

**PLAN TO OFFER SHARES QUALIFYING UNDER
SECTION 1244 OF THE INTERNAL REVENUE CODE**

_____ (the "Corporation") is a small business corporation, as defined in Section 1244 of the Internal Revenue Code, and is authorized to issue shares, \$_____ par value. At the present time, none of said shares have been issued, and there is not now outstanding any offering by the Corporation to sell or issue any of its shares.

The Board of Directors of the Corporation wishes to offer said shares for sale, and it is deemed desirable to offer, sell and issue said shares in such manner that qualified shareholders will receive the benefits of Section 1244 of the Internal Revenue Code.

To carry out the wishes of the Board of Directors, the following course of action is adopted:

1. The President of this Corporation, and such other officers as he may designate, are authorized to offer for sale, sell and issue up to _____ shares, for a total consideration not in excess of \$1,000,000.
2. Payment for said shares is to be in cash or other property, but in no event for stock or securities.
3. This Plan shall become effective upon adoption thereof by the Board of Directors, and shall remain in full force and effect until said shares are sold, or until the Corporation shall make a subsequent offering of any shares, or for a period of two years from the effective date, whichever shall occur first.
4. Such other action shall be taken by the Corporation as shall qualify said shares as "Section 1244 shares" under the provisions of the Internal Revenue Code.

Offer to Sell Stock
Pursuant to Sec. 1244 I.R.C.

Dated:

To:

Pursuant to the provisions of our plan to offer shares qualifying under Section 1244 of the Internal Revenue Code, hereby offers to sell to you shares of its common stock at a price of \$ _____ per share.

Your signature on the enclosed copy of this letter shall constitute an acceptance of our offer as of the date it is received by _____ .

Very truly yours,

By _____

ACCEPTED AND AGREED TO:

**Corporate Record of Shares Issued Under
Section 1244 of the Internal Revenue Code**

1. The Plan to Offer Shares Qualifying Under Section 1244 of the Internal Revenue Code was adopted by the Board of Directors on .
2. Prior to the adoption of the Plan no contributions to capital or paid-in surplus of the Corporation were made.
3. Upon the date of adoption of the Plan, the Corporation had no equity capital.
4. The shares of common stock issued pursuant to the Plan are as follows:

Certificate <u>Number</u>	Issued <u>to</u>	Date of <u>Issuance</u>	No. Of <u>Shares</u>	Consideration*
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* [NOTE: Consideration may be cash or other property, but not stock, securities or services. If cash, simply insert the amount. If other property, it should be itemized (in a separate schedule, if necessary) and it should include both tax basis and fair market value.]

