

VALUATION

##.1 Each Shareholder covenants and agrees that it shall, upon the execution of this Agreement and thereafter at least annually within ninety (90) days following each fiscal year end of the Corporation, determine the Fair Market Value of all of the issued and outstanding Shares and shall endorse such valuations on Schedule "A" annexed hereto and shall initial or sign the same.

##.2 Notwithstanding the provisions of Section ##.1:

- (a) if the last value shown on Schedule "A" hereto was endorsed thereon and signed or initialed by the Shareholders more than thirteen (13) months prior to the event giving rise to a transaction of purchase and sale pursuant to Article 10 (referred to herein as the "Triggering Event"); or
- (b) if, upon the occurrence of a Triggering Event, one of the parties to the purchase and sale gives notice in writing to the other parties to the purchase and sale that such first Party believes, in good faith, that the actual aggregate fair market value of the Shares is greater or less than, by more than 10%, of the then aggregate Fair Market Value as indicated by endorsement thereof on Schedule "A") of the Shares then the Shareholders shall determine the Fair Market Value of all of the issued and outstanding Shares as of the date on which the Triggering Event occurs.

In the event the Shareholders do not agree upon a Fair Market Value within fifteen (15) days of the date of notice referred to in Section ##.2(b), an independent business valuator to be agreed upon by the parties to the purchase and sale shall determine the Fair Market Value of all of the issued and outstanding Shares as of the date on which the Triggering Event occurs. If such Shareholders fail to choose an independent business valuator within thirty (30) days following the Triggering Event then such business valuator shall be chosen by a Judge of the Court of _____ upon the application of either of the parties. The determination of the Fair Market Value of such Shares made by the independent business valuator shall, for the purposes of this Agreement, be binding and effective upon the parties hereto and shall be deemed to have been endorsed on Schedule "A" hereto and signed or initialed by the Shareholders. In arriving at such valuation, the valuator shall take into account and apply generally accepted accounting principles and such valuation methods as may reasonably be determined by such valuator. the valuation arrived at the by the valuator, made as an expert and not as umpire or arbitrator, shall be final and binding and no appeal shall lie therefrom.