

**Sale and Assignment Agreement  
Gauci Custom Building  
and Developing, Inc.**

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This Agreement is hereby made as of \_\_\_\_\_, the effective date, between Joseph V. and Karen Gauci of 229 Klondyke Road, Suite A, Long Beach, Harrison County, Mississippi 39560, referred to herein as “Seller” or “Assignor”; and,

Joseph V. Gauci, Jr. “Joey” of \_\_\_\_\_ (street address, city, county, state, zip code), referred to herein as “Buyer” or “Assignee”.

Whereas, Assignor is/are Shareholder(s) in the corporation known as Gauci Custom Building and Developing, Inc., hereinafter called the corporation, which maintains its primary business location at 229 Klondyke Road, Suite A, Long Beach, Harrison County, Mississippi 39560; and, which was established pursuant to the laws of the State of Mississippi for the purpose of conducting construction activities and property development in Mississippi and surrounding locations; and

Whereas, the corporation is governed by Bylaws dated \_\_\_\_\_ (date), a true and correct copy of which is attached hereto as **Exhibit A**; and

Whereas, Assignor desires to sell and assign to Assignee \_\_\_\_\_ (number) shares in the corporation, which will represent 100% (one hundred percent) of the shareholder equity interest (shares) in the corporation; and

Whereas, Assignee desires to purchase said number of shares in the corporation;

Now, therefore, for and in consideration of the mutual covenants contained in this agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

**1. Purchase Price**

- a. The total purchase price for said shareholder equity interest in the corporation shall be **\$100.00** (One Hundred U.S. Dollars), plus other good and valuable consideration, including but not limited to repayment of **\$160,000.00** (One Hundred and Sixty Thousand U.S. Dollars) to Assignor based upon a prior loan made to corporation by Assignor to which corporation is obligated to satisfy the repayment of.
- b. Assignee promises to pay this debt in regular monthly payments on the first day of each month in an amount equal to 10% of the monthly EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) of the corporation.

- c. Repayment of the **\$160,000.00** (One Hundred and Sixty Thousand U.S. Dollars) shall not act as a terminating event representing satisfactory completion of this Agreement. Assignee shall continue to remit 10% of the monthly EBITDA to Assignor(s) for the duration of each of their respective lives.
- d. Assignor and Assignee agree that the first **\$160,000.00** (One Hundred and Sixty Thousand U.S. Dollars) paid pursuant to this agreement shall be accounted for as repayment of loan proceeds with imputed interest. Once the **\$160,000.00** (One Hundred and Sixty Thousand U.S. Dollars), subsequent payments will represent taxable income to Assignor.
- e. Assignor promises to pay this debt in regular monthly payments on the first day of each month in an amount equal to 10% of the monthly EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) of the corporation.
- f. Assignor and Assignee recognize that the corporation may need to secure working capital lines of credit secured by personal assets of the corporate principals. The parties hereto consent to the continued use of personal assets for such purposes for the duration of this Agreement. The parties hereby agree that neither party will excessively encumber the property designated to serve as collateral for such limited purpose.

## 2. Assignment of Shares/Equity

- a. Assignor, by this instrument, sells and assigns to Assignee \_\_\_\_\_ shares in the corporation, which will represent 100% (one hundred percent) of the shareholder equity interest in the corporation.

## 3. Authorization by Shareholders

- a. Assignor hereby guarantees and warrants that this sale and assignment has been duly authorized by the Shareholder, Board of Directors, and any other interest parties pursuant to the terms of the Bylaw, and said Shareholders have also agreed, pursuant to the terms of the Bylaws, that Assignee will become the Managing Member in the corporation upon the execution of this Agreement.

## 4. Warranties and Guaranty by Assignor

- a. Assignor hereby guarantees and warrants that attached hereto as **Exhibit B** is a true and correct copy of the resolution of the Directors/Shareholders of the corporation authorizing this sale and assignment, pursuant to the terms of the Bylaws, and granting Assignee a Shareholder interest in the corporation of \_\_\_\_\_ shares which represents 100% (one hundred percent) of the shareholder equity interest in the corporation. This resolution further names and elects Assignee as President/CEO of the corporation pursuant to the terms of the Bylaws.

- b. Assignor hereby guarantees and warrants that Assignee shall be entitled to participate in the management and control of the business of the corporation as President/CEO as specified in said Bylaws.

## **5. Retention of Security Interest**

- a. In consideration of and as security for the due and punctual payment by Assignee of the balance of \$160,000.00 (One Hundred and Sixty Thousand U.S. Dollars) as described in **Paragraph 1** above, Assignee grants Assignor (and Assignor does hereby retain) a purchase money security interest in the shareholder/equity interest being assigned in the corporation as described pursuant to Article 9 of the Uniform Commercial Code of the State of Mississippi.

## **6. Remedies upon Default**

- a. Any failure to pay any installment when due as described in **Paragraph 1** shall mature the entire indebtedness at the option of the Assignor; Assignor shall then have the right to transfer the entire shareholder equity interest subject to the purchase money security interest back to his own name or to sell, assign or deliver as much of the units of shareholder equity interest (shares) as may be necessary to repay the unpaid obligation together with the expenses incurred.
- b. At any sale of the shareholder equity interest, whether private or public, Assignor may purchase and pay for the shares or any part of the units by cancelling a principal amount of the indebtedness in accordance with this agreement that is equal to the purchase price. Prior to conducting such sale, Assignor agrees to notify Assignee at least thirty (30) days before the date of the sale. Assignee waives any right of redemption with respect to the shareholder equity interest (shares) sold.

## **7. Application of Proceeds**

The proceeds from the sale of the shareholder equity interest (shares) or any part of the same, on default, shall be applied by Assignor as follows:

- a. First, to the payment of the costs and expenses of collection incurred by the Assignor, including, but not limited to, costs of any public or private sale, attorney's fees and all other reasonable expenses.
- b. Second, to the payment of the entire amount of the principal and interests due and owed on the unpaid balance of the purchase price and expenses of collection.
- c. Any remaining proceeds from the sale will be delivered to Assignee.

## **8. Termination**

- a. On payment of the unpaid balance of the purchase price, and any expenses incurred pursuant to this agreement, the security interest of Assignor in said shareholder equity interest (shares) shall terminate.

## **9. No Waiver**

- a. The failure of either party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of any of the terms and conditions of this Agreement, shall not be construed as subsequently waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

## **10. Governing Law**

- a. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Mississippi.

## **11. Notices**

- a. Any notice provided for or concerning this Agreement shall be in writing and shall be deemed sufficiently given when sent by certified or registered mail if sent to the respective address of each party as set forth at the beginning of this Agreement.

## **12. Entire Agreement**

- a. This Agreement shall constitute the entire agreement between the parties, as related to Gauci Custom Building and Developing, Inc., and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

## **13. Modification of Agreement**

- a. Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if placed in writing and signed by each party or an authorized representative of each party.

## **14. Assignment of Rights**

- a. The rights of each party under this Agreement are personal to that party and may not be assigned or transferred to any other person, firm, corporation, or other entity without the prior, express, and written consent of the other party.

WITNESS our signatures as of the day and date first above stated.

\_\_\_\_\_  
Joseph V. Gauci, Assignor

\_\_\_\_\_  
Joseph V. Gauci, Jr., Assignee

\_\_\_\_\_  
Karen Gauci, Assignor

NOTARY SEAL TO BE ADDED