

MOTORNET BUSINESS PLAN

MotorNet™ was formed November of 1980 in Farmingdale, New Jersey by Charlie Roberts in response to the following market conditions:

- ♦ Growth opportunities in motorsports.
- ♦ The increased need for motorsports information.

Our prospects for future growth are based upon:

- ♦ McDonald's Corporation has been the title sponsor of our primary product.
- ♦ We have several associate sponsors who are willing to place annual schedules in the near future.
- ♦ Several other prospective sponsors (including Checkers/Rally's, TAG Heuer, Interstate Batteries, Traxxas, zMax, Heinz, Castrol among others) have us under review and/or are considering including us in their budget.

We previously were sponsored by The United States Tobacco Company with their SKOAL, SKOAL Bandits, and Copenhagen brands, and grew the radio network to over 350 stations. The FCC prohibited tobacco from advertising on radio and we lost our sponsorship. Over the past few years we spent much time to improve overall performance of MotorNet™. With the addition of McDonald's as our title sponsor and growth of the motorsports industry we feel that now is the time to grow the daily radio network program, the **McDonald's MotorSports Report™** and firmly establish MotorNet™ on the Internet.

The basic components of this plan are:

The McDonald's MotorSports Report™

- ♦ Bring the radio network to over 200 stations as soon as possible and to 300 by the end of 2006.
- ♦ Convert our title sponsor from "trade out" status to paid advertiser.
- ♦ Sign on two paid associate sponsors.
- ♦ Increase staff to implement the above.
- ♦ Upgrade studio/office equipment and move to larger quarters.

To this end, we need investment from private individuals and/or companies. A total of \$750,000 is being raised which will be used to finance working capital, station clearances, support staff, studio equipment upgrades, and retire some short-term debt. The company is incorporated in the state of New Jersey. The company will be run as a corporation.

FINANCIAL GOALS

	<u>Gross Sales*</u>	<u>Net Income</u>
Year 1	\$1,468,272	\$1,248,000 (300 stns)
Year 2	1,908,753	1,622,400 (400)
Year 3	2,385,942	2,028,000 (500)

*program only

	<u>Gross Sales**</u>	<u>Net Income</u>
Year 1	\$3,864,802	\$3,285,000 (300 stns)
Year 2	5,153,070	4,380,000 (400)
Year 3	6,441,337	5,475,000 (500)

**external inventory only

	<u>Gross Sales***</u>	<u>Net Income</u>
Year 1	\$5,333,074	\$4,533,000 (300 stns)
Year 2	7,061,823	6,002,400 (400)
Year 3	8,827,279	7,503,000 (500)

***program plus external inventory

THE MANAGEMENT

Principals

President, Chief Executive Officer

Charlie Roberts

Qualifications: See attached Biography/Career Highlights

Recent Experience: President, MotorNet™, 1980-present

Designed and implemented news gathering procedures, station recruitment, program production and distribution systems for both radio and IVR, trains and supervises staff.

Achieved sales growth from zero to \$450,000 (annually) in five years.

Education: Boston University, School of Public Communications
Monmouth (nee College) University, Speech & Drama

(The following are to be viewed as resources that were in place and could be again.)

Vice President, General Manager

Don Maggi

Qualifications: Vice President, Left Bank Organization

Vice President, Promotion, Geffen Records

Recent Experience: Promotion and Marketing for Pepsi multimedia site PepsiWorld

Coordinate marketing for Left Bank roster, John Mellencamp, Bee Gees, En Vogue, etc.

Education: Seton Hall University, Communications

Vice President, Director of Sales

Larry Weiss

(resume available on request)

Independent Legal Counsel

Arthur M. Peslak

Qualifications: Adjunct Professor of Law - Mercer County Community College

Recent Experience: In private practice since 1989

Education: Rutgers University, Engineering (BS/MS)
Rutgers University, Law (JD with honors)

Staff

Office Manager, Associate Producer

Lynn Childers

Qualifications: Dedicated follower of motor racing. Been with MotorNet™ for two years. Completely familiar with all phases of the operation.

Recent Experience: Freehold Regional Board of Education -
Teacher (Grades 9-12)

Mitsui & Co., U.S.A. [New York] - Traffic
Manager

Education: Rider College, BA in Political Science and Secondary
Education

Chief Engineer, Associate Producer

George Marshall III

Qualifications: Fifteen years experience in radio broadcasting with duties ranging from Chief Engineer to Program Director, including announcing and programming at the following stations:
WBJB-FM [Lincroft, NJ]

WHTG AM/FM [Eatontown, NJ]
WJDM [Elizabeth, NJ]
WWDJ [Hackensack, NJ]
WWLR-FM [Lydonville, VT]
KBCQ AM/FM [Bettendorf, IA]
WFEL [Baltimore]

Motorsports experience includes: Track Announcer at Hawkeye
Speedway in Blue Grass, Iowa
Anchor/Producer/Engineer at MotorNet™

Associate Producers

Ken Stout

Qualifications: Five years experience in radio broadcasting at
the following stations:

WFDU [Madison, NJ]
WERA [Plainfield, NJ]
WMTR [Morristown, NJ]

Motorsports experience includes: Track announcer at Old Bridge
Township (NJ) Raceway Park
Senior announcer International Drag Bike Association
Anchor/Producer at MotorNet™

Melissa Racz

Motorsports experience includes: Reporter for Racing Information
Systems (CompuServe) since 1992
Producer at MotorNet™

Education: Thomas Edison State College

COMPANY HISTORY

See attached MotorNet™ Milestones

OBJECTIVES

MotorNet™ believes very strongly in technical, financial,
business, and moral excellence. To secure a stable future for
all those connected with MotorNet™, we have set the following
goals:

Long Term

- ♦ Continue to produce and distribute the only daily network
radio program covering all of motorsports, the
McDonald's MotorSports Report™.
- ♦ Grow the MotorNet™ radio network to 400 stations and
beyond eventually to cover 95% of the United States.
- ♦ Develop future products to fit market needs.

Short Term

- ♦ Secure necessary funding for operating capital to ensure the implementation of the above.
- ♦ Upgrade existing computer systems (hardware/software) and broadcast studios to improve performance.

COMPETITORS

See attached Competitive Report

OUR COMPETITIVE ADVANTAGES

The McDonald's MotorSports Report™

The distinctive competitive advantages which the McDonald's MotorSports Report™ has are:

- ♦ Experience in this market. MotorNet™ has 24+ years of hands-on experience in this industry.
- ♦ Sophistication in finance and distribution. Our barter arrangement (a common industry practice) with our affiliates provides them with a quality program at no cost within which they, in turn, can sell local advertising in their market and generate revenue. It's a win/win for both parties. Because of its unique niche position in the motorsports industry, MotorNet™ can then charge premium prices (for advertising) to major national sponsors.
- ♦ By keeping our overhead low, MotorNet™ will be able to funnel profits back into operations thus avoiding high debt ratios while continuing to expand and develop new products.
- ♦ A monthly direct mail campaign directed at both current affiliates and prospective new stations consisting of an informative newsletter and colorful brochure.
- ♦ Consideration will also be given to attending trade shows around the country.
- ♦ With this level of capitalization, should an unexpected downturn occur, MotorNet™ will be able to continue operations on a positive scale.
- ♦ Innovation. MotorNet™ has a history of innovative ideas including our MP3 distribution system which makes the program available to every radio station in North America and allows our affiliates to download the program each day on their schedule (convenience), not ours. Plus, with PIN Code access, it allows us to track usage in conjunction with monthly affidavits to insure that our sponsors are getting what they paid for. As a backup, our original dial-up distribution is also available 24 hours per day. Also, with the advance in technologies, our distribution costs are now basically reduced to zero.

SUMMARY

Motorsports is expanding at a phenomenal rate and MotorNet™ is right on course to grow right along with it.

The McDonald's MotorSports Report™

MotorNet™ will be able to reduce overhead as a percentage of sales thereby increasing the amount of profit to be retained in the business. Production costs are constant regardless of network size. Because of our network growth, advertisers will pay more to reach our vast audience, thus increasing the size of the market and we will be increasing our market share.

Growth Strategy

The McDonald's MotorSports Report™

After having successfully introduced the SKOAL MotorSports Report™ into the American market, our expansion of the McDonald's MotorSports Report™ will follow the same lines of promotion and distribution.

After we have reached our first year sales goals, we plan to continue to increase our size in the second year, eventually reaching a saturation point of between 500 and 600 radio stations in order to cover at least 95% of the United States.

TARGETING NEW MARKETS

To continue our growth, MotorNet™ plans to (essentially) clone its existing products for other niche (but substantial) industries such as bowling and golf.

We will also explore new methods of distribution including, but not limited to, satellite radio.

Plus, we are developing an extensive Internet Web Site that will make available certain non-proprietary sections of our vast motorsports data base and schedule information without competing with ourselves for current news.

ATTACHMENTS

- ♦ Biography of Charlie Roberts
- ♦ Career Highlights (CR)
- ♦ MotorNet™ Milestones
- ♦ Competitive Report
- ♦ Budget Summary
- ♦ Station List (www.motorsportsreport.com)

05/03/2007

BUDGET SUMMARY (7/07-tfn)

Account	Monthly
Current/Ongoing	
AT&T [or whatever] (long distance)	\$750.00**
Banking Fees	50.00
Verizon (main lines)	260.00*
Verizon (emergency line)	26.26*
DSL	59.95
Cablevision	60.00*
CompuServe	170.00**
Contingency (20%)	1048.04
Electric	225.00****
Internet Access/Website (exit109)	33.25
Insurance	300.00*
Office supplies	125.00
Pitney Bowes	23.00
Post Office Box	16.66
Postage/Shipping	100.00
Rent (2000 sf triple net)	3000.00*****
Water	41.08****
Sub-Total	\$7948.28
Occasional	
Computer Services, Equipment/Software upgrades, Legal Fees, Printing, Postage (for mailings, etc.), Promotional, Studio Supplies, Website maintenance and development	\$????.??
One-Time Database (completion/development)	
Moving Expenses (to new quarters)	
Moving Expenses (new employees)	
Website (completion/development)	
Existing Debt (approximate)	\$85,000.00
Miscellaneous	\$????.??
Salaries	
Executive Producer	\$10,500.00
Office Manager	6250.00
Sales Manager/A.E. (plus comm.)	2500.00
News Director/Producer	5000.00
Associate Producer	4200.00
Part Time (40 hrs/week @ \$10)	1680.00
Sub-Total (salaries)	\$30,050.00
Totals (monthly)	\$37,998.28
Annual (not including debt)	\$455,979.36
18-months (7/05-12/06)	\$683,969.04

* Probably needs slight revision upwards

** Probably needs slight revision downwards

*** Probably necessary when we move into new quarters

**** Estimate depending on new quarters