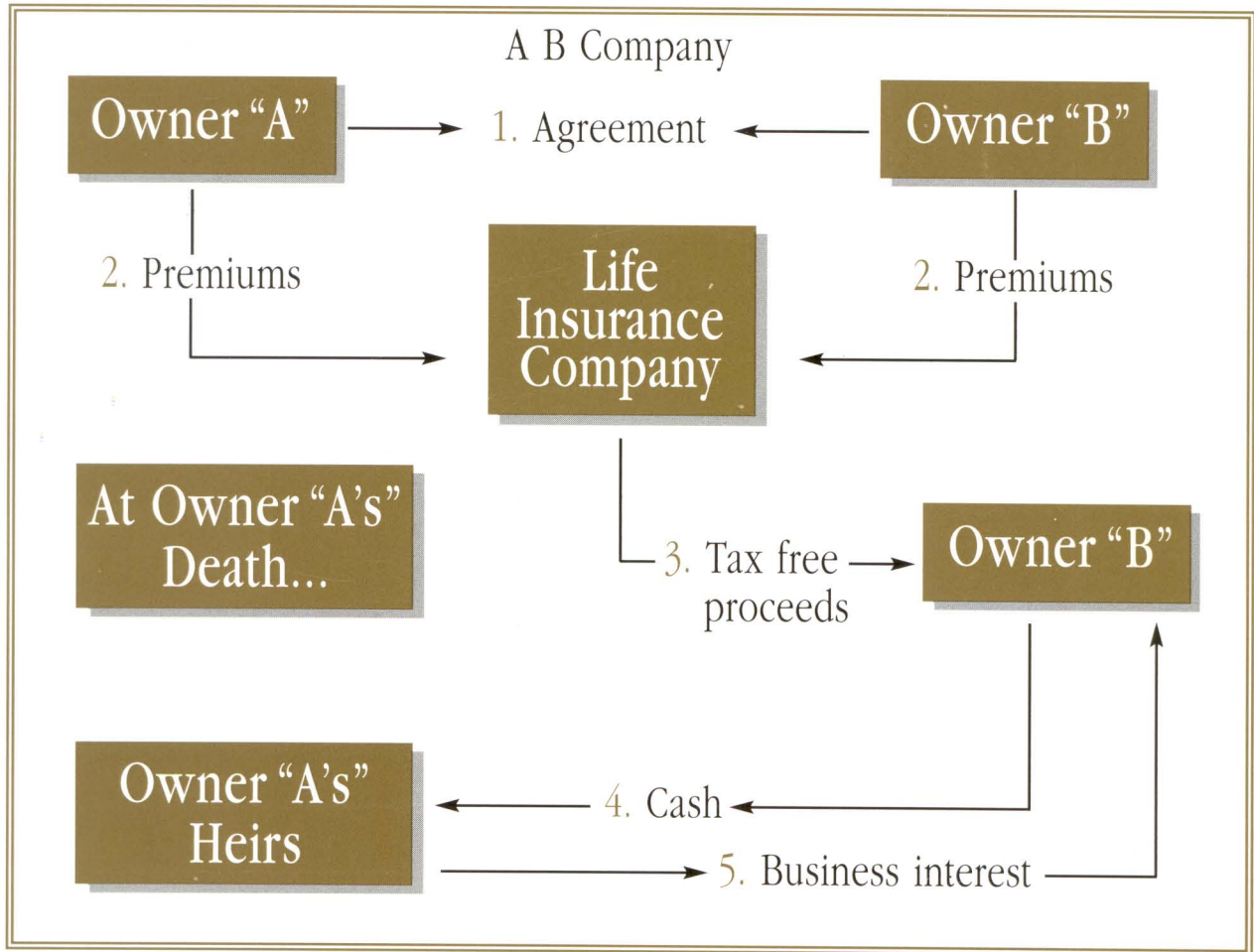


Cross Purchase Buy-Sell Plan

A Cross Purchase buy-sell arrangement assures the orderly purchase by a surviving owner of a deceased business owner's interest. A written agreement would be drawn up between the owners to establish a fair price, provide a method for making sure that adequate funds are available to carry out the agreement's purchase requirement and bind all the parties to the agreement's provisions.



1. Owners agree in writing that upon the death of an owner, the surviving owner(s) will buy the deceased's business interest.
2. Owners pay life insurance premiums on a policy insuring the other owner's life to make sure that funds will be available when needed.

3. At the death of Owner "A" income tax free* life insurance proceeds are paid to Owner "B."
4. Owner "B" uses cash from the income tax free proceeds to buy Owner "A's" business interest from Owner "A's" heirs.
5. Owner "A's" heirs transfer the business interest to Owner "B" in exchange for cash.

*Under current federal tax law.

