This document is a Business Plan and does not constitute an offer to sell or a solicitation to purchase. It contains confidential information, including trade secrets, and may not be reproduced without the express permission of the company named below.

Business Plan Highlights:

- *Facilitates wholesale and retail transactions for pre-foreclosure properties*
- *Exploits all-time highs in U.S. mortgage delinquencies and foreclosures*
- *Targets Central FL market of $434M and U.S. spot markets of $408M*
- *Owner is an industry veteran, supported by top staff and key advisors*

HOME INVESTMENT GROUP

Real Estate Acquisition Firm
Specializing In Foreclosure Properties

Seeks Private Placement of Debt Issuance
In The Amount Of

$1,000,000

By July 1, 2004

TABLE OF CONTENTS:

Home Investment Group, LLC, dba Home Investment Group
Contact: John Paul Jones
1400 Clearwater Avenue, Orlando, FL 32624
Phone: (407) 445-2323 • E-Mail: john@homeinvestmentgroup.com

Executive Summary

Propelled by historically low interest rates, U.S. home ownership has now reached an all-time high of 68.6% — but to support this indulgence, Americans now carry $7.3 trillion in mortgage debt. Unfortunately, three years of economic malaise have contributed to high unemployment and credit delinquencies, at a time when most refinancings or easily achievable home equity loans have already been tapped. This has resulted in escalating mortgage delinquencies and foreclosures, both of which are near 30-year highs. Even when economic recovery occurs, many homeowners with adjustable rate mortgages are destined to be traumatized by rising interest rates, particularly if the upswing involves a jobless recovery. Home Investment Group, an established foreclosure specialist in Central Florida, which provides quick relief, through wholesale assignment to investors or direct resale to retail homebuyers, intends to capitalize on these major trends. In 2004, the Central Florida market for pre-foreclosure services is estimated to be $434 million — other ripe U.S. foreclosure markets abound. Keys to success include expanding commercial capacity, optimizing key operating processes, effectively marketing company offerings, and targeting new foreclosure markets, nationwide. The company is led by an industry veteran, with heavy relevant experience, who will be supported by highly qualified personnel and top-tier professional advisors.

Company. Home Investment Group will be the premier provider of foreclosure transactions in Central Florida, offering quick, professional disposition of pre-foreclosure properties, through wholesale assignment to investors or direct resale to retail homebuyers. It is a Florida LLC, with administrative offices in Orlando, FL.

Products and Services. The company leverages high technology and direct marketing to secure purchase rights on pre-foreclosure properties, at 40-60% below market, and then arranges wholesale assignment to investors, prior to closing, or acquires the property for light rehab and quick resale to retail homebuyers.

Market. Over 68% of Americans are homeowners, but they carry $7.3 trillion in mortgages that, in this troubled economy, has resulted in record-high loan delinquencies and foreclosures. The market for high-caliber pre-foreclosure services in Central Florida is $434 million — other ripe U.S. foreclosure markets abound.

Industry. Foreclosure now threatens over 4% of existing homeowners, giving rise to a plethora of pre-foreclosure specialists and investors of varying sophistication. Home will apply experience, technology, targeted marketing, and full project management to dominate competition and provide needed market liquidity.

Strategy. Strategies for success include: expanding commercial capacity, by placing greater emphasis on retail transactions; optimizing operating processes to lower costs and assure customer satisfaction; marketing company offerings to maximize revenues; and promoting research and development of new markets.

Implementation. The operating plan envisions funding an investment trust that would conduct retail transactions in cyclic lots, with gains on sale treated as return on investment to Home Investment Group. The marketing plan relies on multi-channel advertising, use of strategic alliances, and entrance into spot markets.

Management. The company is led by an industry expert with extensive experience in major real estate transactions, direct marketing, and Fortune 500 e-strategy development. He will be supported by a Board of Advisors, highly qualified management personnel, and a wide array of professional and functional advisors.

Risk Assessment. Home Investment Group is positioned to exploit huge, growing markets for foreclosure alternatives that exist in Central Florida and throughout the U.S. Successful expansion of commercial capacity, continued demand for pre-foreclosure services, and effective marketing are all probable occurrences.

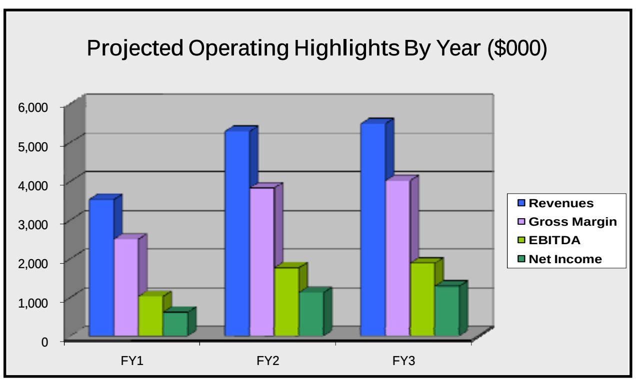
Home Investment Group is seeking loan commitments, totaling $1,000,000 by July 1, 2004. This cash infusion would result in substantial revenue and income growth, over the three-year planning period, and position the company to expand its pre-foreclosure services to markets, nationwide.

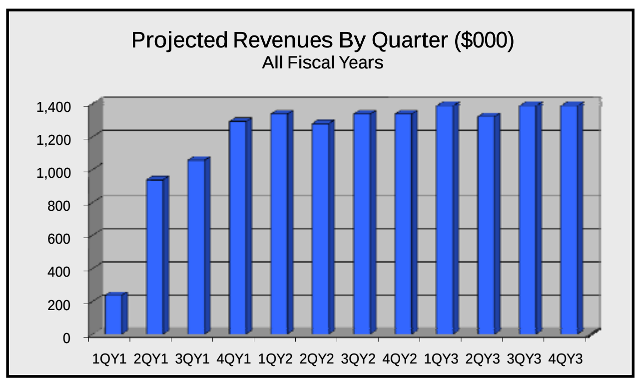
Capitalization Plan. Home Investment Group, LLC, proposes to address its strategic objectives by making a Regulation D, Rule 504, debt issuance offering of up to $1,000,000, for which commitments are anticipated, by July 1, 2004. Net proceeds would be invested in Home Investment Group Trust, which will make collateralized acquisitions and dispositions of residential real property, retaining sale proceeds for recurring, cyclic investment. Gains on property dispositions would become returns on investment for the investor LLC.

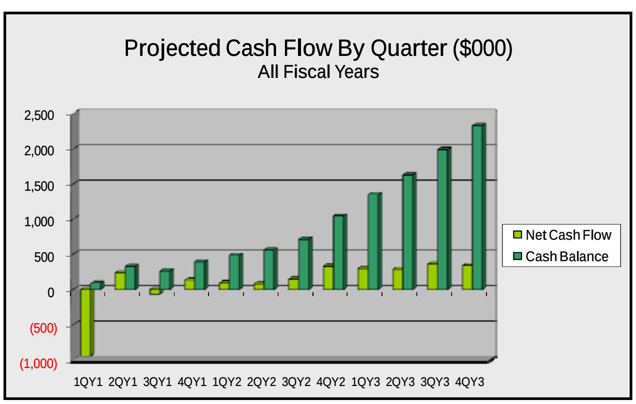
Projected Operating Results. Revenues are projected to increase, from $3.5 million in FY1, to $5.5 million in FY3. Net income is projected to increase from $0.6 million in FY1, to $1.3 million in FY3. A projected minimum cash balance of $23K, occurs in Month 1, FY1; projected FY3 ending cash balance is $2.3 million.

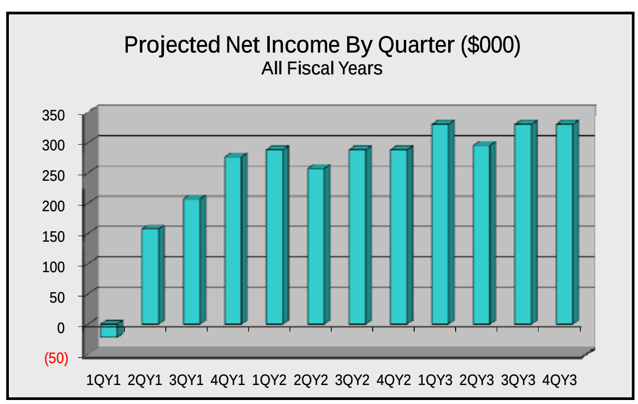
Projected Operating Highlights ($000)

Start-Up: 7/1/04	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY1	FY2	FY3
Revenues	40	65	130	243	360	335	405	280	370	430	430	430	3,518	5,283	5,478
Gross Margin	37	49	84	159	255	222	308	198	260	308	308	308	2,496	3,819	4,014
Operating Expenses	56	56	54	126	126	125	147	145	146	165	165	166	1,477	2,055	2,133
EBITDA	(19)	(7)	30	33	129	97	161	53	114	143	143	142	1,019	1,764	1,881
Income Before Taxes	(31)	(19)	18	21	117	86	149	41	102	131	131	131	877	1,600	1,837
Net Income	(22)	(13)	13	15	82	60	104	29	71	92	92	92	615	1,121	1,285
Percentages:															
Gross Margin/Revenues	93%	75%	65%	65%	71%	66%	76%	71%	70%	72%	72%	72%	71%	72%	73%
EBITDA/Revenues	-48%	-11%	23%	14%	36%	29%	40%	19%	31%	33%	33%	33%	29%	33%	34%
Net Income/Revenues	-55%	-20%	10%	6%	23%	18%	26%	10%	19%	21%	21%	21%	17%	21%	23%
Net Cash Flow	(1,007)	5	57	46	134	61	(57)	(74)	66	55	37	40	(637)	653	1,287
Cash Balance - Ending	23	28	85	131	265	326	269	195	261	316	353	393	393	1,046	2,333









Company

Home Investment Group will be the premier provider of foreclosure alternatives in Central Florida, offering quick disposition of pre-foreclosure properties, through wholesale assignment to investors or direct resale to retail homebuyers. It is a Florida LLC, with administrative offices in Orlando, FL.

Mission-Vision. The company's three-year mission is to become the premier residential foreclosure specialist, in Central Florida, providing overburdened homeowners with techno-centric solutions that result in quick relief, through wholesale assignment to investors or direct resale to retail homebuyers. Home Investment Group plans to dominate competition, by merging leveraged technology and systematic direct marketing to consummate large numbers of pre-foreclosure transactions, while selectively creating a portfolio of suitable properties for long-term investment. The long-term vision is to proliferate the company's success, by expanding its array of real estate offerings and by targeting ripe foreclosure markets, throughout the U.S.

Business Opportunity. Propelled by historically low interest rates, the U.S. rate of home ownership has now reached an all-time high of 68.6%[1] — to support this indulgence, Americans have assumed $7.3 trillion in mortgage debt.[2] Unfortunately, three years of economic malaise have contributed to high unemployment and credit delinquencies, at a time when most refinancings or easily achievable home equity loans have already been tapped. This has resulted in an escalating mortgage delinquency rate of 4.28% and an alarming foreclosure rate of 1.12%,[3] both of which are near 30-year highs. Even when the long-anticipated economic recovery does occur, many homeowners with adjustable rate mortgages that are destined to rise as interest rates rise will be caught in a similar financial vice, particularly if the upswing involves a jobless recovery. Home Investment Group, LLC, an established and reputable foreclosure specialist, serving the Central Florida market, is perfectly positioned to capitalize on these major trends. By relying on high-technology data mining and multi-channel marketing techniques that result in systematic identification of large numbers of feasible transactions that result in quick turnover, through wholesale assignment to investors or direct resale to retail homebuyers, Home intends to quickly dominate competition. In 2004, the Central Florida market for high-caliber foreclosure services of this type is estimated to be $434 million — in the longer-term, the company has also targeted ripe foreclosure markets, sprinkled throughout the U.S., totaling an additional $407 million.[4] Keys to success include evolving the company, from predominantly wholesale operations to increased emphasis on retail transactions, involving acquisition, light rehab, and quick resale; effectively marketing company offerings; cultivating long-term strategic alliances; and researching and developing new capabilities and markets. In order to achieve these strategic objectives, Home Investment Group intends to make a Regulation D private placement offering of debt issuance, totaling $1.0 million, by July 1, 2004.

Legal Entity and Ownership. The company is established as a Florida limited liability company, under the name, Home Investment Group, LLC, doing business as Home Investment Group. A separate entity, Home Investment Group Trust, performs acquisitions and dispositions of real property, with investment funds provided by the LLC, which receives gains on sale, resulting from these transactions. John Paul Jones is the sole owner of both entities and provides active management of all entity operations.

History. Mr. Jones has extensive real estate, marketing, and e-business consulting experience, involving over 50 major real estate transactions, technology software development, and strategic design of Fortune 500 marketing initiatives. As the President of Home Investment Group, he has reinvented the traditional foreclosure industry, by applying a highly systematized approach that melds techno-centric processes with effective direct marketing.

Location and Facilities. Home Investment Group is operating from temporary offices, located in Orlando, FL, but plans to leasing 2,500 sq. ft. of prime commercial space, by January 2005.

Financial History ($000)
Inception To Business Plan Start-Up

	Actual 2003	YTD Actual 3/31/04	Forecasted 6/30/04
NET INCOME:			
Revenues	217	97	162
Operating Expenses	228	85	142
Net Income (Loss)	(11)	12	20
ASSETS:			
Cash or Cash Equivalents	32	14	30
Other Assets		1	
Property, Plant & Equipment	24	24	24
Less: Depreciation & Amort.	24	24	24
Total Assets	32	15	30
LIABILITIES:			
Other Current Liabilities	5	8	8
Total Liabilities	5	8	8
EQUITY:			
Paid-In Capital	38	6	13
Retained Earnings	(11)	1	9
Total Equity	27	7	22
Total Liabilities & Equity	32	15	30

Products and Services

The company leverages technology and direct marketing to secure the purchase of pre-foreclosure properties at 40%-60% below market, and then arranges wholesale assignment to investors, prior to closing, or acquires the property for light rehab and quick resale to homebuyers.

HOME
INVESTMENT GROUP

Premier Foreclosure Specialists:
- Wholesale Assignments
- Residential Rehab & Resale

Business Summary. Home Investment Group is a premier residential foreclosure specialist in Central Florida, providing overburdened homeowners with highly evolved solutions that result in quick relief, typically involving wholesale purchase assignment to investors or light rehab and direct resale to retail homebuyers. Integration of proprietary software, high-tech data mining, and web-based communication, with proven direct marketing systems results in maximum revenues, while assuring minimum risk and turnaround time. Successful variants of its wholesale and retail operations permit Home to quickly adapt and exploit virtually any identifiable real property opportunity, within its targeted markets. Primary revenue sources include assignment fees and gains on real property resales, but other speculative sources exist.

Wholesale Assignment To Investors

Home Investment applies leveraged technology and systematic direct marketing to identtify distressed homeowners, obtaining purchase rights at 40% to 60% below market. These rights are assigned to interested investors, thereby earning a spread, without actually having to make the investment necessary to take title to the property.

AVG. UNIT REVENUE
Wholesale Assignments
$5,000 / Assignment
Gross Margin: 100%

Residential Rehab & Retail Sale

Properties that only require light rehabilitation, involving painting, carpeting, or new appliances are resold, within 60 days, directly to retail homebuyers, earning substantial gain on sale. Home Investment Group Trust undertakes these property acquisitions and dispositions, with investment funds provided by Home Investment Group.

AVG. UNIT REVENUE
Retail Gain On Sale
Tier I-IV: $15-$60K
Gross Margin: 62%

Other Revenue-Generating Variants ***Speculative***

- *Assume Title, Sell Wholesale:* Sometimes, a wholesale assignment cannot be completed by the closing date, so interim acquisition will be required.
- *Take Over Payments, Rent-To-Own:* Periodically, Home will take over payments, but lease to the original owner, until they qualify for repurchase..
- *Speculative Investment, Rent Out:* When positive cash flow and appreciation are assured, Home may include the property in its long-term portfolio.

Competitive Comparison. Home Investment Group leverages high-tech solutions and proven direct marketing techniques to generate the highest number of qualified transactions in the shortest period of time at the least total cost. Its depth of real estate experience, impeccable reputation, and innovative approaches appeal to distressed homeowners, opportunistic investors, market-savvy realtors, and home-seeking renters.

Future Development. The company plans to enlarge its success, by placing increasing emphasis on profitable retail transactions, researching and developing synergistic business offerings, and expanding its reach to other targeted foreclosure markets, characterized by high unemployment and high loan deficiency rates.

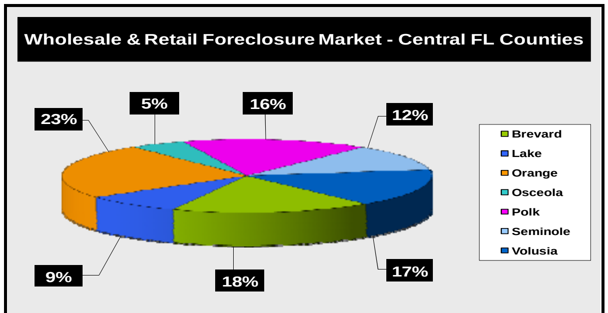
Market

Over 68% of Americans are homeowners, but they carry $7.3 trillion in mortgages that, in this troubled economy, has resulted in record-high loan delinquencies and foreclosures. The Central Floridian market for pre-foreclosure services is $434 million, but other ripe U.S. markets beckon.

General Analysis. Home ownership continues to be a dominant quest in American society, with historically low interest rates propelling the national home ownership rate to a record-setting 68.6% — however, underlying this U.S. phenomenon is $7.3 trillion in purchase mortgage debt. Unfortunately, several years of economic malaise have led to high unemployment and contributed to pandemic credit delinquencies, at a time when credit relief from mortgage refinancings or easily achievable home equity loans have already been tapped. On a national level, mortgage delinquencies have reached 4.28%, and foreclosures at 1.12% are hovering around a 30-year high. This painful retrenchment is particularly acute in areas, where ownership is high, but where the dual prospect of jobless recovery and interest rate hikes promise imminent hardship.

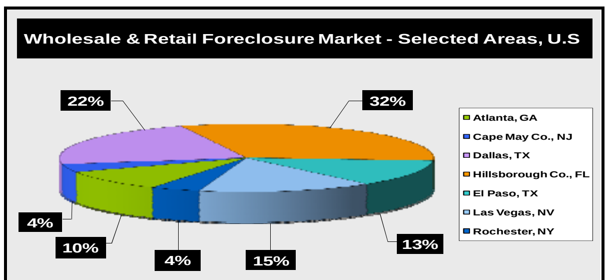
Market Segmentation and Target Market Needs. In the near-term, Home Investment Group will continue to target Central Florida, but eventually, it will expand to other major markets, throughout the U.S.

Central Florida Market - Selected Counties. In the East Central Florida counties that Home now operates and continues to target, an estimated 601,000 owner-occupied housing units exist, which carry $87.5 billion in outstanding mortgages.[5] In 2004, the wholesale and retail market in these counties for timely pre-foreclosure services is estimated to be $434 million, and by 2008, this figure will reach $506 million, reflecting average annual growth of 3.9%.[6] This regionally defined market consists of 7 counties — **Orange** (23%), **Brevard** (18%), **Volusia** (17%), **Polk** (16%), **Seminole** (12%), **Lake** (9%) and **Osceola** (5%).



Central Florida County	Wholesale & Retail Foreclosure Market ($000s) - Central FL Counties					Annual
	2003	2004	2005	2006	2007	Growth
Brevard	76,554	79,500	82,600	85,800	89,100	3.9%
Lake	37,296	38,800	40,300	41,900	43,500	3.9%
Orange	105,704	109,800	114,100	118,500	123,100	3.9%
Osceola	21,382	22,200	23,100	24,000	24,900	3.9%
Polk	71,121	73,900	76,800	79,800	82,900	3.9%
Seminole	50,187	52,100	54,100	56,200	58,400	3.9%
Volusia	71,985	74,800	77,700	80,700	83,800	3.9%
Total	434,227	451,100	468,700	486,900	505,700	3.9%

U.S. Spot Markets - Selected Locales. Home will maintain constant vigil, in an effort to identify and capitalize upon spot foreclosure markets, throughout the U.S. Seven such locales have been identified, which contain an estimated 565,000 owner-occupied units, carrying $83.7 billion in outstanding mortgages.[7] In 2004, these markets are projected to total $408 million.[8] This aggregate market consists of **Hillsborough County, FL** (32%), **Dallas, TX** (22%), **El Paso, TX** (15%), **Las Vegas, NV** (13%), **Atlanta, GA** (10%), **Cape May County, NJ** (4%) & **Rochester, NY** (4%).



Selected Areas - U.S.	Wholesale & Retail Foreclosure Market ($000s) - Selected Areas, U.S.					Annual
	2004	2005	2006	2007	2008	Growth
Atlanta, GA	39,944	41,900	43,900	46,000	48,200	4.8%
Cape May Co., NJ	16,154	16,500	16,900	17,300	17,700	2.2%
Dallas, TX	90,540	93,400	96,400	99,500	102,700	3.2%
Hillsborough Co., FL	129,930	135,000	140,300	145,800	151,500	3.9%
El Paso, TX	51,797	53,500	55,200	57,000	58,800	3.2%
Las Vegas, NV	61,855	67,900	74,500	81,700	89,600	9.7%
Rochester, NY	17,426	17,700	18,000	18,300	18,600	1.7%
Total	407,647	425,900	445,200	465,600	487,100	3.2%

Secondary Markets. In addition to wholesale assignment and quick rehab turnovers, Home will target situational opportunities that involve rent-to-own or long-term investment in high-end, appreciating properties.

Market Growth and Trends. High rates of U.S. unemployment, loan delinquency, and foreclosure will continue, until real economic growth occurs. However, many high-paying jobs have migrated offshore, or been eliminated altogether, and the inevitability of rising interest rates is likely to jeopardize holders of adjustable rate mortgages. Without timely foreclosure solutions, many distraught homeowners stand to lose everything.

Foreclosure now threatens over 4% of existing homeowners, giving rise to a plethora of pre-foreclosure specialists and investors of varying sophistication. Home will apply experience, technology, targeted marketing, and close management to dominate competition and provide liquidity.

General Characteristics. Over 70% of the 69.8 million owner-occupied housing units in the U.S. are burdened with mortgage debt.[9] Foreclosure now threaten over 4% of existing homeowners, due to loan delinquencies brought on by unemployment, mismanaged spending, or escalating variable interest rates . This potential adversity, along with a host of other reasons for selling quickly — relocation, divorce, estate sale, tax issues, or lifestyle change — have given rise to an industry of foreclosure specialists and real estate investors that provide residential market fluidity and offer affected homeowners badly needed financial relief.

Competitive Market Factors. Because foreclosure is a time-sensitive event, early knowledge and financial capacity to act, once threatened properties or homeowners anxious to sell have been identified, is critical to a successful intermediary role. Many foreclosure specialists and sophisticated investors have financial resources, but do not optimize technology, while unsophisticated investors operate on a hit-or-miss basis.

KEY COMPETITOR	STRENGTHS	WEAKNESSES
PRE-FORECLOSURE SPECIALISTS **IBuyHomes.com** **Homevestors** **ForeclosureWorld.net** *Examples of pre-foreclosure specialist firms that support this popular $61B market.*	• Some well established, deep pocket firms; low entry barriers also attracts many individuals. • Allows homeowner to avoid foreclosure and eliminate an overburdensome liability.	• Unenforceable "buyback" rights have led to many publicized "pre-foreclosure" scams. • Leveraged use of high-tech solutions with systematized direct marketing not optimal.
SOPHISTICATED INVESTOR FIRMS **RealNet** **WPIP.net** **First Alliance** *Examples of firms that invest in foreclosure properties, at discounts, for rapid resale.*	• Experienced in all transaction scenarios; holistic approaches; some large national providers. • Allows homeowner to cash out equity, avoid realtor costs, or facilitate a short-notice sale.	• No dominant branded firm, since success depends upon localized market knowledge. • Leveraged use of high-tech solutions with systematized direct marketing not optimal.
COTTAGE INDUSTRY INVESTORS **Realtors** **Individual Investors** **Pure Novices** *Examples of pulverized cottage industry comprised of unsophisticated investors.*	• Some experienced individuals, with financial resources and a few successful transactions. • Large number of novice investors exploit low entry barriers to make leveraged investments.	• Highly inconsistent results; hit-or-miss approach; generally limited to local opportunities. • Inexperienced in most phases of the process; single transaction scenario involves high risk.

Competitive Edge. Home Investment Group will apply an impeccable reputation, extensive industry experience, leveraged technology, systematized marketing, and innovative thinking to dominate competition. Traditional real estate knowledge has been melded with proprietary software, sequenced direct marketing, and multiple call centers to quickly identify and exploit opportunities in a highly consistent, profitable manner.

Strategy and Implementation

Strategies for success include: establishing commercial capacity, by July 1, 2004, effectively marketing company offerings to maximize revenues, optimizing operating processes to ensure profitability and customer satisfaction, and promoting research and development to foster growth.

Strategic Objectives. The company's three-year mission is to become the premier residential foreclosure specialist in Central Florida, providing homeowners with quick relief, through wholesale assignment to invetors or direct resale to retail homebuyers The implementation plan embraces these four strategic objectives:

- *Expand Commercial Capacity:* Business expansion will require evolving, from predominant reliance on wholesale real property assignments to more retail transactions and long-term investments. Critical steps include: (a) promoting a private placement debt offering to generate investment funds; (b) creating Home Investment Group Trust, which will channel acquisitions and dispositions of qualified properties for intended resale; (c) replenishing the Trust, with disposition proceeds, for recurring acquisition cycles; (d) transferring gains on sales to Home Investment Group, which will coordinate property rehab efforts and absorb related costs; and (e) utilizing Home Investment Group retained earnings to selectively invest in appreciating, long-term holdings that create positive cash flow, through rental income.
- *Optimize Operating Processes:* Profitability and customer satisfaction will be assured, by optimizing key processes. This will include: (a) leveraging technology to quickly identify potential transaction participants; (b) negotiating purchase agreements at 40% to 60% below assessed value; (c) assigning executed agreements to pre-qualified investors or designating the property for rehab and resale; and (d) ensuring 60-day retail turnaround, by selling homes at lower-than-market prices in rising markets.
- *Market Company Offerings:* Revenues will be maximized by: (a) applying systematic direct marketing techniques; (b) conducting a multi-channel marketing campaign, involving print and web-based ads; and (c) forging strategic alliances with investors, realtors, mortgage bankers, and community leaders.
- *Promote Research & Development:* Long-term success will depend upon robust research and development that is focused on: (a) implementing new offerings, involving multilingual capabilities, investor networks, and mortgage lending capacity; and (b) expanding into other targeted markets, nationwide.

Implementation Plan

Program/Task	Budget ($)
Historical Activities	N/A
Preparatory Activities:	N/A
Feasibility Studies	
Strategic Planning	
Trust Formation	
Reg D, Rule 504 Offering	
Private Placement Funding *	50,000
Sales & Marketing	3,204,000
General Administration	1,961,000
Costs of Revenues:	
Wholesale Assignments	-
Retail Transactions	3,950,000
Capital Expenditures *	216,000
Strategic Alliances	100,000
Quality Improvement	100,000
R&D - New Offerrings	150,000
R&D - New Markets	150,000
EXPENDITURES	9,881,000
LESS: CAPITALIZED COSTS *	266,000
EXPENSES	9,615,000
REVENUES	14,279,000

Timeline columns: Prior; Preliminary Activities: 1Q03, 2Q03, 3Q03, 4Q03, 1Q04, 2Q04; FY1: 1Q, 2Q, 3Q, 4Q; FY2: 1Q, 2Q, 3Q, 4Q; FY3: 1Q, 2Q, 3Q, 4Q

	FY1	FY2	FY3
REVENUES	3,518,000	5,283,000	5,478,000

Management and Risk Assessment

The company is led by a visionary, with general management experience and motivational expertise, who will be supported by a Board of Advisors and strategic supply chain partners. Key success factors and critical risk factors have fully been evaluated — success is highly achievable.

Management Team. Key positions include President, which is filled, and two other positions, Operations Manager and Marketing Manager, which remain unfilled. This team will confer with a Board of Advisors.

John Paul Jones
President, Home Investment Group, LLC
Over 12 years of real estate, marketing, and e-business consulting experience, involving 50 major residential real estate transactions and the strategic design of several Fortune 500 web-based marketing initiatives. Creator of technology solutions, including software, designed to fully manage the acquisition, repair, and resale of residential property.

Board of Advisors. The company will rely on business executives and professional consultants, drawn from a cross-section of industries, to provide multi-disciplinary perspective. Two initial advisors will include:

- **Jack Stall**, President of a successful business development and marketing firm in Altamonte Springs, FL; author of *The Power of Cult Branding;* founding editor of Raging Bull; prolific writer and contributor.
- **Samuel J. Tannenbeck, Jr.**, Over 16 years of banking and finance experience; presently, VP Market Manager, North Trust Mortgage Corp.; distinguished military record; B.A., U. o North FL, Jacksonville.

Personnel Plan

Start-Up: 7/1/04	1QY1	2QY1	3QY1	4QY1	1QY2	2QY2	3QY2	4QY2	1QY3	2QY3	3QY3	4QY3	FY1	FY2	FY3
Personnel Count															
General & Administrative	2	5	6	6	6	6	6	6	6	6	6	6	6	6	6
Payroll Count	2	5	6	6	6	6	6	6	6	6	6	6	6	6	6
Contracted Labor	1	3	3	4	5	6	6	6	6	6	6	6	4	6	6
Total Personnel	3	8	9	10	11	12	12	12	12	12	12	12	10	12	12
Labor Costs ($000)															
General & Administrative	44	72	83	83	88	88	88	88	92	92	92	92	282	352	368
Payroll	44	72	83	83	88	88	88	88	92	92	92	92	282	352	368
Commissions	47	188	211	258	267	256	267	267	277	264	277	277	704	1,057	1,095
Payroll Burden	23	65	74	85	89	86	89	89	92	89	92	92	247	353	365
Total Labor Costs	114	325	368	426	444	430	444	444	461	445	461	461	1,233	1,762	1,828

Key Success Factors. In the course of planning development, the company assumes that the existence of the following factors or assumptions would positively influence success, and that these factors **will occur**:

- *Planned expansion is feasible and will attract necessary funding, based on business projections.*
- *Contemplated marketing channels and strategies will successfully tap pre-foreclosure demand.*
- *Legislative and regulatory framework will continue to support the economics of the proposition.*

Contingency Plan

Contingent Event	Likely Consequence	Management Response
Sources of funding cannot be obtained, in the amounts sought.	Deferral of cash-intensive initiatives; slower income growth.	Reduce scale of venture; pursue business plan, in modified form.
U.S. demand for foreclosure alternatives substantially declines.	Smaller market, lower than projected revenue, cash and income.	Focus on marketable distinctions & alliances; R&D new offerings.
Political or economic changes depress pre-foreclosure industry.	Reduced revenue, cash & income expectations; slower expansion.	Focus on niche market positioning; create business synergies.

Capitalization Plan

Home Investment Group is seeking lender commitments, through a Regulation D, Rule 504, offering of promissory notes, which would result in debt issuance of $1,000,000. Net proceeds of $950,000 will be invested in Home Investment Group Trust for property acquisition and disposition.

Start-Up Condition. Start-up requirements total $1,030K, including start-up cash of $1,030K, and PP&E totaling $24K, less accumulated depreciation of 24K. Initial resources total $30K, including current liabilities of $8K, owner investments of $13K, and retained earnings of $9K, resulting in a net shortfall of $1,000K.

Capitalization Plan. Home Investment Group will address its start-up shortfall by making a Regulation D, Rule 504, debt issuance offering of up to $1,000,000, for which commitments are anticipated, by July 1, 2004. Proceeds of $950K, representing the debt offering, less projected intermediary fees of $50K, would be transferred to Home Investment Group Trust, which would make collateralized acquisitions and dispositions of residential real property, retaining disposition proceeds for recurring, cyclic investment. Gains on sale, resulting from property dispositions, would represent return on investment for Home Investment Group.

CAPITALIZATION PLAN ($000)

REQUIREMENTS		RESOURCES		USE OF PROCEEDS	
YTD Expenses Thru 6/30/04:		Loans:		Working Capital:	
Cost of Revenues	0.0	Accounts Payable	0.0		
Operating Expenses	142.0	Other Current Liabilities	8.0		
Less: Revenues	162.0	Short-Term Loans	0.0		
		Long-Term Loans	0.0		
				Contingency Fund	
		Reg D - 504 Offering	1,000.0		
YTD Loss (Gain)	(20.0)	Total Loans	1,008.0	Total Working Capital	0.0
Start-Up Assets:		Investments (% Ownership):		Capital Expenditures:	
Cash	1,030.0	J. Jones (100%)	13.0	Investment In Trust	950.0
Accounts Receivable	0.0			Intermediary Fees	50.0
Inventory	0.0				
Other Assets	0.0				
Property, Plant & Equipment	24.0	Retained Earnings	9.0	Contingency Fund	
Deferred Charges	0.0				
Accum. Deprec. & Amort.	24.0				
Total Start-Up Assets	1,030.0	Total Investments	22.0	Total Capital Expenditures	1,000.0
TOTAL REQUIREMENTS	1,030.0	TOTAL RESOURCES	1,030.0	TOTAL USES	1,000.0

BUSINESS PLAN START DATE: JULY 1, 2004

Total Resources Available	1,030.0	Start-Up ASSETS	1,030.0
Less: Assets Purchased	1,030.0	Start-Up LIABILITIES	1,008.0
Start-Up Loss (Gain)	0.0	Start-Up EQUITY	22.0

Collateral, Exit Strategy and Possible Later-Round Financing. Utilization of the trust will assure that property transactions are collateralized by the underlying value of property so acquired. Promissory notes issued, under the Reg D offering, will be redeemed 24 months from the commencement date of each note. If, as is anticipated, the company's competitive advantages result in broad market acceptance or other business opportunities arise, then the company may seek additional funding, in the range of $5 to $10 million.

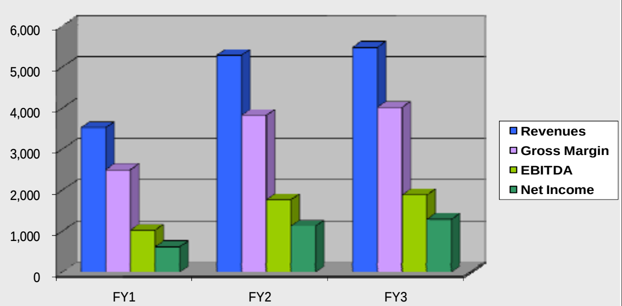
Business Projections

Projected FY1 sales are $3.5 million, increasing to $5.5 million in FY3. Projected FY1 net income is $615K, increasing to $1.3 million in FY3. During the 3-year period, gross margi, as a percentage of revenues, ranges from 71% to 73%; net income percentage ranges, from 17% to 23%.

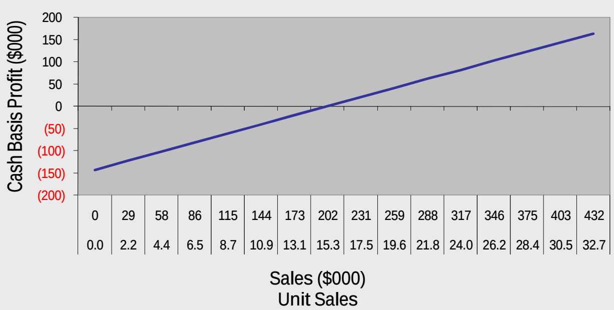
Projected Operating Highlights ($000)

Start-Up: 7/1/04	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY1	FY2	FY3
Revenues	40	65	130	243	360	335	405	280	370	430	430	430	3,518	5,283	5,478
Gross Margin	37	49	84	159	255	222	308	198	260	308	308	308	2,496	3,819	4,014
Operating Expenses	56	56	54	126	126	125	147	145	146	165	165	166	1,477	2,055	2,133
EBITDA	(19)	(7)	30	33	129	97	161	53	114	143	143	142	1,019	1,764	1,881
Income Before Taxes	(31)	(19)	18	21	117	86	149	41	102	131	131	131	877	1,600	1,837
Net Income	(22)	(13)	13	15	82	60	104	29	71	92	92	92	615	1,121	1,285
Percentages:															
Gross Margin/Revenues	93%	75%	65%	65%	71%	66%	76%	71%	70%	72%	72%	72%	71%	72%	73%
EBITDA/Revenues	-48%	-11%	23%	14%	36%	29%	40%	19%	31%	33%	33%	33%	29%	33%	34%
Net Income/Revenues	-55%	-20%	10%	6%	23%	18%	26%	10%	19%	21%	21%	21%	17%	21%	23%
Net Cash Flow	(1,007)	5	57	46	134	61	(57)	(74)	66	55	37	40	(637)	653	1,287
Cash Balance - Ending	23	28	85	131	265	326	269	195	261	316	353	393	393	1,046	2,333

Projected Operating Highlights By Year ($000)



Monthly Breakeven Analysis



Financial Indicators

	FY1	FY2	FY3
Profitability %'s:			
Gross Margin	71%	72%	73%
Net Profit Margin	18%	21%	23%
Return on Assets	34%	57%	40%
Return on Equity	97%	64%	42%
Activity Ratios:			
Accounts Receivable Turnover	N/A	N/A	N/A
Collection Days	N/A	N/A	N/A
Inventory Turnover	N/A	N/A	N/A
Accounts Payable Turnover	12.00	12.00	12.00
Asset Turnover	1.92	2.70	1.69
Debt Ratios:			
Debt To Equity	1.88	0.11	0.07
Short-Term Liabilities To Liabilities	0.17	1.00	1.00
Liquidity Indicators:			
Current Ratio	1.98	5.23	11.78
Quick Ratio	1.98	5.23	11.78
Net Working Capital ($000)	195	846	2135
Interest Coverage Ratio	8.33	14.33	N/A
Additional Indicators:			
Assets to Revenues Ratio	0.52	0.37	0.59
Debt To Assets Ratio	65%	10%	6%
Current Debt To Total Assets Ratio	11%	10%	6%
Acid Test	1.98	5.23	11.78
Revenues To Equity Ratio	5.52	3.01	1.80
Dividend Payout %	0%	0%	0%

Sensitivity Analysis For FY1

	% Effect On:	
	Net Income	Cash Balance
If Revenues Are:		
1% Higher Than Projected	2.9%	4.5%
1% Lower Than Projected	-2.9%	-4.5%
If Operating Expenses Are:		
1% Higher Than Projected	-1.7%	-2.7%
1% Lower Than Projected	1.7%	2.7%

Benchmark Analysis (FY1 = 1.00)

	FY1	FY2	FY3
Revenues	1.0	1.5	1.6
Cost of Revenues	1.0	1.4	1.4
Gross Margin	1.0	1.5	1.6
Operating Expenses:	1.0	1.4	1.4
Sales & Marketing	1.0	1.4	1.5
Gen. & Administrative	1.0	1.3	1.4
EBITDA	1.0	1.7	1.9
Net Income	1.0	1.8	2.1

Revenues

Revenues for FY1 through FY3 are forecasted to be $3.5 million, $5.3 million, and $5.5 million, respectively. Revenues are derived from wholesale assignment fees and gains on retail sale of residential real property. Cost of revenues include rehab costs, broker fees, and closing costs.

Forecasted Revenues and Cost of Revenues ($000)

Start-Up: 7/1/04	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY1	FY2	FY3
Unit Volume (1):															
Wholesale Assignments	8.00	10.00	11.00	12.50	15.00	10.00	15.00	20.00	20.00	20.00	20.00	20.00	182	265	304
Retail Transactions:															
Tier I		1.00		1.00	2.00	3.00	3.00	1.00	1.00	3.00	3.00	3.00	21	36	36
Tier II			1.00	2.00	2.00	3.00	3.00	2.00	2.00	3.00	3.00	3.00	24	36	36
Tier III			1.00	1.00	3.00	2.00	3.00	1.00	3.00	3.00	3.00	3.00	23	36	36
Tier IV				1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	9	12	12
Total Unit Sales	8	11	13	18	23	19	25	25	27	30	30	30	259	385	424
Unit Price ($/Unit) (2):															
Wholesale Assignments	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000			
Retail Transactions:															
Tier I		15,000		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000			
Tier II			30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000			
Tier III			45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000			
Tier IV				60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000			
Forecasted Revenues ($000) (3):															
Wholesale Assignments	40	50	55	63	75	50	75	100	100	100	100	100	908	1,323	1,518
Retail Transactions:															
Tier I	0	15	0	15	30	45	45	15	15	45	45	45	315	540	540
Tier II	0	0	30	60	60	90	90	60	60	90	90	90	720	1,080	1,080
Tier III	0	0	45	45	135	90	135	45	135	135	135	135	1,035	1,620	1,620
Tier IV	0	0	0	60	60	60	60	60	60	60	60	60	540	720	720
Total Sales	40	65	130	243	360	335	405	280	370	430	430	430	3,518	5,283	5,478
Unit COR ($/Unit) (4):															
Retail Transactions:															
Tier I		3,000		8,000	7,000	5,667	4,000	6,000	11,000	5,667	5,667	5,667			
Tier II			16,000	11,000	13,500	11,000	9,333	11,000	13,500	11,000	11,000	11,000			
Tier III			17,000	32,000	14,000	20,500	11,667	32,000	16,667	16,667	16,667	16,667			
Tier IV				22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000			
Forecasted COR ($000) (5):															
Retail Transactions:															
Tier I	3	3	3	8	14	17	12	6	11	17	17	17	128	204	204
Tier II	0	5	16	22	27	33	28	22	27	33	33	33	279	396	396
Tier III	0	8	17	32	42	41	35	32	50	50	50	50	407	600	600
Tier IV	0	0	10	22	22	22	22	22	22	22	22	22	208	264	264
Total Cost of Sales	3	16	46	84	105	113	97	82	110	122	122	122	1,022	1,464	1,464

NOTES: (1) UNIT VOLUME: Home Investment Group benefits from five major revenue streams arising from: (a) wholesale assignments of residential real property purchase agreements to investors, which do not involve actual acquisition or title transfer, because the assignment occurs prior to closing; and (b) revenues from gains on sale of residential properties, resulting from actual acquisitions & dispositions of targeted property, by Home Investment Group Trust, in four distict transaction ranges (Tier I - Tier IV), involving average acquisition prices of $50K, $100K, $150K and $200K.

WHOLESALE ASSIGNMENTS: FY1 - Reflects ramping to 20 transactions by Month 12, except for Month 6 (December), which reflects a downward seasonal adjustment of 50%; FY2 and FY3 reflect 15% year-to year increases.

RETAIL TRANSACTIONS: Reflects a presumed limit of 10 transactions per month (assuming an average acquisition price of $107,500), since the Trust can only cycle the amount of funds initially invested by the LLC ($1,075,000).

(2) UNIT PRICE:

WHOLESALE ASSIGNMENTS: Reflects average assignment fee earned, upon assignment of purchase agreeement.

RETAIL TRANSACTIONS: Reflects average recognizable gains, upon disposition of Tier I thur Tier IV transactions.

(3) FORECASTED REVENUES:

WHOLESALE ASSIGNMENTS: Unit Volume x Unit Price.

RETAIL TRANSACTIONS: Unit Volume x Unit Price.

(4) UNIT COST OF REVENUES - RETAIL TRANSACTIONS: Forecasted Cost of Revenues, divided by Unit Volume.

(5) FORECASTED COST OF REVENUES - RETAIL TRANSACTIONS: Reflects 11% x Average Acquistion Price (for each Tier), which covers estimated property rehabilitation costs (5%), broker's fee (3%) and closing costs (3%).

Net Income

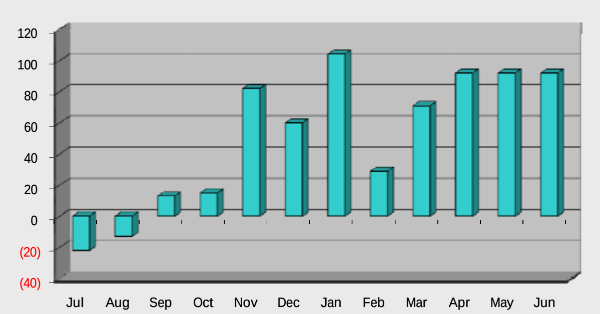
Net income is positive, beginning in Month 3, and for FY1 through FY3 is projected to be $615K, $1.1 million, and $1.3 million, respectively. During the 3-year period, gross margin, as a percentage of revenues, ranges from 71% to 73%, while net income percentage ranges from 17% to 23%.

Projected Income Statement ($000)

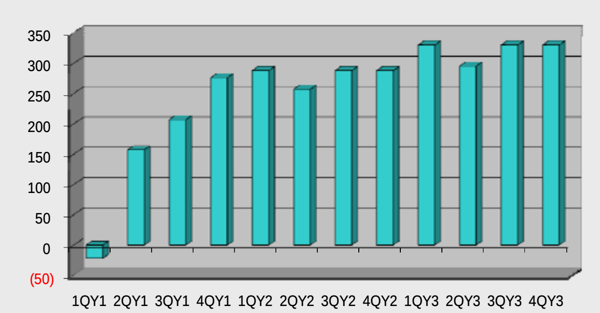
Start-Up: 7/1/04	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY1	FY2	FY3
Revenues	40	65	130	243	360	335	405	280	370	430	430	430	3,518	5,283	5,478
Direct Cost of Revenues	3	16	46	84	105	113	97	82	110	122	122	122	1,022	1,464	1,464
Production Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cost of Revenues	3	16	46	84	105	113	97	82	110	122	122	122	1,022	1,464	1,464
Gross Margin	37	49	84	159	255	222	308	198	260	308	308	308	2,496	3,819	4,014
Gross Margin/Revenues %	93%	75%	65%	65%	71%	66%	76%	71%	70%	72%	72%	72%	71%	72%	73%
Operating Expenses:															
Sales & Marketing Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commissions (1)	16	16	15	63	63	62	70	70	71	86	86	86	704	1,057	1,095
Advertising & Promotion (2)	10	10	9	10	10	9	10	10	9	10	10	9	116	116	116
Sales & Marketing	26	26	24	73	73	71	80	80	80	96	96	95	820	1,173	1,211
Sales & Markeing/Revenues %	65%	40%	18%	30%	20%	21%	20%	29%	22%	22%	22%	22%	23%	22%	22%
General & Admin. Labor	15	15	14	24	24	24	28	28	27	28	28	27	282	352	368
Payroll Burden (3)	8	8	7	22	22	21	25	25	24	28	28	29	247	353	365
Rent & Utilities (4)							6	5	6	5	6	5	33	65	65
Other	7	7	9	7	7	9	8	7	9	8	7	10	95	112	124
Gen.& Administrative	30	30	30	53	53	54	67	65	66	69	69	71	657	882	922
Gen. & Admin./Revenues %	75%	46%	23%	22%	15%	16%	17%	23%	18%	16%	16%	17%	19%	17%	17%
Total Operating Expenses	56	56	54	126	126	125	147	145	146	165	165	166	1,477	2,055	2,133
EBITDA	(19)	(7)	30	33	129	97	161	53	114	143	143	142	1,019	1,764	1,881
EBITDA/Revenues %	-48%	-11%	23%	14%	36%	29%	40%	19%	31%	33%	33%	33%	29%	33%	34%
Depreciation & Amort. (5)	2	2	2	2	2	1	2	2	2	2	2	1	22	44	44
Interest Expense (6)	10	10	10	10	10	10	10	10	10	10	10	10	120	120	0
Income Before Taxes	(31)	(19)	18	21	117	86	149	41	102	131	131	131	877	1,600	1,837
Tax Expense (7)	(9)	(6)	5	6	35	26	45	12	31	39	39	39	262	479	552
NET INCOME	(22)	(13)	13	15	82	60	104	29	71	92	92	92	615	1,121	1,285
Net Income/Revenues %	-55%	-20%	10%	6%	23%	18%	26%	10%	19%	21%	21%	21%	17%	21%	23%

NOTES:
(1) Reflects commissions for independent sales representatives, calculated as Gross Revenues x 20%.
(2) Reflects multi-channel marketing campaign, including print and web-based advertising and systematic direct mailing.
(3) Assumes 25% payroll burden rate, covering federal & state statutory burdens, plus emloyee vacation and medical benefits.
(4) Reflects rent & utilities relating to 2,500 sq. ft. of prime commercial space, in Orlando, FL, beginning in Month 7.
(5) Includes depreciation on new purchases of 5-year ($102K) and 7-year ($110K) class assets, plus 2-year straightline amortization of intermediary fees ($50K) and 5-year straightline amortization of leasehold improvements ($4K).
(6) Reflects accrued interest on promissory notes, involving presumed loan commitments totaling $1,000,000, arising from Regulation D, Rule 504, offering of debt issance, for which 12% interest is payable annually.
(7) Assumes cumulative, effective federal and state income taxes of 30%.

Projected Net Income By Month ($000)
First 12 Months



Projected Net Income By Quarter ($000)
All Fiscal Years



Cash Flow

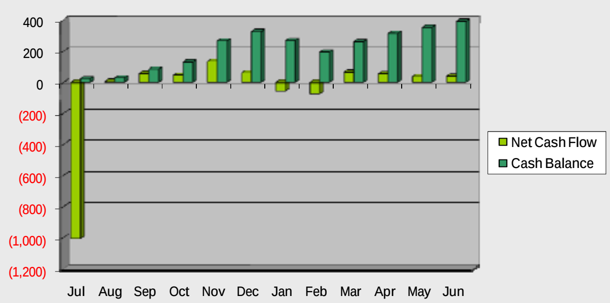
Net cash flow is intermittently negative, reflecting Month 1 investment in Home Investment Group Trust and periodic capital expenditures. Ending cash balances for FY1 through FY3 are $393K, $1.0 million, and $2.3 million, respectively. The minimum cash balance is $23K in Month 1, FY1.

Projected Cash Flow Statement ($000)

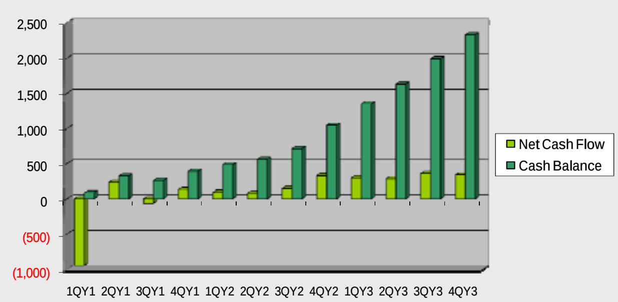
Start-Up: 7/1/04	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY1	FY2	FY3
Net Income	(22)	(13)	13	15	82	60	104	29	71	92	92	92	615	1,121	1,285
Plus:															
Depreciation & Amort.	2	2	2	2	2	1	2	2	2	2	2	1	22	44	44
Increase (Decrease) In:															
Accounts Payable (1)	21	16	42	38	50	0	3	(49)	48	20	(1)	2	190	2	(2)
Other Current Liab.													0	0	0
Short-Term Notes													0	0	0
Long-Term Notes	0	0	0	0	0	0	0	0	0	0	0	0	0	(1,000)	0
Paid-In Capital													0	0	0
Sources of Cash	23	18	44	40	52	1	5	(47)	50	22	1	3	212	(954)	42
Less:															
Increase (Decrease) In:															
Accounts Receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inventory	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Investments (2)	950												950	0	0
Prop., Plant & Equip. (3)	58	0	0	9	0	0	110	0	0	3	0	0	180	46	40
Deferred Charges													0	0	0
Reserve For L-T Debt (4)							56	56	55	56	56	55	334	(532)	0
Dividends													0	0	0
Uses of Cash	1,008	0	0	9	0	0	166	56	55	59	56	55	1,464	(486)	40
Net Cash Flow	(1,007)	5	57	46	134	61	(57)	(74)	66	55	37	40	(637)	653	1,287
Cash Balance - Beginning	1,030	23	28	85	131	265	326	269	195	261	316	353	1,030	393	1,046
Cash Balance - Ending	23	28	85	131	265	326	269	195	261	316	353	393	393	1,046	2,333

NOTES:
(1) Reflects monthly changes in account balances, as presented in the Financial History and Projected Balance Sheet.
(2) Represents investment in Home Investment Group Trust, reflecting net proceeds of Reg D offering, less intermediary fees.
(3) Reflects purchases of computers and handhelds ($29K), furniture, fixtures & equipment ($110K), vehicle ($13K) and signage ($4K), along with web development costs ($60K) and capitalized intermediary fees ($50K).
(4) Represents accruals to a reserve account, established to assure repayment of 2-year promissory notes, arising from a presumed Reg D offering and subscription, totaling $1,000,000, on July 1, 2004, which would be due for redemption, on June 30, 2006.

Projected Cash Flow By Month ($000)
First 12 Months



Projected Cash Flow By Quarter ($000)
All Fiscal Years



Balance Sheet

Total assets are projected to increase, rising from $1.8 million in FY1, to $3.2 million by the end of FY3. Results for FY2 reflect extinguishment of $1.0 million in long-term debt reserve in Month 24. Zero or negative equity in early months reflects anomalous time lags in Trust gain recognition.

Projected Balance Sheet ($000)

Start-Up: 7/1/04	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY1	FY2	FY3
ASSETS															
Cash	23	28	85	131	265	326	269	195	261	316	353	393	393	1,046	2,333
Accounts Receivables	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inventory	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current Assets	23	28	85	131	265	326	269	195	261	316	353	393	393	1,046	2,333
Investments	950	950	950	950	950	950	950	950	950	950	950	950	950	950	950
Property, Plant & Equipment	82	82	82	91	91	91	201	201	201	204	204	204	204	250	290
Deferred Charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Depreciation & Amort.	26	28	30	32	34	35	37	39	41	43	45	46	46	90	134
Reserve For L-T Debt (2)	0	0	0	0	0	0	56	112	167	223	279	334	334	(198)	(198)
Long-Term Assets	1,006	1,004	1,002	1,009	1,007	1,006	1,170	1,224	1,277	1,334	1,388	1,442	1,442	912	908
Total Assets	1,029	1,032	1,087	1,140	1,272	1,332	1,439	1,419	1,538	1,650	1,741	1,835	1,835	1,958	3,241
LIABILITIES															
Accounts Payable (1)	21	37	79	117	167	167	170	121	169	189	188	190	190	192	190
Other Current Liabilities	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Short-Term Notes Payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current Liabilities	29	45	87	125	175	175	178	129	177	197	196	198	198	200	198
Long-Term Notes Payable	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0	0
Long-Term Liabilities	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0	0
Total Liabilities	1,029	1,045	1,087	1,125	1,175	1,175	1,178	1,129	1,177	1,197	1,196	1,198	1,198	200	198
EQUITY															
Paid-In Capital	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13
Retained Earnings	(13)	(26)	(13)	2	84	144	248	277	348	440	532	624	624	1,745	3,030
Total Equity (3)	0	(13)	0	15	97	157	261	290	361	453	545	637	637	1,758	3,043
Total Liabilities & Equity	1,029	1,032	1,087	1,140	1,272	1,332	1,439	1,419	1,538	1,650	1,741	1,835	1,835	1,958	3,241

NOTES: (1) Estimated monthly balances, assuming 0% of expenses paid in cash and average 30-day payment period.
(2) Reflects accumulated 18-month reserve for the repayment of Long-Term Notes Payable, which is presumed to occur in Month 24, resulting in reversal of the fully funded reserve and extinguishment of the debt.
(3) Anomalous negative equity occurs in early months, due to a time lag in gain recognition, resulting from initial dispositions of Trust properties, relative to the months in which presumed rehab and other costs preparatory to sale occur.

Key Financial Indicators. In early months, temporary negative working capital and net equity arise, due to LLC recognition of costs of revenues, prior to offsetting revenues, arising from Trust gain recognition on property dispositions. Debt-to-equity ratio steeply declines from 2.27 at ending FY1, to 0.07 at ending FY3.

Management Representation. The financial projections included in this business plan represent, to the best of management's knowledge and belief, the results of operations, cash flow, and account balances, which would likely occur, assuming Home Investment Group, LLC, is successful in obtaining loan commitments, totaling $1,000,000 by July 1, 2004, in support of operations commencing on that date. Management also represents that the assumptions underlying these financial projections are reasonable and appropriate, and were prepared in conformity with generally accepted accounting principles, but that they were not compiled, nor examined, by an independent public accountant and should not be so evaluated.

References

ENDNOTES:

1 *Company, Business Opportunity, Page 4:* U.S. Census Bureau, Housing Vacancy Survey, First Quarter 2004, Table 5, Home Ownership Rates for the United States: 1965 to 2004, at http://www.census.gov/hhes/www/housing/hvs/q104tab5.html, citing the 1Q04 U.S. homeownership rate to be the highest in 20-year reporting span.

2 *Company, Business Opportunity, Page 4:* Mortgage Bankers Association, at http://www.mortgagebankers.org/marketdata/, following links to "Mortgage Data" and report dated March 25, 2004, entitled "Mortgage Loans Outstanding, Quarterly — 1952 to 2003 Q2", citing outstanding mortgage loans for 1-4 family units to be $7.3 billion.

3 *Company, Business Opportunity, Page 4:* Mortgage Bankers Association article, December 9, 2003, at http://www.mortgagebankers.org/news/2003/pr1209a.html, citing 3Q03 National Delinquency Survey results; plus, recent corroborating data found at http://www.jsonline.com/homes/buy/jun03/150094.asp, discussing 32-year highs.

4 *Company, Business Opportunity, Page 4:* See Business Confidant market analysis, detailed in Endnotes 5 thru 8.

5 *Market, Market Segmentation and Target Market Needs, Page 6:* U.S. Census Bureau, American Factfinder report, "GCT-H6. Occupied Housing Characteristics: 2000", for selected Florida counties at http://factfinder.census.gov/servlet/GCTTable?_bm=y&-geo_id=04000US12&-_box_head_nbr=GCT-H6&-ds_name=DEC_2000_SF1_U&-_lang=en&-redoLog=false&-format=ST-2&-mt_name=DEC_2000_SF1_U_GCTH5_ST2&-_sse=on, and for the U.S. at http://factfinder.census.gov/servlet/GCTTable?_bm=y&-geo_id=01000US&-_box_head_nbr=GCT-H6&-ds_name =DEC_2000_SF1_U&-_lang=en&-redoLog=false&-mt_name=DEC_2000_SF1_U_GCTH6_ST2&-format=US-9&-_sse=on, to establish owner-occupied housing units, by targeted Florida county; then applying national figures relating to outstanding mortgage obligations, Ibid., Endnote 2, yields estimate of outstanding mortgage obligations for targeted Florida counties; then applying U.S. Census Bureau, "Housing Costs of Homeowners: 2000", September 2003, p. 6, Table 2, "Mortgage Status for the United States, Regions, and States, and for Puerto Rico: 1990 and 2000", found at http://www.census.gov/prod/2003pubs/c2kbr-27.pdf, which identifies 70% of U.S. owner-occupied housing units to be mortgaged, yields estimate of number of mortgaged loans outstanding, by targeted FL county, for forecast period.

6 *Market, Market Segmentation and Target Market Needs, Page 6:* Utilizing figures derived in Endnote 5, then applying U.S. delinquency and foreclosure rates of 4.28% and 1.12%, respectively, Ibid., MBA article, Endnote 3, to estimate number of mortgaged loans outstanding, for targeted Florida counties, that are considered to be in delinquency or foreclosure; then multiplying by $13,370, to approximate average transaction value, based on a weighted average of total revenues, divided by total unit volume, forecasted by Home Investment Group, LLC, yields an estimated 2004 target market; then Ibid., U.S. Census Bureau, "Housing Costs of Homeowners: 2000", Table 2, for Florida, citing 10-growth of mortgaged, owner-occupied units, from 1,668,542, in 1990, to 2,323,452, in 2000, or annualized growth rate of 3.9%, for extrapolation of the 2004 market projections to 2005 through 2008.

7 *Market, Market Segmentation and Target Market Needs, Page 6:* Mirroring methodology described in Endnote 5, utilizing relevant U.S. Census Bureau and prior sources for the seven targeted cities or counties, within the U.S.

8 *Market, Market Segmentation and Target Market Needs, Page 6:* Utilizing Endnote 6 methodology and utilizing Ibid., U.S. Census, "Housing Costs of Homeowners: 2000", to estimate annual growth rates for six relevant states.

9 *Industry, General Characteristics, Page 7:* Ibid., U.S. Census Bureau, "Housing Costs of Homeowners; 2000"; along with Ibid., U.S. Census Bureau, American Factfinder, "GCT-H6. Occupied Housing Characteristics: 2000".

This Business Plan was prepared by:

Business Confidant

Your Business Planning Specialist

45 Ora Way, A-206, San Francisco, CA 94131

(415) 282-1044 • info@BusinessConfidant.com • www.BusinessConfidant.com