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Florida Department of State
Division of Corporations
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DIVISION OF CORPORATIONS

MERGER OR SHARE EXCHANGE

WIN PROPERTIES, INC.

Certificate of Status	0
Certified Copy	0
Page Count	15
Estimated Charge	\$105.00

04 DEC 14 PM 4:59
FILED
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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Merger
KRC
12/15

ARTICLES OF MERGER (Profit Corporations)

The following articles of merger are submitted in accordance with the Florida Business Corporation Act pursuant to section 607.1105, F.S.

First: The name and jurisdiction of the surviving corporation:

Name	Jurisdiction	Document Number (if known/ applicable)
WIN PROPERTIES, INC.	FLORIDA	P00000105922

Second: The name and jurisdiction of each merging corporation:

Name	Jurisdiction	Document Number (if known/ applicable)
B&S (BIRD BAY) INC.	FLORIDA	PA6000004290
DOSHEX, INC.	MASSACHUSETTS	N/A

Third: The Plan of Merger is attached.

Fourth: The merger shall become effective on the date the Articles of Merger are filed with the Florida Department of State.

OR 12 / 31 / 04 (Enter a specific date. NOTE: An effective date cannot be prior to the date of filing or more than 90 days in the future.)

Fifth: Adoption of Merger by surviving corporation - (COMPLETE ONLY ONE STATEMENT)

The Plan of Merger was adopted by the shareholders of the surviving corporation on _____

The Plan of Merger was adopted by the board of directors of the surviving corporation on DECEMBER 8, 2004 and shareholder approval was not required.

Sixth: Adoption of Merger by merging corporation(s) (COMPLETE ONLY ONE STATEMENT)

The Plan of Merger was adopted by the shareholders of the merging corporation(s) on _____

The Plan of Merger was adopted by the board of directors of the merging corporation(s) on DECEMBER 8, 2004 and shareholder approval was not required.

(Attach additional sheets if necessary)

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 TALLAHASSEE, FLORIDA

Seventh: SIGNATURES FOR EACH CORPORATION

Name of Corporation

Signature

Typed or Printed Name of Individual & Title

WIN PROPERTIES, INC.

SHAI SHEFFER
~~SHAI SHEFFER~~ OFFICER

B&S (BIRD BAY) INC.

SNAIL SHEFFER, OFFICER

DOSH, INC.

SHAI SHEFFER, OFFICER

**PLAN AND AGREEMENT OF REORGANIZATION
by Merger of B&S (Bird Bay) Inc. and Doshex, Inc.
with and into Win Properties, Inc. under the name of Win Properties, Inc.**

This is a Plan and Agreement of Reorganization by Merger ("Agreement") between B&S (Bird Bay) Inc. ("B&S"), a Florida corporation, and Doshex, Inc. ("Doshex"), a Massachusetts corporation, (collectively referred to as the "Merging Corporations"), and Win Properties, Inc. ("Win Properties"), a Florida corporation (the "Surviving Corporation").

Article One (Plan of Merger)

1.01. Plan Adopted. A plan of merger of B&S, Doshex, and Win Properties, pursuant to Sec. 607.1101, Florida Statutes ("F.S.") is adopted as follows:

(a) B&S shall be merged with and into Win Properties to exist and be governed by the laws of the State of Florida.

(b) Doshex shall be merged with and into Win Properties to exist and be governed by the laws of the State of Florida.

(c) The name of the Surviving Corporation shall be Win Properties, Inc.

(d) When this agreement shall become effective, the separate corporate existence of both B&S and Doshex shall cease, and the Surviving Corporation shall succeed, without other transfer, to all the rights and property of both B&S and Doshex and shall be subject to all the debts and liabilities of the Merging Corporations in the same manner as if the Surviving Corporation had itself incurred them. All rights of creditors and all liens on the property of each constituent corporation shall be preserved unimpaired, limited in lien to the property affected by the liens immediately prior to the merger.

(e) The Surviving Corporation will carry on business with the assets of the Merging Corporations, as well as with the assets of Win Properties.

(f) The shareholder of the Merging Corporations will surrender all of its shares in the manner hereinafter set forth.

(g) All shares of the Merging Corporations surrendered by its shareholder, the Surviving Corporation and will be cancelled as set forth in Article 4 below.

(h) The shareholder of Win Properties will retain its shares as shares of the Surviving Corporation.

(i) The Articles of Incorporation of Win Properties, as existing on the effective date of the merger, shall continue in full force as the Articles of Incorporation of the Surviving Corporation until altered, amended, or repealed as provided in the Articles or as provided by law.

1.02. Effective Date. The effective date of the merger ("Effective Date") shall be December __, 2004.

Article Two (Representation and Warranties of Constituent Corporations)

2.01. Nonsurvivor. As a material inducement to the Surviving Corporation to execute this Agreement and perform its obligations under this Agreement, the Merging Corporations represent and warrant to the Surviving Corporation as follows:

(a) B&S is a corporation duly organized, validly existing, and in good standing under the laws of the State of Florida, with corporate power and authority to own property and carry on its business as it is now being conducted. B&S is not required to be qualified as a foreign corporation to transact business in any other jurisdiction.

(b) Doshex is a corporation duly organized, validly existing, and in good standing under the laws of the State of Massachusetts, with corporate power and authority to own property and carry on its business as it is now being conducted. Doshex is not required to be qualified as a foreign corporation to transact business in any other jurisdiction.

(b) B&S has an authorized capitalization consisting of 1,000 shares of common stock, each of \$1.00 par value, of which 1,000 shares are validly issued and outstanding, fully paid, and non-assessable on the date of this Agreement.

(c) Doshex has an authorized capitalization consisting of 200,000 shares of common stock with no par value, of which 20,000 shares are validly issued and outstanding, fully paid, and non-assessable on the date of this Agreement.

(d) All required federal, state, and local tax returns of the Merging Corporations have been accurately prepared and duly and timely filed, and all federal, state, and local taxes required to be paid with respect to the periods covered by the returns have been paid. The Merging Corporations have not been delinquent in the payment of any tax or assessment.

2.02. Survivor. As a material inducement to the Merging Corporations to execute this Agreement and perform its obligations under this Agreement, Win Properties represents and warrants to the Merging Corporations that Win Properties is a corporation duly organized, validly existing, and in good standing under the laws of the State of Florida, with corporate power and authority to own property and carry on its business as it is now being conducted. Win Properties is not required to be qualified as a foreign corporation to transact business in any other jurisdiction.

2.03. Securities Law. The parties will mutually arrange for and manage all necessary procedures under the requirements of federal, Florida, and Massachusetts securities laws and the related supervisory commissions to the end that this plan is properly processed to comply with registration formalities, or to take full advantage of any appropriate exemptions from registration, and to otherwise be in accord with all antifraud restrictions in this area.

Article Three (Covenants, Actions, and Obligations Prior to the Effective Date)

3.01. Interim Conduct of Business: Limitations. Except as limited by this Paragraph 3.01, pending consummation of the merger, each of the constituent corporations will carry on its business in substantially the same manner as before and will use its best efforts to maintain its business organization intact, to retain its present employees, and to maintain its relationships with suppliers and other business contacts. Except with the prior consent in writing of the Surviving Corporation, pending consummation of the merger, the Merging Corporations shall not:

(a) Declare or pay any dividend or make any other distribution on its shares.

(b) Create or issue any indebtedness for borrowed money.

(c) Enter into any transaction other than those involved in carrying on its ordinary course of business.

3.02. Conditions Precedent to Obligations of the Merging Corporations. Except as may be expressly waived in writing by the Merging Corporations, all of the obligations of the Merging Corporations under

this Agreement are subject to the satisfaction, prior to or on the Effective Date, of each of the following conditions by the Surviving Corporation:

(a) The representations and warranties made by the Surviving Corporation to the Merging Corporations in Article Two of this Agreement and in any document delivered pursuant to this Agreement shall be deemed to have been made again on the Effective Date and shall then be true and correct in all material respects. If the Surviving Corporation shall have discovered any material error, misstatement, or omission in those representations and warranties on or before the Effective Date, it shall report that discovery immediately to the Merging Corporations and shall either correct the error, misstatement, or omission or obtain a written waiver from the Surviving Corporation.

(b) The Surviving Corporation shall have performed and complied with all agreements and conditions required by this Agreement to be performed and complied with by it prior to or on the Effective Date.

(c) No action or proceeding by any governmental body or agency shall have been threatened, asserted, or instituted to restrain or prohibit the carrying out of the transactions contemplated by this Agreement.

3.03. Conditions Precedent to Obligations of Win Properties, Inc. Except as may be expressly waived in writing by the Surviving Corporation, all of the obligations of the Surviving Corporation under this Agreement are subject to the satisfaction, prior to or on the Effective Date, of each of the following conditions by the Merging Corporations:

(a) The representations and warranties made by the Merging Corporations to the Surviving Corporation in Article Two of this Agreement and in any document delivered pursuant to this Agreement shall be deemed to have been made again on the Effective Date and shall then be true and correct. If either of the Merging Corporations shall have discovered any material error, misstatement, or omission in those representations and warranties on or before the Effective Date, it shall report that discovery immediately to the Surviving Corporation and shall either correct the error, misstatement, or omission or obtain a written waiver from the Surviving Corporation.

(b) The Merging Corporations shall have performed and complied with all agreements or conditions required by this Agreement to be performed and complied with by it prior to or on the Effective Date.

(c) No action or proceeding by any governmental body or agency shall have been threatened, asserted, or instituted to restrain or prohibit the carrying out of the transactions contemplated by this Agreement.

Article Four (Manner of Converting Shares)

Upon the effective date and without any further action on the part of the Surviving Corporation or the Merging Corporations (i) each share of capital stock of the Merging Corporations on the Effective Date shall be cancelled and no consideration shall be delivered in exchange therefore, and (ii) each share of capital stock of the Surviving Corporation outstanding on the Effective Date shall remain outstanding.

Article Five (Directors and Officers)

5.01. Directors and Officers of Survivor.

(a) The present Board of Directors of the Surviving Corporation shall continue to serve as the Board of Directors of the Surviving Corporation until the next annual meeting or until their successors have been elected and qualified.

(b) If a vacancy shall exist on the Board of Directors of the Surviving Corporation on the Effective Date of the merger, the vacancy may be filled by the shareholders as provided in the bylaws of the Surviving Corporation.

(c) All persons who as of the Effective Date of the merger shall be executive or administrative officers of the Surviving Corporation shall remain as officers of the Surviving Corporation until the Board of Directors of the Surviving Corporation shall determine otherwise. The Board of Directors of the Surviving Corporation may elect or appoint additional officers as it deems necessary.

Article Six (Bylaws)

6.01. Bylaws of Survivor. The bylaws of the Surviving Corporation, as existing on the Effective Date of the merger, shall continue in full force as the bylaws of the Surviving Corporation until altered, amended, or repealed as provided in the bylaws or as provided by law.

Article Seven (Nature and Survival of Warranties, Indemnification, and Expenses of Nonsurvivors)

7.01. Nature and Survival of Representations and Warranties. All statements contained in any memorandum, certificate, letter, document, or other instrument delivered by or on behalf of the Merging Corporations, the Surviving Corporation, or the stockholders pursuant to this Agreement shall be deemed representations and warranties made by the respective parties to each other under this Agreement. The covenants, representations, and warranties of the parties and the stockholders shall survive for a period of three years after the Effective Date. No inspection, examination, or audit made on behalf of the parties or the stockholders shall act as a waiver of any representation or warranty made under this Agreement.

7.02. Expenses. The Surviving Corporation shall bear those expenses incurred by it in connection with this Agreement and the transactions contemplated by this Agreement.

Article Eight (Termination)

8.01. Circumstances. This Agreement may be terminated and the merger may be abandoned at any time prior to the filing of the Articles of Merger with the Secretary of State, notwithstanding the approval of the shareholders of either of the constituent corporations:

(a) By mutual consent of the Board of Directors of the constituent corporations.

(b) At the election of the Board of Directors of any constituent corporation if:

(1) The number of shareholders of any constituent corporation, or of both, or of all three, dissenting from the merger shall be so large as to make the merger, in the opinion of either Board of Directors, inadvisable or undesirable.

(2) Any material litigation or proceeding shall be instituted or threatened against any constituent corporation, or any of their assets, that, in the opinion of any of the three Board of Directors of such corporation, renders the merger inadvisable or undesirable.

(3) Any legislation shall be enacted that, in the opinion of any of the Board of Directors of the constituent corporations, renders the merger inadvisable or undesirable.

(4) Between the date of this Agreement and the Effective Date, there shall have been, in the opinion of any of the Board of Directors of the constituent corporations, any materially

adverse change in the business or condition, financial or otherwise, of any constituent corporation.

8.02. Notice of and Liability on Termination. If an election is made to terminate this Agreement and abandon the merger:

(a) The President or any Vice President of the constituent corporation whose Board of Directors has made the election shall give immediate written notice of the election to the other constituent corporation.

(b) On the giving of notice as provided in Subparagraph (a), this Agreement shall terminate and the proposed merger shall be abandoned, and except for payment of its own costs and expenses incident to this Agreement, there shall be no liability on the part of either constituent corporation as a result of the termination and abandonment.

Article Nine (Interpretation and Enforcement)

9.01. Further Assurances. The Merging Corporations agree that from time to time, as and when requested by the Surviving Corporation or by its successors or assigns, it will execute and deliver or cause to be executed and delivered all deeds and other instruments. The Merging Corporations further agree to take or cause to be taken any further or other actions as the Surviving Corporation may deem necessary or desirable to vest in, to perfect in, or to conform of record or otherwise to the Surviving Corporation title to and possession of all the property, rights, privileges, powers, and franchises referred to in Article One of this Agreement, and otherwise to carry out the intent and purposes of this Agreement.

9.02. Notices. Any notice or other communication required or permitted under this Agreement shall be properly given when deposited with the United States Postal Service for transmittal by certified or registered mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed as follows:

(a) In the case of B&S (Bird Bay) Inc. to:

Shai Sheffer
C/O Isram Realty and Management Inc.
506 S. Dixie Highway
Hallandale, Florida 33009

or to such other person or address as B&S may from time to time request in writing.

(b) In the case of Doshex, Inc. to:

Shai Sheffer
C/O Isram Realty and Management Inc.
506 S. Dixie Highway
Hallandale, Florida 33009

or to such other person or address as Doshex may from time to time request in writing.

(c) In the case of Win Properties, Inc. to:

Shai Sheffer
C/O Isram Realty and Management Inc.
506 S. Dixie Highway

Hallandale, Florida 33009

or to such other person or address as Win Properties may from time to time request in writing.

9.03. Entire Agreement; Counterparts. This Agreement and the exhibits to this Agreement contain the entire agreement between the parties with respect to the contemplated transaction. This Agreement may be executed in any number of counterparts, all of which taken together shall be deemed one original.

9.04. Governing Law. The validity, interpretation, and performance of this Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, this Agreement was executed on December 6, 2004.

B&S (BIRD BAY) INC.

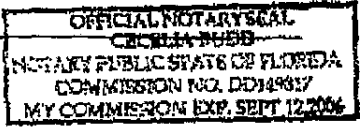
By: 

Print Name: **SHAI SHEFFER**

Title: Officer

ATTEST:



Print Name: 
Secretary [SEAL]

DOSHEX, INC.

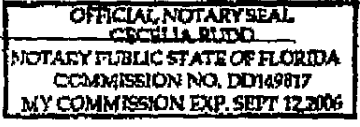
By: 

Print Name: **Shai Sheffer**

Title: Officer

ATTEST:



Print Name: 
Secretary [SEAL]

WIN PROPERTIES, INC.

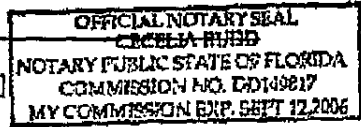
By: 

Print Name: ~~XXXXXXXXXXXX~~ **SHAI SHEFFER**

Title: Officer

ATTEST:



Print Name: 
Secretary [SEAL]

**Resolutions of Directors Approving Plan and Agreement of Merger
and Authorizing Shareholders' Vote**

WHEREAS, there has been presented to and discussed at this meeting a proposed Plan and Agreement of Merger (the "Plan and Agreement"), a copy of which is attached to these Resolutions, providing for the merger of B&S (Bird Bay), Inc. ("B&S") and Doshex, Inc. ("Doshex") into this Corporation; and

WHEREAS, the Board of Directors deems it to be in the best interests of this Corporation and its shareholders that the Plan and Agreement be approved and that B&S and Doshex and this Corporation be merged;

NOW, THEREFORE, IT IS

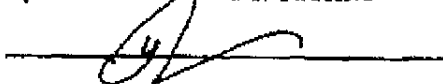
RESOLVED, that the terms and conditions of the proposed Plan and Agreement presented to this meeting, and the mode of carrying them into effect as well as the manner of converting the shares of the constituent corporations into shares of the surviving corporation as set forth in the Plan and Agreement, are by these Resolutions approved.

RESOLVED FURTHER, that the President and the Secretary of this corporation are directed to execute the Plan and Agreement in the name and on behalf of this corporation and to deliver a duly executed copy of it to Win Properties Inc.

RESOLVED FURTHER, that all preparations for and conduct of the above matters be carried out in full compliance with all applicable federal, Florida, and Massachusetts securities laws and regulations, or so as to take advantage of any appropriate exemptions from registration under those laws.

RESOLVED FURTHER, that the officers of this Corporation are directed to execute, acknowledge, file, and deliver these instruments and do other acts in the name and on behalf of the Corporation as may be necessary or proper to perform fully the terms and conditions of the proposed Plan and Agreement of Merger.

By Order of the Board of Directors



Print Name: Shai Sheffer

Title: SECRETARY

Dated: December 6th, 2004

Resolutions of Directors Approving Plan and Agreement of Merger and Authorizing Shareholders' Vote

WHEREAS, there has been presented to and discussed at this meeting a proposed Plan and Agreement of Merger (the "Plan and Agreement"), a copy of which is attached to these Resolutions, providing for the merger of this Corporation and B&S (Bird Bay) Inc. ("B&S") into Win Properties Inc. ("Win Properties"); and

WHEREAS, the Board of Directors deems it to be in the best interests of this Corporation and its shareholders that the Plan and Agreement be approved and that B&S and Win Properties and this Corporation be merged;

NOW, THEREFORE, IT IS

RESOLVED, that the terms and conditions of the proposed Plan and Agreement presented to this meeting, and the mode of carrying them into effect as well as the manner of converting the shares of the constituent corporations into shares of the surviving corporation as set forth in the Plan and Agreement, are by these Resolutions approved.

RESOLVED FURTHER, that the President and the Secretary of this corporation are directed to execute the Plan and Agreement in the name and on behalf of this corporation and to deliver a duly executed copy of it to Win Properties.

RESOLVED FURTHER, that a special meeting of the shareholders of this Corporation is called for December 6, 2004 for the purpose of considering and voting on the proposed Plan and Agreement.

RESOLVED FURTHER, that December 6, 2004 is fixed as the record date for determination of shareholders entitled to receive notice of and to vote at the meeting, and that all shareholders of record as of the close of business of this Corporation on that day, and only those shareholders, are entitled to receive notice of or to vote at the meeting.

RESOLVED FURTHER, that all preparations for and conduct of the above matters be carried out in full compliance with all applicable federal, Florida, and Massachusetts securities laws and regulations, or so as to take advantage of any appropriate exemptions from registration under those laws.

RESOLVED FURTHER, that should the shareholders of this Corporation approve the proposed Plan and Agreement in the manner required by the provisions of the Massachusetts business corporation law, the officers of this Corporation are directed to execute, acknowledge, file, and deliver these instruments and do other acts in the name and on behalf of the Corporation as may be necessary or proper to perform fully the terms and conditions of the proposed Plan and Agreement of Merger.

RESOLVED FURTHER, that the proposed plan of merger be recommended to the shareholder.

By Order of the Board of Directors


SHAI SHEFFER
Print Name: ~~Shai Sheffer~~

Title: Director

Dated: December 6th, 2004

**Resolutions of Directors Approving Plan and Agreement of Merger
and Authorizing Shareholders' Vote**

WHEREAS, there has been presented to and discussed at this meeting a proposed Plan and Agreement of Merger (the "Plan and Agreement"), a copy of which is attached to these Resolutions, providing for the merger of this Corporation and Doshex, Inc. ("Doshex") into Win Properties, Inc. ("Win Properties"); and

WHEREAS, the Board of Directors deems it to be in the best interests of this Corporation and its shareholders that the Plan and Agreement be approved and that Doshex and Win Properties and this Corporation be merged;

NOW, THEREFORE, IT IS

RESOLVED, that the terms and conditions of the proposed Plan and Agreement presented to this meeting, and the mode of carrying them into effect as well as the manner of converting the shares of the constituent corporations into shares of the surviving corporation as set forth in the Plan and Agreement, are by these Resolutions approved.

RESOLVED FURTHER, that the President and the Secretary of this corporation are directed to execute the Plan and Agreement in the name and on behalf of this corporation and to deliver a duly executed copy of it to Win Properties.

RESOLVED FURTHER, that a special meeting of the shareholders of this Corporation is called for December 6, 2004 for the purpose of considering and voting on the proposed Plan and Agreement.

RESOLVED FURTHER, that December 6, 2004 is fixed as the record date for determination of shareholders entitled to receive notice of and to vote at the meeting, and that all shareholders of record as of the close of business of this Corporation on that day, and only those shareholders, are entitled to receive notice of or to vote at the meeting.

RESOLVED FURTHER, that all preparations for and conduct of the above matters be carried out in full compliance with all applicable federal, Florida, and Massachusetts securities laws and regulations, or so as to take advantage of any appropriate exemptions from registration under those laws.

RESOLVED FURTHER, that should the shareholders of this Corporation approve the proposed Plan and Agreement in the manner required by the provisions of the Florida business corporation law, the officers of this Corporation are directed to execute, acknowledge, file, and deliver these instruments and do other acts in the name and on behalf of the Corporation as may be necessary or proper to perform fully the terms and conditions of the proposed Plan and Agreement of Merger.

RESOLVED FURTHER, that the proposed plan of merger be recommended to the shareholders.

By Order of the Board of Directors


Print Name: SEAI SHEFFER

Title: DIRECTOR

Dated: December 6th, 2004

SLU Corporation

Notice of Nonrecognition Transfers Pursuant to Treasury Regulation §1.1445-5(b)(2)(ii)

Date of Merger: December 31, 2004

Pursuant to a plan of reorganization, SLU Corporation ("SLU"), a B.V.I. corporation, transferred stock in a U.S. Real Property Holding Corporation in a statutory merger defined in Section 368(a)(1)(A) of the Internal Revenue Code. SLU was the sole owner of all of the outstanding stock of (i) B&S (Bird Bay), Inc. ("B&S"), (ii) Doshex, Inc. ("Doshex"), and (iii) Win Properties Inc. ("Win Properties"), all domestic corporations whose assets consisted mainly of U.S. real property interests. On December 31, 2004, B&S and Doshex merged with and into Win Properties under Florida law in a transaction treated as a statutory merger as defined in section 368(a)(1)(A).

The U.S. real property interests transferred by SLU include:

- All of the outstanding stock of B&S; and
- All of the outstanding stock of Doshex

Win Properties will be a U.S. Real Property Holding Corporation after the merger. Therefore, SLU will be subject to U.S. taxation upon a future disposition of the stock of Win Properties. SLU's basis in its Win Properties stock after the merger will be equal to the sum of its basis in Win Properties, B&S, and Doshex Inc. stock prior to the merger. No gain or loss will be recognized for U.S. Federal income tax purposes under Section 897(e) and Treasury Regulation §1.897-6T(a)(1). Accordingly, in order to excuse SLU from withholding under section 1445(a), we hereby provide the following information under Treasury Regulation §1.1445-5(b)(2)(ii):

1. The transaction is a nonrecognition transfer of U.S. real property interests, to which the rules of Section 897(e) and Treasury Regulation §1.445-5(b)(2)(ii) apply:
2. Name, identifying number, and address of the transferors submitting this notice:

B&S (Bird Bay), Inc.
 EIN: 65-0639955
 C/O Isram Realty and Management Inc
 506 South Dixie Highway
 Hallandale FL, 33009

and

Doshex, Inc.
 EIN: 04-3305206
 C/O Isram Realty and Management Inc
 506 South Dixie Highway
 Hallandale FL, 33009

3. Name, identifying number and address of each foreign person with respect to which withholding would otherwise be required:

SLU Corporation

SLU Corporation
Notice of Nonrecognition Transfers
Page 2

EIN: 13-3817297
C/O Isram Realty and Management Inc
506 South Dixie Highway
Hallandale FL, 33009

4. A brief description of the transfer:

On December 31, 2004, pursuant to a plan of reorganization, B&S and Doshex merged with and into Win Properties in accordance with Florida law in a statutory merger described in Section 368(a)(1)(A). For Federal income tax purposes, the merger would be treated as though B&S and Doshex transferred all their assets to Win Properties in exchange for stock of Win Properties and B&S and Doshex distributed the stock deemed to be received to their sole shareholder, SLU, a B.V.I. corporation, in complete liquidation.

5. A brief statement of the law and facts supporting the claim that recognition of gain or loss is not required with respect to the transfer:

SLU is a foreign corporation and prior to the above-described merger was the sole owner of the stock of: (i) B&S; (ii) Doshex; and, (iii) Win Properties, all domestic corporations. Pursuant to Section 897(c)(2) these three corporations are U.S. Real Property Holding Corporations.

Section 897 provides that gain or loss of a foreign corporation from the disposition of a U.S. real property interest shall be taken into account as if such gain or loss were effectively connected with a U.S. trade or business under section 882(a)(1). Section 897(c)(1)(B)(ii) provides that a U.S. real property interest includes an interest in any domestic corporation unless such domestic corporation establishes that such corporation is not and has never been a U.S. Real Property Holding Corporation as defined in section 897(c)(2). Further, Section 1445(a) provides that in the case of a disposition of a U.S. real property interest by a foreign person, the transferee is required to withhold a tax equal to 10% of the amount realized in the disposition.

However, under Section 897(e) and Treasury Regulation §1.897-6T(a)(1), an exception to the general rule requiring gain recognition is provided if:

- a nonrecognition provision would otherwise apply;
- the transferred U.S. real property interest is exchanged for a U.S. real property interest that would be subject to U.S. tax on a subsequent disposition; and
- the transferor complies with the filing requirements of Treasury Regulation §1.897-5T(d)(1)(iii).

The merger between B&S and Doshex with and into Win Properties is considered a statutory merger within the terms of Section 368(a)(1)(A).

Section 361 provides that no gain or loss is recognized by SLU on the transfer of the stock of B&S and Doshex (both parties to the reorganization) in pursuance of a plan of reorganization in exchange solely for stock or securities of Win Properties (another party to the reorganization). Under section 354, no gain or loss is recognized by B&S or Doshex on the

deemed distribution of Win Properties stock in the merger. Under section 1032, Win Properties is not subject to tax on the issuance of its stock in exchange for property. Under Section 362(b) the basis of stock or securities acquired by SLU is the same as its basis in the stock of B&S and Doshex immediately prior to the merger.

Thus, the rules for nonrecognition apply in this case because the requirements provided in Section 897(e) and Treasury Regulation §1.897-6T(a)(1) are met:

- The property will retain its character as a U.S. real property interest in the hands of SLU and SLU would be subject to U.S. income tax on a subsequent disposition the Win Properties received in the exchange; and
- Under section 362(b), SLU will have a carryover basis in the U.S. real property interests received.

6. Other information required by Treasury Regulation §1.897-5T(d)(1)(iii):

- No gain was recognized nor withheld by any person with respect to the transaction.
- There are no treaty provisions under which the distributee or transferor would be exempt from U.S. taxation on a sale of the distributed U.S. real property interest or the U.S. real property interest received in the transfer.

I hereby state that SLU shall treat any subsequent sale, exchange, or other disposition of the U.S. real property interest as a disposition that is subject to U.S. taxation, notwithstanding the provisions of any U.S. income tax treaty or intervening change in circumstance.



SLU Corporation