

## Entity Comparison

	C Corporation	S Corporation	Limited Liability Company	Limited Partnership	General Partnership	Sole Proprietorship
Personal liability for business debts	No personal liability of shareholders	No personal liability of share-holders	No personal liability of managers or members	General partner(s) personally liable; limited partners not personally liable	General partners personally liable	Sole proprietor personally liable
Who can legally obligate the business?	Officers and directors	Officers and directors	In member-managed, any member. In manager-managed, any manager.	Any general partner, not limited partners	Any general partner	Sole proprietor
Responsibility for management decisions	Board of directors, officers	Board of directors, officers	Same as above	Same as above	General partners	Sole proprietor
Ownership restrictions	Most states allow one-shareholder corporations; some require at least two	No more than 100 shareholders allowed; no domestic or foreign entities or nonresident aliens allowed	Most all states allow one member LLCs	At least one general partner and at least one limited partner required	At least two general partners	Only one proprietor no more
Start-up and ongoing formalities	Articles filed with state; bylaws and annual meetings required	Articles filed with state; Form 2553 filed with IRS; bylaws and annual meetings required	Articles filed with state; operating agreement and annual meetings not always required, but strongly recommended	LP-1 filed with state; partnership agreement and annual meeting not required but recommended	No state filing; partnership agreement recommended, no meetings required	No state no meetings required
Limits on transfer-ability of interests	Transfers may be limited by agreement or by securities laws	Transfers may be limited by agreement or by securities laws; transfers to nonqualified persons may cause loss of S corporation status	Unanimous or super-majority consent may be required by non transferring members	Consent of all partners may be required	Consent of all partners may be required	Can sell business to another
Business effect on death or departure of owner	Corporation continues	Corporation continues	In some states, dissolution unless members vote to continue	Automatic dissolution unless provided for in partnership agreement	Automatic dissolution unless provided for in partnership agreement	Automatic dissolution
Taxation of business profits	Corporate profits taxed at corporate rates; dividends taxed at individual rates of shareholders	Individual tax rates of shareholders	Individual tax rates of members unless LLC elects corporate taxation	Individual tax rates of general and limited partners	Individual tax rates of general partners	Individual rate of sole proprietor

Diagram #1

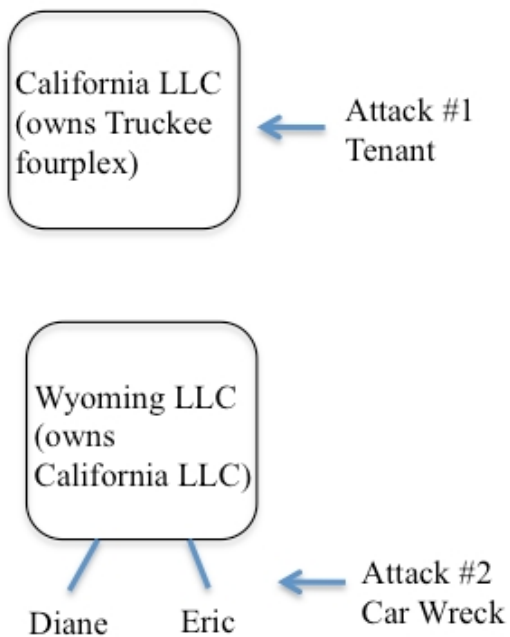


Diagram #2

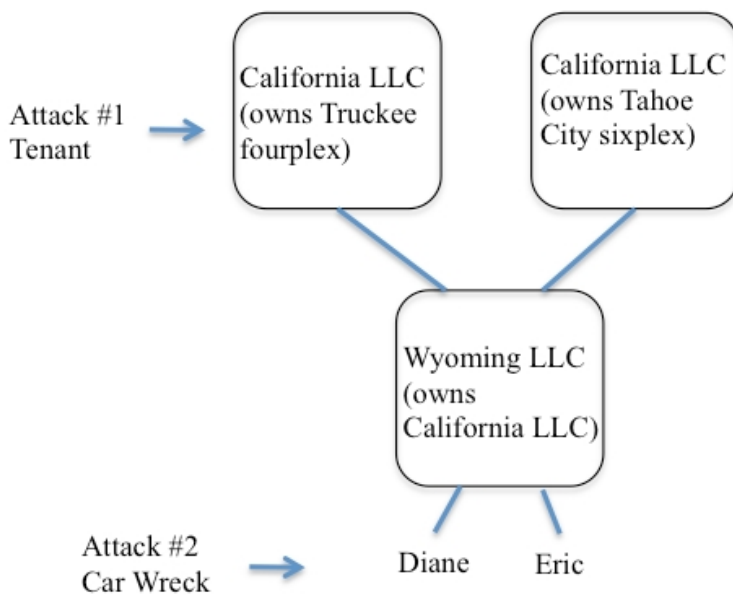


Diagram #3

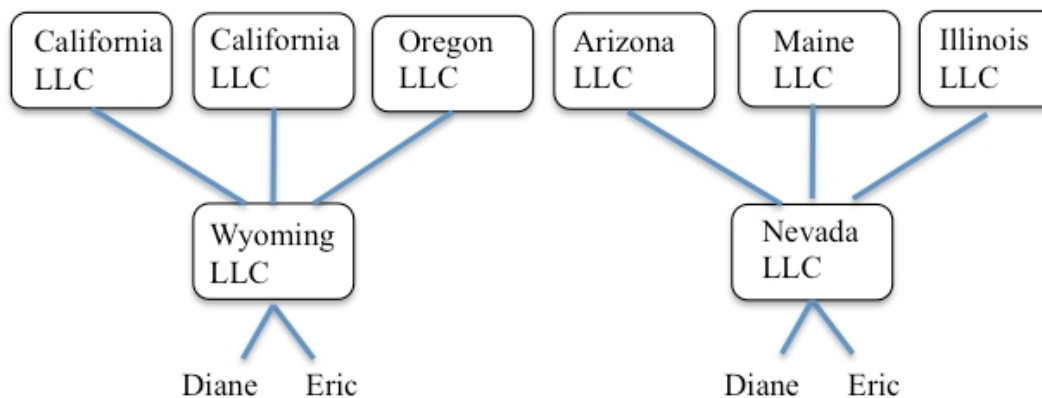


Diagram #4

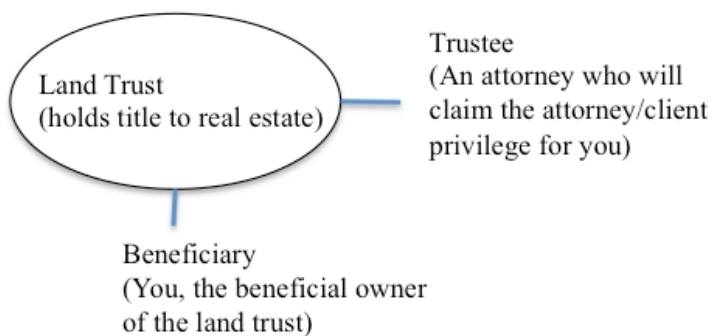


Diagram #5

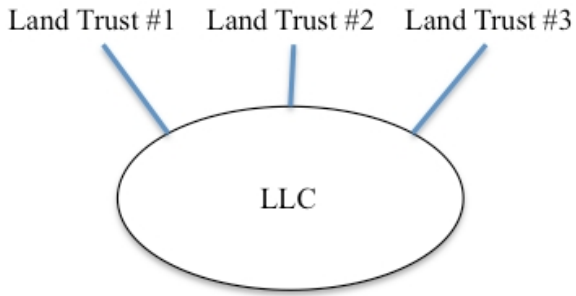


Diagram #6



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## Minutes of the First Meeting of Shareholders of XYZ, Inc.

Upon proper notice, the first meeting of XYZ, Inc. was held on \_\_\_\_\_, 20\_\_\_\_. The meeting was called to order by Jack Smith, the incorporator, and the following shareholders, being a majority of the shareholders of the Corporation, were present:

Jack Smith  
Jill Jones

Jack Smith acted as Secretary of the meeting. There was presented to the meeting the following:

1. Copy of Certificate of Incorporation;
2. Copy of the Bylaws of the Corporation;
3. Resignation of the Incorporator;
4. Corporate certificate book; and
5. Corporate certificate ledger.

The Chairman noted that it was in order to consider electing a Board of Directors for the ensuing year. Upon nominations duly made, seconded, and unanimously carried, the following persons were elected as Directors of the Corporation, to serve for a period of one year and until such time as their successors are elected and qualify:

Jack Smith  
Jill Jones

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

**RESOLVED**, that the items listed above have been examined by all shareholders, and are all approved and adopted, and that all acts taken and decisions reached as set forth in such documents be, and they hereby are, ratified and approved by the shareholders of the Corporation.

There being no further business to come before the meeting, upon motion duly made, seconded, and unanimously carried, it was adjourned.

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Jack Smith, Secretary

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## Organizational Minutes of the Board of Directors of XYZ, Inc.

The organizational meeting of the Board of Directors of XYZ, Inc. was held on \_\_\_\_\_, 20\_\_\_\_.

Jack Smith and Jill Jones constituting the total members of the initial Board of Directors of the Corporation, and a quorum, were present.

Jill Jones acted as Secretary of the meeting and Jack Smith acted as Chairman of the meeting.

The Chairman reported that the Articles of Incorporation had been filed with the Secretary of State of the State of \_\_\_\_\_. The Secretary was directed to insert a certified copy of the Articles in the minute books as part of these minutes.

The Secretary then presented the resignation of the incorporator. After reviewing the resignation of the incorporator, and upon motion duly made, seconded, and unanimously carried, it was:

**RESOLVED**, that the Board accept the resignation of the incorporator.

The Secretary submitted to the meeting a seal proposed for use as the corporate seal of the Corporation, along with a form of the stock certificate. After reviewing the seal and the stock certificate, and upon motion duly made, seconded, and unanimously carried, it was:

**RESOLVED**, that the form of the seal and the stock certificate submitted to this meeting are adopted and approved as the corporate seal and stock certificate of the Corporation. The Secretary of the Corporation is hereby authorized and directed to insert a copy of the stock certificate with these minutes, and to affix an impression of the seal on the margin of these minutes.

The Secretary then presented the proposed Code of Bylaws relating to the regulation of the business and affairs of the Corporation, its shareholders, Directors, and officers. After reviewing the proposed Code of Bylaws and upon motion duly made, seconded, and unanimously carried, it was:

**RESOLVED**, that the Bylaws presented to this meeting are adopted as the Bylaws of the Corporation, and the Secretary is directed to certify and insert the Bylaws into the minute book (containing the minutes of the proceedings of the Board of Directors and other relevant corporate documents).

The Chairman stated that the next order of business was the election of the officers as specified in the Bylaws. The Chairman called for nominations for officers to serve for one year or until their successors are elected or qualified. After discussion, the following persons were nominated and seconded to the following positions:

Jack Smith	President
Jill Jones	Secretary/Treasurer

The Chairman called for further nominations, but none were made. A voice vote was taken and since there was no opposition, the Chairman declared that the nominees are the duly elected officers of the Corporation to serve until the next annual Board meeting, or until their successors are elected and shall qualify.

The Chairman stated that the next order of business was to determine the compensation of the officers. After discussion and upon motion duly made, seconded, and unanimously carried, it was:

**RESOLVED**, that the salary of the corporate officers shall be (\_\_\_\_\_) or (determined at a later date).

The Chairman stated that the next order of business was to consider paying all expenses and reimbursing all persons for expenses paid or incurred in connection with the formation and organization of the Corporation. After discussion, upon motion duly made, seconded, and unanimously carried, it was:

**RESOLVED**, that the Treasurer of the Corporation be authorized and directed to pay all charges and expenses incident to the formation and organization of this Corporation and to reimburse all persons who have made any disbursements for such charges and expenses.

The Chairman stated the next order of business was to consider reimbursement to officers and Directors of the Corporation of travel and other expenses which such employees expend on behalf of the Corporation. After discussion and upon motion duly made, seconded, and unanimously carried, it was:

**RESOLVED**, that the Corporation shall reimburse each officer and Director for any reasonable necessary expenses which they incur in connection with the purposes of the Corporation and in furtherance of its business.

**RESOLVED FURTHER**, that it shall be the policy of this Corporation to reimburse each officer and Director or to pay directly on behalf of each officer or Director necessary and ordinary out-of-pocket expenses incidental to travel for all business activities of the Corporation requiring travel.

The Chairman stated that the next order of business was to consider an election under Section 248 of the Internal Revenue Code to amortize the organizational expense of the Corporation over a period of sixty (60) months, beginning with the first month of business of the Corporation. The Chairman explained that if the election was not made, the organizational expenses would

constitute a nondeductible capital expenditure. After discussion, upon motion duly made, seconded, and unanimously carried, it was:

**RESOLVED**, that beginning with the month in which the Corporation begins business, the Corporation commence amortizing its organizational expense over a period of sixty (60) months in accordance with Section 248 of the Internal Revenue Code.

The Chairman stated that the next order of business was the designation of a depository for the funds of the Corporation. After discussion, upon motion duly made, seconded, and unanimously carried, it was:

**RESOLVED**, that \_\_\_\_\_ is designated as the depository for the general account of the Corporation, and all checks, drafts, and orders on any of the accounts with the depository may be signed by the following: Jack Smith or Jill Jones. The President, Secretary, and Treasurer are authorized and directed to execute any documents necessary to open and continue any accounts with the depository.

**FURTHER RESOLVED**, that the Secretary of this Corporation be, and hereby is, instructed to annex a copy of such documents to the minutes of this meeting.

The Chairman stated that the next order of business was to consider the designation of a Registered Agent and registered office of the Corporation in the State of \_\_\_\_\_. The Chairman stated that the Articles of Incorporation stated that \_\_\_\_\_ is \_\_\_\_\_ the Registered Agent of the Corporation and the principal place of business is \_\_\_\_\_. Upon motion duly made, seconded, and unanimously adopted, it was:

**RESOLVED**, that \_\_\_\_\_ be, and hereby is, appointed Registered Agent for the Corporation in the State of \_\_\_\_\_. The office of the Registered Agent is to be located at \_\_\_\_\_.

After a discussion and upon motion duly made, seconded, and unanimously carried, it was:

**RESOLVED**, that \_\_\_\_\_ be retained as the Corporation's legal counsel.

The Chairman stated that the next order of business was to consider the issuance of capital stock of the Corporation pursuant to Section 1244 of the Internal Revenue Code. The Chairman stated that Section 1244 permits ordinary loss treatment, as opposed to capital loss treatment when the holder of Section 1244 stock either sells or exchanges such stock at a loss or when such stock becomes worthless. After discussion, upon motion duly made, seconded, and unanimously carried, it was:

**RESOLVED**, that the capital stock of the Corporation shall be issued pursuant to Section 1244 of the Internal Revenue Code. The Corporation is authorized to offer and issue its authorized common stock. Said stock shall be issued only for money and other property (other than stock or securities). The officers of the Corporation are authorized and empowered, and directed to



perform, any and all acts necessary to carry out this plan and to qualify the stock offered and issued under it as Section 1244 stock as that term is defined in Section 1244 of the Internal Revenue Code and the Regulations thereunder.

The Chairman stated that the next order of business was to consider the issuance of shares of the capital stock of the Corporation. The Chairman stated that the following individuals offered to acquire a total of \_\_\_\_\_ shares of common stock of the Corporation, \$ \_\_\_\_\_ par value, in exchange for a total of \$ \_\_\_\_\_.

<i>Name</i>	<i>No. of Shares</i>
Jack Smith	_____
Jill Jones	_____

The Chairman further explained that the stock, upon issuance, is to be fully paid and nonassessable. After discussion, upon motion duly made, seconded, and unanimously carried, it was:

**RESOLVED**, that in consideration for the payment of Dollars (\$ \_\_\_\_\_), the Corporation shall issue to Jack Smith shares of the Corporation's fully paid, nonassessable common stock having \$ \_\_\_\_\_ par value per share.

**RESOLVED**, that in consideration for the payment of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), the Corporation shall issue to Jill Jones \_\_\_\_\_ shares of the Corporation's fully paid, nonassessable common stock having \$ \_\_\_\_\_ par value per share.

**RESOLVED FURTHER**, that the President or Secretary of this Corporation be, and they hereby are, authorized and empowered to execute any and all other instruments and certificates, and to do and perform all other acts and things necessary, or by them deemed desirable, to effectuate the purposes of the foregoing resolutions.

The Chairman stated that the next order of business was to consider the adoption of a fiscal year for the Corporation. The Chairman explained that the Corporation could elect to end its fiscal year during any calendar month. Upon motion duly made, seconded, and unanimously carried, the following resolution was adopted:

**RESOLVED**, That any one of the President, Secretary, or Treasurer of this Corporation is hereby authorized to select \_\_\_\_\_ fiscal year for the Corporation by filing of a tax return, other appropriate tax form, or by any other proper action.

The Chairman stated that the next order of business was to authorize certain corporate officers to execute and deliver deeds, conveyances, promissory notes, deeds of trust, mortgages, and other instruments necessary to accomplish the aims and purposes of this Corporation. After discussion, and upon motion duly made, seconded, and unanimously carried, it was:

**RESOLVED**, that the Officers of the Corporation, and only the Officers of this Corporation, be and they hereby are, authorized and empowered, for and on behalf of this Corporation, and as its corporate act and deed, at any time, or from time to time, to negotiate for and/or to enter into any lease, leases, mortgages, promissory notes, other agreement, or other agreements with any party or parties, containing such terms and conditions as said Officers may deem necessary or desirable in order to promote and fully effectuate the conduct, by this Corporation, of its business and/or businesses.

The Chairman stated that the next order of business was to establish a time for the regular meetings of the Board.

**RESOLVED**, that the meetings of the Board of Directors of this Corporation be held at the principal office of the Corporation, or at such other location as a majority of the Board may determine, from time to time, as may be called by the President, and that no further notice of such regular meetings need be given.

There being no further business to come before the meeting, upon motion duly made, seconded, and unanimously carried, the Chairman declared the meeting adjourned.

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Jill Jones, Secretary

**APPROVED:**

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Jack Smith, Chairman

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**Minutes of Annual Meeting of Shareholders of XYZ, Inc.**

The Meeting of Shareholders of the above-named Corporation was held upon proper notice on \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_.

The meeting was called to order by the President, heretofore elected by the Board of Directors, and the following shareholders, being a majority of the shareholders of the Corporation, were present:

Jack Smith  
Jill Jones

Jill Jones was elected temporary Secretary of the meeting and took Minutes of it for the corporate records.

A discussion was then held regarding the election of the Board of Directors for the coming year. As the current board had performed well in the previous year and wished to continue, upon motion duly made, seconded, and unanimously carried, it was:

**RESOLVED**, that the following persons are elected Directors for the forthcoming year:

Jack Smith  
Jill Jones

Further discussion was held regarding the services rendered by the previous year's Board of Directors, up to and including today's date. Services had been well performed. As a result, upon motion duly made, seconded, and unanimously carried, it was:

**RESOLVED**, that the shareholders ratify the actions of the Board of Directors for the previous year.

There being no further business to come before the meeting, upon motion duly made, seconded, and unanimously carried, it was adjourned.

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Secretary

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**Minutes of Annual Meeting of Board of Directors of XYZ, Inc.**

The annual meeting of the Board of Directors of XYZ, Inc., a Nevada corporation, was held upon proper notice on \_\_\_\_\_, 20\_\_\_\_, immediately following the conclusion of the annual meeting of shareholders of the corporation.

Present in person or telephonically were the following directors:

Jack Smith

Jill Jones

The President called the meeting to order. The meeting then proceeded to elect officers to serve until the next annual directors meeting. The following nominations were made and seconded:

<b><i>NAME</i></b>	<b><i>OFFICE</i></b>
Jack Smith	President
Jill Jones	Secretary/Treasurer

There being no further nominations the foregoing persons were unanimously elected to the offices set forth opposite their respective names. Each of the officers so elected thereupon accepted the office to which he was elected as aforesated.

[Insert any specific corporate issues here.]

A discussion was then had regarding the actions taken in the preceding year on behalf of the company.

After further discussion it was:

**RESOLVED**, that the actions taken by the officers in the preceding year on behalf of the company were approved and ratified.

There being no further business, the meeting was adjourned.

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Secretary

# **VOTING TRUST AGREEMENT**

Agreement made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, between certain stockholders of Spice Island, Inc., a Nevada Corporation (the "Company"), whose names are hereunto subscribed, all of which stockholders are hereinafter called the subscribers, and Miguel Valle, hereinafter called the trustee.

## **RECITALS**

With a view to the safe and competent management of the company, in the interest of all the stockholders thereof, the subscribers hereof are desirous of creating The Spice Island Voting Trust (the "trust") as described below.

For the above reason and in consideration of the agreements herein and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto provide and agree as follows:

## **SECTION ONE**

### **TRANSFER TO TRUSTEES**

The subscribers shall allow the delivery to the trustee of the certificates of the shares of stock purchased by them and shall do all things necessary for the transfer of their respective shares to the trustee on the books of the company. The subscribers acknowledge the purchase of the shares in the Company and consent to the direct issue of shares to the trust.

## **SECTION TWO**

### **OTHER STOCKHOLDERS MAY JOIN**

Any stockholder of the company may become a party to this agreement by executing the same and assigning and delivering the certificate or certificates of his shares of stock to the trustees in the manner provided in the preceding section.

## **SECTION THREE**

### **TRUSTEES TO HOLD SUBJECT TO AGREEMENT**

The trustee shall hold the shares of stock so issued and/or transferred to the trust for the common benefit of the subscribers, under the terms and conditions hereinafter set forth. The trustee shall direct that stock certificates for any current or future purchased shares be issued directly to the trustee under this agreement.

## **SECTION FOUR**

### **TRUSTEE'S CERTIFICATES**

The trustee shall issue to each of the subscribers a trust certificate for the number of shares represented by the certificates of stock transferred by him to the trustee. Each such trust certificate shall state that it is issued under this agreement, and shall set forth the nature and proportional amount of the beneficial interest thereunder of the person to whom it is issued.

## **SECTION FIVE**

### **LIST, RECORDS**

The trustee shall keep a list of the shares of stock issued to him and shall also keep a record of all trust certificates issued or transferred on their books, which records shall contain the names and addresses of the trust certificate holders and the number of shares represented by each such certificate. Such list and record shall be open at all reasonable times to the inspection of the trust certificate holders. Upon the transfer on the books of the trustee of any trust certificate, the transferee shall succeed to all the rights hereunder of the transferor. Any notice to be given to the holders of voting trust certificates hereunder shall be sufficiently given if mailed to such of the registered holders of voting trust certificates as shall have furnished their addresses to the voting trustees or their agent.

## **SECTION SIX**

### **TRUSTEES TO VOTE STOCK**

It shall be the duty of the trustee, and he shall have full power and authority, and he is hereby fully empowered and authorized, to represent the holders of such trust certificates and the stock issued to the trustee as aforesaid, and to vote such stock, as in the judgment of the trustee may be for the best interest of the company, at all meetings of the stockholders of the company, in the election of directors and on any and all matters and questions which may be brought before such meetings, as fully as any stockholder might do if personally present.

## **SECTION SEVEN**

### **DIVIDENDS**

The trustee shall collect and receive all dividends that may accrue upon the shares of stock subject to this trust, and, subject to deduction as provided in the following section, shall divide the same among the trust certificate holders in proportion to the number of shares respectively represented by their trust certificates.

## **SECTION EIGHT**

### **TRUSTEES' INDEMNITY**

The trustee shall serve without fee and without expenses other than expense incurred for the benefit of subscribers. The trustee shall be entitled to be fully indemnified out of the dividends coming to his hands against all costs, charges, expenses, and other liabilities properly incurred by him in the exercise of any power conferred upon him by these presents.

The subscribers, and each of them, hereby covenant with the trustee that, in the event of the money and securities in their hands being insufficient for that purpose, the subscribers, and each of them, will in proportion to the amounts of their respective shares and interests keep indemnified the trustee of and from all loss or damage which they may sustain or be put to by reason of anything they may lawfully do in the execution of this trust.

**SECTION NINE**

**RIGHT OF FIRST REFUSAL**

Prior to the sale, transfer or assignment of any shares associated with this agreement, Miguel Valle shall have the right of first refusal to purchase any and/ or all shares owned by any subscriber. A subscriber shall be required to deliver a written notice of an intent to sell the shares to Valle. Valle shall have twenty (20) days to respond to such notice and ninety (90) days after said response to close on the purchase of the shares. Fair market value shall be determined by mutual agreement of the parties or, if agreement is not reached, by an independent appraisal paid for by Valle. In the event any action is necessary to enforce the terms of this agreement the prevailing party shall be entitled to reasonable attorney's fees and costs. Time is of the essence of this agreement.

**SECTION TEN**

**NEW TRUSTEES**

Each trustee shall, immediately upon the execution of this agreement, appoint an alternate trustee to succeed him as hereinafter provided.

In the event of any trustee dying or refusing or becoming unable to act, his alternate trustee shall forthwith become trustee in his stead and such alternate trustee upon becoming trustee shall immediately appoint an alternate trustee for himself. In the event a trustee ceases acting as such for any reason other than death at a time when his alternate is unable or unwilling to act as trustee, then such trustee shall name a new alternate to become trustee in his stead. In the event a trustee dies, leaving his alternate alive but unwilling or unable to act as trustee, then, in that event, said alternate shall name the new trustee, which trustee shall then name his alternate. In the event of the death of both a trustee and his alternate, a new trustee shall be selected by the alternate trustees, either from among their number or from any other source. It is the intent of this section that there shall always be an alternate trustee named to succeed each of the trustees.

**SECTION ELEVEN**

**RULES AND ACTIONS**

The voting trustee may adopt his own rules of procedure and may, in all matters, act either at a meeting or by writing or otherwise with or without a meeting, and the decision or act of a voting trustee, or his proxies, in all matters including the exercise of the voting power shall be deemed the decision and act of all the voting trustee. Any one or more of the voting trustees may act as a director or an officer of the company or of any corporation or entity affiliated with the company, and may vote for himself as such and may be interested in the stock of, or otherwise interested in, the company or any affiliated corporation or entity and may be the holder of, or interested in, voting trust certificates issued hereunder.

**SECTION TWELVE**

**DURATION**

The Spice Island Voting Trust hereby created shall continue for a period of five years from the date hereof.

In witness whereof, the parties hereto have respectively signed this voting trust agreement on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.



**SUBSCRIBERS:**

\_\_\_\_\_

Signature

\_\_\_\_\_

Print Name

**TRUSTEE:**

By: \_\_\_\_\_

Miguel Valle

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**Consent to Act as a Director and Conflict-of-Interest Check**

TO: \_\_\_\_\_ (the "Company") AND TO: The Board of  
Directors Thereof

I HEREBY CONSENT to act as director of the Company if appointed or elected, and to my reappointment or reelection from time to time unless and until this consent shall be revoked by me in writing, this consent to be effective from the date hereof.

Please answer the following questions. If your answer to any of these questions is "yes," please provide details on a separate sheet.

- (a) I am under the age of 18 years.  Yes  No
- (b) I have been found to be incapable of managing my own affairs by reason of mental infirmity.  Yes  No
- (c) I am an undischarged bankrupt.  Yes  No

During the preceding 5 years I have:

- (a) filed for personal bankruptcy or a company that I have been associated with as an officer or director has filed for bankruptcy.  Yes  No
- (b) been convicted of a criminal offense (excluding traffic violations and other minor offenses) or am the subject of any such pending action, inside or outside the United States.  Yes  No
- (c) been or currently am subject to any order, judgment, or decree (which has not been subsequently reversed, suspended, or vacated) of any court of competent jurisdiction permanently or temporarily enjoining, barring, suspending, or otherwise limiting my involvement in any type of business, securities, or banking activities.  Yes  No
- (d) been found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, any state securities agency, or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law or regulation (which judgment has not been reversed, suspended, or vacated).  Yes  No

During the preceding 5 years, I have acted as a Director or Officer of the following reporting and/or nonreporting domestic or foreign companies:

Company Name	Position(s) Held	Period of Service To:From	Reporting Y/N

During the preceding 5 years, I (or a company I am associated with) have entered into the following agreements with the Company, whereby I receive a direct or indirect benefit (including employment agreements, stock purchase agreements, incentive stock option agreements, etc.):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I HEREBY UNDERTAKE to promptly notify the Company in the event of any change in my status.

DATED at \_\_\_\_\_, the \_\_\_\_\_ day of \_\_\_\_\_, 20

\_\_\_\_\_

(signature)

\_\_\_\_\_

(address)

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**Consent to Act as a Director**

If you answered "Yes" to any of the questions on page 1  
(e.g., undischarged bankruptcies, felony convictions, or sanctions

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by the SEC or any state securities authority), please provide details below.

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## AweTech, Inc. Buy-Sell Agreement

### Section Five—Events Triggering a Buyout Right

**A. Death.** Upon the death of an individual Shareholder, the Corporation and/ or remaining Shareholders shall have an option to purchase in accordance with the procedures set forth herein, all (but not less than all) of the decedent's shares at the book value of the corporation.

**B. Disability.** In the event an individual Shareholder is employed by the Corporation in a capacity as an officer, employee, consultant, or director and becomes disabled, as defined below, the Corporation and/ or remaining Shareholders shall have an option to purchase, in accordance with the procedures set forth herein, all (but not less than all) of the disabled Shareholder's shares, and all other shares in the Corporation owned by such individual Shareholder, whether such Shareholder is the owner of record or merely the beneficial owner of such shares, at the book value of the corporation.

**Definition of Disability.** A Shareholder is disabled for purposes of this Agreement if he: (1) has been declared legally incompetent by a final court decree (the date of such decree being deemed to be the date on which the disability occurred); (2) receives disability insurance benefits from his/her State Industrial Insurance System or any disability income insurance policy maintained by the Corporation for a period of twelve (12) consecutive months; or (3) has been found to be disabled pursuant to a Disability Determination. A "Disability Determination" means a finding that the Shareholder, because of a medically determinable disease, injury, or other mental or physical disability, is unable to perform substantially all of his regular duties to the Corporation and that such disability is determined or reasonably expected to last at least twelve (12) months. The Disability Determination shall be based on the written opinion of the physician regularly attending the Shareholder whose disability is in question. If a majority of the members of the Board of Directors of the Corporation disagree with the opinion of this physician (the "First Physician"), the Corporation may engage, at its own expense, another physician (the "Second Physician") to examine the Shareholder. If the First and Second Physicians disagree on the disability of the Shareholder, they shall choose a third consulting physician (whose expense shall also be borne by the Corporation), and the written opinion of a majority of these three (3) physicians shall, except as otherwise provided in this Subsection, be conclusive as to the Shareholder's disability. The date of any written opinion conclusively finding the Shareholder to be disabled is the date on which the disability will be deemed to have occurred. If there is a conclusive finding that the Shareholder is not disabled, the remaining Shareholders shall have the right to request additional Disability Determinations, provided they agree to pay all the expenses of the Disability Determinations and do not request an additional Disability Determination more frequently than once every six (6) months. In conjunction with a Disability Determination, each Shareholder hereby

consents to any required medical examination, and agrees to furnish any medical information requested by any examining physician and to waive any applicable physician-patient privilege that may arise because of such examination. All physicians except the First Physician must be board-certified in the specialty most closely related to the nature of the disability alleged to exist.

**C. Termination of Employment.** If any individual Shareholder is employed by the Corporation on a part-time or full-time basis as an officer, employee, director, or consultant, and ceases to be employed by the Corporation for any reason other than death or disability, whether the termination results from retirement because

of age under a retirement policy adopted by the Corporation that applies to the Shareholder, voluntary termination of employment, termination of employment by the mutual consent of the Shareholder and the Corporation, or termination by the unilateral act of the Corporation for cause, with cause being defined as (i) a final nonappealable conviction of or a plea of guilty or nolo contendere by the Shareholder to a felony or a misdemeanor involving dishonesty or other criminal conduct against the Corporation or any affiliate of the Corporation, (ii) the Shareholder's continual breach of his duties and obligations arising under an employment contract with the Corporation or continued breach of any written policy, rule, or regulation of the Corporation or any affiliate of the Corporation for a period of at least five (5) days following receipt of written notice from an officer of the Corporation or any affiliate of the Corporation specifying such breach, or the receipt by the Shareholder of three (3) or more such notices in any twelve (12) month period. The Corporation and/or remaining Shareholders shall have an option to purchase, in accordance with the procedures set forth herein, all (but not less than all) of the terminated Shareholder's shares, and all other shares in the Corporation owned by such individual Shareholder and his spouse, if any, whether such Shareholder and his spouse are the owner of record or merely the beneficial owners of such shares, at the book value of the corporation.

**D. Transfers by Operation of Law.** In the event any Shareholder: (a) files a voluntary petition under any bankruptcy or insolvency law or a petition for the appointment of a receiver, or makes an assignment for the benefit of creditors; (b) is subjected involuntarily to such a petition or assignment or to an attachment or other legal or equitable interest with respect to his or her shares in the Corporation and such involuntary petition, assignment, or attachment is not discharged within thirty (30) days after its effective date; or (c) is subjected to any other possible involuntary transfer of his shares in the Corporation by legal process, the Corporation and/or other Shareholders shall have the option to purchase, in accordance with the procedures set forth herein, all (but not less than all) of the shares that are subject to the involuntary transfer, for the book value of the corporation.

**E. Divorce.** If, at the time of their divorce, both spouses are Shareholders in the Corporation and the court awarding the divorce does not order all the shares owned by one spouse to be transferred to the other spouse as part of the divorce

decree or any property settlement incorporated into the divorce decree, then: if only one of the spouses is, at the time of the divorce decree, employed by the Corporation as an officer, employee, director, or paid consultant, the shares owned by the other spouse shall be offered for sale at the book value of the corporation as follows:

(a) The spouse who is an employee of the Corporation shall have a first option to purchase some or all of the shares in question. This option must be exercised within twenty (20) days after the entry of the divorce decree.

(b) The Corporation shall have a second option to purchase the shares in question not purchased pursuant to Paragraph (a). Within twenty (20) days after the date the Corporation's Secretary receives written notification of the divorce and the purchase right granted by this Subsection, the Corporation will call a special Board of Directors meeting, to be held not more than forty (40) days after the call, to decide whether the Corporation should purchase any of the shares not purchased by the employee-spouse. The option to purchase must be approved by the affirmative vote of the holder of a majority of votes entitled to be cast at the meeting, excluding the vote of the selling spouse. The Corporation shall, within twenty (20) days of this Shareholder meeting, notify the spouse required to offer shares for sale, in writing, whether it has or has not exercised its option to purchase. If the Corporation exercises the option to purchase, it may

allocate some or all of the shares it agrees to purchase to one or more of the remaining Shareholders or other persons if all the Directors who voted in favor of the purchase approve the allocation.

The shares of the spouse required to offer shares for sale pursuant to this subsection that are not purchased pursuant to paragraphs (a) and (b) shall continue to be subject to the terms and conditions of this Agreement.

### **Spousal Consent**

Each of the undersigned, being the spouse of a Shareholder who has signed this Agreement, hereby acknowledges that he or she has read and is familiar with its provisions of the AweTech, Inc. Stock Transfer Restrictions and Buy-Sell Agreement dated \_\_\_\_\_, 20\_\_\_\_, and agrees to be bound thereby and to join therein to the extent, if any, that his or her joinder may be necessary. The undersigned hereby agrees that his or her spouse may join in any future amendment or modification of this Agreement without any further signature, acknowledgment, agreement, or consent on his or her part; and further agrees that any interest which he or she may have in the shares of stock in the Corporation owned directly or beneficially by his or her spouse shall be subject to the provisions of this Agreement.