Illinois LLC Membership Interest Purchase and Assignment Agreement

Sample template · Not legal advice

For an agreed sale of 100% of an existing Illinois LLC from one individual to another eligible individual. The same LLC continues with an existing valid S corporation tax election. This is not an asset sale, merger or separate sale of operating authority.

Complete the labeled blanks and schedules, mark the applicable choices, and write "None" where appropriate. Use a signed attachment if more space is needed. Do not enter Social Security numbers. Read the separate README before signing.

1 Parties and company

This Agreement is made on the Agreement Date below by the Seller and Buyer identified below. Their notice addresses appear in Schedule 1. The Company identified below is an Illinois limited liability company. These completed fields are part of this Agreement.

Seller agrees to sell, and Buyer agrees to buy, all of Seller’s membership interest in the Company, constituting 100% of its outstanding ownership and distributional interest (“Interest”), on the terms below. Company property remains owned by the Company.

Agreement date

_____

Seller full legal name

_____

Buyer full legal name

_____

Exact LLC legal name

_____

Illinois file number and formation date

_____

2 Price and payment

The purchase price, deposit, deposit holder and closing payment are stated in Schedule 1. Buyer will pay the stated deposit to that holder and the stated closing payment in immediately available funds at Closing. Deposit treatment, permitted deductions and any price adjustment are stated in Schedule 1. No financing, earnout, security interest or deferred payment is created unless a separate signed instrument is identified there.

Payment instructions must be verified directly with the intended recipient using a previously verified contact method. Each party bears its own professional fees unless Schedule 1 states otherwise.

3 Closing conditions

Closing will occur on the date, at the time and time zone, and by the location or remote exchange method stated in Schedule 1. The “Effective Time” is the time recorded in the closing confirmation in Schedule 1 after the following conditions have been satisfied or validly waived in writing by the party entitled to the benefit. A legal or third-party requirement cannot be waived by the parties alone.

(a) Buyer has completed due diligence to Buyer’s satisfaction. The parties have completed and signed both schedules, and each has received the existing operating agreement and amendments, company records and material disclosures.

(b) All approvals, transfer restrictions, liens and change-of-control requirements identified in Schedule 2 have been resolved as specified there. Any required creditor, lessor, insurer, customer, agency or other third-party consent is effective.

(c) Buyer and Seller have executed an appropriate written consent admitting Buyer under the existing operating agreement and Illinois law. Company governance and successor authority are documented. Tax advisers have addressed S corporation eligibility and the admission sequence.

(d) Buyer has delivered the closing payment; Seller has delivered the agreed transfer documents and lien releases; and all other agreed closing deliveries in Schedule 1 are available for release. No court order or applicable law prohibits Closing.

4 Ordered closing and assignment

The parties shall release the closing documents and payment only when all required steps are ready to occur as one indivisible closing. Seller approves Buyer’s admission while Seller is still the sole member. At the Effective Time, Buyer’s admission becomes effective concurrently with the assignment and before any resulting dissociation of Seller. Subject to that effective admission, Seller hereby sells, assigns and transfers the entire Interest to Buyer, and Buyer accepts it. Seller’s resulting dissociation is then recorded and successor management authority takes effect as provided in the written consent. Buyer holds 100% and is the sole member.

The entire existing Interest passes intact; no additional economic class or separate interim interest is created. Do not complete the assignment before Buyer’s valid admission. Illinois law distinguishes a transfer of distributional rights from admission as a member and provides for dissociation upon a transfer of all distributional interest. Counsel must tailor the coordinated closing if the governing documents or facts require another method. The agreement cannot cure a prohibited transfer or a missing approval.

Signing this Agreement alone does not complete the sale before the closing conditions and coordinated release occur. If Closing does not occur, no assignment is effective under this Agreement. The separate consent must use the same conditional timing.

5 Seller representations

Seller represents to Buyer, on signing and again at Closing, except as specifically disclosed in Schedule 2, that:

(a) Seller is the Company’s sole member and owns the entire Interest, with authority to enter this Agreement. No other person holds an option, purchase right or ownership claim to the Interest. The Interest will be transferred free of liens and security interests except those Buyer expressly accepts in Schedule 2.

(b) Seller has provided complete copies of the Company’s formation documents, operating agreement and amendments in Seller’s possession or control. Seller has disclosed any known dissolution, administrative action or restriction affecting the Company’s ability to conduct its business.

(c) The financial and tax records identified in Schedule 2 are true copies of the Company’s records. To Seller’s actual knowledge after reasonable inquiry of those maintaining those records, the disclosures identify all material Company debts, taxes due, guarantees, litigation, claims, unpaid payroll, liens and material contractual defaults. This is not a substitute for Buyer’s independent verification.

(d) Schedule 2 identifies the Company’s claimed S corporation election and available acceptance evidence, any known termination or tax challenge, and any known unpaid or unfiled tax obligations. No representation guarantees the continuation of an election after Closing.

(e) Schedule 2 identifies material licenses, registrations, operating authority, insurance, contracts and known notices, investigations, out-of-service orders, audits or enforcement matters, including material trucking compliance issues. Seller has disclosed known change-of-control notices and approval requirements.

6 Buyer representations and review

Buyer represents that Buyer has authority and available funds to complete the purchase, is acquiring the Interest for Buyer’s own account, and has independently reviewed the Company’s records with advisers of Buyer’s choosing. Buyer represents that Buyer is an individual eligible to hold an interest in an S corporation under applicable federal tax law and is not a nonresident alien for federal tax purposes.

Buyer understands that the Company remains responsible for its existing obligations, including obligations arising before Closing. Buyer’s investigation does not waive Seller’s express representations or any rights that cannot lawfully be waived. Neither party relies on a promise of future revenues, broker acceptance, uninterrupted registrations or protection from audits.

7 Conduct before closing

Until Closing, Seller will cause the Company to operate in its ordinary course, preserve records and material coverage, and notify Buyer of a material change to the disclosures. Without Buyer’s written consent, Seller will not cause an extraordinary distribution, new material debt, disposal of a material asset or amendment of governance affecting the transaction. Seller will not cause a tax-classification change, revoke the S election or knowingly jeopardize S status without Buyer’s informed written consent and tax review. Required emergency or legally mandated action must be disclosed promptly.

8 Liabilities and allocation of claims

The Company continues as the same legal entity. Its debts, taxes, contractual duties and contingent liabilities remain obligations of the Company, including those arising before Closing. This Agreement does not release any guarantee, lien, creditor right or third-party claim and does not itself impose Company debts on Buyer personally. A release must be obtained from the person entitled to enforce the obligation.

As between Seller and Buyer, each remains liable for that party’s breach of this Agreement. Any special allocation of pre-Closing taxes or liabilities, indemnity, escrow, claim procedure, survival period, cap or deductible must be expressly negotiated in a signed addendum identified in Schedule 1. No such special indemnity or limitation is implied by this sample. An allocation between the parties does not bind the Company’s creditors or a government agency.

9 Taxes and cooperation

Each party is responsible for taxes legally imposed on that party. The parties will cooperate with the Company’s tax advisers on returns and shareholder information, the allocation of income and deductions in the transfer year, and any separately authorized elections. This Agreement makes no deemed asset-sale election or closing-of-the-books tax election. Schedule 1 must identify any separate tax covenant and the persons responsible for preparation, review, payment and record access.

After Closing, each party will reasonably cooperate in completing agreed notices, returning Company property and correcting transfer records. Access to records for tax returns or claims must protect confidential information and comply with law. Buyer shall arrange appropriate changes to authorized signers and administrative access without destroying required records.

10 Termination and remedies

Before Closing, the parties may terminate by mutual written agreement. Either party may terminate by written notice if Closing has not occurred by the outside date stated in Schedule 1, unless that party’s material breach caused the failure, or if the other party’s material breach remains uncured for the number of days stated in Schedule 1 after written notice. Deposit treatment is governed by Schedule 1. Termination does not erase accrued liability for breach. The parties retain remedies available under applicable law; no exclusive remedy is created here.

11 General terms

Illinois law governs this Agreement, without giving effect to conflict-of-law rules. Amendments and waivers must be in writing signed by both parties. Notices must be delivered to the addresses in Schedule 1 by personal delivery, trackable courier, or email with acknowledged receipt. This Agreement, its completed schedules and identified signed addenda contain the parties’ agreement concerning this sale. If a provision is unenforceable, the remaining provisions remain effective to the extent permitted by law. Counterparts and electronic signatures may be used to the extent legally effective.

12 Signatures

The parties sign this Agreement and adopt its completed Schedules 1 and 2 and the signed addenda listed below. Signatures do not replace the separate Company consent or the coordinated Closing.

Seller

Signature: _____ Date: _____

Printed legal name: _____

Buyer

Signature: _____ Date: _____

Printed legal name: _____

Schedule 1 Transaction terms

These terms are part of this Agreement. Complete both parts of Schedule 1 and Schedule 2 before signing. Any attached terms must be identified and signed by both parties.

Company legal name

_____

Seller notice address and email

_____

_____

Buyer notice address and email

_____

_____

Purchase price $

_____

Deposit $

_____

Closing payment $

_____

Deposit holder and payment deadline

_____

Deposit refund or forfeiture terms if Closing fails
State the complete terms or identify a signed attachment.

_____

_____

Price adjustments and supporting calculation
Enter None or identify the signed calculation or attachment.

_____

_____

Schedule 1 Closing terms continued

Planned closing date, time and time zone

_____

Closing location or remote exchange method

_____

Outside date for termination under Section 10

_____

Cure period under Section 10 in days

_____

Financing or deferred payment documents
Identify signed addenda or enter None.

_____

Tax covenant and special indemnity terms
Identify signed addenda or enter None. Include preparation, review, payment and record-access responsibilities.

_____

Other agreed deliveries and deadlines
Enter details or None.

_____

Company records, keys and access handoff
List items and the responsible person or identify an attachment.

_____

Other signed addenda incorporated
List titles and dates or enter None.

_____

Closing confirmation

Complete only after the parties confirm that all closing conditions are satisfied or validly waived and all documents and funds are ready for the ordered release in Section 4.

Effective Time of full assignment (date, exact time and time zone)

_____

Written consent date and Company record reference

_____

Seller initials: _____ Buyer initials: _____ Date: _____

Schedule 2 Disclosures and required approvals

Company legal name

_____

Identify specific facts and dated supporting records. Write None if there is no disclosure. A blank field is incomplete. For longer disclosures attach signed pages labeled by item; both parties must initial each added page.

Ownership and liens
Membership record, options, pledges, liens and releases.

_____

Governing documents
Articles, operating agreement, amendments, and transfer or admission restrictions.

_____

Financial records and debt
Statements and dates, loans, leases, payables, guarantees and related-party balances.

_____

Taxes and payroll
Returns and periods, S election evidence, unpaid tax, payroll, worker claims and audits.

_____

Claims and compliance
Litigation, demands, regulatory notices, known violations and insurance claims.

_____

Trucking operations
USDOT and MC references, safety status, authority, insurance, permits, and material broker or customer agreements.

_____

Other exceptions
Identify the Agreement section and the specific exception or write None.

_____

Consent and notice register

For each required consent notice or release list the contract or agency action and deadline evidence or status and record date. Use an attachment if needed.

Contract or agency, action, deadline, evidence and status

_____

_____

No entry in this schedule itself obtains a consent, releases a guarantee, changes an agency record or transfers operating authority.

Seller initials: _____ Buyer initials: _____ Date: _____