SHAREHOLDER AGREEMENT

THIS SHAREHOLDER AGREEMENT (the "Agreement") is made and entered into as of this ___ day of _______, 20__, by and among the following parties:

[Name of Corporation], a California corporation (the "Corporation"), and

The shareholders of the Corporation whose signatures appear on the signature pages of this Agreement (the "Shareholders").

RECITALS

WHEREAS, the Shareholders are the owners of all of the issued and outstanding shares of the Corporation;

WHEREAS, the Shareholders desire to enter into this Agreement to provide for the valuation of shares, and to establish certain rights and obligations with respect to the management and control of the Corporation and the transfer of shares in the Corporation.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

1. Valuation of Shares

1.1 The value of each share of the Corporation shall be determined by an independent valuation expert agreed upon by the Shareholders or appointed by a single neutral arbitrator if the Shareholders cannot agree on an expert. The valuation shall be based on the fair market value of the Corporation as a going concern, without any discount for minority interests or lack of marketability.

2. Pre-Suit Mediation

2.1 In the event of any dispute, controversy, or claim arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation, or validity thereof, the parties agree to first attempt to resolve the dispute through mediation administered by the American Arbitration Association ("AAA") under its Commercial Mediation Procedures before resorting to arbitration, litigation, or any other dispute resolution procedure.

2.2 The party seeking mediation shall notify the other party in writing, and the mediation shall be commenced within thirty (30) days of such notice. The mediation shall be held in the State of California and attended remotely or in-person.

3. Arbitration

3.1 Any dispute, controversy, or claim arising out of or relating to this Agreement, or the breach, termination, enforcement, interpretation, or validity thereof, which cannot be resolved through mediation as described in Section 2 above, shall be resolved by final and binding arbitration administered by the AAA in accordance with its Commercial Arbitration Rules.

3.2 The arbitration shall be conducted by a single arbitrator selected in accordance with the AAA rules. The arbitration shall take place in the State of California in the nearest AAA office. Each party shall bear its own attorneys' fees and costs associated with the arbitration.

3.3 The arbitrator shall have the authority to award any remedy or relief that a court of competent jurisdiction could order or grant, including, without limitation, specific performance of any obligation created under this Agreement, the awarding of compensatory damages, and the issuance of an injunction.

4. Attorneys' Fees

4.1 Each party shall bear its own attorneys' fees and costs incurred in connection with any mediation or arbitration arising out of or relating to this Agreement.

5. General Provisions

5.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to its conflicts of law principles.

5.2 Amendments and Waivers. No amendment, modification, or waiver of any provision of this Agreement shall be effective unless in writing and signed by the Corporation and the Shareholders holding a majority of the outstanding shares of the Corporation.

5.3 Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral and written, among the parties hereto with respect to the subject matter hereof.

5.4 Severability. If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions of this Agreement, which shall remain in full force and effect.

5.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6. Transfer of Shares and Right of First Refusal

6.1 Transfer of Shares. Any Shareholder who wishes to sell, transfer, or otherwise dispose of any shares of the Corporation (the "Selling Shareholder") shall first provide written notice (the "Transfer Notice") to the Corporation and the other Shareholders, stating the number of shares to be sold, the proposed sale price, and the name and address of the proposed buyer (the "Proposed Buyer").

6.2 Right of First Refusal. Upon receipt of the Transfer Notice, the Corporation and the other Shareholders (the "Non-Selling Shareholders") shall have the right of first refusal to purchase all (but not less than all) of the shares being sold (the "Offered Shares") on the same terms and conditions as set forth in the Transfer Notice.

6.3 Exercise of Right of First Refusal. The Corporation shall have the first option to purchase the Offered Shares. If the Corporation does not exercise its option to purchase all of the Offered Shares within thirty (30) days of receipt of the Transfer Notice, the Non-Selling Shareholders shall have an additional thirty (30) days to exercise their option to purchase all of the Offered Shares on a pro-rata basis according to their ownership percentages, or in such other proportions as they may agree in writing.

6.4 Remaining Shares. If the Non-Selling Shareholders do not elect to purchase all of the Offered Shares within the specified period, the Selling Shareholder may sell the remaining shares to the Proposed Buyer on the terms and conditions set forth in the Transfer Notice, provided that the Proposed Buyer agrees in writing to be bound by the terms and conditions of this Agreement.

6.5 Agreement by Buyer. Any buyer of shares from the Corporation or any existing Shareholder shall be provided with a copy of this Agreement and shall, as a condition to the transfer of such shares, agree in writing to be bound by the terms and conditions of this Agreement by executing a joinder agreement in the form attached hereto as Exhibit "A."

IN WITNESS WHEREOF, the parties have executed this Shareholder Agreement as of the date first above written.

CORPORATION:

[Name of Corporation]

By: ______________________________
Name:
Title:

SHAREHOLDERS:

____
[Shareholder Name]

____
[Shareholder Name]

____
[Shareholder Name]

____
[Shareholder Name]

EXHIBIT “A”

JOINDER AGREEMENT

The undersigned, as a condition to receiving shares of [Name of Corporation], hereby agrees to be bound by the terms and conditions of the Shareholder Agreement dated ___________, 20__, as a Shareholder thereunder.

By: ______________________________
Name:
Date: