



Swingolf's Business Plan



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Swingolf's Business Plan

1. Overview

Swingolf is a revolutionary, yoga-based approach to golf which encourages greater freedom and health as its primary goals, and also happens to produce better scores. Swingolf's founder, British PGA pro Les Bolland, has consciously kept the program small since its inception 18 years ago. He now seeks to make Swingolf available to more people in America and Europe by expanding his staff and operations in 2007-2008. This business plan details a strategy for Swingolf's business development and includes projections of the profitability of the new programs in the plan.

2. Executive Summary

2.1 Objectives

- A. Position Swingolf as the liberating, healthy and fun golf instruction program
- B. Reframe brand to reflect fun, freedom and health
- C. Initiate advertising and public relations campaign to build brand recognition
- D. Create new Swingolf programs for repeat customers
- E. Initiate marketing campaign of new opportunities to existing clients
- F. Test market three new audiences for Swingolf: PGA pros, Yoga/Meditation centers and Montessori/Waldorf schools
- G. Increase revenues from existing operations (book, DVD, golf club sales)
- H. Create marketing materials
- I. Expand infrastructure to support new business operations
- J. Develop 'licensing' package

2.2 Mission

Establish Swingolf as the best, most readily accessible golf instruction program for beginners and those uncomfortable with traditional techniques. Train more qualified Swingolf instructors in order to coach more golfers in Swingolf practices. Liberate golfers from working on the mechanics of the game (and obsessing on their score) so that golf can be truly played and enjoyed. Make golf fun for people of all ages and all skill levels without physical stress or strain.

2.3 Keys to Success

Systematic marketing/advertising campaign
Cultivate relationships with key decision makers in target audiences
Develop programs customized for target audiences
Strategy for maximizing founder Les Bolland's efforts
Three years funding to develop sustainable, expanded Swingolf operations

3. Company Summary

3.1 Company Ownership

Les Bolland, British PGA pro, is sole owner of Swingolf.

3.2 Company History

Swingolf founded in 1988 by Les Bolland after publication of his book, "Golf, The New Way," which sold 10,000 copies in Germany, Austria and Switzerland.

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For more than a decade, Mr. Bolland has taught Swingolf courses in Germany and England in the fall, Florida during the winter months and in New England during the spring and summer. In 1991 he designed a golf club to facilitate the unique 'swing' of the Swingolf program. In 2005, Dean Laux, a former sports editor, was hired as Swingolf's publications editor and webmaster. In cooperation with Mr. Bolland, he is currently working on a new Swingolf book, "Golf, The New Way II" which is scheduled for U.S. publication in July 2007. (The book has already been published in German) In 2005, Mr. Bolland hired Mobius, a marketing and communications company, to develop and promote the Swingolf brand and to expand the market for Swingolf programs and products.

3.3 Company Locations and Premises

Swingolf is a golf 'software' program. The program is typically presented in existing locations such as golf courses or on the premises of wellness centers. Nokomis, FL is the North American home office; Alsberg, Germany is the European headquarters; there is also an office in Bristol, England. All three offices are in operation 12 months a year.

4. Services and Products

4.1 Product and Service Description

Swingolf is a golf instruction program that does not instruct the player in the mechanics of the game. Instead, Swingolf encourages the player to find greater freedom of expression in his/her own natural swing. Swingolf uses techniques derived from yoga, shiatsu and meditation to deepen the golfer's relaxation and sense of self. This is the beginning of playing golf that expresses joy, freedom and health.

4.2 Competitive Comparison

Swingolf is an intuitive or right brain approach to golf. It is an accessible, alternative way to play and enjoy the game of golf. It has a large potential market among golfers who find playing golf difficult using conventional golf techniques.

Today's top golf instruction programs, such as the PGA Village, Butch Harmon School of Golf and David Leadbetter's Golf Academy, teach golfers a series of 'techniques' (head down, left arm straight, etc). The purpose is to transform the body into a machine-like lever for consistently launching the ball. This approach works very well for some players but not well for others. That is because the technique approach demands too much physical and mental discipline of most recreational golfers. Swingolf provides a much needed alternative golf instruction program that makes it possible for people to play and enjoy the game more naturally and intuitively, without working so hard.

There are currently several successful programs, such as Sea Island Golf Learning Center, which integrate fitness into golf instruction. Several others have developed yoga-based golf instruction programs which use a similar approach to Swingolf. Swingolf addresses the needs of the same audience but

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goes a step further in delivering the specific golf services required. Ours is the only yoga/meditation golf program actually taught by a PGA professional, not by an assistant who is a qualified yoga instructor and not by a yoga instructor who is not a PGA professional.

This combination of golf and yoga expertise, and their integration in Les Bolland, is what makes Swingolf *sui generis*. It is what gives Swingolf a competitive advantage over well-established providers for that segment of all golfers who are open to or actively seeking a new, more relaxed and contemporary approach to golf.

4.3 Sales Literature

Swingolf is currently marketed in Europe and the United States primarily through an annual course offering brochure appropriate to each. The literature is printed in full color on glossy stock. The current mailing list for the annual brochure is 930 individuals in Europe and 450 in the United States. The individual hosts for Swingolf programs (golf centers, wellness centers, etc) also promote the program through their own networks using a three piece promotional package featuring background on the program, Mr. Bolland's philosophy and a reprint of a published article. The Swingolf website (www.Swingolf.net) has been in operation since 2003.

4.5 Future Products and Services

There are four new program areas currently in development for the following markets: existing clients; PGA golf professionals; Montessori/Waldorf schools and yoga and mediation centers.

5. Market Analysis

There are more than 27 million golfers in the United States who spend more than \$17 billion dollars annually on golf. According to the PGA, U.S. golfers currently purchase seven million lessons annually. There is a substantial interest in "golf improvement." We plan to initiate and promote programs aimed directly at this market segment. We estimate the market for Swingolf among active golfers at 20% of the total golfer population in the U.S., or 1.4 million individuals.

PGA golf professionals

There are currently 28,000 PGA professionals, men and women, employed at 10,000 different facilities. Pros are now required to fulfill annual Membership Service Requirements; taking Swingolf workshops could potentially fulfill that requirement. Regardless, many pros are looking for ways to supplement their income through giving lessons. We plan to initiate a four phase program to train pros to teach Swingolf. Overall, we estimate that 20% of this audience, or 5,600 PGA pros and 2,000 facilities, would be receptive to Swingolf. Our plan calls for certifying pros as Swingolf instructors, incentivizing instructors to recruit participants for Swingolf workshops and ultimately selling licensing rights to Swingolf certified instructors.

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Existing clients

There are 1680 existing clients in the combined European-American Swingolf database. In America, 23% of our clients have taken a Swingolf workshop or private lesson in the last three years; in Europe, the percentage is 10%. Five percent of all European clients have purchased made-to-order Swingolf clubs within the last three years; in America, 8% have purchased clubs. These venues are currently the only ways for clients to participate in Swingolf. We are confident that a minimum of 15% of the American core audience will be highly receptive to new program offerings and 5% of the European audience. We plan to develop a program which offers incentives for existing clients to recruit friends and relations for Swingolf workshops.

Yoga and mediation centers

There are 15 million people practicing yoga and/or meditation in the US, with over 30% of them earning an annual household income of \$75,000 or more, with 15% making over \$100,000. We plan to initiate a dedicated marketing program to place Swingolf at Yoga venues in the northeast in 2007. We estimate that 10% of the yoga/meditation population, or 1.5 million people, would be receptive to Swingolf. In the US. We do not have stats for Europe as yet.

Montessori/Waldorf schools

There are approximately 4,100 Montessori schools in the United States, and 165 Waldorf/Steiner schools with an estimated population of 450,000. These educational systems are built on the same foundations as Swingolf, emphasizing the natural and intuitive approach to learning, life experience and maturity.

We estimate 10% of this audience, or 45,000 people, would be receptive to Swingolf. Our plan is to initiate programs specifically designed for the young people in this market, and their families. Our ultimate goal is to develop institutional partnerships with these school networks and become the providers of a golf curriculum for their sports program. The European market remains to be explored.

5.1 Target Market and Segment Strategy

Our marketing plan for 2007-2009 is to target audiences within 150 miles of already established U.S. Swingolf market hubs in Boston, Massachusetts and Tampa, Florida. Based on the success of this platform, we plan to expand operations into new areas after 2009.

Overview

We plan to reach a new audiences of golfers through an enhanced and expanded marketing campaign which includes greater media coverage and more consistent use of our hosts internal communications. Display advertising in the largest golf magazines (*PGA Magazine*, *Golf Digest*, et.al.) will be limited in the next three years while the program is regional. We plan to use classified or classified display in strategic conjunction with the release of Mr. Bolland's book.

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Due to the relatively small number of participants in any one workshop, there is no need for electronic media advertising, although radio and television interview opportunities will be actively pursued. As a general marketing tactic, the Swingolf campaign will be conducted through existing networks or those of institutional partners.

PGA golf professionals

We plan to market directly to PGA pros and golf courses in our target areas in order to schedule Swingolf workshops. Our PGA pro marketing campaign will use direct mail to reach individuals and/or facilities with lists obtained from the PGA. We plan to have a booth at the PGA annual convention in Florida in January 2007 and other regional PGA events as appropriate to our target markets.

Existing clients

We plan to work from our existing data base, offering new programs through direct marketing and email lists to build on the foundation programs clients have already experienced. We also plan to offer incentives for existing clients who can help us organize workshops of their friends and associates. We estimate that we will be able to recapture 15% of the American group and 5% of the European, or approximately 200 individuals, for our 2007 programs.

Yoga and mediation centers

The Yoga segment's marketing network works the same as Montessori's. The key to this segment is leveraging Swingolf's successful program performance at Kripalu through a dedicated marketing campaign with kindred organizations such as Omega (Kripalu's parent) and others. The campaign would be built around direct personal contact with decision-makers with the goal of having personal meetings. The campaign includes producing high-quality, audience-appropriate promotional materials.

Montessori/Waldorf schools

Montessori/Waldorf/Steiner schools have their own marketing networking. The initial approach is to offer one day family golf programs to schools near areas of the New York and Florida regions where Swingolf already conducts programs. The ultimate goal is to develop a golf curriculum especially for these schools or to become an approved recreational activity. Once Swingolf is established as a course offering, it becomes part of the organization's overall marketing campaign with catalogs, brochures, flyers, email blasts, etc. Swingolf plans to produce its own promotional materials for inclusion and to direct mail to existing clients in the target area from our database. We will use direct marketing to regional clusters of these schools to set up the initial family programs. We plan to have a Swingolf curriculum demonstration project ready in 2008. This strategy may also include linkages to annual golf outings in order to introduce the Swingolf concept to the audience.

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6. Strategy and Implementation Summary

6.1 Strategy Pyramids

Strategy: Expand existing Swingolf business to enable it to better serve existing clients and to serve new audiences. Tactics include: building the brand; raising public profile; broadening audience reach. Programs include: producing marketing materials; mail campaign; direct cultivation of markets; publishing book.

6.2 Value Proposition

Swingolf is about learning to really play golf, not work at it. It enables golfers at all levels to truly enjoy the game from the first moment they swing the golf club, regardless of results or scores. Swingolf is a non-technique golf learning program which makes the game accessible for people who aren't comfortable with the traditional mechanical approach to golf or who don't want to work so hard at a game.

6.3 Competitive Edge

There are no golf learning programs like Swingolf, but there are millions of dissatisfied golfers actively seeking "the cure." Swingolf is the antidote to over-reliance on left-brain, logical, mechanical, technological approaches to the sport (and for some, to life itself). Swingolf provides a more natural, organic, relaxed package of golf deliverables than any competitor since this is the mission of Swingolf, not lower scores per se. We do not seek to improve golf scores, although that will likely happen; we seek to improve our students' experience of playing golf by freeing them from the limitations of mechanical techniques to enjoy their own natural talent.

6.4 Marketing Strategy

Platform: Swingolf has had its greatest success to date with new golfers and experienced golfers who have reached a dead-end with the techniques they initially learned. Our marketing strategy begins with these two core audiences.

Campaign: build brand recognition through greater media coverage, advertising and publication of Mr. Bolland's new book. Develop a package of high-quality marketing materials which reflects the style, tone and values of Swingolf. Develop new programs for each of three new target markets and one for existing clients. Cultivate relationships with new targeted audiences through an enhanced and expanded marketing campaign.

6.5 Pricing Strategy

The strategy is to offer quality programming consistent with other offerings at our host locations. At Kripalu's successful Swingolf program over the last decade, the tuition is \$350 for 15 hours of instruction (\$23 per hour/per student; {ph/ps}), with class sizes limited to 12 persons; the student-teacher ratio is typically 4:1. By contrast, the Sea Island Resort adult golf program tuition is \$400 for three hours instruction (\$133 ph/ps); the student-teacher ratio is 4:1. In both cases, lodging and food are available for an extra charge. The David Leadbetter Golf Academy charges \$975 for its three half-days adult program (\$81 ph/ps).

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Our 2007 pricing strategy is to raise the tuition fees to \$35 ph/ps but to still keep Swingolf on the low end of the continuum. At the same time, we plan to restructure our instructional program so that we can reduce the total number of workshop hours while still delivering a full immersion in the Swingolf method. The net result of these changes is a small (10-15%) change in tuition fees. Our lower fees seem reasonable given the other features that higher priced programs include, including video swing analysis, specific instructional modules on key game aspects and greens fees.

In the first year of the campaign, Swingolf will explore three incentive strategies to expand the business: 1) discounting new programs to target audiences; 2) paying a percentage fee to PGA professionals who organize Swingolf workshops in their area; and 3) rewarding existing clients for helping to recruit students for scheduled workshops in their area.

6.6 Promotional Strategy

This first phase of this campaign is based on rekindling interest among existing clients by introducing new Swingolf programs to this audience. The second phase, to develop new audiences, will be kicked off by the release of Mr. Bolland's new book. Through media coverage of the book, we will be able to place articles on Swingolf in relevant media and to drive traffic to our enhanced website; the site will include excerpts from the book as well as new Swingolf teachings. The book's release will give us another opportunity to communicate with our friends networks. An entire complement of promotional materials will be developed to support the campaign. Materials will be distributed largely through institutional partner networks. Active marketing in the PGA world is an essential component of this strategy. Venues include PGA and golfer trade publications, shows and events.

6.7 Marketing Programs

We will work from our existing data base, offering new programs to build on the foundation programs they've already experienced. We also plan to offer incentives for existing clients who can help us organize workshops of their friends and associates. The campaign will use media strategically and cost-efficiently. The primary focus of our marketing programs is targeted to highly defined audiences using personal meetings, direct mail and personal follow-up as the key drivers.

We plan to upgrade our website to provide more education/information about Swingolf workshops and philosophy. One objective of the marketing campaign will be to drive traffic to the website. We plan to add a module to the site which will enable students to register and pay for workshops and to make other purchases.

Most of our marketing will be done through our institutional partners' networks. We envision doing some limited magazine advertising in highly targeted industry publications such as *PGA Magazine*, for example, to reach PGA pros.

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6.8 Sales Forecast

Swingolf revenues are currently derived primarily from three day and seven day workshops and private lessons. This plan proposes to expand both the number and type of Swingolf program offerings over the next three years. Our sales forecast is based on conservative estimates of target audience segments.

There are two keys to the sales forecast. First, the essential component of presenting more revenue-generating programs is developing a stable of qualified Swingolf instructors. This strategy includes an important distinction in our program: Swingolf instructors can be PGA professionals or qualified non-professionals. Second, the way in which the Swingolf program itself is conveyed to participants must be reconfigured to accommodate those with different learning styles. The program will also benefit from having quantifiable deliverables. These changes in teaching will enable the program to reach a broader audience.

SALES PROJECTIONS 2007-2009

REVENUE

PGA pros program \$250,300

Existing clients: \$535,050

Yoga/Meditation centers \$83,000

Montessori/Waldorf schools \$82,500

TOTAL PROJECTED REVENUE: \$725,850

EXPENSES

Marketing and advertising: \$125,000

Program development: \$75,000

Data systems: \$35,000

Licensing platform: \$45,000

Staff and consultants: \$240,000

TOTAL PROJECTED EXPENSES: \$520,000

PROJECTED PROFIT: \$205,850

6.8.1 Sales Projections

PGA Program

Phase One

Goal: 120 pros (US and Europe) attend Swingolf workshops by the end of 2008

Factors: maximum 10 PGA pros per Swingolf PGA workshop; assume average of five

Objective: conduct 1 PGA workshop per month = 12 per year or 24 over two years

Projection: 24 workshops X 5 participants = 120 PGA pros introduced to Swingolf

Revenue: 120 pros X \$500 workshop fee = \$60,000

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Phase Two

Goal: 35 pros from Phase One (15% total) host one or more Swingolf workshops at their home course by the end of 2008

Factors: maximum 12 students per workshop; assume 8 average

Projection: 35 pro workshops X 8 students = 280 new students

Revenue: 280 students X \$350 fee = \$98,000 (after commission)

Projection: 10% of new students take another Swingolf workshop later in the same year. 280 students X 10% = 28 repeat students

Revenue: 28 students X \$350 fee = \$9,800

Assumption: 15% of all new students order three or more custom made golf clubs

Projection: 42 customers X \$250 average purchase = \$10,500

Phase Three

Goal: 18 PGA pros (15%) become certified Swingolf instructors

Projection: 18 pros X \$1,500 certification fee = \$27,000

Phase Four

Goal: 3 PGA certified Swingolf instructors (3%) purchase a license by 2009

Projection: 3 pros X \$15,000 license fee = \$45,000 (Annual royalty fees of \$5,000 over each of ten years not included in revenue projections) **NOTE:** Licensing and royalty fees are industry averages. Actual fees need further study.

TOTAL PROJECTED PGA PROGRAM REVENUES: \$250,300

Existing Clients

Phase One

Goal: 168 previous US/European clients (10% of 1680) register for a new Swingolf program; Projection: 168 attendees X \$350 = \$58,800

Phase Two

Goal: 50 previous clients (3% of 1680) host a Swingolf workshop in their area

Assumptions: average 10 participants per workshop; commission for host

Projection: 50 hosts X 10 attendees X \$350 = \$157,500 (after commission)

Assumption: 15% of all students order three or more custom made golf clubs

Projection: 15 customers X \$250 average purchase = \$3,750

Phase Three

Assumption: 1% of all students (1680+500=2180) purchase a license by 2009

Projection: 21 licensees X \$15,000 franchise fee = \$315,000 (Annual royalty fees of \$5,000 over each of ten years not included in revenue projections)

TOTAL PROJECTED EXISTING CLIENT REVENUES: \$535,050

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Yoga/Meditation Centers

Goal: five institutions (10% of target market areas) host Swingolf workshops
Projection: Five institutions X 25 workshop participants X 2 workshops = 250 attendees

250 attendees X \$350 = \$87,500 (less 50% institutional fee) = \$43,750

Assumption: 15% of all students order three or more custom made golf clubs

Projection: 37 customers X \$250 average purchase = \$9,250

Assumption: 1% of all students purchase a license by 2009

Projection: 2 licensees X \$15,000 franchise fee = \$30,000

(Notes: Annual royalty fees of \$5,000 per license over each of ten years not included in revenue projections; European market not included in this projection)

TOTAL PROJECTED YOGA CENTER REVENUES: \$83,000

Montessori/Waldorf Schools

Phase One

Goals: Family Swingolf programs in five institutions (10% target market)

Projection: 12 families X \$175 per family X 5 institutional venues = \$10,500

Assumption: 15% of all students order three or more custom made golf clubs

Projection: 3 customers X \$250 average purchase = \$750

Phase Two

Goal: Provide golf curriculum for regional district schools

Projections: curriculum development fee: \$25,000; annual license fee: \$25,000; annual class and workshop fees: \$20,000

(Note: European market not included in this projection)

TOTAL PROJECTED SCHOOL REVENUES: \$82,500

TOTAL PROJECTED REVENUES ALL PROGRAMS, 2007-2009: \$725,850

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7. Management Summary

7.1 Organizational Structure

Swingolf is currently operated by a small group of dedicated, part-time staff and consultants working 12 months of the year in hub offices in North America and Europe. Management is fluid and integrated throughout the organization.

7.2 Management Team

Les Bolland, president
Nancy Rozzelle, North American office manager
Sylvia Wilhelm, German office manager
Dean Laux, editor of Swingolf publications and webmaster
Lewis Eisenberg, marketing director
Linda Mowday, business advisor
Val McLeod, Yoga program director
Frank Talinta, golf assistant, U.S.
Dennis Peronne, golf assistant, U.S.
Mark Farver, golf assistant, U.S.
Arnie Frankel, golf assistant, U.S.
Martin Ross, golf assistant, UK/Europe

7.3 Management Team Gaps

Management
Marketing
Program development
Sales

7.4 Personnel Plan

Phase One: Add staff in marketing and programming consultants to develop programs and materials

Add dedicated, part-time general manager to oversee coordination of campaign and to assume responsibility for cultivating institutional partners and other markets. The general manager also functions as the director of sales.

Phase Two: Add support clerical staff as needed for coordination of registration and customer services; design data base program for tracking sales and response templates.

General manager of Swingolf operations

Oversee all aspects of business; director of sales; responsible for coordinating personnel, schedules, locations and logistics for all programs; responsible for quality and timeliness of all service and product delivery; responsible party for management and human resources issues; liaison with Les Bolland. For the right person, these responsibilities might be combined with the PGA consultant's responsibilities to create one portfolio.

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Marketing/PR consultant

Reframe image; produce general brochure and program specific brochures; re-frame website; press release campaign in targeted areas; media cultivation and placement; develop and place advertising in appropriate publications.

Program development consultant

Develop curriculum for PGA pro workshops and in-service training; develop new programs for existing clients; reconfigure curriculum for meditation centers; curriculum for Waldorf/Montessori (in cooperation with their staff);

PGA program consultant:

Primary responsibility to identify and cultivate groups of PGA professionals for Swingolf PGA workshops. Responsibilities include managing all aspects of registration, scheduling and payment; securing locations; on-going communications with target audience; representing Swingolf at PGA conventions and appropriate golf industry events; explore partnerships with reps from golf equipment manufacturers. At some point, these responsibilities might be combined with the PGA consultant's responsibilities to create one portfolio.

Sales consultant

Initiate programs with institutional partners; develop new fee structures; responsibility for individual workshop recruitment campaigns; develop inventory of Swingolf products and services; create on-line mechanisms for registration and purchase of products and services.

8. Strategic Plan

1. Fall 2006

Design marketing plan for developing new Swingolf programs:

- Training for PGA pros (Phase One)
- Existing clients (Phase One)
- Yoga/Meditation centers (Phase One)
- Montessori/Waldorf schools (Phase Two)
- Swingolf certification program (Phase Three)
- Swingolf licensing program (Phase Four)

2. Winter 2006-7

Hire program development specialist; develop program offerings for Phase One markets based on research; develop marketing materials

3. Spring 2007

Initiate campaigns for Phase One markets; develop programs for Phases Two and Three; initiate PGA pro cultivation campaign

4. Summer-Fall 2007

Launch marketing Phase two campaign around release of the new Swingolf book

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5. Fall 2007

Initiate Phase Three; develop package for Phase Four

6. Spring 2008

Launch Phase Four

9. Investment

Swingolf has grown organically over 18 years in business in the United States and Europe to the point where the business is now ready to expand its programs to thousands of new people. This business plan was developed through careful analysis of golf markets and trends within the industry. We are certain that there are profitable new markets for Swingolf which can be accessed through a concerted marketing and sales efforts. As you can see on page 10 of the plan, we project start-up expenses of \$520,000 over three years with projected revenues of \$725,850; projected profit over the first three years of the plan is \$205,850.

The plan can be launched as soon as this capital is secured. We seek funding over the next three years until the new programs have been fully established and are generating sustainable revenues. (NOTE: Projected revenues do not include annual royalty payments from 24 anticipated licensees of \$5,000 payable for each of the first ten years of the licensing agreement. Sales projections do not include European markets for meditation centers and Waldorf/Montessori schools)

Repayment plus interest of any investment made in Swingolf's development would commence in the fourth year of the plan; full repayment is projected for the tenth year. We are open to discussing other arrangements, including equity shares.