



5285 Oberlin, Suite 5
San Diego, CA. 921212

December 2, 2016

Re: **Subscription Instructions for Offering of Class B Common Stock**

Dear _____:

Filmio, Inc. (the “**Company**”), is an entertainment company that produces original content, acquires rights to content and partners with great creators to invest in their entertainment projects in exchange for rights and equity in those projects. The Company is building an engine that funds, creates and ultimately distributes the best of independent content through its own online streaming platform, *Filmio Now*.

The Company is engaging in a private offering to accredited investors only (the “**Investors**”), of up to 4,000,000 shares of its Class B Common Stock (the “**Common Stock**”). Each share of Common Stock is being offered for a purchase price of \$0.50 (the “**Offering**”). The details of and subscription instructions for the Offering are set forth below under the section “*Summary of Terms of Offering*”.

SUMMARY OF TERMS OF OFFERING

The terms of the Offering are set forth in the table below.

Size of Offering:	\$2,000,000.00
Securities Offered:	4,000,000 shares of Class B Common Stock.
Offering Price:	\$0.50 per share (the “ Purchase Price ”).
Minimum Subscription:	25,000 shares of Common Stock (\$25,000). The Company, however, may, in its sole discretion, accept a subscription for less than the minimum number of shares of Common Stock. There is no minimum amount of

	financing required before the Company may begin closing on subscriptions, and the Company may, in its discretion, sell less than all of the Common Stock being offered in this Offering.
Termination:	The Offering shall terminate on the earlier to occur of the date all of the Common Stock being offered hereby is sold, and June 1, 2017, or on such earlier date as determined in the sole discretion of the Company, however, the Company, may in its sole discretion, extend the period of the Offering.
Broker's/Finder's Fees:	The Company reserves the right to compensate broker/dealers which sell Common Stock, or to compensate finders for introducing investors that purchase Common Stock. Any such broker/dealer or finder will be compensated through sales commissions of up to 10% of the gross proceeds resulting from the Common Stock they sell. Compensation due to finders and broker/dealers may be paid, at the discretion of the Company's management, in the form of cash or through the issuance of Common Stock to such broker/dealer or finder.
Risk Factors:	The purchase of the Common Stock involves a high degree of risk. Prospective investors should be prepared to accept the risk of losing all or substantially all of their investment. Prior to considering investing in the Offering, you should carefully review and understand the " Investor Notices " set forth on <u>Exhibit C</u> hereto, and the " Risk Factors " enumerated on <u>Exhibit A</u> hereto.

SUBSCRIPTION DOCUMENTS

The following subscription documents are attached to this letter, each of which you should carefully review and understand before deciding whether to participate in the Offering:

<u>Exhibit A</u>	Risk Factors
<u>Exhibit B</u>	Subscription Agreement
<u>Exhibit C</u>	Investor Notices

SUBSCRIPTION INSTRUCTIONS

To participate in the Offering, you must complete, sign and return the Subscription Agreement to the Company at the address set forth below, and pay the purchase price for the securities pursuant to the instructions set forth below:

Filmio, Inc.
Attn: Bryan Hertz
5285 Oberlin, Suite 5
San Diego, CA. 921212

Payment of the purchase price may be made by check payable to “**Filmio, Inc.**” and submitted to the address set forth above, or by wire transfer pursuant to wire transfer instructions set forth below:

Bank: JPMorgan Chase Bank, NA
Bank Address: 270 Park Avenue, New York, NY 10017
Account Holder: Filmio, Inc.
Account Number: 902181515
Routing Number: 322271627
SWIFT Code (for International Wires): CHASUS33

ACCEPTANCE OF SUBSCRIPTION

Delivery of an investor’s Subscription Agreement executed by the Company will constitute the Company’s acceptance of that investor’s subscription. The Company reserves the right, in its sole discretion, to reject any subscription if it believes the investor does not meet the accredited investor qualifications or for any other reason. The Company may also, for any reason, limit the amount of the investment of any investor. In addition, the Company reserves the right, for any reason, to amend, modify and/or withdraw all or a portion of the Offering.

RISK FACTORS

An investment in the Common Stock is highly speculative and subject to a high degree of risk. You should carefully review the “**Risk Factors**” attached as Exhibit A hereto. The actual occurrence or existence of any of the risk factors or conditions described in Exhibit A, or any other adverse condition or event that may occur or arise, or of which the Company is currently unaware or considers immaterial, could materially and adversely affect the Company’s business, financial condition and/or results of operations, and could result in the total or partial loss of your investment. Prior to considering investing

in the Offering, you should also carefully review and understand the “*Investor Notices*” set forth on *Exhibit C* hereto.

FORWARD LOOKING STATEMENTS

Any estimates or projections as to events that may occur in the future or with respect to the future operating or financial performance of the Company, including, but not limited to, any pro forma financial statements and data provided to you, are based upon the reasonable judgment of the Company’s management, and provide their current expectations and forecasts for the Company. There is no assurance that actual results will be the same, or similar, to any financial projections or other statements or data provided by the Company. Whether or not such estimates or projections are attained will depend on the Company’s achieving its overall business objectives and numerous other factors, including, but not limited to, those outlined in the “*Risk Factors*” attached hereto as *Exhibit A*. In addition, such forecasts are based on certain assumptions the Company’s management has made, including, but not limited to, assumptions related to the cost of the development of the Company’s technology platform, the ability to sign up users, the ability to license or acquire compelling content, market acceptance, and competition in the marketplace. If one or more of the key assumptions turn out to be wrong or if unforeseen conditions or events arise, actual results may vary materially. You should not rely on any such projections or estimates in making a decision to invest.

ADDITIONAL INFORMATION

Before you decide to invest, you may, if you desire, make inquiries about the Company and its business or any other matters relating to the Company and your possible investment in the Company, by meeting with the Company’s management and/or obtaining documents and any other information which you believe necessary to make an investment decision. In connection with such inquiry, any documents that you wish to review, will be made available for inspection and copying or provided, upon request, subject to your agreement to maintain such information in confidence and to return it to us. You should address any inquiries or requests for additional information or documents in writing to the address set forth below:

Filmio, Inc.
Attn: Bryan Hertz
5285 Oberlin, Suite 5
San Diego, CA. 921212

Sincerely,

Bryan Hertz
Executive Chairman

EXHIBIT A

RISK FACTORS

RISK FACTORS

An investment in the common stock (the “Common Stock”) being offered by Filmio, Inc. (the “Company”) is highly speculative and subject to a high degree of risk. Therefore, only those who can bear the risk of losing their entire investment should participate in this Offering. Investors should carefully read and consider the following risk factors before deciding to participate in this Offering. Also, the risks and uncertainties set forth below are not the only ones that are facing the Company; there may be additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial. The actual occurrence or existence of any of the factors or conditions described below, or any other adverse condition or event that may occur or arise, or of which the Company is currently unaware or considers immaterial, could materially and adversely affect the Company’s business, financial condition and/or results of operations. This could result in the loss of all or part of an investor’s investment.

Risks Related to the Company’s Business

The Company is a new company with risks related to small early stage businesses.

The Company is a new company (commencing operations in 2016) and is, therefore, subject to the risks and expenses that most early stage or small businesses face. The Company has no operating history on which to base an evaluation of the Company’s business and prospects. In addition, the Company has no revenue, and expects to experience substantial net losses in the foreseeable future. In order to be successful, the Company must, among other things, successfully develop its technology platform (collectively, the “**Filmio Now**”), execute the Company’s business and marketing strategy, successfully market and operate Filmio Now in compliance with applicable law, acquire or license compelling content, respond to competitive developments, and attract and retain qualified personnel. There can be no assurance that the Company will be successful in accomplishing the foregoing, and the Company’s failure to do so could have a material adverse effect on the Company’s business, prospects, financial condition and results of operations.

The Company anticipates it will incur losses in the foreseeable future.

The Company has no revenues and expects to experience significant net losses for the foreseeable future, as it invests in personnel, the development of Filmio Now, the acquisition of content and the marketing of Filmio Now. There can be no assurance that the Company will successfully develop or launch Filmio Now, generate any revenue or ever operate profitably.

The Company faces intense competition.

The content and video product business is highly competitive. The Company faces competition from existing online streaming platforms such as Netflix, Amazon and HBO, from film studios such as Universal and Paramount), and from modern entertainment companies such as Legion M. Most of the Company’s competitors have substantially greater financial and marketing resources, larger customer bases, longer operating histories, greater name recognition

and more established relationships in the industry than the Company. Most of these competitors can secure better terms from vendors, adopt more aggressive pricing and devote more resources to technology, infrastructure and marketing. As a result, these competitors can likely take advantage of opportunities more readily, and devote greater resources to development, marketing and sales than the Company. In addition, there is nothing preventing the existing major online streaming companies and studios from adopting the Company's business model or starting competitive services. There can be no assurance that the Company will compete successfully with such competitors.

If the Company is unable to retain the Company's key personnel and attract new personnel, the Company may be unable to execute on its business plan.

The Company's success depends in significant part on the continued services of the Company's current management team, namely, Bryan Hertz and Ian LeWinter. The Company's success also depends in significant part on the Company's ability to attract and retain additional management and other personnel. The inability to attract and retain such key personnel, or losing one or more of the Company's existing management team, would seriously impair the Company's ability to, or could cause the Company to fail to, successfully implement the Company's business plan. This would have a material adverse effect on the Company's business, results of operations and financial condition and the investors could lose their investment.

There are no assurances that the Company will successfully raise the funds required to develop Filmio Now, and launch and successfully operate Filmio Now .

Although the Company is attempting to raise \$2,000,000 in this Offering, it cannot make any assurances that the Company will raise the entire \$2,000,000. In addition, the Company is conducting this Offering on a "best-efforts" basis and, therefore, the Company is not obligated to raise the full \$2,000,000. The Company has, and will have, the right to close on one or more subscriptions for the securities being offered in this Offering, and to immediately begin using the proceeds of such subscriptions, regardless of the amounts raised, notwithstanding that the Company may not have received subscriptions for all or even substantially all of the amounts the Company is seeking to raise. Because there is no assurance that the Company will be able to or will decide to sell all or substantially all of the Common Stock in this Offering, the Company could close on substantially less than \$2,000,000. If the Company decides not to, or is unable to raise, the entire \$2,000,000, the Company may not have sufficient capital to achieve profitability.

The Company may need additional financing and the inability to obtain such financing may have an adverse impact on the Company's business.

Even if the Company sells all the Common Stock in this Offering, the Company anticipates it will need substantial additional capital to fund working capital needs. There can be no assurance that additional financing will be available to the Company on commercially reasonable or acceptable terms, or at all. In addition, the Company may raise such additional equity capital from the sale of common stock to individuals or institutions that may negotiate terms at least as, and possibly more, favorable than the terms of your investment, including, but not limited to, a lower purchase price. Further, preferred stock could be issued in series from time to time with such designation, rights, preferences, and limitations as needed to raise capital.

The terms of such preferred stock could be more advantageous to those investors than to the holders of common stock. In addition, if the Company incurs debt, the risks associated with the Company's business and with owning the Company's capital stock could increase.

Demand for the Company's services is uncertain.

The Company is uncertain whether consumers will accept the Company's service and, therefore, of the actual demand for the Company's service. The lack of demand may materially and adversely affect the Company's business prospects, operating results and financial condition.

If the Company's efforts to attract and retain users are not successful, the Company's business will be adversely affected.

The Company's ability to attract users will depend in part on the Company's ability to consistently provide the Company's users with compelling content choices. Furthermore, the relative service levels, content offerings, pricing and related features of competitors to the Company's service may adversely impact the Company's ability to attract and retain userships. If consumers do not perceive the Company's service offering to be of value, the Company may not be able to attract and retain users.

If the Company fails to establish a positive reputation with consumers concerning the Company's service, including the content the Company offers, the Company may not be able to attract or retain users, and the Company's operating results may be adversely affected.

The Company believes that a positive reputation with consumers concerning the Company's service is important in attracting and retaining users who have a number of choices from which to obtain entertainment video. To the extent the Company's content is perceived as low quality, offensive or otherwise not compelling to consumers, the Company's ability to establish and maintain a positive reputation may be adversely impacted.

If studios, content providers or other rights holders refuse to license streaming content or other rights upon terms acceptable to the Company, the Company's business could be adversely affected.

The Company's ability to provide its users with content they can watch depends on studios, content providers and other rights holders licensing rights to such content and certain related elements thereof. The license periods and the terms and conditions of such licenses vary. If the studios, content providers and other rights holders are not or are no longer willing or able to license the Company content upon terms acceptable to the Company, the Company's ability to stream content to the Company's users will be adversely affected and/or the Company's costs could increase.

If the technology the Company uses in operating its business fails, is unavailable, or does not operate to expectations, the Company's business and results of operation could be adversely impacted.

The Company shall use a combination of proprietary and third party technology to operate the Company's business. If the Company experiences difficulties in the operation of this technology, the Company's ability to efficiently and effectively deliver streaming content to the Company's users could be adversely impacted and the Company's business and results of operation could be adversely affected. If the Company's technology or that of third parties the Company utilizes in the Company's operations fails or otherwise operates improperly, the Company's ability to operate the Company's service, retain existing users and add new users may be impaired. Also, any harm to the Company's users' personal computers or other devices caused by software used in the Company's operations could have an adverse effect on the Company's business, results of operations and financial condition.

If government regulations relating to the Internet or other areas of the Company's business change, the Company may need to alter the manner in which it conducts business, or incur greater operating expenses.

The existence, adoption or modification of laws or regulations relating to the Internet or other areas of the Company's business could limit or otherwise adversely affect the manner in which the Company conducts its business. In addition, the continued growth and development of the market for online commerce may lead to more stringent consumer protection laws, which may impose additional burdens on the Company. The Company's inability to comply with such laws could have an adverse effect on the Company's business, results of operations and financial condition. In addition, compliance with new regulations or legislation or new interpretations of existing regulations or legislation, could cause the Company to incur additional expenses or alter the Company's business model.

The Company may not be able to produce compelling content.

The Company's business involves the creation of content. The content the Company is able to create, if any, may not be accepted by consumers, and therefore, the Company may be unable to license or sell such content in a profitable manner or at all.

Risks Related to this Offering

There is no public market for the Company's securities and transfer thereof is subject to substantial contractual and legal restrictions.

The Common Stock has not been, and will not be, registered under the Securities Act or any applicable state securities laws. In addition, the Common Stock may not be resold, transferred, pledged or otherwise disposed of unless it is (i) subsequently registered under the Securities Act and any applicable state securities laws or the holder delivers an acceptable legal opinion to the Company that an exemption from such laws exist and (ii) sold in compliance with the Subscription Documents. Currently, there is no public market for any of the Company's securities, and no assurance can be given that a market will ever develop or be sustained in the future. As a result, prospective investors should be prepared to hold the Common Stock for an indefinite period.

No independent valuation of the Company has been performed in determining the terms of this Offering, and the Offering price has been arbitrarily determined by the Company and bears no relationship to the Company's assets, earnings, book value, net tangible value, or other generally accepted criteria of value for investment.

No independent valuation of the Company has been performed in determining the terms of this Offering. The price of the Common Stock has been arbitrarily determined by the Company, and therefore, does not necessarily bear any relationship to the Company's assets, earnings, book value, net tangible value, or other generally accepted criteria of value for investment. The Offering price is substantially higher than the net tangible book value per share of Common Stock, fully diluted, after this Offering. The Offering price does not reflect market forces, and it should not be regarded as an indicator of any future market price of the Company's securities.

The Company may be unable to pay dividends.

The Company does not expect to achieve profitability or pay dividends in the near future. In addition, the Company cannot assure that it will ever pay dividends.

An investor's ownership interest could be significantly diluted.

An investor's ownership interest in the Company will likely be subject to substantial future dilution. The Company currently contemplates raising an additional \$1,000,000 pursuant to a Regulation CF offering. In addition to the foregoing, the Company will likely need to raise additional capital. In connection with raising such capital, the Company may issue additional shares of Common Stock or other securities, which may include the issuance of preferred stock that has liquidation, dividend, voting or other rights senior to the Common Stock. The Company also may enter into strategic partnerships or acquisitions in the future in connection with which the Company may need to issue additional shares of Common Stock or other securities, and may issue additional Common Stock, options to purchase Common Stock, or other securities, to existing or future officers, directors, employees and consultants as compensation or incentives. As a result of the foregoing, a purchaser of Common Stock in this Offering, will likely be diluted in the future through a decrease in the purchaser's relative percentage ownership of the Company.

Prospective investors should conduct an independent investment analysis and due diligence review.

No independent legal, accounting or business advisors have been appointed to represent the interests of prospective investors in connection with this Offering. Neither the Company nor any of the Company's officers, directors, employees or agents is making any representation or expressing any opinion with respect to the merit of an investment in the Common Stock, including, without limitation, the proposed value of the Common Stock. Each prospective investor is therefore, encouraged to engage independent accountants, appraisers, attorneys and other advisors to: (i) conduct such due diligence review as such prospective investor may deem necessary and advisable and (ii) provide such opinions with respect to the merit of an investment in the Common Stock and applicable risk factors as such prospective investor may deem

necessary and advisable to rely upon. The Company will cooperate fully with any prospective investor who desires to conduct such an independent analysis so long as the Company determines, in the Company's sole discretion, that such cooperation is not unduly burdensome.

The holders of the Company's Class A Common Stock control the Company.

Each share of Class B Common Stock has one vote, whereas each share of Class A Common Stock has ten votes. There are currently 54 million shares of Class A Common Stock outstanding held by four holders, including, Bryan Hertz, the Company's Chairman. Therefore, investors will not be able to control the management of the Company.

Management Team Members Have Other Commitments.

Certain members of our management team, such as Kevin Hertz and Bryan Hertz are not full time employees and have full time positions with other companies. In addition, other members of our management team are consultants and have duties for other companies. Therefore, most members of our management team will not be devoting their full time efforts to our business.

EXHIBIT B

SUBSCRIPTION AGREEMENT

SUBSCRIPTION AGREEMENT

The undersigned (the “**Investor**”) hereby offers to purchase _____ shares of Class B common stock being offered by Filmio, Inc., a Delaware corporation (the “**Company**”), for a purchase price of \$0.50 per share (the “**Purchase Price**”), for an aggregate offering price of \$_____.

1. **Representations and Warranties of Company.** The Company hereby represents and warrants to the Investor that:

1.1 **Organization, Standing and Power.** The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as contemplated to be conducted.

1.2 **Authority and Enforceability.** The Company has all requisite corporate power and authority to execute and deliver this Agreement and to perform fully its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

1.3 **No Conflict or Violation.** Neither the execution and delivery of this Agreement by the Company, nor the consummation of the transactions contemplated hereby, nor compliance by any party with any of the provisions hereof, will, in a material fashion, (a) conflict with or result in a violation of any provision of the Company’s Articles of Incorporation or Bylaws, (b) conflict with, result in the violation of, default under, termination of, or breach of, any contract, agreement, note, loan, security agreement, pledge agreement or other indebtedness, lease, commitment, license, sublicense, franchise, permit, authorization or concession to which the Company is a party or subject, or (c) result in a violation by the Company of any statute, rule, regulation, ordinance, code, order, judgment, writ, injunction, decree or award.

1.4 **Government Authorization; Compliance with Law.** The Company has obtained, and at all relative times has maintained, each federal, state, county, local or foreign governmental consent, license, permit, grant, or other governmental authorization that is required for the operation of its business through the date hereof, and shall maintain all governmental consents, licenses, permits, grants, or other governmental authorizations that are required for the operation of its business in the future, except where such failure to obtain or maintain would not have a material adverse effect on the Company.

1.5 **Litigation.** There is no claim, legal action, suit, arbitration, governmental investigation or other legal or administrative proceeding, nor any order, decree or judgment pending, nor to the Company’s knowledge are any of the foregoing threatened against (a) the Company, (b) the Company’s properties, assets or business, or (c) the transactions contemplated by this Agreement, and to the knowledge of the Company, there is no basis for any of the

foregoing.

2. **Representations and Warranties of the Investor.** The Investor hereby represents and warrants to the Company as follows:

2.1 **Investment.** The Investor is acquiring the Securities for investment for the Investor's own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof in violation of applicable securities laws. The Investor understands that such Securities have not been, and will not be, registered under the Securities Act of 1933, as amended (the "**Securities Act**"), by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Investor's representations as expressed herein.

2.2 **Rule 144.** The Investor acknowledges that the Securities must be held unless subsequently registered under the Securities Act or an exemption from such registration is available. The Investor is aware of the provisions of Rule 144 promulgated under the Securities Act which permit limited resale of securities purchased in a private placement subject to the satisfaction of certain conditions, including, among other things (except as otherwise permitted under Rule 144(k), if applicable) (i) the availability of certain current public information about the Company, (ii) the resale occurring not less than 6 months after a party has purchased and fully paid for the securities to be sold, (iii) the sale being effected through a "broker's transaction" or in transactions directly with a "market maker" (as provided by Rule 144(f)), and (iv) the number of securities being sold during any three-month period not exceeding specified limitations.

2.3 **No Public Market.** The Investor understands that no public market now exists for the Securities and it is not likely that a public market will ever exist for the Securities.

2.4 **Access to Data; No Reliance on Projections; Risk Factors.** The Investor has requested and received from the Company all documents and other information the Investor considers necessary or appropriate for deciding whether to purchase the Securities. The Investor has had an opportunity to ask questions of and receive answers from management of the Company concerning the business and financial affairs of the Company and the Investor's purchase of Securities hereunder. The Investor has had such questions answered to the Investor's satisfaction. The Investor understands that such discussions, as well as any written information issued by the Company, were intended to describe certain aspects of the Company's business and prospects but were not a thorough or exhaustive description. The Investor acknowledges that any estimates or projections as to events that may occur in the future or with respect to the future operating or financial performance of the Company were based upon the reasonable judgment of the Company's management at the time such estimates or projections were made. The Investor understands that whether or not such estimates or projections are attained will depend on the Company's achieving its overall business objectives and numerous other factors, including, but not limited to, the Risk Factors described in the Subscription Instructions to which this Agreement is attached, and in the exhibits thereto (the "**Risk Factors**"). The Investor has not relied on any such projections or estimates in making a decision

to invest in the Securities. The Investor agrees and acknowledges that the Investor has thoroughly read and understands the Risk Factors. The Investor further understands and acknowledges that the Risk Factors are examples of the risks and uncertainties involved in an investment in the Securities, and is not an exhaustive list of all risks involved in an investment in the Securities. The Investor understands, agrees and acknowledges that the actual occurrence or existence of any of the Risk Factors or conditions described in the Risk Factors, or any other adverse condition or event that may occur or arise, or of which the Company is currently unaware or considers immaterial, could materially and adversely affect the Company's business, financial condition and/or results of operations, and could result in the partial or total loss of the Investor's investment.

2.5 Authorization. This Agreement, when executed and delivered by the Investor, will constitute a valid and legally binding obligation of the Investor, enforceable in accordance with its terms.

2.6 Risk of Investment. The Investor understands the risks inherent in new ventures and the risks associated with early stage companies such as the Company, and the Investor has experience in investing in such ventures. The Investor can bear the loss of its entire investment.

2.7 Tax Liability. The Investor has reviewed with its own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. The Investor has relied solely on such advisors and not on any statements or representations of the Company or any of its agents. The Investor understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

2.8 Accredited Investor. The Investor is an "Accredited Investor", as that term is defined under Rule 501 of Regulation D promulgated under Section 4(2) of the Securities Act, as currently in effect. The Investor understands that the Company is relying upon this representation for purposes of determining whether the Investor is an "accredited investor" under the Securities Act and applicable state securities laws. The investment by the Investor and the Investor's prior conduct will not disqualify the Company from relying upon on Rule 506 of Regulation D under the Securities Act in the future and no conduct of the Investor will require the Company to make disclosures required to be made to additional investors pursuant to Rule 506(d) in future offerings.

2.9 Additional Issuances. The Investor understands and acknowledges that during or at any time after the completion of the offering in which the Securities are being sold to the Investor, the Company may sell Securities to other investors at a price lower than the purchase price paid by the Investor hereunder.

3. Uncertificated shares. The Investor acknowledges that the company is authorized to issue uncertificated shares, and hereby waives the Investor's right to receive a stock certificate representing the securities and consents and agrees to the issuance of uncertificated shares.

4. Acceptance. Upon acceptance by the Company of the Investor's offer made hereby and receipt by the Company of (i) this Agreement completed and signed by the Investor, and (ii) the Investor's payment for the Securities by check or wire transfer, the Company will countersign this Agreement and deliver the countersigned agreement to the Investor.

5. California Exemption. The sale of the Securities has not been qualified with the Commissioner of Corporations of the State of California and the issuance of the Securities or the payment or receipt of any part of the consideration therefore prior to the qualification is unlawful, unless the sale is exempt from the qualification by Section 25100, 25102 or 25105 of the California Corporations Code. The rights of all parties to this Agreement are expressly conditioned upon the qualification being obtained, unless the sale is so exempt.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the day and year following their signature below.

SIGNATURE OF INDIVIDUAL INVESTOR:

SIGNATURE OF NON-INDIVIDUAL INVESTOR:

[Type or Print Exact Name of Investor]

[Type or Print Exact Name of Investor]

Address: _____

By: _____

Name: _____

Title: _____

Fax: _____

Date: _____

Date: _____

SUBSCRIPTION AMOUNT: \$ _____ .00

SIGNATURE OF THE COMPANY:

The foregoing subscription is hereby accepted as to _____ shares of Class B Common Stock of the Company, for a purchase price of \$0.50 per share, or an aggregate purchase price of \$ _____.

By: _____
Bryan Hertz, Chairman

Date: _____

EXHIBIT C

INVESTOR NOTICES

THE SECURITIES OFFERED BY THE SUBSCRIPTION INSTRUCTIONS AND ASSOCIATED OFFERING DOCUMENTS TO WHICH THESE INVESTOR NOTICES ARE ATTACHED (COLLECTIVELY, THE “MEMORANDUM”) ARE A SPECULATIVE INVESTMENT AND THE OFFERING OF THE SAME (THE “OFFERING”) INVOLVES SUBSTANTIAL RISKS TO INVESTORS, INCLUDING THE RISK THAT INVESTORS MIGHT LOSE THEIR ENTIRE INVESTMENT IN THE COMPANY. THERE ARE SEVERE RESTRICTIONS ON TRANSFERS OF THE SECURITIES OFFERED THEREBY AND THERE IS NO LIQUIDITY IN THE INVESTMENT.

THE SECURITIES OFFERED HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION OR QUALIFICATION REQUIREMENTS OF SUCH ACT AND SUCH LAWS. THE SECURITIES MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED (A) UNDER SUCH ACT AND SUCH LAWS PURSUANT TO REGISTRATION, QUALIFICATION OR EXEMPTION THEREFROM AND (B) BY THE TERMS CONTAINED IN THE MEMORANDUM.

THE MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY, THE SECURITIES OFFERED THEREBY (NOR SHALL THERE BE ANY SALE OF ANY SUCH SECURITIES) IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL.

STATEMENTS CONTAINED THEREIN AS TO THE CONTENTS OF ANY AGREEMENT OR DOCUMENT ARE SUMMARIES THEREOF AND ARE NOT NECESSARILY COMPLETE, AND IN EACH INSTANCE REFERENCE IS MADE TO SUCH AGREEMENT OR OTHER DOCUMENT. COPIES OF ANY DOCUMENT REFERRED TO THEREIN, IF NOT FURNISHED THEREWITH TO PROSPECTIVE INVESTORS, MAY BE OBTAINED FROM THE COMPANY AND ARE AVAILABLE FOR INSPECTION AT THE OFFICES OF THE COMPANY BY ANY PROSPECTIVE INVESTOR OR HIS ACCOUNTANT, ATTORNEY OR INVESTMENT ADVISOR.

THE RECIPIENT OF THIS MEMORANDUM MAY NOT SOLICIT, DIRECTLY OR INDIRECTLY (WHETHER THROUGH AN AGENT OR OTHERWISE), THE PARTICIPATION OF ANOTHER PROSPECTIVE INVESTOR OR DELIVER THIS MEMORANDUM OR ANY REPRODUCTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, TO ANY OTHER PERSON (OTHER THAN HIS AGENTS AND AFFILIATES) WITHOUT THE PRIOR WRITTEN APPROVAL OF THE COMPANY. THIS MEMORANDUM CONTAINS ALL OF THE REPRESENTATIONS BY THE COMPANY CONCERNING THIS OFFERING AND NO PERSON SHALL MAKE DIFFERENT OR BROADER STATEMENTS THAN THOSE CONTAINED HEREIN. PROSPECTIVE INVESTORS ARE CAUTIONED NOT TO RELY UPON ANY INFORMATION NOT EXPRESSLY SET FORTH IN THIS MEMORANDUM.

NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCE, CREATE ANY IMPLICATION THAT THERE HAS NOT BEEN A CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF. THIS MEMORANDUM SUPERSEDES ALL WRITTEN AND/OR ORAL INFORMATION, IF ANY, RECEIVED BY THE PROSPECTIVE INVESTOR BEFORE THE DATE HEREOF. TO THE EXTENT THAT ANY INFORMATION SET FORTH IN THIS MEMORANDUM, ANY SUPPLEMENT HERETO OR THE DOCUMENTS REFERENCED HEREIN OR THEREIN SHALL BE INCONSISTENT WITH SUCH PREVIOUSLY RECEIVED INFORMATION, THIS MEMORANDUM, ITS SUPPLEMENTS AND RELATED DOCUMENTS SHALL GOVERN.

IN MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE

MERITS AND RISKS INVOLVED. PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE COMPANY OR ANY OTHER PARTY AS LEGAL, BUSINESS OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN ATTORNEY, BUSINESS ADVISOR AND TAX ADVISOR AS TO LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THIS OFFERING.

NOTICE TO ALABAMA RESIDENTS:

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE ALABAMA SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE ALABAMA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OF COMPLETENESS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NOTICE TO ARIZONA RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE ARIZONA SECURITIES ACT IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION PURSUANT TO A.R.S. SECTION 44-1844 (I) AND THEREFORE CANNOT BE RESOLD UNLESS THEY ARE SO REGISTERED OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

NOTICE TO ARKANSAS RESIDENTS:

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER SECTION 23-42-504 (A) OF THE ARKANSAS SECURITIES ACT AND SECTION 4(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE ARKANSAS SECURITIES DEPARTMENT OR WITH THE SECURITIES AND EXCHANGE COMMISSION. NEITHER THE DEPARTMENT NOR THE COMMISSION HAS PASSED UPON THE VALUE OF THESE SECURITIES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED THE OFFERING OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFERING DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. INVESTOR SUITABILITY REQUIREMENTS FOR ARKANSAS RESIDENTS REQUIRE, AT A MINIMUM, AN INVESTMENT BY AN UNACCREDITED INVESTOR SHALL NOT EXCEED 20% OF THE INVESTOR'S NET WORTH, INCLUDING HOME, HOME FURNISHINGS AND PERSONAL AUTOMOBILE (ALONE OR JOINTLY WITH A SPOUSE) AT THE TIME OF PURCHASE.

NOTICE TO CALIFORNIA RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR THE CALIFORNIA CORPORATIONS CODE BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR THE CALIFORNIA CORPORATION CODE, IF SUCH REGISTRATION IS REQUIRED.

NOTICE TO COLORADO RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE COLORADO SECURITIES ACT OF 1981 BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS SUBSEQUENTLY REGISTERED UNDER THE ACT OR THE COLORADO SECURITIES ACT OF 1981, IF SUCH REGISTRATION IS REQUIRED.

NOTICE TO CONNECTICUT RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER SECTION 36-485 OF THE CONNECTICUT UNIFORM SECURITIES ACT AND ARE BEING OFFERED AND SOLD PURSUANT TO AN EXEMPTION THEREFROM. THESE SECURITIES CANNOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION, WHICH IS EXEMPT UNDER THE CONNECTICUT UNIFORM SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR IN A TRANSACTION, WHICH IS OTHERWISE IN COMPLIANCE WITH SUCH ACT.

NOTICE TO DELAWARE RESIDENTS:

THESE SECURITIES HAVE NOT BEEN TRANSFERRED UNDER THE DELAWARE SECURITIES ACT AND ARE OFFERED AND SOLD PURSUANT TO AN EXEMPTION THEREFROM. THESE SECURITIES CANNOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION, WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SUCH ACT.

NOTICE TO DISTRICT OF COLUMBIA RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE DISTRICT OF COLUMBIA SECURITIES ACT SINCE SUCH ACT DOES NOT REQUIRE REGISTRATION OF SECURITIES ISSUED. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT OF 1933, OR AN EXEMPT FROM REGISTRATION IS AVAILABLE.

NOTICE TO FLORIDA RESIDENTS:

THESE SECURITIES WILL NOT BE SOLD TO, AND ACQUIRED BY, THE HOLDER IN A TRANSACTION EXEMPT UNDER SECTION 517.061(11) OF THE FLORIDA SECURITIES ACT. THE SECURITIES HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF FLORIDA. ALL FLORIDA RESIDENTS SHALL HAVE THE PRIVILEGE OF VOIDING THE PURCHASE OF THE SECURITIES THREE (3) DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER OR AN ESCROW AGENT OR THREE (3) DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER, WHICHEVER OCCURS LATER.

NOTICE TO GEORGIA RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR SECTION 10-5-509 OF THE GEORGIA ACT OF 1973 AND ARE BEING SOLD IN RELIANCE UPON EXEMPTIONS THEREFROM. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE INVESTMENT IS SUITABLE IF IT DOES NOT EXCEED 20% OF THE INVESTOR'S NET WORTH.

NOTICE TO HAWAII RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE HAWAII UNIFORM SECURITIES ACT IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION PURSUANT TO SECTION 485-6(15), AND THEREFORE, CANNOT BE RESOLD OR TRANSFERRED UNLESS DULY REGISTERED OR QUALIFIED FOR AN EXEMPTION FROM THE REGISTERED REQUIREMENTS.

NOTICE TO IDAHO RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE IDAHO SECURITIES ACT AND THEREFORE, CANNOT BE RESOLD OR TRANSFERRED UNLESS THEY ARE SO REGISTERED OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

NOTICE TO ILLINOIS RESIDENTS:

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECRETARY OF STATE OF ILLINOIS OR THE STATE OF ILLINOIS, NOR HAS THE SECRETARY OF STATE OF ILLINOIS OR THE STATE OF ILLINOIS PASSED UPON THE ACCURACY OR ADEQUACY OF THE OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NOTICE TO INDIANA RESIDENTS:

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE OF SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE INDIANA SECURITIES ACT AND HAVE BEEN SOLD PURSUANT TO AN EXEMPTION THEREFROM. THESE SECURITIES CANNOT BE RESOLD WITHOUT REGISTRATION UNDER THE INDIANA SECURITIES ACT OR UNLESS AN EXEMPTION THEREFROM IS AVAILABLE.

INDIANA INVESTORS (I) MUST HAVE AN INCOME FOR THE MOST RECENT YEAR OF AT LEAST THIRTY THOUSAND DOLLAR (\$30,000) OR TWO TIMES THE TOTAL PURCHASE PRICE OF THE SECURITIES SUBSCRIBED FOR BY THE INVESTOR DETERMINED AT THE TIME OF SALE OF SUCH SECURITIES, OR (II) MUST HAVE A NET WORTH (EXCLUSIVE OF HOUSE, HOME FURNISHINGS AND AUTOMOBILES) WHICH IS THE GREATER OF SEVENTY-FIVE THOUSAND (\$75,000) OR THREE TIMES THE TOTAL PURCHASE PRICE OF THE SECURITIES SUBSCRIBED FOR BY THE INVESTOR, DETERMINED AT THE TIME OF SALE OF SUCH INTERESTS.

NOTICE TO IOWA RESIDENTS:

THESE SECURITIES ARE BEING OFFERED IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE IOWA SECURITIES ACT BY SECTION 502203 (16) OF SAID ACT. THE IOWA SECURITIES BUREAU MAKES NO RECOMMENDATION AS TO THE ADEQUACY OR ACCURACY OF THIS OFFER. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

NOTICE TO KANSAS RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE KANSAS SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

NOTICE TO KENTUCKY RESIDENTS:

THESE SECURITIES ARE BEING OFFERED IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE KENTUCKY SECURITIES ACT PROVIDED BY KRS 292.410 (I) (9) OF SAID ACT. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED, EXCEPT IN A TRANSACTION, WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SUCH ACT OR IN A TRANSACTION, WHICH IS OTHERWISE IN COMPLIANCE WITH SUCH ACT. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSIONER OF SECURITIES OF THIS STATE NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

NOTICE TO LOUISIANA RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE LOUISIANA SECURITIES LAW, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE INVESTMENT IS SUITABLE IF IT DOES NOT EXCEED THE INVESTOR'S NET WORTH.

NOTICE TO MAINE RESIDENTS:

THESE SECURITIES ARE BEING SOLD PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE BANK SUPERINTENDENT OF THE STATE OF MAINE UNDER SECTION 10502(2)(R) OF TITLE 32 OF THE MAINE REVISED STATUTES. THESE SECURITIES MAY BE DEEMED RESTRICTED SECURITIES AND AS SUCH THE HOLDER MAY NOT BE ABLE TO RESELL THE SECURITIES UNLESS PURSUANT TO REGISTRATION UNDER STATE OR FEDERAL SECURITIES LAWS OR UNLESS AN EXEMPTION UNDER SUCH LAWS EXISTS.

NOTICE TO MARYLAND RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE MARYLAND SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED UNDER THE MARYLAND SECURITIES ACT, IF SUCH REGISTRATION IS REQUIRED.

NOTICE TO MASSACHUSETTS RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR THE MASSACHUSETTS SECURITIES ACT, BY REASON OF THE MASSACHUSETTS UNIFORM LIMITED OFFERING EXEMPTION RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE MASSACHUSETTS SECURITIES ACT, IF SUCH REGISTRATION IS REQUIRED.

NOTICE TO MICHIGAN RESIDENTS:

THESE SECURITIES ARE BEING OFFERED IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE MICHIGAN SECURITIES ACT PROVIDED BY SECTION 451.802(A) OF SAID ACT. THE SECURITIES CANNOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION, WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR IN A TRANSACTION, WHICH IS OTHERWISE IN COMPLIANCE WITH SUCH ACT.

NOTICE TO MINNESOTA RESIDENTS:

THE SECURITIES PRESENTED BY THIS MEMORANDUM HAVE NOT BEEN REGISTERED UNDER CHAPTER 80A OF THE MINNESOTA SECURITIES LAWS AND CANNOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO REGISTRATION, OR AN EXEMPTION THEREFROM.

NOTICE TO MISSISSIPPI RESIDENTS:

THESE SECURITIES ARE OFFERED PURSUANT TO A CERTIFICATE OF REGISTRATION ISSUED BY THE SECRETARY OF STATE OF MISSISSIPPI PURSUANT TO RULE 477, WHICH PROVIDES A LIMITED REGISTRATION PROCEDURE FOR CERTAIN OFFERINGS. THE SECRETARY OF STATE DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES THE SECRETARY OF THE STATE PASS UPON THE TRUTH, MERITS, OR COMPLETENESS OF ANY OFFERING MEMORANDUM FILED WITH THE SECRETARY OF STATE. ANY REPRESENTATIONS TO THE CONTRARY IS A CRIMINAL OFFENSE.

NOTICE TO MISSOURI RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE MISSOURI UNIFORM SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

NOTICE TO NEBRASKA RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES ACT OF NEBRASKA, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

NOTICE TO NEVADA RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES ACT OF NEVADA, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

NOTICE TO NEW HAMPSHIRE RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE NEW HAMPSHIRE UNIFORM SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE

SECURITIES CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE. (THE INVESTMENT IS SUITABLE IF IT DOES NOT EXCEED 10% OF THE INVESTOR'S NET WORTH.)

NOTICE TO NEW JERSEY RESIDENTS:

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE BUREAU OF SECURITIES OF THE STATE OF NEW JERSEY, NOR HAS THE BUREAU PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. THE FILING OF THE WITHIN OFFERING DOES NOT CONSTITUTE APPROVAL OF THE ISSUE OR THE SALE THEREOF BY THE BUREAU OF SECURITIES. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THESE SECURITIES ARE OFFERED ONLY TO BONA FIDE ADULT RESIDENTS OF THE STATE OF NEW JERSEY.

NOTICE TO NEW MEXICO RESIDENTS:

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES COMMISSION OF THE NEW MEXICO DEPARTMENT OF BANKING, NOR HAS THE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE SUBSCRIPTION DOCUMENTS OR OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. PURCHASE OF THESE SECURITIES INVOLVES A HIGH DEGREE OF RISK.

NOTICE TO NEW YORK RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE NEW YORK FRAUDULENT PRACTICES ("MARTIN") ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR THE NEW YORK FRAUDULENT PRACTICES ("MARTIN") ACT, IF SUCH MEMORANDUM IS REQUIRED. THIS PRIVATE OFFERING MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

PURCHASE OF THESE SECURITIES INVOLVES A HIGH DEGREE OF RISK. THIS PRIVATE OFFERING MEMORANDUM DOES NOT CONTAIN AN UNTRUE STATEMENT OF A MATERIAL FACT OR OMIT TO STATE A MATERIAL FACT NECESSARY TO MAKE THE STATEMENTS MADE NOT MISLEADING. IT CONTAINS A FAIR SUMMARY OF THE MATERIAL TERMS OF THE DOCUMENTS PURPORTED TO BE SUMMARIZED HEREIN.

NOTICE TO NORTH CAROLINA RESIDENTS:

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

NOTICE TO NORTH DAKOTA RESIDENTS:

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NOTICE TO OHIO RESIDENTS:

THESE SECURITIES ARE BEING OFFERED IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE OHIO SECURITIES ACT. THE SECURITIES CANNOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION, WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR IN A TRANSACTION, WHICH IS OTHERWISE IN COMPLIANCE WITH SUCH ACT. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSIONER OF THE STATE NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

NOTICE TO OKLAHOMA RESIDENTS:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, OR THE OKLAHOMA SECURITIES ACT. THE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE SOLD OR TRANSFERRED FOR VALUE IN THE ABSENCE OF REGISTRATION PURSUANT TO THE OKLAHOMA SECURITIES ACT, OR AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER THAT SUCH REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR ACTS.

NOTICE TO OREGON RESIDENTS:

THE SECURITIES OFFERED HAVE NOT BEEN REGISTERED WITH THE DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCE OF THE STATE OF OREGON UNDER THE PROVISION OF SECTION 441-65-060 THROUGH 441-65-240. THE INVESTOR IS ADVISED THAT THE DIRECTOR HAS NOT REVIEWED THIS INVESTMENT MEMORANDUM SINCE THIS DOCUMENT IS NOT REQUIRED TO BE FILED WITH THE DIRECTOR. THE INVESTOR MUST RELY ON THE INVESTOR'S OWN EXAMINATION OF THE COMPANY CREATING THE SECURITIES, AND THE TERMS OF THE OFFERING INCLUDING THE MERITS AND RISKS INVOLVED IN MAKING AN INVESTMENT DECISION OF THESE SECURITIES.

NOTICE TO PENNSYLVANIA RESIDENTS:

THESE SECURITIES MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 203(D) OF THE PENNSYLVANIA SECURITIES ACT OF 1972 AND SECTION 203.041 OF THE REGULATIONS OF THE PENNSYLVANIA SECURITIES COMMISSION.

(I) PENNSYLVANIA INVESTORS MUST HAVE A NET WORTH (EXCLUSIVE OF HOME, HOME FURNISHINGS, AND AUTOMOBILES) OF AT LEAST FIVE (5) TIMES THE TOTAL PURCHASE PRICE OF THE SECURITIES SUBSCRIBED FOR DETERMINED AT THE TIME OF SALE OF SUCH INTERESTS; AND (II) THE INTERESTS BEING PURCHASED MAY NOT BE SOLD FOR A PERIOD OF TWELVE (12) MONTHS AFTER THE DATE OF PURCHASE. PURSUANT TO SECTION 207(M) OF THE PENNSYLVANIA SECURITIES ACT OF 1972, AS AMENDED, EACH PENNSYLVANIA RESIDENT WHO ACCEPTS AN OFFER TO PURCHASE SECURITIES EXEMPTED FROM REGISTRATION UNDER SECTION 203(D) OF THE 1972 ACT, DIRECTLY FROM AN ISSUER OR AN AFFILIATE OF AN ISSUER, SHALL HAVE THE RIGHT TO WITHDRAW HIS/HER ACCEPTANCE WITHOUT INCURRING ANY LIABILITY TO THE SELLER, PLACEMENT AGENT (IF ANY) OR ANY OTHER PERSON, TWO (2) BUSINESS DAYS FROM THE DATE OF RECEIPT BY THE ISSUER OF HIS/HER WRITTEN BINDING CONTRACT OF PURCHASE OR, IN THE CASE OF A TRANSACTION IN WHICH THERE IS NO WRITTEN BINDING CONTRACT OR PURCHASE, TWO (2) BUSINESS DAYS AFTER HE/SHE MAKES THE INITIAL PAYMENT FOR THE SECURITIES BEING OFFERED.

TO ACCOMPLISH THIS WITHDRAWAL, THE SUBSCRIBER NEED ONLY SEND A LETTER OR TELEGRAM TO THE COMPANY AT THE ADDRESS SET FORTH IN THIS MEMORANDUM INDICATING HIS OR HER INTENTION TO WITHDRAW. SUCH LETTER OR TELEGRAM SHOULD BE SENT AND POSTED PRIOR TO THE END OF THE AFOREMENTIONED SECOND BUSINESS DAY. IT IS PRUDENT TO SEND SUCH LETTER BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME WHEN IT WAS MAILED. IF THE REQUEST IS MADE ORALLY (IN PERSON OR BY TELEPHONE AT THE NUMBER LISTED IN THIS MEMORANDUM), A WRITTEN CONFIRMATION THAT THE REQUEST HAS BEEN RECEIVED SHOULD BE REQUESTED. THE PURCHASER AGREES NOT TO SELL THESE SECURITIES TWELVE (12) MONTHS AFTER THE DATE OF PURCHASE UNLESS THE PURCHASER'S SECURITIES ACT OF 1972 OR UNDER THE SECURITIES ACT OF 1933, OR UNLESS THE TRANSFER OTHERWISE IS IN ACCORDANCE WITH RULE 204.011 UNDER THE PENNSYLVANIA SECURITIES ACT OF 1972.

NOTICE TO RHODE ISLAND RESIDENTS:

THESE SECURITIES ARE BEING OFFERED IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE RHODE ISLAND SECURITIES ACT. THE SECURITIES CANNOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION, WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR IN A TRANSACTION, WHICH IS OTHERWISE IN COMPLIANCE WITH SUCH ACT. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSIONER NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

NOTICE TO SOUTH CAROLINA RESIDENTS:

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE SOUTH CAROLINA SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THE SECURITIES HAS NOT BEEN FILED WITH THE SOUTH CAROLINA SECURITIES COMMISSIONER. THE COMMISSIONER DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR EXEMPT THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

NOTICE TO SOUTH DAKOTA RESIDENTS:

THESE SECURITIES ARE OFFERED FOR SALE IN THE STATE OF SOUTH DAKOTA PURSUANT TO AN EXEMPTION FROM THE REGISTRATION FROM THE SOUTH DAKOTA BLUE SKY LAW, CHAPTER 47-31, WITH THE DIRECTOR OF THE DIVISION OF SECURITIES OF THE DEPARTMENT OF COMMERCE AND REGULATION OF THE STATE OF SOUTH DAKOTA. THE EXEMPTION DOES NOT CONSTITUTE A FINDING THAT THIS MEMORANDUM IS TRUE, COMPLETE AND NOT MISLEADING NOR HAS THE DIRECTOR OF THE DIVISION OF SECURITIES PASSED IN ANY WAY UPON THE MERITS OR RECOMMENDED, OR GIVEN APPROVAL TO THESE SECURITIES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

SUITABILITY STANDARDS FOR RESIDENTS OF THE STATE OF SOUTH DAKOTA REQUIRE THE INVESTOR TO HAVE A NET WORTH IN EXCESS OF \$225,000 (EXCLUSIVE OF HOME, HOME FURNISHING, AND PERSONAL AUTOMOBILES) AND AN ADJUSTED GROSS INCOME OF AT LEAST \$60,000 FOR 1990 AND 1991. IN ADDITION, AN INVESTOR'S NET WORTH (EXCLUDING HOME, HOME FURNISHING, AND PERSONAL AUTOMOBILES) MUST EXCEED THREE TIMES THE AMOUNT OF THIS INVESTMENT.

NOTICE TO TENNESSEE RESIDENTS:

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES

ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE OF SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

NOTICE TO TEXAS RESIDENTS:

THE UNDERSIGNED IS AWARE OF THE FACT THE SALES OF THESE SECURITIES IN THE STATE OF TEXAS WILL BE MADE IN RELIANCE UPON THE EXEMPTION PROVIDED IN SECTION 5.1 OF THE SECURITIES ACT OF TEXAS. SUCH SECURITIES MUST BE HELD INDEFINITELY UNLESS THEY ARE SUBSEQUENTLY REGISTERED UNDER SUCH SET ACT OR UNLESS, IN THE OPINION OF COUNSEL FOR THE ISSUER, A SALE OR TRANSFER MAY BE MADE WITHOUT REGISTRATION THEREUNDER. THE UNDERSIGNED AGREES THAT ANY CERTIFICATE EVIDENCING THE SECURITIES WILL BEAR A LEGEND RESTRICTING THE TRANSFER THEREOF CONSISTENT WITH THE FOREGOING AND THAT A NOTATION WILL BE MADE IN THE RECORDS OF THE ISSUER RESTRICTING THE TRANSFER OF ANY OF THEM IN A MANNER CONSISTENT WITH THE FOREGOING.

NOTICE TO UTAH RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE UTAH SECURITIES ACT AND ARE OFFERED AND SOLD PURSUANT TO AN EXEMPTION THEREFROM. THE SECURITIES CANNOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION, WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SUCH ACT.

NOTICE TO VERMONT RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE VERMONT SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

NOTICE TO VIRGINIA RESIDENTS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE VIRGINIA SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

NOTICE TO WASHINGTON RESIDENTS:

THE ADMINISTRATOR OF SECURITIES HAS NOT REVIEWED THE OFFERING OF THIS MEMORANDUM AND THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF WASHINGTON, CHAPTER 2110 RCW AND THEREFORE, CANNOT BE RESOLD UNLESS THEY ARE REGISTERED UNDER THE SECURITIES ACT OF WASHINGTON, CHAPTER 2120 RCW UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

NOTICE TO WEST VIRGINIA RESIDENTS:

THESE SECURITIES ARE BEING OFFERED IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE WEST VIRGINIA SECURITIES ACT. SECURITIES CANNOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION, WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR IN A TRANSACTION, WHICH IS OTHERWISE IN COMPLIANCE WITH SUCH ACT.

NOTICE TO WISCONSIN RESIDENTS:

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION. PURCHASE OF THESE SECURITIES MAY REQUIRE THE INVESTOR TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

NOTICE TO WYOMING RESIDENTS:

WYOMING INVESTORS MUST HAVE A NET WORTH (EXCLUSIVE OF HOME, HOME FURNISHINGS, AND AUTOMOBILES) OF TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) AND IN NO EVENT SHOULD INVESTMENT IN THIS OFFERING EXCEED TEN PERCENT (10%) OF AN INVESTOR'S NET WORTH.

ALL STATES:

THE PRESENCE OF A LEGEND FOR ANY GIVEN STATE REFLECTS ONLY THAT A LEGEND MAY BE REQUIRED BY THAT STATE AND SHOULD NOT BE CONSTRUED TO MEAN AN OFFER OR SALE MAY BE MADE IN ANY STATE. THIS MEMORANDUM MAY BE SUPPLEMENTED BY ADDITIONAL STATE LEGENDS. IF YOU ARE UNCERTAIN AS TO WHETHER OR NOT OFFERS OR SALES MAY BE LAWFULLY MADE, IN ANY GIVEN STATE YOU ARE ADVISED TO CONTACT THE COMPANY FOR A CURRENT LIST OF STATES IN WHICH OFFERS OR SALES MAY BE LAWFULLY MADE.