

Business Plan

For

FLATTC, LLC

March 2006

CONTACT:

Ken Blair, Executive Manager

Telephone: 352-540-6129

Fax: 352-540-4998

Email: ken.blair@blair-associates.com

Address: 13091 Saddle Way, Brooksville, FL 34614

Revision History

Revision Date	Reason for Revision	Location(s) of revision
4/20/2005	Added this revision page	This page
4/20/2005	Revised Table of Contents	Page 3
4/20/2005	To incorporate information indicating Hernando County as the 48 th fastest growing County in the US (per the US Census Bureau)	Page 6
4/20/2005	Added Social Security Number as required information on Membership Letter of Intent	Page 25
3/31/2006	Revised plan to reflect actual incorporation status as a LLC.	Various
3/31/2006	Updated to show revised auction method within Hernando County for 2006.	Page 23

TABLE OF CONTENTS

Introduction	4
The Company	4
Concept	5
Marketing	7
Management	7
Vision	8
Mandate	8
Milestones	10
Financial History & Outlook	10
Risks	14
Operating Procedures	18
<i>Policy and Procedure Changes</i>	18
<i>Becoming a Member of the Company:</i>	18
<i>Making Additional Investments:</i>	19
<i>Tax Liability for Profits:</i>	19
<i>Dividend Payment:</i>	19
<i>Withdrawing Funds from the Company:</i>	20
Appendices:	22
<i>Bid Process for Tax Certificates</i>	23
<i>Tax Deed Process</i>	24
<i>Membership Letter of Intent</i>	25
Figure 1. Estimated Investment Value by Quarter	11
Figure 2. Estimated Distributions per Quarter	12
Figure 3. Estimated Cumulative Distributions	13

Introduction

This business plan was developed to introduce **FLATTC, LLC**, henceforth known as “the Company,” to potential investors and to assist in raising equity capital in the amount of \$500.00 to \$5000.00 per investor. These funds would be used to fund the start-up and on-going operations of the Company.

The Company

FLATTC, LLC was founded in 2005 in Hernando County, Florida, as a limited liability corporation. The founder, Kenneth Blair¹, is the Executive Manager. Mr. Blair holds an equity stake in the Company’s assets. Other Company members hold some percentage of the assets on a proportioned basis of their directly invested amount.

The company is headquartered in Brooksville, Florida. The business is incorporated as a Limited Liability Company established to provide income to the members of the Company through investments in Tax Certificates within Hernando County, Florida, and surrounding counties.

The management team believes reasonable income can be generated through a systematic approach to buying Tax Certificates in the above geographic area and, in a judicious manner, exercising the rights afforded through those certificates to acquire properties for later sale on the open market.

A subsidiary benefit to members of the Company will be the opportunity to acquire land below market rates as the Company acquires land through the tax deed process and then sells those properties. It’s envisioned that parcels will be offered to members at an internal auction with initial bid prices at a small multiple of the assessed value² of the parcel. Ownership will be

¹ Mr. Blair is the president of Blair Associates, Inc. Blair Associates will provide a funds holding service until such time as FLATTC becomes incorporated. Blair Associates will provide this service free of charge should the Company not incorporate; in the case of incorporation, Blair Associates will charge the cost of the incorporation (approximately \$500) plus 1% of the starting investment for it’s services.

² As determined by the appropriate County Property Tax Collector

transferred to the highest bidder who will also bear all costs and fees related to the transaction. Policies and procedures for this process will be developed as necessary.

Concept

The State of Florida regulates the sale of tax certificates by statute and by Department of Revenue administrative rules. The applicable Florida Statute is Chapter 197, TAX COLLECTIONS, SALES, AND LIENS.³ Additional guidelines have been put in place by the various counties to provide an orderly process for receiving tax revenue from properties where legal titleholders have failed to pay the assessed taxes by the required deadlines. Essentially, the County Tax Collector auctions tax certificates to individuals for outstanding tax amounts. The individual winning the auction sets the interest rate he/she is willing to accept for the investment made and is given a tax certificate for the amount paid and the interest rate bid.^{4,5} A tax certificate thus bought creates a lien on the underlying property that must be cleared before the legal titleholder can transfer title (sell the property) to another entity.

After holding a lien for two years (as defined in Chapter 197), a certificate holder may decide to apply for a tax deed to the property. All previous certificates must be redeemed and administrative costs paid by the applicant. The county will then begin the process of selling the property. The process culminates with an auction where the property is sold to the highest bidder or, if no one bids, the property is deeded to the county and placed on the public properties for sale list.⁶

The Company will invest in the purchase of tax certificates on a continuing basis and, periodically, seek to acquire desirable parcels of property through the tax deed process. It's envisioned that individual members will be able to earn a rate of return considerably above the rates currently available through "risk-free" investments such as bank savings accounts, money market accounts

³ Sections of Chapter 197 having a direct affect on Tax Certificates, subsequent liens and the obtaining of tax deeds are 197.432 through 197.562. Additional sections apply as they provide for administrative procedures related to the Certificate sale process. Individuals desiring a more complete discussion of the process are encouraged to visit the following website - <http://www.flsenate.gov/Statutes/index.cfm> clicking on Title XIV and then Chapter 197.

⁴ All interest rates are simple rates per annum i.e., a 5 percent rate on \$100 yields a 1-year total return of \$5 and a 2-year total return of \$10.

⁵ The bid process is explained in Appendix 1.

⁶ The tax deed process is further clarified in Appendix 2.

and bank certificate of deposits. While the rate of return is expected to be competitive with the dividend rates earned through equity investments such as stocks and other similar investments, the risk should be considered to be significantly less. The potential exists that the rate of return for members may rival or exceed the long-term growth exhibited by the stock market with considerably less risk.⁷

The potential for a higher return is aided by the demographics of Hernando County:

- Hernando County is just outside what might be considered the “bedroom communities” of the greater Tampa metropolitan area. Over the last several years there has been increasing relocation by individuals and families seeking a more rural, less hectic life style than is the norm for Tampa and its closest suburbs. Interstate 75, US 41, US 301, and US 19 all run through Hernando County into the Tampa area. Additionally, the completion of the Sunshine Parkway toll road has reduced the commute from Hernando County to Tampa proper to less than 45 minutes.
- According to the US Census Bureau, Hernando County is the 48th fastest growing County of the 3141 counties in the US
- Hernando County is roughly equi-distant from Tampa, Orland and Ocala, FL
- More than thirty percent of the population of the County is over the age of 65⁸
- Seventy percent of the population is from outside the state of Florida⁵
- Forty-four percent of the population changed living locations between 1995 and 2000⁵
- Sixty-three percent of the county residents are married⁵
- Over seventy-two percent of the households earn less than \$50,000.00 annually⁵

The Executive Manager believes the profile presented above indicates a geographical area with a potential for relatively high availability of select certificates. In fact, for the Tax Year 2003, more than 6000 certificates were placed on the auction block due to delinquent taxes.⁹ More than \$4,000,000.00¹⁰ in revenue was garnered by the County as a result of the certificate auction.

⁷ The rate of return for the stock market averaged approximately 7.5% for period from January 1, 1960 through December 31, 2002 (see the following http://www.moneychimp.com/features/market_cagr.htm).

⁸ Source: US Census Bureau Profile of General Demographic Characteristics: 2000 Geographic area: Hernando County, Florida

⁹ Count of properties listed as being delinquent in the listing published by the Hernando County Tax Collector in the *Hernando Times* edition of the *St. Petersburg Times* newspaper on May 7, 14, and 21, 2004

¹⁰ Source: Clerk within the Hernando County Tax Collector's office

Marketing

It's the intention of the Executive Manager to limit the number of members involved in the Company until such time as the business viability can be proven. We believe this should take no more than three to five years. In light of this fact, marketing will only be undertaken by "word of mouth" and "friend of friend" contacts. Once the business model has proven itself, then further marketing avenues may be explored.

We are currently planning to limit the number of initial investors to no more than 20 with the minimum investment being \$500 and the maximum being \$15,000. This should yield a range of \$10,000-\$300,000 for the initial investment pool. The Executive Manager believes that a minimum of \$50,000 should be available when the Company begins operation.

Additionally, the first one to two years will involve the investigation of the surrounding counties to determine how well techniques developed for Hernando County might apply. Minimal investment in the surrounding counties is expected until such time as the investigative process is completed.

Management

While the Executive Manager is qualified to pursue the business of the firm, we will seek the advice of qualified professionals as necessary to assist in management decisions and other decisions requiring specialized competence. Assistance may be needed and is not limited to the following:

- Legal assistance
- Realty assistance
- Bookkeeping/tax assistance

Our near-term business objective is to operate at a three to seven per cent annual rate of return over the first three years of the Partnership. The selected acquisition of properties via the previously described tax deed process after year two will potentially allow for an increased rate of return beginning in the later part of year three and beyond.

All costs borne by the Executive Manager will come from the management fee paid on an annual basis. The first fee will be due on the anniversary of the incorporation of the Partnership and then paid on each subsequent anniversary. The management fee will constitute four percent of the following Company assets:

- Cash
- Value of non-certificate/non-real estate investments (e.g., CDs, bonds, etc)
- Value, at cost, of any Tax Certificates
- Less the amount of any certificates that may have become worthless
- Fifty percent of the assessed value for any owned property sold within the last year.^{11, 12, 13}

Vision

Looking further ahead, we envision a controlled growth of assets with a steady return on principal of between four and ten percent. In the mid-term (five to seven years), we further envision spreading well beyond the confines of Hernando County and adjacent counties to be fully engaged across the state of Florida. In the longer term (six to ten years), we may see potential in expanding outside the state or offering training and/or franchising of the business model. Any expansion beyond the core business of tax certificates will be fully predicated upon our success within Hernando County and its adjacent counties.

Mandate

¹¹ As determined by the appropriate County Property Tax Collector

¹² A property sold for \$15,000 but assessed at \$10,000 would thus yield an asset basis of \$5000 and would contribute \$200 to the management fee.

¹³ The goal for the Company would be to ensure that properties sold were always sold in excess of the assessed value. In the case where a property was sold for less than the assessed value, the asset basis would be fifty percent of the net sales price after expenses. Thus a property assessed at \$10,000 that sold for \$8000 with a 6% commission would contribute an asset basis of \$3760 (50% of (\$8000 - \$480)) and \$150.40 to the management fee.

We plan to reach our goal of steady state four to ten percent return within 5 years, by diligently pursuing our corporate mandate of growth in income. We feel that by judiciously selecting certificates buttressed by good quality parcels of land that the four to ten percent return is easily achievable.

Milestones

The following milestones are applicable to this start-up effort:

Milestone	Date
1. First Certificates purchased from Hernando County	05/30/2005
2. Incorporation	06/30/2005
3. First certificate auction as a legal entity	5/30/2006

Financial History & Outlook

The cash and labor the Executive Manager has invested in the business during the past nine months have directly contributed to the present opportunity.

Since early May of 2004, an extensive amount research has been performed regarding the viability of a business based upon this premise. The Executive Manager has already had seven of 17 certificates redeemed at an average annualized equivalent of 38% return for the cash invested ¹⁴.

Based on detailed financial projections (available upon request and summarized below), the Executive Manager is confident that investments totaling between \$10,000 and \$300,000 would enable to firm to reach the 7% annual rate of return within a four year period, i.e., before the fourth quarter of 2009. ¹⁵

¹⁴ Seventeen certificates were purchased on May 28, 2004 for \$2480. Seven certificates were redeemed between June 14, 2004, and February 16th, 2005. An annualized return was calculated for each redemption based upon the time the certificate was held. The average of those annualized returns was 38%. This is not intended to imply or predict a return of this magnitude but is intended to show the potential for making the rates of return envisioned by the management team.

¹⁵ Assuming incorporation during calendar year 2005.

Our most likely case projections describe a viable growth business which can service its obligations and quickly reward investment. The initial infusion of between \$10,000 and \$300,000 is assumed from the end of first quarter of 2005.

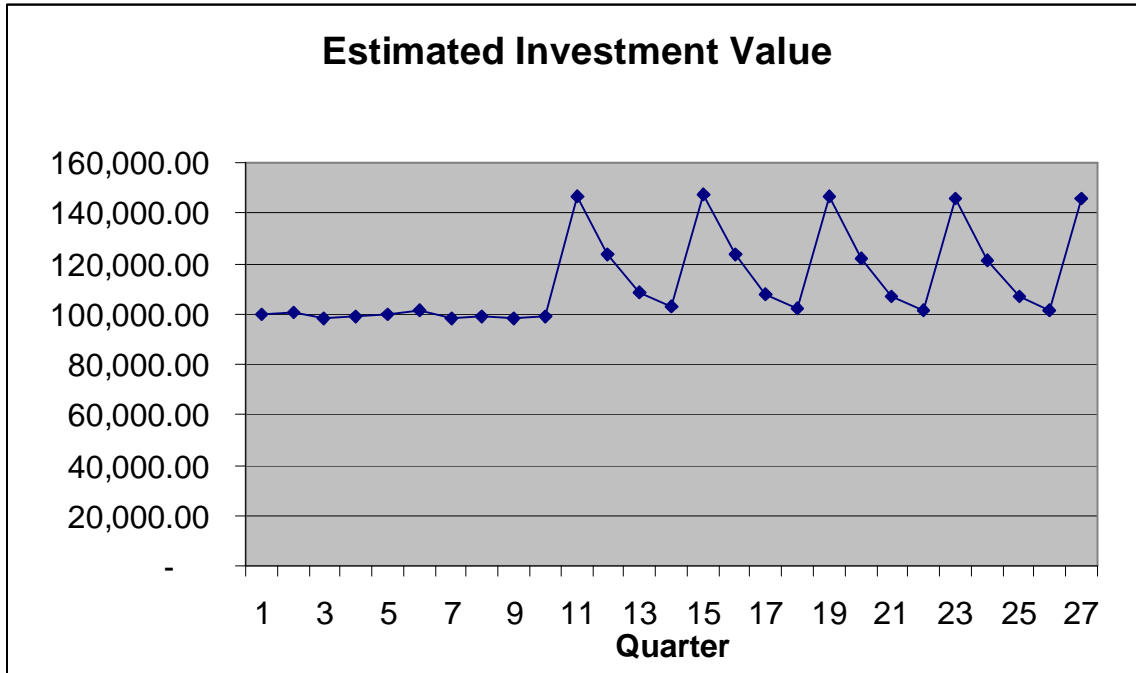


Figure 1. Estimated Investment Value by Quarter

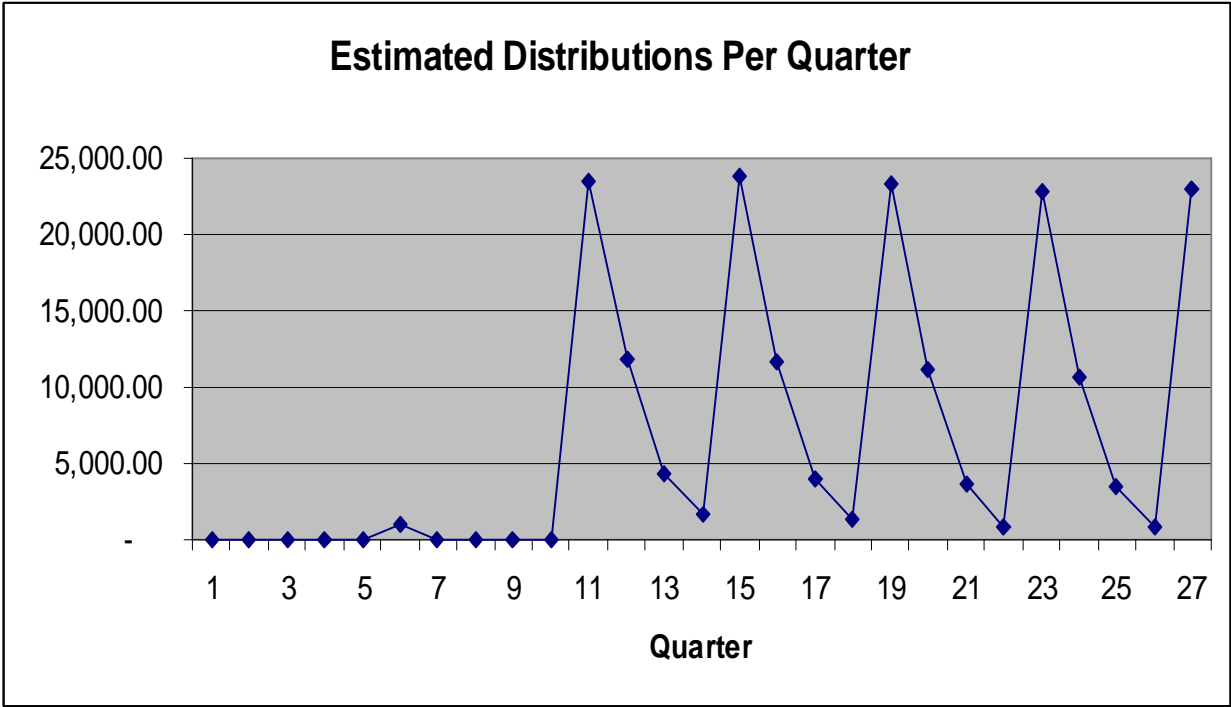


Figure 2. Estimated Distributions per Quarter

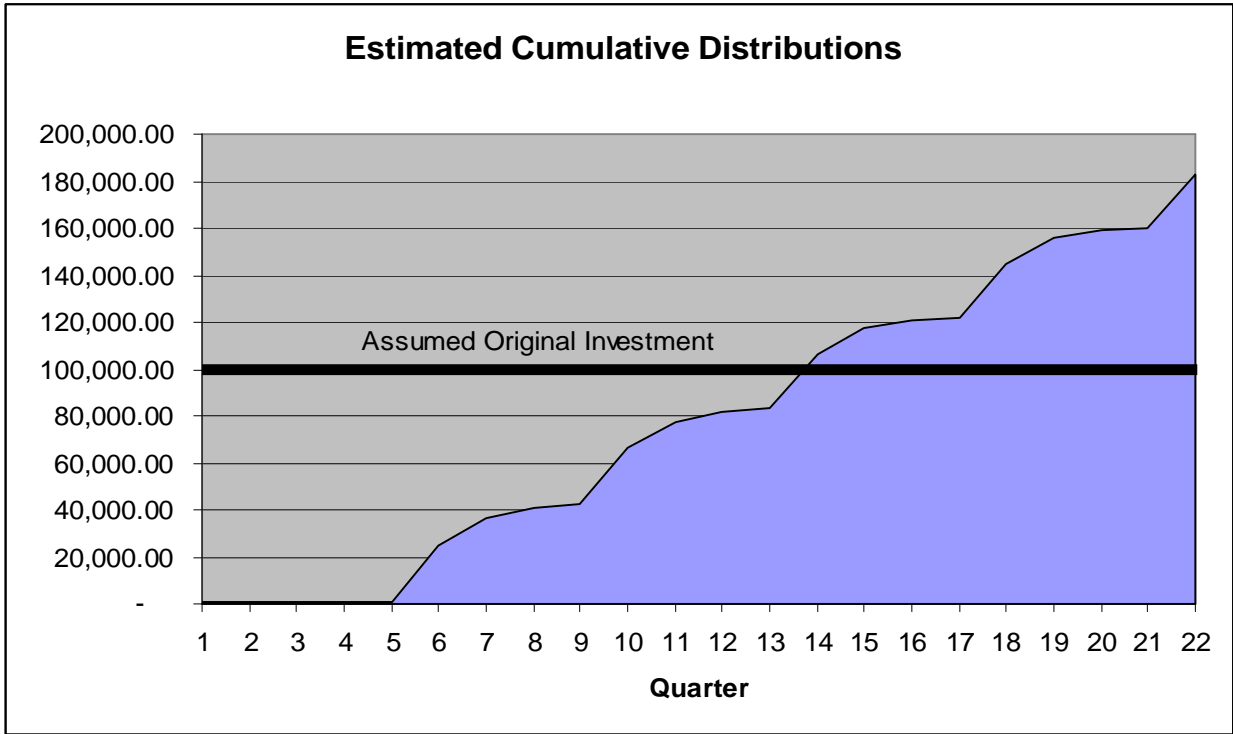


Figure 3. Estimated Cumulative Distributions^{16, 17}

¹⁶ On each figure, the bottom axis represents the number of quarters from incorporation and assumes that an initial Company investment in certificates is made in May of 2005.

¹⁷ The three figures shown are from the final projections. They represent estimates that exceed those mentioned in the business plan verbiage. Copies of the spreadsheet used to develop these figures are available upon request.

Risks

As with any investment with higher potential returns, there are risks associated with this venture. The following risks have been considered in the development of this document. They are not prioritized but have been rated on a scale of 1 to 5 for potential impact to the business (1 meaning low impact – 5 meaning high impact with potential severe repercussions) and given an anticipated likelihood of occurrence from low to high. A mitigation strategy has been developed for each risk listed. This is not an all-inclusive list and may be updated as additional items are identified or circumstances warrant (i.e., law or procedural changes).

#	Risk Description	Mitigation Strategy	Impact Rating	Likelihood
1	Individual certificates could expire worthless after 7 years	Bids will only be placed on “high quality” certificates where the underlying land would be considered to be highly marketable.	4	Low
2	Individual certificate auction rates could be reduced by a decision in bankruptcy court.	In most cases, the Tax Collector’s office indicates those properties that are currently in bankruptcy so they are not bid upon. Also, the intent is to focus on land only as opposed to properties with dwellings. These appear to be less likely to be involved in bankruptcy proceedings.	3	Low
3	The company might not prevail as owners of lands sought in tax deed proceedings.	While this could impact the ability to acquire land for later sale, the investment in the certificates would not be affected.	2	Medium

4	There may not be sufficient investor interest to warrant continuing the incorporation process.	This would make this business plan moot but individual investors would have all proceeds returned.	5	Medium
5	There might not be enough "high quality" certificates available at any given auction to warrant the purchase of additional certificates.	The intent is to have a diversified portfolio of certificates so that this occurrence in a single year would have minimal impact. Also, after Year 2, the intent is to become involved in surrounding counties to further increase the diversification.	2	Low
6	Law or procedural changes could affect the Company's ability to secure additional certificates or could impact the ability to acquire land through the tax deed process.	We will stay abreast of pending legislation/rule changes to assess their impact on the business and to develop mitigation strategies as required.	1	Medium
7	Rates of return for investments other than certificates may be less than the anticipated 3% per year.	We will continually review investment opportunities to assess how best to invest non-certificate monies. The goal will be to invest in other vehicles that have the greatest security but with a reasonable rate of return so as to have the greatest amount available to invest in high quality certificates.	2	Medium

8	<p>Competition for certificates may make it necessary to bid lower interest rates than our baseline of 7 percent.</p>	<p>The overall goal of the Company will be an average expected rate of return on all certificates to generally be a minimum of 7%. In some cases individual certificates representing significant properties may be bid at less than 7%. This will be the exception rather than the rule.</p>	2	Low
9	<p>The land underlying any certificate could be taken by the representative County via "eminent domain."</p>	<p>The Florida statutes make specific provisions as to when counties may seize land via eminent domain. Hernando County (as the starting point for the company) has only used the right on a very sporadic basis. It's the intent of the Company to consider the likelihood of such an event prior to investing in a specific certificate. In the case where a property has been acquired via the tax deed process, eminent domain proceedings would reduce the expected proceeds of any sale but should still allow for a profit.</p>	4	Low
10	<p>The consolidation of certificates for tax deed sales may prove to lead to generally higher costs than anticipated (approximately 3 times the certificate cost).</p>	<p>The intent is to generally start the tax deed process as soon as the certificate reaches the two year point thus mitigating the potential for higher costs. In all cases the consolidated certificates will yield at an</p>	3	Medium

		annual rate of 18% per current state law. In some cases the two year goal may be extended if the potential return for a particular property might be greater should the tax deed process be delayed.		
--	--	--	--	--

Operating Procedures

The following operating procedures are intended to clarify some of the processes identified in this document. They may be changed as necessary to ensure that the Company may respond to business requirements and to maximize the return to Company Members. For the purposes of incorporation of the Limited Liability Company, these procedures constitute the Operating Agreement for the Company under the laws of the State of Florida. The decision to become a member of the Company is an explicit statement of understanding and acceptance of these operating procedures.

Policy and Procedure Changes

1. The Executive Manager may, as necessary, make minor changes to the operating procedures as outlined below provided that, in his/her opinion, such revisions do not change the original intent of the Company as stated in this document. Changes of this sort will be communicated to the Company members either via the Company website, email, a delivery service or the US mail.
2. In those situations where the Executive Manager determines a necessary revision constitutes a material change to the intent specified in this document, the Company members will be notified via US mail of the proposed change, the reasoning behind it, a statement of the material nature of the change, an impact statement and a proposed effective date of the change.
3. The Company Members will be provided the opportunity to discuss the change and will have a period of not less than 30 days to consider the change. At the end of the minimum 30 day period, the Company membership will vote on the change. A simple plurality of the votes received will determine the fate of the proposed change.
4. The Executive Manager may, in the event of an emergency, make a temporary change to either policies or procedures. Following a change made in this matter, the Executive Manager must within a reasonable time frame (normally not to exceed 60 days) provide the information as stipulated in paragraph two of this section and the membership will have the opportunity to either permanently incorporate or rescind any changes made.

Becoming a Member of the Company:

1. Individuals can gain membership in the Company by providing a notarized Letter of Intent (see Appendix 1) along with an initial investment of at least \$500 and no more than \$15,000. In individual cases different amounts MAY be accepted. Prospective

- members are encouraged to mail their letters of intent via either FedEx or UPS, requiring a signature upon delivery, or by US Mail with a return receipt requested.
2. Investments may be made by certified check, money order, or personal check made to the order of Blair Associates, Inc. Blair Associates will act as the funds transfer/holding agent until a decision is made to incorporate. All funds should be drawn on a US banking institution in US dollars. Should any check be returned for any reason whatsoever, the prospective member agrees to reimburse the Company for any fees incurred to include legal collection efforts and associated attorney fees.
 3. Membership materials will be mailed to new members within 3 weeks of incorporation.
 4. Should insufficient capital be raised to warrant incorporation, all funds will be returned on or before May 30, 2005.

Making Additional Investments:

Members may make additional investments at any time in minimum increments of \$500 up to a maximum of \$50,000.

Tax Liability for Profits:

It's the intention of the Company that all profits be distributed to members as regular income for tax purposes. This is a condition of the Company's formation. Members agree that, at the discretion of the Executive Manager, up to one-half of all profits will be retained by the Company to increase its investment power. It's the Member's responsibility to consult a tax professional to determine the tax liability that might be imposed as a result of these retained profits.

NOTE: All mention of rates of return in this document assumes the retention of one-half of all profits by the company. In others words, the financial projections have shown the Company can retain half of the profits and still, as a goal, return to the Members an average of 7%/year in the long term.

Dividend Payment:

1. No dividends will be paid until such time as the Company can distribute a minimum dividend of one percent. Current financial projections show that this should take place at the beginning of the sixth quarter of operation; however this is not guaranteed..

2. Dividends payments will be made within forty-five days following the end of the quarter for which they are declared.
3. Within the cost of the management fee, the Executive Manager will maintain a web site to provide updated dividend information, as well as other information pertinent to Company members. Information will also be provided to individuals not having access to the Internet on an as-requested basis.
4. At any time should the Company not be able to pay a dividend of at least one percent, the dividend shall be suspended for that quarter until such time as a minimum one percent dividend can be paid. All Company members will be notified in such an event either through website postings, through email and/or through regular mail or express delivery service.
5. Members may choose to reinvest the dividends at any time; however, members are urged to consult a tax advisor should they do so as dividends, paid or re-invested, will be reported as appropriate to the Internal Revenue Service.
6. All dividends paid will be reported to the IRS on Forms 1099. It's the intention of the Company to have all dividends treated as regular income and is a stipulation for the incorporation process. All members are responsible for the filing appropriate tax documents with the IRS and/or state and local tax jurisdictions as required.

Withdrawing Funds from the Company:

1. Members understand that the ability to invest in certificates is dependent upon having sufficient cash at the time of the auctions as well as at the time any tax deed process is initiated. Members further understand that any withdrawal request must allow the Company the opportunity to honor the request while taking into consideration that the withdrawal will be delayed to mitigate the impact to the Company. As a result:
2. Members agree not to withdraw any funds from the Company for a period of at least 36 months unless requesting withdrawal due to hardship.
3. Members requesting a hardship withdrawal for a portion of their investment must do so via certified mail to the Company. Members will be allowed to withdraw funds with payments being returned to them under the following schedule:

Membership Length	Withdrawal Payment Schedule
<24 months*	- One half of requested amount within 30 days of

	request receipt. - One quarter of the requested amount on the 4 month anniversary of the request. - The remainder of the requested amount on the 9 month anniversary of the request.
24 – 36 months*	- One half of requested amount within 30 days of request receipt. - The remainder of the requested amount on the 6 month anniversary of the request.
> 36 months	- Three quarters of the requested amount within 30 days of request receipt - The remainder on the three month anniversary of the request.

*Assumes a hardship withdrawal

4. In the case of a total withdrawal at any point, withdrawal payments will be made in quarterly payments over a 12 month period.
5. The Company reserves the right to extend the payment schedule or to temporarily suspend the the withdrawal payments if such payments would drop the available cash level by more than 25%. The Company will provide notification of such extension or suspension as quickly as the situation becomes apparent to all affected members.

Appendices:

1. Bid Process for Tax Certificates
2. Tax Deed Process
3. Membership Letter of Intent

Bid Process for Tax Certificates

1. The State of Florida specifies that the tax year ends with the calendar year. Taxes for the current year are always due not later than March 31st of the following year, e.g. taxes for calendar year 2004 are due no later than 3/31/2005. After that time, any taxes due must be paid with certified funds.
2. Any taxes delinquent after March 31st are subject to publication on the delinquent tax list in the month of May. The cut-off date for being placed on this published list varies from year to year and from jurisdiction to jurisdiction but April 20th seems to be a common date based upon conversations with individuals within the Hernando County Tax Collector's office.
3. By statute, the Tax Collector's office must publish the list of certificates available for auction along with the certificate value and identifying information for the underlying parcel for three consecutive Friday's in a newspaper with a widespread circulation. Information is also available on-line through the Tax Collector's website on a parcel by parcel basis. The published information includes the following:
 - a. Sales sequence number which indicates when the certificate will be sold
 - b. Property legal description
 - c. A "key number" used to identify the property within the Tax Collector's data system
 - d. The owner's name
 - e. The amount of the certificate
4. The amount of the certificate is always for the taxes due for the last year as well as an administrative fee to cover the cost of processing and publication. Typically it's in the neighborhood of 5 %.
5. Again, by statute, the auction must be completed on or before May 31. Prior to the start of the auction, a prospective buyer must provide a "blank check" payable to the County and that check will then be used to pay for the combined certificates purchased.
6. For the 2006 tax certificate auction, the Hernando County Tax Collector will be going to an on-line format. Details currently available are located on the following website. All interested parties are urged to review the page before either investing in tax certificates or becoming members of FLATTC, LLC.
<http://www.hernandotaxsale.com/faq.cfm#certificate>
7. After the auction completes, the Tax Collector's office provides a consolidated list of certificates purchased along with the winning interest rate to the certificate purchaser.

Tax Deed Process

1. After a tax certificate has been held for two calendar years, the holder may apply to the County for a tax deed and force the sale of the property. In doing so the certificate holder must consolidate all outstanding tax certificates and pay any tax amounts past due for the current year as well as an administrative fee to the County. The consolidated certificate (including the administrative fee) places a lien on the property and is automatically given an interest rate of 18%.
2. The County undertakes a research effort to insure that the tax deed can be issued. This includes any and all required title work to insure a clear title can be given. This effort typically takes 90-120 days.
3. Once the title work is completed and it's ascertained that a clear title can be obtained, the County notifies interested parties that the property will be auctioned to the highest bidder. The minimum starting bid is the consolidated certificate amount (plus appropriate fees). Interested parties can include, but are not limited to:
 - a. Existing mortgage lienholders
 - b. Adjacent property owners
 - c. Previous certificate holders
4. The County will also publish a list and advertise the property information as well as the time and date of the sale.
5. The auction is for absolute sale and the highest bidder will be given the tax deed to the property. The tax certificate holder is the first payee from any proceeds of the sale should he/she not win the bid on the property. The County charges a small administrative fee to record the sale.

Membership Letter of Intent

I, _____, hereby request membership in the FLATTC, LLC (henceforth called “The Company”) for the consideration of \$_____ in US funds. My SSN is _____. I have attached one of the following in payment made payable to Blair Associates, Inc., 13091 Saddle Way, Brooksville, FL 34614 (please circle the appropriate choice):

- Personal Check
- Certified/Cashiers Check
- Money Order

The minimum investment is \$500, the maximum, \$15,000, in increments of \$500, unless previously approved by the Executive Manager.

By signing below, I certify that I have read the attached business plan and understand that this investment may carry risks beyond those documented in the plan. Additionally, I agree:

- To abide by the Company policies and procedures as detailed in the business plan and as may be changed and supplemented in accordance with procedures specified
- To hold the Company and any Company staff harmless in their faithful execution of the Company’s strategies, policies and procedures as detailed herein.
- Any dispute must first be placed through an arbitration process with a mutually agreeable arbitration service. I also agree that no legal remedy is available prior to an arbitration decision being rendered.
- Any dispute arising will be within the jurisdiction of Hernando County, Florida.

_____, being first sworn, testifies that he/she has read this document and the attached Business Plan and understands and agrees to its terms and conditions.

Subscribed and sworn to before me _____, 2005.

Notary Public