

Minutes of First Meeting of the Board of Directors of [Name of Company]

The first meeting of the Board of Directors of [Name of Company] was held at [Street Address, City, State], on [date], at [time].

There was present in person [Name]; [Names] were present by conference telephone, constituting a quorum. [Name] acted as Chairman of the meeting. [Name], Esq., Of Counsel for the Corporation, was present by invitation and acted as Secretary of the meeting.

The Secretary presented to the meeting waivers of notice signed by all the directors of the Corporation. The Secretary was instructed to insert the waivers in the minute book.

The Chairman noted that the Certificate of Incorporation had been filed by the Department of State of New York on [date]. The Secretary was instructed to insert in the Minute Book a certified copy of the Certificate of Incorporation and the original receipt of the Department of State showing payment of the organization tax and filing fee.

The Secretary then presented to the meeting an instrument, dated _____, with respect to the organization of the Corporation that had been executed by the incorporators, including the form of Bylaws that had been adopted by the incorporators. Thereupon, on motion duly made, seconded and unanimously carried, it was

RESOLVED, that the instrument, dated _____, of the incorporators of the Corporation with respect to its organization presented to this meeting be, and it hereby is, in all respects approved, and that all action thereby shown to have been taken by the incorporators of the Corporation be, and the same hereby is, in all respects approved, ratified and confirmed; and

FURTHER RESOLVED, that the Bylaws in the form adopted by the incorporators of the Corporation be, and they hereby are, in all respects approved and adopted by this Board of Directors as and for the Bylaws of the Corporation.

The meeting then proceeded to the appointment of the officers specified in the Bylaws. Nominations having been made, the following persons were unanimously elected to the following offices:

<u>Name</u>	<u>Title</u>
[Name]	Chairman of the Board
[Name]	President
[Name]	Secretary
[Name]	Treasurer

The Secretary submitted to the meeting a seal proposed for use as the corporate seal of the Corporation. Thereupon, on motion duly made, seconded and unanimously carried, it was

RESOLVED, that the form of seal submitted to this meeting, an impression of which is to be made upon the minutes, be, and it hereby is, approved and adopted as and for the corporate seal of the corporation.

The Secretary submitted to the meeting a proposed form of certificate for shares of the Corporation. Thereupon, on motion duly made, seconded and unanimously carried, it was

RESOLVED, that the form of certificate for shares of the Corporation submitted to this meeting be, and it hereby is, approved and adopted as and for the form of certificate for shares of the Corporation.

The Secretary was instructed to insert a specimen Certificate for shares of the Corporation in the Minute Book.

After discussion, on motion duly made, seconded and unanimously carried, it was

RESOLVED, that the fiscal year of the Corporation shall end on [date]; and

FURTHER RESOLVED, that [Name of Company] be and they hereby are, appointed the Corporation's auditors.

The Chairman then stated that it was desirable to designate a depository for the funds of the Corporation. Thereupon, on motion duly made, seconded and unanimously carried, it was

RESOLVED, that the printed banking resolutions of [Name of Bank] in the form submitted to this meeting be, and they hereby are, adopted as though set forth at length herein.

The Secretary was instructed to insert in the Minute Book a copy of the printed banking resolutions of [Name of Bank] providing for joint signature to the extent required by the Bylaws.

After discussion, on motion duly made, seconded and unanimously carried, it was

RESOLVED, that the annual meetings of the shareholders of the Corporation shall be held at the Corporation's office in [City, State].

The Chairman announced that he had received offers to purchase shares of the Corporation, without par value, for a purchase price of \$_____ per share, in cash, and that he wished to purchase shares at the same price. _____ had offered to purchase [no.] shares, and an offer to purchase [no.] shares had been received from _____, and an offer to purchase [no.] shares had been received from _____.

After discussion, on motion duly made, seconded and unanimously carried, it was

RESOLVED, that the officers of the Corporation be, and they hereby are, authorized and directed to offer, sell and to issue up to [no.] shares of the Corporation, without par value, at \$_____ per share, payable in cash or other

property, tangible or intangible, or labor or other services performed for the corporation or for its benefit.

Whereupon, upon motion duly made, seconded and unanimously carried but with [Name] not participating, the following resolution was duly adopted:

RESOLVED, that the offer of [Name] to purchase [no.] shares of the Corporation, without par value, at a purchase price of \$___ per share, in cash be, and it hereby is, accepted subject to payment of the purchase price.

Whereupon, upon motion duly made, seconded and unanimously carried but with [Name] not participating, the following resolution was duly adopted:

RESOLVED, that the offer of [Name] to purchase [no.] shares of the Corporation, without par value, at a purchase price of \$___ per share, in cash be, and it hereby is, accepted subject to payment of the purchase price.

Whereupon, upon motion duly made, seconded and unanimously carried but with [Name] not participating, the following resolution was duly adopted:

RESOLVED, that the offer of [Name] to purchase [no.] shares of the Corporation, without par value, at a purchase price of \$___ per share, in cash be, and it hereby is, accepted subject to payment of the purchase price.

Whereupon, upon motion duly made, seconded and unanimously carried, the following resolutions were duly adopted:

RESOLVED, that the offer of [Name] to purchase [no.] shares of the Corporation, without par value, at a purchase price of \$___ per share, in cash be, and it hereby is, accepted subject to payment of the purchase price.

FURTHER RESOLVED, that the Chairman of the Board or the President and the Secretary or the Treasurer be, and they hereby are, jointly authorized in the name and on behalf of the Corporation to sign certificates for fully paid and nonassessable shares, without par value, and to issue and deliver the same in accordance with the foregoing resolutions; and

FURTHER RESOLVED, that the purchase price of each share of the Corporation, without par value, to be issued in accordance with the foregoing resolutions be, and it hereby is, allocated to the capital account of the Corporation.

The Chairman pointed out that the Corporation required short-term loans to finance its operations at the outset and suggested that loans be obtained from the stockholders.

After discussion, upon motion duly made, seconded and unanimously carried, but with [Name] not participating, it was

RESOLVED, that the draft Loan Agreement between the Corporation and [Name], dated _____, for \$_____ in the forms submitted to this meeting be, and it hereby is, approved; and

FURTHER RESOLVED, that the President be, and he hereby is, authorized in the name and on behalf of the Corporation to execute and deliver a Loan Agreement with [Name] in the form submitted to this meeting with such changes therein as he may deem advisable; and

FURTHER RESOLVED, that the President be, and he hereby is, authorized in the name and on behalf of the Corporation to execute and deliver one or more notes of the Corporation in connection with the drawdown of funds under the Loan Agreement with [Name].

The Chairman noted that New York law required the Board of Directors to authorize the filing with the State Tax Commission of a Certificate concerning the share transfer books and an application for authority to collect sales tax.

Upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the President or Secretary be, and he hereby is, authorized in the name and on behalf of the Corporation to execute and file with the New York State Tax Commission the certificate required by Section 275-a of the New York State Tax Law and an application for authority to collect sales tax.

The Chairman suggested it would be appropriate to give the corporation's officers discretionary power to implement the intent of the various foregoing resolutions.

Upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that each of the officers of the Corporation be, and he hereby is, authorized in the name and on behalf of the Corporation to execute and deliver receipts and other documents and papers, to expend funds and to do all such acts and deeds as in his or her discretion may be deemed necessary or advisable to carry out fully the intent of the various foregoing resolutions.

The Chairman explained that it was the intention of the offerors and the Corporation that the shares issued should qualify as "Section 1244 Stock" under the Internal Revenue Code, in order that any loss sustained on the shares might receive ordinary loss treatment, subject to the limitations prescribed by Section 1244 of the Code. He outlined the requirements of Section 1244 and the limitations on the benefits conferred. There followed a general discussion of Section 1244 of the Code and the benefits to be gained from issuing the Corporation's shares pursuant thereto. Whereupon, upon motion duly made, seconded and unanimously carried, the following preambles and resolution were duly adopted:

WHEREAS, the Corporation wishes to offer for sale [no.] shares of the Corporation, without par value, and

WHEREAS, the Board of Directors deems it desirable that the offer, sale and issuance of such shares be effectuated in such manner that qualified shareholders purchasing such shares may receive the benefits of § 1244 of the Internal Revenue Code; and

WHEREAS, there is not now outstanding any offering or portion thereof to sell or issue any of its shares; and

WHEREAS, the Corporation is a small business corporation as defined in § 1244(c)(3) of the Internal Revenue Code.

NOW, THEREFORE, it is

RESOLVED, that the shares of stock issued and to be issued by the Corporation are intended to receive the benefits of § 1244 of the Internal Revenue Code of 1954, as amended.

The next item discussed was whether the shareholders should elect to have the Corporation taxed as a small business corporation for federal and state tax purposes. The President explained the consequences of making such an election. After discussion, it was determined to be in the best interests of the shareholders to elect to have the Corporation taxed as a small business corporation, whereupon the following resolutions were unanimously adopted:

RESOLVED, that the Corporation elect to be treated as a small business corporation for federal and state income tax purposes; and it is further

RESOLVED, that the President and other officers of the Corporation are authorized and directed to file all appropriate forms and to take any and all other action necessary or desirable to comply with all requirements of the Internal Revenue Service and New York State for making said election.

There being no further business, the meeting was adjourned.

Dated: _____

Secretary