

PREINCORPORATION AGREEMENT

AGREEMENT made this _____ day of _____, 20_____,
between _____, _____, and _____.

WHEREAS the parties hereto wish to organize a corporation under the terms and conditions hereinafter set forth; and

WHEREAS the parties wish to establish their mutual rights and responsibilities in relation to their organizational activities;

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, it is agreed by and between the parties as follows:

FIRST: The parties will forthwith cause a corporation to be formed and organized under the laws of _____.

SECOND: The proposed Articles of Incorporation shall be attached hereto as Exhibit A.

THIRD: Within seven days after the issuance of the corporation's certificate of incorporation, the parties agree that the corporation's authorized stock shall be distributed, and consideration paid, as follows:

1. _____ shares of _____ (insert common or preferred) stock shall be issued to _____ in consideration of his/her payment to the corporation of \$ _____ cash.
2. _____ shares of stock shall be issued to _____ in consideration of his/her transfer to the corporation of _____ (list property, real or personal, to be transferred).
3. _____ shares of stock shall be issued to _____ in consideration of his transfer to the corporation of _____.
4. ...etc...

FOURTH: The corporation shall employ _____ as its manager for a term of _____ years and at a salary of \$ _____ per annum, such employment not to be terminated without cause and such salary not to be increased or decreased without the approval of _____% of the directors.

FIFTH: The parties agree not to transfer, sell, assign, pledge, or otherwise dispose of their shares until they have first offered them for sale to the corporation, and then, should the corporation refuse such offer, to the other shareholders on a pro rata basis. The shares shall be offered at their book value and, in the event the corporation refuses, the other shareholders shall have thirty (30) days to purchase the shares. If the corporation or other shareholders do not purchase all the offered shares, the remaining shares may be freely transferred by their owner without price restrictions.

SIXTH: The parties to this agreement promise to use their best efforts to incorporate the organization and to commence its business.

