

# Business Plan 2011-2016

Table of Contents:

1. Introduction– 3
2. Mission- 8
3. Objectives-8
4. The Market – 9
5. The Product - 10
6. Company Ownership – 13
7. Financial &Sales plan - 14
8. Personnel plan – 15

## Introduction

Florida Green Homes Sales, LLC, was specifically created, to concentrate and focus on Green Homes Sales, and bring the capital to make it a success.

Florida Green Homes Sales, LLC envisions a huge potential market in different ethnic groups of people who plan to move to Florida from other parts of the United States including Russian-Americans.

Also, Florida Green Homes Sales, LLC plans to target potential buyers and investors from foreign countries including Russia, Ukraine and Kazakhstan. This in turn, will create new jobs in the State of Florida and will help save our natural resources.

Florida Green Homes Sales, LLC is going to sell only homes that are Highly Energy Efficient, Hurricane Resistant, Healthy to Live In and Environmentally Friendly! Built by Florida Green Homes, LLC.

Florida Green Homes receive only the highest certifications from the following organizations: Federal Environmental Protection Agency, Florida Yards & Neighborhoods Program from University of Florida , Florida Power & Light Build Smart® Home ,Energy Star®, Florida Water Star® ...



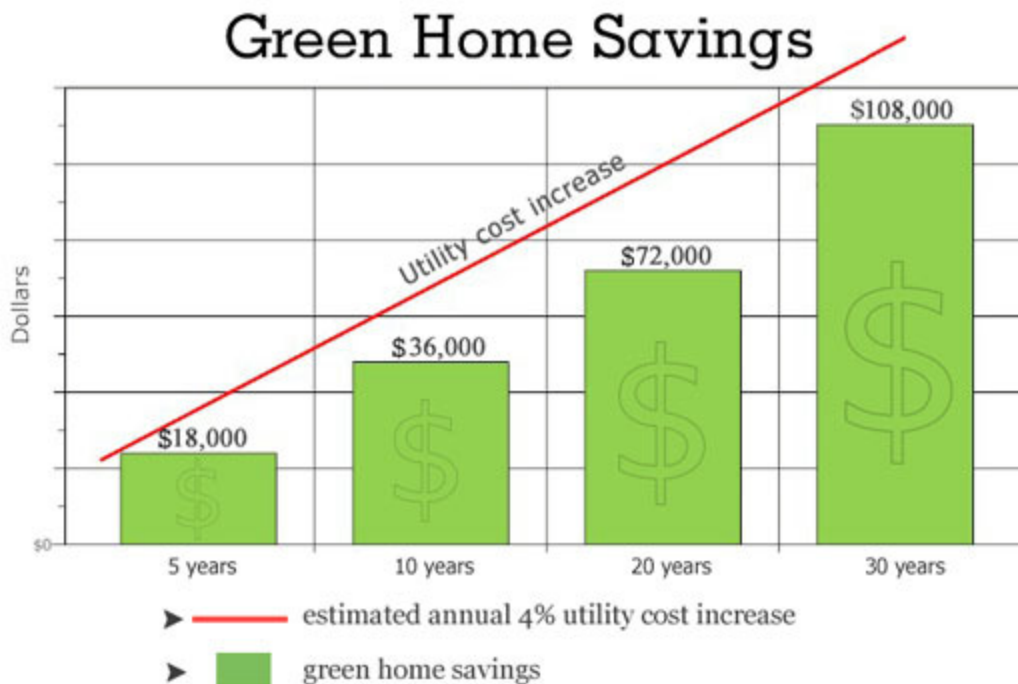
...and, most importantly Gold or Platinum certificates from the Florida Green Building Coalition which inspects all stages of construction.

## Advantages of Living in a Florida Green Home

- Up to 70% Savings on your monthly Energy Bills!
- **Walls engineered to resist up to 200 mph winds!**
- Substantially lower Homeowner Insurance Rates!
- Virtually Allergen and Dust Free! ...essential for Asthma and Allergy sufferers.
- Mold and Termite Resistant!
- Sound Suppressant and Fire Resistant!
- Low Maintenance, Florida Native Landscaping!
- Economic to Build; all Green Features for one price.

## Green Home Savings

In our brand new averaged sized green homes, average monthly savings on energy, water, lawn maintenance and homeowners' insurance is about \$300. This means that you can save approximately \$3,600 per year; **\$108,000, or more, in 30 years!**



Additionally, don't forget that the cost per KWH to heat, cool and run our homes, price of water usage and homeowners insurance are increasing every year.

## Your Family's Health is Priceless!

Florida Green Homes Sales, products do not contain formaldehyde, chlorofluorocarbons, asbestos, fiberglass or other toxic materials and built with Certified Green: Zero VOC Paint, Cabinetry and Carpet.

We sell a product that virtually eliminates dust, allergens, pollutants, black mold spores and insects inside the house.

**A Florida Green Home built, today, will be competitive when it is resold in 10, 15, 20 or more years from now with a brand new home actually built *then*.**



**Platinum Green Certificate earns Maximum Points in energy saving, water savings, health and environmental categories. Maximum Points means Maximum Savings and a Healthy Environment inside the house for our customers.**

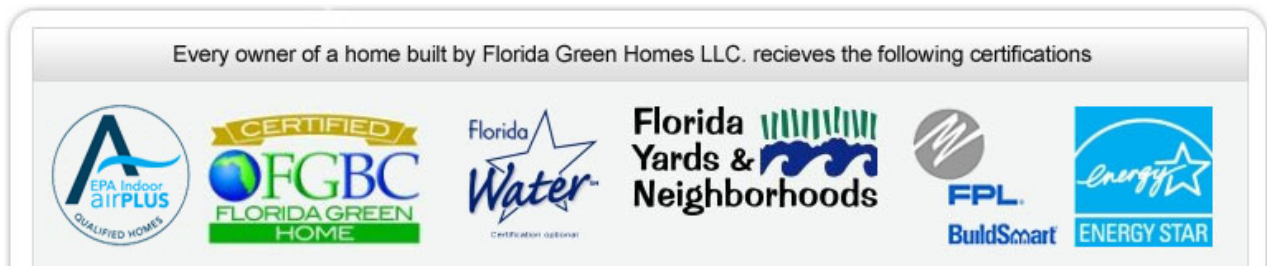
| <b>How much does a healthier home environment cost?</b> |                     |   |
|---|---------------------|---|
| <b>Features</b>   | <b>Conventional</b> | <b>Green High Performance</b>                     |
| <i>2200 sq ft home</i>                                  | <i>Per month</i>    | <i>Per month</i>                                  |
| Heating/Cooling   | \$240               | \$70  |
| Water   | \$135               | \$80  |
| <b>Total operating cost</b>                             | <b>\$375</b>        | <b>\$150</b>                                      |
| Room comfort  | Some hot /Some cold | All rooms same                                    |
| Indoor air  | Dust / allergens    | Clean air, virtually allergen, dust and mold free |
| Resale value  | "comps"             | Certified green label                             |

### **Build Green and Save the Planet**

The eco-friendly construction methods reduce waste, conserve natural resources and protect our planet's eco-systems as we build the latest in modern designed homes. For example, an average 2,000 sq. ft. home built with ICF construction saves up to 47 trees and minimizes ozone depletion.

## Mission

Florida Green Homes Sales, LLC, strives to offer the finest quality home, from Luxury to Affordable, in the field of new home market. Our goal is to educate all people on the green concept and the opportunity to live in a house that is highly energy efficient, healthy to live in, hurricane resistant, and certified green.



## Objectives

Florida Green Homes Sales, LLC, plans to:

- Significantly expand green construction in the State of Florida
- Bring green lifestyle: economical, active, healthy, kind to the environment to various groups of people who are planning to move to Florida.
- Sell this green lifestyle to a different ethnic group of people who plan to move to Florida from other parts of the United States including Russian-Americans
- Sell this green concept to potential buyers and investors from foreign countries including Russia, Ukraine and Kazakhstan.
- Involve foreign investor's money to green home construction industry in Florida. This will create new jobs and will save the environment and natural resources.
- Expand green home ownership opportunities for Baby Boomers, 62+, through education and utilization of the Federal Government's backed and guaranteed Reverse Mortgage program  
Reverse Purchase program

## The Market

Florida is the number one State in the USA that people want to call home.

When people think of Florida, two things come to mind.  
One is positive... It's the Sunshine State; it's Paradise.  
The other's not so positive... It's too hot in the Summer

Florida *is* Paradise, and Palm Coast, along with the surrounding North East coastal area of Florida, is Paradise within Paradise. The climate is moderate, compared with the rest of the State. There are no unbearable extremes of heat or humidity. And, everything is here! The beaches, golf, fishing, tennis, hiking/jogging/skating/cycling trails, live entertainment, the Inland Waterway, fine restaurants, nature parks, community events, and so much more! And, all within minutes from any residence in the City.

WHO ARE OUR POTENTIALCUSTOMERS? Florida Green Homes Sales, LLC envisions a huge potential market in different ethnic groups of people who plan to move to Florida from other parts of the United States including Russian-Americans and we plan to target potential buyers and investors from foreign countries including Russia, Ukraine and Kazakhstan. This in turn, will create new jobs in the State of Florida and will help save our natural resources.

### Statistics:

Harvard University's "State of the Nation's Housing" study shows that within the next decade, **16 million new homes** will be needed to meet both population growth and the shifting demand as to what that housing will be.

The National Association of Realtors and The National Association of Home Builders both report that **70%** of new home buyers in the next decade will be looking for **energy efficient, healthy to live in, green homes**.

The Harvard University study, also, indicates that **3.8 million Baby Boomers** will want to downsize during the next decade, **seeking smaller homes**, now that they're "empty-nesters."

Baby Boomers 62+. And, we're interested in them! They receive special incentives from the Federal government. Incentives that make it easy to show them the value of living in a certified green home in Palm Coast. Incentives that make it easy to show them that it's affordable.

In fact, in areas where we build Smart Green Homes Collection there were 3386 permits issued for single-family homes in 2010 and through the first seven months of 2011 there have been 1907 permits issued for single-family homes.

### Housing Unit Building Permits for:

#### Duval County, FL – Jacksonville and suburbs

|                            | Jan.<br>2010 | Feb.<br>2010 | Mar.<br>2010 | Apr.<br>2010 | May<br>2010 | June<br>2010 | July<br>2010 | Aug.<br>2010 | Sep.<br>2010 | Oct.<br>2010 | Nov.<br>2010 | Dec.<br>2010 | Total<br>2010 |
|----------------------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| <b>Single-Family Units</b> | 126          | 197          | 165          | 154          | 140         | 136          | 122          | 99           | 86           | 77           | 75           | 52           | <b>1,429</b>  |
|                            | Jan.<br>2011 | Feb.<br>2011 | Mar.<br>2011 | Apr.<br>2011 | May<br>2011 | June<br>2011 | July<br>2011 | Aug.<br>2011 | Sep.<br>2011 | Oct.<br>2011 | Nov.<br>2011 | Dec.<br>2011 | Total<br>2011 |
| <b>Single-Family Units</b> | 47           | 69           | 110          | 85           | 104         | 93           | 117          | 0            | 0            | 0            | 0            | 0            | <b>625</b>    |

#### Flagler County, FL – Palm Coast

|                            | Jan.<br>2010 | Feb.<br>2010 | Mar.<br>2010 | Apr.<br>2010 | May<br>2010 | June<br>2010 | July<br>2010 | Aug.<br>2010 | Sep.<br>2010 | Oct.<br>2010 | Nov.<br>2010 | Dec.<br>2010 | Total<br>2010 |
|----------------------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| <b>Single-Family Units</b> | 9            | 19           | 16           | 22           | 12          | 13           | 19           | 17           | 12           | 11           | 12           | 10           | <b>172</b>    |
|                            | Jan.<br>2011 | Feb.<br>2011 | Mar.<br>2011 | Apr.<br>2011 | May<br>2011 | June<br>2011 | July<br>2011 | Aug.<br>2011 | Sep.<br>2011 | Oct.<br>2011 | Nov.<br>2011 | Dec.<br>2011 | Total<br>2011 |
| <b>Single-Family Units</b> | 17           | 10           | 13           | 3            | 13          | 24           | 8            | 0            | 0            | 0            | 0            | 0            | <b>88</b>     |

#### St. Johns County, FL – St. Augustine

|                      | Jan.<br>2010 | Feb.<br>2010 | Mar.<br>2010 | Apr.<br>2010 | May<br>2010 | June<br>2010 | July<br>2010 | Aug.<br>2010 | Sep.<br>2010 | Oct.<br>2010 | Nov.<br>2010 | Dec.<br>2010 | Total<br>2010 |
|----------------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| <b>Single-Family</b> | 71           | 115          | 133          | 114          | 109         | 102          | 105          | 95           | 93           | 71           | 67           | 69           | <b>1,144</b>  |
|                      | Jan.<br>2011 | Feb.<br>2011 | Mar.<br>2011 | Apr.<br>2011 | May<br>2011 | June<br>2011 | July<br>2011 | Aug.<br>2011 | Sep.<br>2011 | Oct.<br>2011 | Nov.<br>2011 | Dec.<br>2011 | Total<br>2011 |
| <b>Single-Family</b> | 102          | 93           | 103          | 120          | 132         | 155          | 152          | 0            | 0            | 0            | 0            | 0            | <b>857</b>    |

**Volusia County, FL – Daytona Beach, Ormond Beach, Port Orange, De Land**

|                               | Jan.<br>2010 | Feb.<br>2010 | Mar.<br>2010 | Apr.<br>2010 | May<br>2010 | June<br>2010 | July<br>2010 | Aug.<br>2010 | Sep.<br>2010 | Oct.<br>2010 | Nov.<br>2010 | Dec.<br>2010 | Total<br>2010 |
|-------------------------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| <b>Units in Single-Family</b> | 55           | 63           | 80           | 97           | 52          | 51           | 50           | 49           | 43           | 30           | 34           | 37           | <b>641</b>    |
|                               | Jan.<br>2011 | Feb.<br>2011 | Mar.<br>2011 | Apr.<br>2011 | May<br>2011 | June<br>2011 | July<br>2011 | Aug.<br>2011 | Sep.<br>2011 | Oct.<br>2011 | Nov.<br>2011 | Dec.<br>2011 | Total<br>2011 |
| <b>Units in Single-Family</b> | 27           | 30           | 48           | 92           | 45          | 54           | 41           | 0            | 0            | 0            | 0            | 0            | <b>337</b>    |

## The Product

Florida Green Homes Sales, LLC specializes in the sale of homes that are highly energy efficient, healthy to live in, hurricane resistant, and certified green. They are, truly, eco-friendly, yet the cost is comparable to traditionally built homes. Florida Green Homes, LLC has developed the best product for every budget. And we are proud to offer it to our customers.



- Insulated concrete forms (ICF), steel rebar reinforced 4" poured concrete walls with 2 1/2" expanded polystyrene insulation on both sides with effective R-47 value. ICF exterior walls are capable of withstanding tornado/hurricane winds and flying debris up to 200 mph.



- Effective up to R-47 insulation value based on thermal mass which results in up to 70% energy savings on monthly electric bill.
- Virtually allergy and asthma free. Drastically reduces air infiltration resulting in less dust pollen and other pollutants coming in from the outside. Insulated Concrete Forms (ICF) are hypoallergenic and do not contain CFC's (chlorofluorocarbons), HCFC's (hydro chlorofluorocarbons), formaldehyde, asbestos or fiberglass. Virtually no mold, no mildew, no insects, no termites. Fire resistance rating protects up to four hours. Dramatically reduced noise from the outside. Insulated Concrete Forms (ICF) technology is approved by all major building codes.
- Certified Green Material such as Icynene ® contributes significantly to higher home resale values. They spray 5-1/2" between the rafters in the attic, creating an ever thermal appropriate differential between the temperature of the house, proper, and the temperature in the attic. Icynene® is a proven insulation that enhances the comfort of living environment. That's why it is the insulation of choice for high profile projects such as the American Lung Association and EarthCraft House™.



**The Icynene Insulation System®**  
Healthier, Quieter, More Energy Efficient®



### **Company Ownership**

Florida Green Homes Sales is a Limited Liability Company registered in the state of Florida. Florida Green Homes Sales, LLC, is exclusively owned by:

|                     |       |      |
|---------------------|-------|------|
| Investor            | (80%) | MGM  |
| Florida Green Homes | (20%) | MGMB |

## Financial and Sales Plan

**This Financial and Sales Plan is based on Sales & Marketing Agreement between Florida Green Homes, LLC and Florida Green Homes Sales, LLC.**

**According to this agreement Florida Green Homes, LLC will pay a 9% commission from each sales produced by Florida Green Homes Sales, LLC.**

**This plan is based on sale of an averaged size house of 1815 sq. ft. of living area built in Palm Coast, Florida.**

|   |            |
|---|------------|
| <b>Sales Construction Price of one house</b>    | \$ 183,000 |
| <b>Lot</b>                                      | \$ 20,000  |
| <b>City impact fees</b>                         | \$ 17,000  |
| <b>Total Sales Price for House/ Lot Package</b> | \$ 220,000 |

### Estimated Sales

|                           | 1st Year    | 2nd Year    |
|---------------------------|-------------|-------------|
| Estimated # of Home Sales | 24          | 40          |
| Gross Sales               | \$5,280,000 | \$8,800,000 |
| Gross Income              | \$475,200   | \$792,000   |

### Estimated Expenses

| <b>Office Expenses</b> |                 |                 |
|------------------------|-----------------|-----------------|
| Office Rent            | \$12,000        | \$12,000        |
| Office Maintenance     | \$ 6,800        | \$ 6,800        |
| Office Equipment       | \$10,000        | \$10,000        |
| <b>Total</b>           | <b>\$28,800</b> | <b>\$28,800</b> |

**Marketing & Advertisement Expenses 1<sup>st</sup> Year** \$60,000

**Marketing & Advertisement Expenses 2<sup>nd</sup> Year** \$100,000

## Personnel Plan

Sales Associates will receive a salary and a 2% Commission from each Sale.

| <b>Job Positions:</b>      | <b>Salary:</b>   |
|----------------------------|------------------|
| 1) Sales Manager -         | \$ 31,200        |
| 2) Marketing Manager-      | \$ 31,200        |
| 3) Senior Sales Associate- | \$24,960         |
| 4) Office Manager -        | \$ 22,880        |
| 5) Online Promoter-        | \$ 20,800        |
| 6) Sales Associate -       | \$ 16,640        |
| 7) Sales Associate -       | \$ 16,640        |
| 8) Sales Associate -       | \$ 16,640        |
| 9) Sales Associate -       | \$ 16,640        |
| 10) Sales Associate -      | \$ 16,640        |
| <b>Total Salaries</b>      | <b>\$214,240</b> |

| <b>Part Time Employees</b> | <b>Self Employed</b> |
|----------------------------|----------------------|
| Bookkeeper/Accountant-     | \$ 5,000             |
| Cleaning Worker –          | \$ 4,000             |
| Landscaper –               | \$ 3,600             |
| <b>Total</b>               | <b>\$12 ,600</b>     |

|                                     | 1 <sup>st</sup> Year | 2 <sup>nd</sup> Year |
|-------------------------------------|----------------------|----------------------|
| <b>Estimated Soft Expenses</b>      |                      |                      |
| Salaries W-2                        | \$214,240            | \$214,240            |
| Commissions 1099 Form               | \$105,600            | \$176,000            |
| Part-time Employees                 | \$12,600             | \$12,600             |
| Marketing & Advertisement           | \$60,000             | \$100,000            |
| Office Expenses                     | \$28,800             | \$28,800             |
| Social Security/FICO 7.65%          | \$16,390             | \$16,390             |
| <b>Total Soft Expenses</b>          | <b>\$437,630</b>     | <b>\$585,230</b>     |
|                                     |                      |                      |
|                                     | 1 <sup>st</sup> Year | 2 <sup>nd</sup> Year |
| <b>Estimated Total Gross Income</b> | \$475,200            | \$792,000            |
| Minus Estimated Total Soft Expense  | <u>\$437,600</u>     | <u>\$585,230</u>     |
| <b>Estimated Net Income</b>         | <u>\$37,600</u>      | <u>\$206,770</u>     |

### Estimated Operation Costs and Profit for 5 Years

| <i>Estimated Operation Cost for:</i>  | <i>1st year</i> | <i>2nd year</i> | <i>3rd year</i> | <i>4th year</i> | <i>5th year</i> |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <i>Estimated #of Home Sales</i>       | 24              | 40              | 45              | 45              | 50              |
| <i>Estimated Gross Sales</i>          | \$5,280,000     | \$8,800,000     | \$9,900,000     | \$9,900,000     | \$11,000,000    |
| <i>Estimated Total Gross Income</i>   | \$475,200       | \$792,000       | \$891,000       | \$891,000       | \$990,000       |
| <i>Estimated Total Soft Expenses:</i> | \$437,630       | \$585,230       | \$685,055       | \$685,055       | \$760,879       |
| <i>Salaries Form W-2</i>              | \$214,240       | \$214,240       | \$264,240       | \$264,240       | \$314,240       |
| <i>Commissions Form - 1099</i>        | \$105,600       | \$176,000       | \$198,000       | \$198,000       | \$220,000       |
| <i>Part-time Employees</i>            | \$12,600        | \$12,600        | \$12,600        | \$12,600        | \$12,600        |
| <i>Office Expenses</i>                | \$28,800        | \$28,800        | \$40,000        | \$40,000        | \$40,000        |
| <i>Advertisement</i>                  | \$60,000        | \$100,000       | \$150,000       | \$150,000       | \$150,000       |
| <i>Social Security FICO 7.65%</i>     | \$16,390        | \$16,390        | \$20,215        | \$20,215        | \$24,039        |

|   |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
| <b><i>Estimated Total Gross Income</i></b>  | \$475,200 | \$792,000 | \$891,000 | \$891,000 | \$990,000 |
| <b><i>Estimated Total Soft Expenses</i></b> | \$437,630 | \$585,230 | \$685,055 | \$685,055 | \$760,879 |
| <b><i>Estimated Total Net Income</i></b>    | \$37,600  | \$206,770 | \$205,945 | \$205,945 | \$229,121 |

**What happens when we sell even one home? It allows, Florida Green Homes, LLC, to provide jobs to at least 100+ people associated with their subcontractors to work.**

Example: This list includes, but is not limited to, some of the vendors utilized and the time each vendor spends on each house:

- 1) **Florida Testing.** They do soil and compaction tests. They make a minimum of 2 trips per job, each requiring 1 man for ½ day per trip.
- 2) **Stephenson Surveying.** They make a minimum of 6 trips to the jobsite, requiring 2 men for 1 day per trip.
- 3) **Darrel Cone Land Clearing and Grading Services.** They clean the land, deliver fill, and grade the fill, build the building pad. They also grade around the slab's, grade drives, and do final grades. 6 men spend at least 10 days on each job.
- 4) **McNeal and White Contractors.** They Install forms for our foundations, pour out slabs, install our ICF block frame labor, prep and pour our drives. They employ at least 20 different people and spend a minimum of 20 days on each job.
- 5) **R.J. Carter Plumbing.** They install plumbing underground, tub sets, trim outs, run water lines and install sewer lines. They employ 8 men and spend at least 7 days on each job.
- 6) **West Pest Control.** They provide the termite protection on our job site. They employ 2 people that make 3 trips to each job that takes about ½ day each trip.
- 7) **Amason Porta Johns.** They provide sanitation on our job site. They make 3 to 4 trips per job with 2 men for ½ day per trip.
- 8) **Belito's Dumpster Services.** They provide dumpsters for job site waste, that they remove when full. 2 men that make 5 trips ½ day per trip
- 9) **Builder's First Source.** They provide trusses, windows, lumber, trim, doors, locks and screens per job. They make a minimum of 8 trips for 2 men at 1 day per trip.
- 10) **Freedom Electric.** They install and supply electric wires for each job. They make 2 trips minimum at 3 days for each trip with 2 men.
- 11) **HTR.** They install security systems, phone and cable pre-wires. They make 2 trips with 2 men for 3 days each trip.
- 12) **Quality Roofing.** They supply and install shingles on each job. They employ 4 men for 3 days on each job.

- 13) **Clogston Carpentry.** They install exterior doors and interior trim. They make 3 trips at 2 days per trip for 2 men.
- 14) **Wayne's Solar.** They install solar panels for hot water tanks. 2 men, 3 trips at 1 day per trip.
- 15) **Advance Insulation.** They install insulation and conduct blower test on jobs. 2 trips for 3 men at 1 day each trip.
- 16) **Jason Vickers Stucco.** They install stucco finish on the exterior of homes. 6 men, over 4 days.
- 17) **Ed Senez Aluminum.** They install vinyl soffit and fascia. 1 trip for 4 men for 1 day.
- 18) **Allen's Drywall.** Supply, install and finish drywall and marbles sills. 6 men, 6 days.
- 19) **Soga Enterprises.** Paint interior and exterior of job. 2 men, 7 days each.
- 20) **Verns Insulation.** Install cabinets and tops for house. 2 men, 3 days each.
- 21) **Lor E L.** Supply and install mirrors, shelves and shower doors. 3 men, 2 days.
- 22) **Minami Garage Doors.** Supply and install garage doors. 2 men, 2 days each.
- 23) **Williams Floor Center.** Supply and install wall tile, floor tile, wood floors and carpet. 4 men, 5 days each.
- 24) **Gary's Cleaning.** Clean interior of house. 2 men, 3 days.
- 25) **Dixie Septic.** Install septic system. 2 men, 3 days.
- 26) **Verdi Go.** Install trees, plants and mulch on job. 4 men 3 days.
- 27) **Gary's Irrigation and Well Company.** Install well and irrigation system on job. 3 men, 4 days.
- 28) **Strickland Sod Company.** Supply and install sod. 4 men, 2 days each.
- 29) **Two Trails.** They perform green certification of our homes. 2 people, 5 trips, ½ day each.

Note: there are many more people involved that never go to the job site. Example: architects, engineers, etc.