

Plan to offer section 1244 shares of common stock

PREVIEW

1. One way a corporation can raise capital is to sell shares of its stock.
2. The procedure must be approved by the board of directors and then appear in writing.
3. The form should comply with the requirements of Internal Revenue Service Code Section 1244 which enables the shareholders to take advantage of favorable tax treatment.

Form: Plan to offer section 1244 shares of common stock

PLAN TO OFFER SHARES OF COMMON STOCK FOR SALE

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WHEREAS, the Board of Directors deems it advisable and in the best interests of the Corporation to offer for sale and issue shares of common stock in the total amount of not more than One Hundred Thousand and 00/100 Dollars (\$ 100,000.00) in a manner such that in the hands of qualified stockholders such shares of stock will receive the benefits of Section 1244 of the Internal Revenue Code of 1986, as amended, and

WHEREAS, the Corporation is a "small business corporation" as defined in Section 1244(c)2, in that:

THIS DOCUMENT

The sum of the aggregate amount which may be offered under this plan, plus the aggregate amount of money and other property received by the corporation after June 30, 1958, for shares of common stock as a contribution to capital and as paid in surplus, does not exceed One Million and 00/100 Dollars(\$1,000,000.00).

WHEREAS, there is not now outstanding any prior offering of the Corporation to sell or issue any of its stock,

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NOW, THEREFORE, IT IS HEREBY RESOLVED, that the proper officers of the Corporation are hereby authorized and directed to offer, sell and issue as many shares of common stock and at such prices, payable in cash or other property (other than stock and

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securities) as from time to time they deem to be in the best interests of the Corporation, subject to the following:

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(a) In no event shall the total amount of cash and the value of property, received for shares of common stock, exceed One Hundred Thousand and 00/100 Dollars (\$100,000.00).

(b) This offer to sell and issue shares of common stock shall terminate one (1) day less than two (2) years from the date this plan is approved and adopted by the Board of Directors of the Corporation. If the Corporation shall make a subsequent offering of shares of common stock or securities convertible into common stock prior to the expiration date as set forth above, this plan shall terminate on the date of the subsequent offering.

This plan shall be interpreted and construed in such manner as will enable it to qualify as a plan meeting the requirements of Section 1244 of the Internal Revenue Code as amended, and as will enable the shares of common stock issued thereunder to qualify as "Section 1244 stock," as defined in the section.

Dated: _____ **THIS DOCUMENT**

President

Secretary

Approved and adopted by the Board of Directors on _____.

THANK YOU

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