the Sellers post-closing?
  - Indemnification claims, escrow releases, etc.

4

# Membership Interest Purchase Agreement

5

## Payment of Purchase Price

- Cash consideration
- Rollover equity
- Seller financing
- Escrow or holdback
  - Working capital or other adjustments
  - Indemnification purposes

6

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