**Shareholders' Agreement**

THIS SHAREHOLDERS AGREEMENT made this [date of agreement], by and among [name of corporation], a Florida corporation, and [name of shareholder 1], and [name of shareholder 2].

WITNESSETH:

WHEREAS, the Shareholders are the owners of all of the outstanding capital stock of the Corporation; and

WHEREAS, it is the desire of the Shareholders to provide for the purchase of a deceased Shareholder's interest in the Corporation by the surviving Shareholder; to provide for the purchase of a Shareholder's stock during his lifetime if such Shareholder should withdraw from the Corporation; to provide that should an action for the dissolution of a Shareholder's marriage be commenced the other Shareholder shall purchase the divorcing Shareholders stock; and to provide for restrictions on the voting of the stock interest of each Shareholder.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and other valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, It is mutually agreed and covenanted by and among the parties to this Agreement as follows:

1. **Transfer of Stock Restricted**. - Each shareholder agrees that he will not transfer, assign, hypothecate, encumber or in any way alienate any of his shares, or any right or interest therein, whether voluntarily or by application of law, unless in a transfer which meets the requirements of this Agreement. Any purported transfer in violation of any provision of this Agreement shall be void and ineffectual, and shall not operate to transfer any interest or title into purported transferees. The shareholders agree that monetary damages will not fairly compensation the nonbreaching shareholder for the harm caused by the breaching Shareholder. As a result, the parties agree that equitable remedies, including injunctive relief are appropriate in the event of a breach of this Paragraph and that the Corporation shall not be required to post a bond or other surety to obtain any equitable remedy.
2. **Sale of Share Upon Death of Shareholder.** -Upon the death of a Shareholder his estate shall be obligated to sell his stock in Corporation to the surviving Shareholders and the surviving shareholders agree to purchase his stock at a price per share determined in accordance with the provisions of Paragraph 7 herein. In the alternative, the surviving Shareholders may elect to have the Corporation purchase such stock. If at the time of the death there is more than one surviving Shareholder, then each surviving shareholder shall purchase such portion of the deceased Shareholder's shares as is equivalent to the surviving Shareholder's proportional ownership in the Corporation. Settlement on the sale of the stock shall be held the later of the date the Corporation receives the proceeds of any life insurance policy on the deceased Shareholder or [number of days] days after the decedent's death (Settlement Date). Payment of the purchase price shall be pursuant to the provisions of Paragraph 6 herein. The deceased Shareholder's estate shall transfer the deceased Shareholder's shares free and clear of all encumbrances. The deceased Shareholder's estate shall be responsible for any documentary stamps or other taxes associated with transfer of the shares.
3. **Sale of Shares Upon Commencement of an Action for Dissolution of a Shareholder's Marriage.** - Upon the commencement of an action for the dissolution of a Shareholder's marriage, the Shareholder agrees to sell his shares free of all encumbrances to the other Shareholders and the other shareholders agree to purchase all of his shares within [number of days] days of the commencement of the action for dissolution of the marriage at the value of the shares determined in accordance with the provisions of Paragraph 7 of this Agreement. In the alternative, the other Shareholders may elect to have the Corporation purchase such shares. Payment of the purchase price shall be pursuant to the provisions of Paragraph 6 of this Agreement. If at the time of the commencement of the action for dissolution of the marriage there is more than one other Shareholder, then each other Shareholder shall purchase such portion of the divorcing Shareholder's shares as is equivalent to that shareholder's proportional ownership in the Corporation.
4. **Sale of Shares During Shareholder's Lifetime**.
   1. Right of First Refusal. - If a Shareholder, during his life, desires to transfer any of shares of stock of the Corporation, or any part of the stock is to be sold as a result of an attachment or lien by a creator or any other involuntary type sale, then a written notice shall be served on each of the nonselling shareholder offering the shares for sale at the lesser of the price offered or the price determined in accordance with the provision of Paragraph 7, and upon either the terms set forth in the offer or in paragraph 8, at the nonselling shareholder's election. In the alternative, the selling shareholders may act to have the Corporation purchase such shares. The selling shareholder shall simultaneously provide a copy of the notice to the Corporation.
   2. Delivery of Notice of Offer. - Notice of an offer (Notice) shall state:
      1. the number of shares offered;
      2. the price and terms of the sale;
      3. the name and address of the selling Shareholder; and
      4. the name and address of the person or entity to whom the selling Shareholder desires to pass or dispose of the shares offered, and, if an entity, the names of the owners of such entity.
      5. A copy of the offer, signed by the prospective transferee indicating his commitment to purchase the shares on the terms and conditions set forth therein, and all related purchase agreements and related documentation shall be attached to the Notice.
   3. Acceptance of an Offer. - Notice of acceptance by a nonselling Shareholder to purchase the selling Shareholder's shares shall be sufficiently given if, before midnight of the [number of days] days day after receipt of the Notice, a nonselling Shareholder at the address of the selling Shareholder stated in the Notice sends a copy to the Corporation and all of the other nonselling Shareholders. If, within such thirty (30) day period, any of the nonselling Shareholders fail to send a notice of acceptance to the selling Shareholder, then other nonselling Shareholders shall be entitled to participate in the purchase of the shares not purchased, on a pro-rata basis. If any of the selling Shareholder's shares have not been accepted for purchase by the nonselling shareholders, then the selling Shareholder may sell such Shares to the proposed transferee.
   4. Date of Closing, - If any offer is accepted by one or more nonselling Shareholders, the sale shall be closed at the office of the Corporation at a time, during ordinary business hours, not less than [number of days] nor more than [number of days] days after notice of acceptance is given, unless the bona fide offer by an individual who is not a Shareholder of the Corporation (bona fide offer) required a closing date later than the [number of days] day maximum limit in which case the closing date of the bona fide offer shall be binding.
   5. Closing Documents. - Upon the closing of the sale, the selling Shareholder shall deliver to the buyers the certificates of the shares being sold, endorsed for transfer, and such assignments, certificates of authority, tax releases, consent to transfer instruments and evidence of the title of selling Shareholder and his compliance with this Agreement as may be required by counsel for the Corporation.
   6. Selling Shareholder's Failure to Give Notice. - Upon the occurrence of an event whereby an offer is required to be made under this Agreement to each of the other Shareholders but no offer is made, any Shareholder of the Corporation may notify the record owner of the shares in question or the person to whom the shares are about to or have been transferred, or both (Defaulting Party) that he or she elects to buy the shares. Copy of such notice shall be served on all other Shareholders and the Corporation. The other nonselling Shareholders shall have [number of days] days after receipt of such notice to notify the Defaulting Party and the other nonselling Shareholders that they elect to buy the shares. The Defaulting Party shall then give each of the Shareholders and the Corporation the notice described subparagraph 4(B) hereof within [number of days] days of receipt of the first notice sent pursuant to this subparagraph. Thereafter, terms and conditions of the sale of the shares and the date of closing shall be as set forth in this Paragraph 4.
   7. Failure to Comply. - If any person so required under this Agreement fails to sell shares or close a sale or if any person who acquires shares in any manner mentioned in Paragraph 4 fails to disclose to the Shareholders the price paid by him if less than the price in Paragraph 7 or if any person who proposes to pass or dispose of shares for a price less than the price in Paragraph 7 or any terms more favorable to the buyer than those stated herein, or both, or fails to disclose to the Shareholders the name of the person or entity to whom and the price and terms on which he proposes to pass or dispose of the shares and such failure is not remedied within [number of days] days after delivery of a notice to such person by any of the Shareholders, then any of the Shareholders of the Corporation may institute and maintain proceedings to compel the specific performance of this Agreement. No bond or other surety shall be required to be posed in such action.
5. **Stock Certificate Legend.** - The Shareholders hereto agree to vote their respective shares of stock to amend the Bylaws of the Corporation to provide that the shares of stock of the Corporation must be transferred in accordance with the provisions of this Agreement and that all certificates of stock shall have stamped on their face as follows:
   1. This certificate and the shares herein referred are subject to and transferable only in accordance with the provisions of that certain written Shareholders Agreement dated [date of agreement], and made by and among [name of company], [name of shareholder 1] and [name of shareholder 2], a copy of which is on file in the office of the Secretary of [name of company].
   2. After the endorsement, the certificates shall be returned to the Shareholders who shall, subject to the terms of this Agreement, be entitled to exercise all rights of ownership of that stock. All certificates of the common stock hereafter issued by the Corporation shall bear the same endorsement.
6. **Payment of Purchase Price.** - The purchase price (Purchase Price) of shares determined under the provisions of Paragraph 7, shall be paid as follows: (a) [percentage]% in cash or immediately available funds on the closing date; (b) [percentage]% of the Purchase Price in cash or immediately available funds on the day which is [identification of year] year after the closing date; and (c) [percentage]% of the Purchase Price in cash or immediately available funds on the date which is [specification of year] years after the closing date. The Corporation agrees to guaranty the payment of all amounts due to a deceased shareholder's estate under Paragraph 2 or a selling shareholder under Paragraph 4.
7. **Purchase Price.** - The value of the Corporation shall equal the legitimate fair market value of the Corporation as determined by a certified valuation analyst who is certified by the National Association of Certified Valuation Analysts, and such valuation will be the new value of the Corporation. The cost of the valuation shall be borne by the Corporation. A shareholder may have a separate, independent valuation of the Corporation performed at his expense with a certified valuation analyst approved by the Corporation. Such approval shall not be unreasonably withheld or delayed. Any such disapproval shall be based upon legitimate business reasons. This newer valuation performed on behalf of the Shareholder shall be deemed to be the value of the Corporation so long as such value does not differ from the value of the Corporation as determined by the Corporation's certified valuation analyst by more than [percentage]%. If the difference exceeds [percentage]%, then the two certified valuation analysts shall agree on a third certified valuation analyst as soon as possible who shall perform a valuation of the Corporation and such valuation shall be deemed to be the value of the Corporation. The value of the Shareholder's interest in the Corporation shall be an amount equal to the value of the Corporation divided by a fraction, the numerator of which is the number of shares owned by him and the denominator of which is the total number of issued and outstanding shares of the Corporation.
8. **Capital Contributions.** - If additional funds are required for the business of the Corporation, the funds shall be borrowed. No Shareholder shall be required to contribute additional funds to the Corporation.
9. **Insurance.**
   1. Maintenance of Insurance Coverage. - The Corporation agrees to maintain life insurance coverage on the lives of each of the other Shareholders in amounts at least equal to the value of such Shareholder's capital stock. If shares are owned pursuant to any tenancy by the entirety, joint tenancy in common, such life insurance may be a “second to die” policy. The proceeds of such policies shall be used to purchase the shares of the deceased Shareholder. Each Shareholder agrees to cause the policies to be endorsed so that the other Shareholders and the Corporation must be notified in writing prior to any termination, nonrenewal or cancellation of such policies.
   2. Premium Distributions. - If the Shareholders decide to purchase the insurance policies personally, then the Shareholders agree to cause the Corporation to make distributions to each Shareholder from time-to-time in amounts sufficient to pay the premiums on such policies.
10. **Additional Tax Related Restrictions and indemnity**. - No Shareholder shall take any action or fail to take any action which he knows or should know will result in the termination of the Corporation's Subchapter S Election; and, if any such act or failure to act shall occur, such Shareholder shall immediately take such steps that may be required to prevent the termination of the Election. If the Corporation's Election is terminated because of any Shareholder's act or failure to act which he knew or should have known would result in such termination, such Shareholder shall indemnify the other Shareholders for any loss or liability incurred on account of such termination, including, without limitation, any federal and state income taxes directly attributable to such termination.
11. **Tax Related Agreements** -
    1. Distributions to shareholders. - Subject to any limitation on distributions imposed by law, the Corporation and the Shareholders agree as follows:
       1. Subject to the terms of this Paragraph, the Corporation shall make pro-rata distributions of cash to the Shareholders based on ownership of shares in the Corporation, to pay federal and state income taxes on the income (net of any tax benefits produced for the Shareholders by the Corporation, losses, deductions and credits) that passes from the Corporation under the applicable provisions of the Internal Revenue Code of 1986, as amended (Code).
       2. The total amount required to be distributed shall be determined by conclusively presuming that all taxable income which passes through to each Shareholder will be taxed at the maximum marginal federal rate (without regard to exemptions or phase out tax rates) and the maximum marginal state rate which may be applicable to any Shareholder at which income of any individual can be taxed in the calendar year that includes the last day of the Corporation's taxable year. As of the date of this Agreement, the Shareholders acknowledge that the maximum marginal federal tax rate is [percentage]% and that no Shareholder is subject to state income taxes.
       3. The Corporation shall make the distributions required in subsection (i) above in a timely manner to allow the tax (including, without limitation, estimated tax payments) attributable to the income passed through the Corporation to any Shareholder to be paid when due.
       4. No provision in this Paragraph 11(A) shall cause the total dividend paid with respect to any outstanding share to differ from any amounts paid with respect to any other outstanding share.
       5. No provision of this Paragraph 11(A) shall be construed to limit the ability of the Corporation to declare and pay additional dividends to the Shareholders out of the assets of the Corporation legally available for such payment at such time or times as the Board of Directors of the Corporation may determine.
    2. Waiver of Termination of S Status. - If the Corporation's status as an S corporation under the Code is terminated inadvertently and the Corporation wishes to obtain a ruling under Section 1362(f) of the Code to reinstate the Corporation's election, each Shareholder agrees to make any adjustments required pursuant to Section 1362(f)(4) of the Code and approved by the Corporation's Board of Directors. Each Shareholder's obligation to make such adjustments shall continue after the Shareholder has ceased to own stock in the Corporation and after this Agreement has terminated.
    3. Income Allocations After Termination of S Status or Disposition of Shares. - In the event of the termination of the Corporation's status as an S corporation under the Code, each of the Shareholders agrees and consents to the election by the Corporation under Section 1362(e)(3) of the Code to have the rules of Section 1362(e)(2) not apply for its “S termination year.” As a result of such election, the Corporation shall close its books on the last day of the short taxable year for the Corporation's S termination year. Additionally, in the event of the termination of a Shareholders interest in the Corporation in any taxable year of the Corporation, each Shareholder agrees and consents to the Corporation election to have the rules set forth in Section 1377(a)(1) of the Code apply as if the taxable year of the Corporation consisted of two taxable years. The Corporation's election with respect to Section 1377(a)(1) of the Code is to be made with respect to termination of the interest of any Shareholder who disposes of all of his interests in the Corporation.
    4. ITC Recapture. - If the Corporation is required to recognize any recapture of investment tax credit under Section 47 of the Code and any regulations thereunder, the selling Shareholder agrees to pay the other Shareholders the federal income tax liability of such nonselling Shareholders caused by the investment tax credit recapture resulting from the termination of such selling Shareholder's interest in the Corporation.
    5. Shareholder Loan/Straight Debt Safe Harbor. - If one or more Shareholders loan funds to the Corporation, the terms of such loan shall comply with the requirements of the straight debt safe harbor provisions Section 1361(c)(5) of the Code and the regulations thereunder. If the terms of such loan fail to comply with the straight debt safe harbor under Section 1361 (o)(6) of the Code, then the parties agree such transaction shall be characterized and documented as a contribution of capital by such Shareholder to the Corporation notwithstanding the original terms of such transaction.
12. **Deadlocks**.
    1. If a deadlock occurs among the Shareholders, then such deadlock shall be settled by arbitration in [name of county], Florida, in accordance with the commercial arbitration rules of the American Arbitration Association then in effect. The Shareholders and the Corporation agree that the matter may be resolved by one mutually agreed-upon arbitrator. If the Shareholders are unable to agree on one arbitrator then each Shareholder shall select an arbitrator within [number of days] days written notice from one Shareholder to the other, and the two selected arbitrators shall select a third arbitrator within [number of days] days of their selection. The Shareholders shall share the costs of the arbitrators.
    2. At any time during the term of this Agreement, a Shareholder (Tendering Shareholder) may elect to purchase all of the shares of stock in the Corporation from the other Shareholder (Non-Tendering Shareholder). Such offer shall be in writing in an amount at least equal to the value of the Nontendering Shareholder's interest, as determined in accordance with Paragraph 7 hereof. Within [number of days] days of receipt of the offer from the Tendering Shareholder, the Nontendering Shareholder shall either (i) notify the Tendering Shareholder that such Nontendering Shareholder accepts the offer, or (ii) make a counteroffer to purchase the Tendering Shareholder's shares of stock in the Corporation for an amount at least [percentage]% greater than the offer. Within [number of days] days of receipt of the counteroffer from the Nontendering Shareholder, the Tendering Shareholder shall either: (i) notify the Nontendering Shareholder that the Tendering Shareholder accepts such counteroffer, or (ii) make a counter offer to purchase the Nontendering Shareholder's shares of stock in the Corporation for an amount at least [percentage]% greater than the counteroffer. The counter offering shall continue at [number of days] day intervals until one Shareholder elects to accept a counteroffer. Failure to respond in writing within the specified timeframe set forth herein shall be deemed to be an acceptance of the offer or counteroffer presented. The closing for a sale pursuant to this subparagraph shall be within [number of days] days of the date of acceptance of an offer or counteroffer at the main office of the Corporation, and the purchase price shall be paid in cash at the closing.
13. **Notice**. - All notices, offers, acceptances, waivers and other acts under this Agreement shall be in writing and shall be sufficiently given if: (i) hand-delivered; (ii) mailed by certified mail, return receipt requested; (iii) delivered by a nationally recognized overnight courier service (i.e. FedEx or United Parcel Service); or (iv) sent by facsimile with printed confirmation, and are addressed as follows:

If to Corporation: [Name of corporation]

[Address of corporation]

If to [name of shareholder 1]: [Name of shareholder 1]

[Address of shareholder 1]

If to [name of shareholder 2]: [Name of shareholder 2]

[Address of shareholder 2]

or to such other address as any of them, by notice to the others, may designate from time-to-time. Except as otherwise provided in this Agreement, time shall be counted to or from the receipt of the notice.

1. **Agreements of the Corporation**. - In consideration of the promises contained herein, the Corporation for itself and for its successors and assigns:
   1. Insofar as is proper or required, its consent to this Agreement.
   2. It will not transfer or reissue any of its shares in violation of this Agreement or without requiring proof of compliance with this Agreement.
   3. Share certificates issued by the Corporation during the life of this Agreement shall be endorsed as stated herein.
2. **Successors and Assigns**. - This Agreement shall be binding upon the parties and their heirs, distributees, legal representatives, successors, and assigns.
3. **Severability**. - If any part of this Agreement is found to be void, the remaining provisions of this Agreement shall nevertheless be binding with the same effect as if the void parts were deleted.
4. **Amendment**. - This Agreement constitutes the entire agreement of the parties with respect to the subject matter herein. This Agreement may not be modified, amended or terminated orally, but only in writing signed by all the parties hereto.
5. **Waiver**. - A waiver of any breach or violation of any provision contained in this Agreement shall not be deemed to be a continuing waiver or a waiver of any future or past breach or violation.
6. **Governing Law and Venue**. - This Agreement shall be governed by the internal laws of the State of Florida. All actions or causes instituted by any party hereto arising out of this Agreement shall be brought only in [name of county], Florida.
7. **Term**. - The term of this Agreement shall be [number of years] years commencing on the day and year first above written.
8. **Counterparts**. - This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.
9. **Captions and Headings**. - Captions and article headings contained in this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement nor the intent of any provision hereof.
10. **Acknowledgment of Representation**. - The parties acknowledge that [name of authorized representative] represents the Corporation, and not any of the Shareholders, in connection with the preparation of this Agreement. The Shareholders are advised to obtain separate counsel to review this Agreement in light of their own special circumstances.
11. **Termination of Existing Agreements**. - The Corporation and the Shareholders revoke all prior shareholders agreements, including without limitation, that certain Shareholders Agreement dated [date of agreement].

IN WITNESS WHEREOF, the parties have signed and sealed this Shareholders Agreement.