

Right of First Refusal

This Right of Firsts Refusal to Purchase Agreement ("Agreement") is made on _____, by and between _____ (Name), Grantor of the Right of First Refusal ("Owner") and _____ (Name), Receiver of Right of First Refusal ("Grantee").

In consideration of the payment by the Grantee to the Owner of the sum \$ _____ and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. In the event that the Owner receives an offer (the "Offer") from any person to relative to the goods or property subject to this Agreement, described in Exhibit 1, ("Offered Goods"), which the Owner is prepared to accept, then the Owner shall forthwith send to the Grantee notice in writing of its desire or intention to sell the Offered Goods accompanied by a copy of the Offer.
2. Upon receipt of notice in accordance with paragraph 1, the Grantee shall have only twenty (20) days from the date of receipt within which to give the Owner notice ("Intent to Buy") that it desires and agrees to so purchase the Offered Goods on the same terms and conditions as are contained in the Offer, provided that:
 - (a) if the Grantee shall have given an Intent to Buy, the Grantee shall purchase Offered Goods referred to in the Offer;
 - (b) if the Grantee shall not have given an Intent to Buy within the time provided, then the Grantee shall be deemed for all purposes to have refused to purchase the Offered Goods; and
 - (c) In the event that each Grantee elects not to purchase or is deemed to have refused to purchase the Offered Goods, then the Owner may accept the Offer and proceed to sell the Offered Goods, but only at the price and on and in accordance with the terms and conditions contained in the Offer provided that, if the transaction contemplated by the Offer is not completed within a period of twenty (20) days after the expiration of the last day upon which the Grantee has the right to give an Intent to Buy, then the Owner shall not thereafter sell the Offered Goods unless and until it again complies with the provisions of this Agreement.
3. Any transaction between the Owner and the Grantee effected pursuant to the provisions of this Agreement shall be completed not later than the twentieth (20th) day after which the Grantee has become obligated to purchase the Offered Goods.
4. The rights granted to the Grantee under this Agreement are personal to the Grantee. Accordingly, the Grantee may not sell, assign or otherwise transfer any of its rights under this Agreement without the prior written consent of the Owner, which consent may be unreasonably or arbitrarily withheld.

7. Notices.

Any notice required by this Agreement or given in connection with it, shall be in writing and shall

be given to the appropriate party by personal delivery or a recognized over night delivery service such as FedEx.

If to the Owner: _____.

If to the Grantee: _____.

8. No Waiver.

The waiver or failure of either party to exercise in any respect any right provided in this agreement shall not be deemed a waiver of any other right or remedy to which the party may be entitled.

9. Entirety of Agreement.

The terms and conditions set forth herein constitute the entire agreement between the parties and supersede any communications or previous agreements with respect to the subject matter of this Agreement. There are no written or oral understandings directly or indirectly related to this Agreement that are not set forth herein. No change can be made to this Agreement other than in writing and signed by both parties.

10. Governing Law.

This Agreement shall be construed and enforced according to the laws of the State of _____ and any dispute under this Agreement must be brought in this venue and no other.

11. Headings in this Agreement

The headings in this Agreement are for convenience only, confirm no rights or obligations in either party, and do not alter any terms of this Agreement.

12. Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

In Witness whereof, the parties have executed this Agreement as of the date first written above.

First Party

Second Party

Date

Exhibit One: Goods or Property Subject to this Agreement

Right of First Refusal to Purchase

Review List

This review list is provided to inform you about the document in question and assist you in its preparation. Having a first right of refusal on property, business, or any other object is often of great value to the holder. This Agreement can be appended to other agreements or signed contemporaneously with them at the same closing.

1. Be sure you have multiple copies, one for each signatory. Keep one in your active file, another in the file that relates to the subject, and another in the minute book.
2. In negotiations, you should be able to exact a higher price for any transaction that involves a Right of First Refusal. While often it is desired defensively by the acquirer, it ties your hands and potentially can disrupt the sale of the goods or property in question. You should charge accordingly. And, if they don't want to pay, you should suggest, "Then that is what it is worth to you." This provides the justification for not giving it. Interestingly, people often haggle over items the most that they are willing to pay the least for (e.g., small items at an estate sale of their family in which they are heirs; if forced to give up money from their share, they often will not give up \$10; otherwise, they might forever about it. Keep this interesting human tendency in mind when negotiating this kind of clause—if they won't pay, don't give in on it. See more about this subject in our [Negotiations Handbook](#) CD and videos.