
Business Plan



How small business
finds space.

findAspace.com, inc.
131 East Broad Street, #204
Falls Church, VA 22046
703-237-1700

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findAspace.com, inc.

Business Plan

Anthony P. Mayo
President
findAspace.com
131 East Broad Street, #204
Falls Church, VA 22046
703-237-1700

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Executive Summary

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Executive Summary

What

findAspace.com™ is an online marketplace for small (<5,000 square feet) commercial properties, where landlords and potential tenants match requirements and initiate transactions.

Why

Leasing or purchasing real estate is a huge commitment for America's five million small-to medium-sized businesses. There is no good way to find those small spaces.

Property owners and businesses with space to lease or share have no reliable way to find tenants.

Commercial real estate brokers decline to deal with small business space because of the low fees from small transactions and the high investment of time in educating and training the business owner in commercial real estate.

According to Fortune Magazine, "Old-line companies, when faced with 'disruptive technologies that make existing ones obsolete, are pretty much doomed to lose the market to new entrants."

How

Property owners, brokers, and individual businesses with extra space pay a small monthly fee to findAspace.com to promote their property in our Web database. findAspace.com is free to finders looking for space.

Traffic at findAspace.com will mainly consist of business managers planning to relocate or expand. These "eyeballs" are valuable to advertisers eager to reach decision makers exactly at the time they are changing their phone service, hiring movers and contractors, seeking local suppliers, etc.

findAspace.com is first to market. Other commercial real estate sites are captive to large brokers or are operated as a service to brokers. No one else is focused on bringing the small business owner directly into contact with the landlord.

findAspace.com is erecting barriers to entry by establishing revenue sharing affiliations with Chambers of Commerce, real estate brokers, and online business centers.

"Everybody doing business directly—to me that's the power of the Internet."
—Michael Dell,
Forbes 5th Richest American

Who

Experienced salespeople with real estate credentials, entrepreneurial success and technology experience. Advisors include the former CFO of UUNet.

Exit

findAspace.com was established in April of 1999 and is angel financed. Goal is an acquisition at \$50-150 million in 2001 by a business eager to sell their product to our users or to sell our product to their users.

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Business Plan

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Business Plan

Market Need

Leasing or purchasing real estate is a major financial commitment for a small business.

The business owner's search for small space, that is, offices of less than five thousand square feet, is time consuming, frustrating and risky.

There is no effective way for renters and owners of small commercial spaces to find one another.

Tools common in the residential real estate market, for example, centralized multiple listing services, comprehensive newspaper advertisements, and plentiful brokers, do not exist in the market for small commercial spaces.

Finding and leasing small commercial spaces is a drive-around, ask-around, can't-get-help-anywhere experience for business owners.

Huge, Lucrative Market

900,000 new small businesses each year.

80,000 small business relocations each year.

8,000,000 small businesses checking the market.

75% of small businesses use the Internet. Small Business Administration

Best Advice

The best advice for landlords and sublessors with small spaces available is:

- Tell the other tenants,
- Put a sign in the window, or
- Put a one-shot ad in the newspaper.

The typical advice for small firms looking for space is:

- Ask your friends, or
- Drive the neighborhood looking for a sign.

Property owners and brokers complain of posting signs or running ads and getting a deluge of time-consuming calls but no qualified prospects. Business owners tell stories of calling numbers from the sign on a property and never getting a return call.

There simply is no effective way for renters and owners of small commercial spaces to find each other.

The Internet will radically alter the brokerage industry. The business has long thrived on inefficiency and limited access to information. The Internet has already begun to open the floodgate of information, but we are still at the very early stage of this transformation. The future will include a much more orderly and efficient transaction initiation, management and fulfillment process.

PikeNet Interview
Jeff Finn, President and COO
New America International

A Better Way

findAspace.com is a better way. For landlords, findAspace.com will be a \$99 solution to a \$100,000 lost-rent problem. For tenants, findAspace.com will be a free and quick search instead of "finding a needle in a haystack." Our site design brings key

information directly to the business owner and facilitates direct dialogue between the principals.

Other commercial real estate sites are designed as tools for brokers. Most commercial real estate brokers, however, decline to deal with small business space because of the low fees from small transactions and the high investment of time in educating and training the business owner in commercial real estate. The owner of a small business, committing his or her own money, can often be a bigger headache than the executive looking for a space ten times as large—and ten times as remunerative.

No one other Web site or service of any kind exists to serve the small commercial space market. Until findAspace.com .

Product

findAspace.com is a Web and email resource for:

- business owners to find commercial real estate and
- landlords to find prospective tenants.

findAspace.com uses the power of the Internet to connect business owners who need small (< 5,000 square feet, < 25 people) commercial real estate with people who have space available.

findAspace.com will offer searchable listings of small spaces available for lease, purchase, or office sharing, including office, executive suites, retail, medical, legal, restaurant, training, self-storage, warehouse and flex spaces. Our goal is to make the site easy and personal, with reliable information.

A Sticky Site

findAspace.com's sophisticated data base management system (DBMS), coupled with a simple Web interface, allows business managers to search for exactly the type of space they need.

Tools like saved searches, short lists, browser-based message management, and email notification of new listings encourage potential tenants to make findAspace.com their personal headquarters for the office relocation process.

Owners, brokers, and property managers will appreciate the ease of keeping all of their available spaces organized on one inexpensive Web site.

Everyone involved with marketing a property can monitor email exchanges with prospects, check availability, print flyers and summary listings, or update space details from any computer connected to the Internet.

View	Floor	Unit	Total Area	Min. Area	Arrangement	Rate	Image Avail
View Details	4	408	1,820.00	1,820.00	Lease	15.00 - 16.00	
View Details	5	503	978.00	978.00	Lease	15.00 - 16.00	
View Details	1	101	814.00	814.00	Lease	15.00 - 16.00	
View Details	2	205	1,037.00	1,037.00	Lease	15.00 - 16.00	
View Details	2	201	1,114.00	1,114.00	Lease	15.00 - 16.00	

Content Rich

The findAspace.com Relocation Resources™ section provides guidance the business owner needs to make decisions about their space. Stocked with original articles and links to published experts, rich with links to findAspace.com affiliates and offers of email updates on the relocation process, the findAspace.com Relocation Resources section provides a small business manager with the information needed to handle the office relocation herself—and advice on when professional assistance is needed.

Natural affiliates like Chambers of Commerce, Small Business Administration offices, and Small Business Development Centers will link to the findAspace.com website providing additional resources and information for their members and business owners.

High Quality Traffic

As a venue for business owners and landlords to initiate real estate transactions, findAspace.com generates extremely high quality “traffic.”

Business to Business firms want the “eyeballs” of business decision-makers. People making location decisions also make many other high dollar purchases.

No one just rents new office space: at the same time that same person will also be buying office furniture and equipment, telephone systems, computer hardware and services, and often changing other suppliers. They might also be interested in auctioning off their old furniture and equipment.

This traffic earns findAspace.com three revenue streams:

- Space Available Listing fees,
- Advertising and referral programs,
- Office equipment auction commissions.

findAspace.com will be the natural location to advertise for anyone selling to the small business market, from giant telecomms and office supplies companies to local architects, bankers, and accountants.

“Business to Business auctions reached \$8.8B in 98, going to \$30B in 2000.” Forrester Research

Hottest Trends

The findAspace.com design incorporates all the most important and lucrative techniques used on the Internet today.

- Viral Marketing
- findAspace window signs
 - real estate calculator
 - free listings for print advertisers
 - Broker Mailer
 - findAflyer™
 - "Email this article to a friend" button
- Agents
 - Space Wanted notification
- Auctions
 - Targeted to office equipment & furniture
- Opt-in Email
 - Space Wanted
 - Update Listings
 - Sequenced Relocation Advice
- Business-to-Business Transactions
- Sticky Site
 - Registered members
 - Message Manager
 - Comprehensive content
- Affiliate Marketing
 - Revenue sharing for small business sites
- Infomediary
 - Classified Ads to the Web

Operations & Technology

findAspace.com is a sales and marketing machine producing a sales and marketing product. We are salespeople first, technologists second.

Proven Technology

The design and deployment of the findAspace.com site presented many opportunities to use advanced or exotic technology. Every innovation had to pass two simple tests.

- Fast download
- Assume a 28.8 connection, 640X480 display, old browser
- No plug-ins, low graphics, no leaving the site
- Easy of use
- Simple, obvious, hard to mis-use or mis-understand

The result is a quick, easy-to-use site with a heavy reliance on clean design and no expectation of patience or sophistication from users. A happy by-product is a site that can be maintained by technicians with common skills, rather than by a small pool of expensive experts.

Relationship Building

The barriers-to-entry protecting findAspace.com's market position are not technologies, but relationships. Our foundation in customer service and selling skills supports findAspace.com in making high-quality personal service a competitive advantage. We will exploit our first-mover advantage to forge hard-to-alter marketing affiliations with trade associations, Chambers of Commerce, and small business Web services.

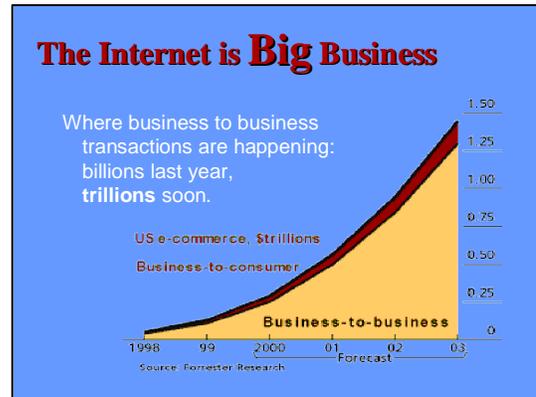
Marketing & Sales

Positioning

Fundamental to the success of findAspace.com is its niche positioning as a service to small business owners and to people looking for small amounts of space. The strategy is to make findAspace.com an easy-to-use site where managers of small organizations go to fulfill their needs for commercial space of all kinds: office, storage, retail, industrial, etc.

Real estate is an expensive, unfamiliar area for most business people. They know they need to handle it, but it's a stressful, mysterious responsibility. There is a lot of arcane language. Everyone has stories of entrepreneurs who have made poor decisions, which sometimes cost them their business.

The design intention of the site is to give it an informal, non-intimidating, non-corporate look: soft edges, muted colors, rounded corners. The overall tone of the findAspace.com site is "You can do this. It's easier than you think. This works. We'll help you if you get stuck."



PURSUE Success

The motto for this strategy is P – U – R – S – U – E:

- Personal – Useful – Reliable – Simple – Useable – Easy.

Everything that appears on the site, every contact with a customer by telephone or by mail, is designed to realize the theme of "PURSUE."

The "Web Graphic Survey" (included in the appendices to this business plan) quantifies our early success implementing the PURSUE motto. We tested each of the six PURSUE principles: Is it personal? Is it useful? Is it reliable? Is it simple? Is it usable? Does it seem easy enough to even bother with? The design scored well on all those traits.

Building the Database of Properties

Critical Mass Challenge

findAspace.com has a network economics hurdle to overcome. If there aren't enough relevant listings when people come to look for their space they may not come back. How do we get enough listings on the site to attract enough visitors?

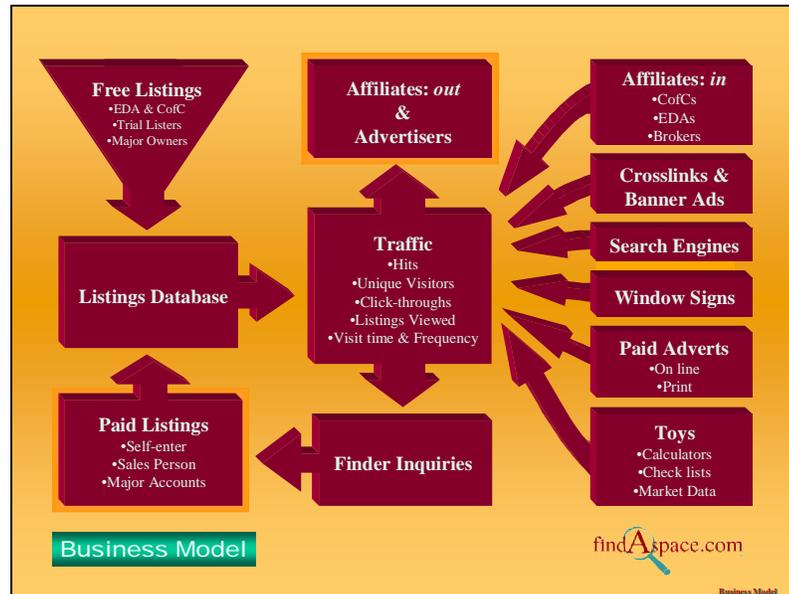
Brokers List for Free

findAspace.com will use out-bound telemarketing to add thousands of listings from brokers in the first one to three months of operation.

- Free property listing by brokers
- Limited time offer
- Agree to keep their listings up-to-date
- BrokerSmart™ Tools
- Designed to build traffic and loyalty from commercial real estate brokers.
- Broker Mailers
- Ready-to-print, attractive, faxable summary of the broker's available listings.
- findAflyer™
- One-page property listing to be faxed, copied and distributed by the broker.

Executive Suite & Self-Storage Chains

findAspace.com is also soliciting national suppliers of executive suites and self-storage space. findAspace.com won't be charging them to list, because executive suite and storage facilities commonly pay referral fees.



Blitz Market Tests

findAspace.com will test one or two small cities, each with a variety of commercial real estate and a cooperative Chamber of Commerce. The goals are to establish the size of the market for small space and to learn the most efficient marketing methods.

Market Size

The market for small commercial spaces is unserved and therefore largely unmeasured. We expect a major portion of our revenue, for example, to come from the businesses with a little extra space in their suites. The only way to be sure, however, is to approach those businesses with our service.

Acquisition Cost

The acquisition cost per listing will be high in the blitz market. findAspace.com will use direct mail, direct telephone, leafleting of buildings, local advertising, on-line advertising, and affiliations with Chambers of Commerce, professional societies, Departments of Economic Development, small business development organizations—whatever it takes to identify available space in the market. The test will reveal which marketing methods work best, so findAspace.com can become more efficient in other markets.

Affiliates as a Barrier to Entry

Exploiting our “first mover advantage,” findAspace.com is setting up affiliations with important contact points in our market of small business managers.

Small Business Services

Chambers of Commerce, for example, have a close relationships with members of findAspace.com’s target market. Many Chambers maintain lists or databases of available office and retail space in their local areas. Chambers also spend a fair amount of time trying to help members and businesses new to the area to find space or tenants.

Revenue Sharing

Chambers willing to affiliate with findAspace.com would enter an exclusive, long-term, joint-marketing, revenue-sharing arrangement. Any Chamber which agrees to promote findAspace.com in its printed materials, at its member events, and on its website will gain in two ways. First, an affiliated Chamber may offer its members a discount on findAspace.com listing fees. Second, a portion of all revenue generated by its members will be shared with the Chamber.

Forrester Research recently published a report ([New Affiliate Marketing Models](#)) stating that affiliates deliver 13 percent of online retail sales today. By 2003, this figure is projected to increase to 21 percent of online sales.

Economic Development Authorities (EDAs) are often approached by small businesses seeking space or by large organizations looking to open a branch office. EDA’s

report they would love to put findAspace.com on their website rather than devoting precious staff time to searches.

Advertising

Smart, continuous advertising in traditional media will ease our way into the affiliates. When the inevitable competitors come behind us and try to get into a Chamber of Commerce, the name recognition from advertising will help us maintain our exclusive agreements.

Commercial Real Estate Brokers, Managers & Owners

Commercial real estate brokers, developers of commercial real estate, and managers of commercial real estate get a fair number of calls from people looking for small amounts of space. The large broker or manager wants to find out if the small tenant qualifies, but—in general—the rule of thumb is that the small deals take more time and effort than the big deals while yielding a lot less money.

Broker Referrals

Commercial real estate brokers can place information on their web sites saying, “Dear small-space tenants, here is a service that we recommend especially for you,” with a link to findAspace.com. findAspace.com, on the other hand, will attract from time to time people looking for large spaces or who just prefer working with a broker. findAspace.com will have information on our site offering to refer those users to a qualified broker. The referrals will go to those brokers sending the most traffic to findAspace.com.

When findAspace.com locks up these major real estate sites, it will become very difficult for a competitor to come in. It's our first-mover advantage, again.

Small Business Content Sites

There are many, many small business content sites, offering articles, advice and information for the small business manager, precisely the same demographic findAspace.com is targeting. By moving quickly to place ads and cross-links with many of these sites, findAspace.com can lock-up some key spaces for the future, before other real estate companies realize that they would like part of the small office market.

Personal Selling and Exceptional Service

Managers of small businesses, real estate brokers and property managers all have something in common: no time or tolerance for vendors who are hard to work with.

Professional Selling

findAspace.com is operated by experienced, professional salespeople who know how valuable a little bit of conversation and consideration can be. We have trained, effective salespeople working customer service, both inbound and outbound. Outbound, they

contact owners of real estate, brokers of real estate, people who are advertising their space available in other media, potential affiliates and anyone who can make a decision that would bring additional visitors or revenue of any sort to findAspace.com.

Human Contact

Fundamental to the design of the findAspace.com business model is to ensure that no prospect reaches the point of feeling the need to get back to it later, do something else first, or give up because they just can't figure something out.

Help buttons appear not less than twice on each findAspace.com screen, with detailed but bite-sized information on how to use the site.

The *800-number* is displayed prominently on every page, encouraging folks to call us rather than wonder or wander.

Live-Assistance innovative on-line chat service for people who are a bit intimidated getting on the telephone with a salesperson or a computer expert.

Exceptional service, personal selling, and just generally being supportive are findAspace.com's ways of ensuring that once someone comes to our site, they quickly accomplish what they want to accomplish. Because findAspace.com wants that, too.

Relocation Resources

The Relocation Resources section of the site makes findAspace.com both attractive and "sticky."

Resources will include how-to articles, checklists, standard lease documents, proposal forms, sublease documents, and advice on when you should contact a lawyer or work with a broker rather than trying to do it yourself.

Users are spending more time on research not on entertainment."
Jupiter Communications

Traffic will be attracted three ways. First, the topics covered in the articles will give us good "keyword" hits on the search engines. Second, some articles will also be placed in the business press—on and off the Internet—to create awareness of the findAspace.com site. Third, users of the site will be encouraged to e-mail the articles and tools to their friends and colleagues, a "Viral Marketing" tool.

findAspace.com gets "sticky" as a one-stop information source on the specific topic of real estate for the small business. We will have original materials on the site, as well as a good collection of links to relevant information on the sites of affiliates and partners. Opt-in email, time-sequenced based upon the members move date will offer timely advice—and advertisements. Finally, answering the key real estate questions right on the site helps people complete their transactions without going elsewhere for information.

Advertising

Viral Marketing

Every listing will include a prominent “Email this page” button, making it simple for a user to share the description of a particular property—and findAspace.com—with a colleague. The BrokerSmart™ tools—findAflyer™ and Broker Mailer—distributed by listors to their prospects, include the phrase, “Details at findAspace.com, Property Number _____.”

Classified Listing Offer

findAspace.com also has a special offer for landlords advertising their property in the newspaper. Anyone who includes the phrase “Details at findAspace.com, Listing No. _____.” in his or her newspaper ads gets a free listing on findAspace.com. The lister gets free exposure on the Internet and a sophisticated contact manager while findAspace.com gets free ads in the newspaper.

findAspace.com Window Sign

Anyone placing a paid ad at our site receives a welcome package with a fold-out window sign reading, “This space for lease. Details at findAspace.com, Property No. _____.”

Real Estate Calculator

findAspace.com will also be making available a software, real estate calculator that will display the findAspace.com logo and include a link to the findAspace.com web site. People will be encouraged to e-mail the calculator to friends and clients.

Right now, the most successful online ad campaigns are ones that target a niche market. When you launch an online ad campaign, you buy ad space on the sites where your target audience is already visiting. As the saying goes, you're not just after eyeballs on the Web, you're after the right eyeballs.

Robin Zeff
Author

Internet Advertising
Quoted in [Washington Post](#)

Purchased Advertising

findAspace.com must make substantial investments in purchased advertising, both on-line and in "traditional" media.

The experience of other business-to-business (B2B) Internet services, incorporated into several recommended advertising budgets designed with the advice of AMS Interactive, a leading media firm specializing in this market, suggests the following allocations:

Portal Keywords	20%
Business Sites	25%
Newspaper Sites	10%
Opt-in Email	5%
Network Radio	40%

The split is 60% online and 40% traditional.

findAspace.com's actual spending will be determined by our blitz market tests.

Public Relations

Innovative & Newsworthy

findAspace.com is an innovative, newsworthy service serving a very real need in a specific market. Many columnists for small business papers and business sections of general papers must, every week, week after week, come up with a column useful to the small business manager. findAspace.com will get a great deal of coverage by satisfying this need.

Surveys and Research

Site Design PURSUE Survey

Small business people agree that the site is unthreatening, comfortable and non-threatening; satisfying findAspace.com's PURSUE goals. (See Appendix .)

Market Size & Opinion Leader Survey

We are also conducting a survey to find out how large the market is, how people go about looking for their real estate, who they talk to, who the opinion leaders are, what media they look to, and what features they would like to see offered by the service. (See Appendix .)

Competition

findAspace.com has the first-mover advantage as the only online service for small commercial spaces. There are established organizations with the theoretical capacity to serve this market.

Daily newspapers and business weeklies carry some classified and display advertisements for commercial real estate. Most property is never advertised there and business people do not list publications as a significant resource.

Commercial real estate brokers generally do not want to invest time with small transactions. Many newspapers and brokers have established web sites but none have demonstrated significant interest in small commercial spaces.

Several online, commercial real estate services exist to serve brokers.

RIG's CoStar has been very successful in specific markets selling listing information, delivered via CD-ROM and their proprietary online service, to subscribing brokers. RIG's research staff does not investigate small spaces.

LoopNet and similar Web-based listing services are also attempting to create a "Multiple Listing Service" for commercial brokers. None are aiming at the principals in small transactions. LoopNet, for example, allows only licensed brokers to list properties.

Realtor.com, Rent.net and other online services have done very well in the residential market. Each could enter the commercial market. Realtor.com has invested in LoopNet.

findAspace.com is aware of three Web-based services apparently seeking to serve the principals in commercial real estate transactions.

- City Feet.com serves Manhattan and has over 800 listings for space
- Lookingforspace.com serves Connecticut, New Jersey, and New York, with over 850 listings for space <5,000 square feet
- Office2share.com has 156 listings, with a preponderance of executive suites.
- All have been online less than one year.

See Appendix _ for a comparison of features between various real estate sites.

Brokers in Retreat

-American airlines have already cut back the commission they pay to travel agents twice in the past two years, from 10% to 8%

-"The number of travel agents in America is already on a distinct downward trend."

The Economist

Major stock brokers feeling price pressure from upstart online brokerages.

Merril Lynch announces discount online brokerage services

"And I'm glad that I'm not running a real estate service provider. Because if I were, I'd be thinking, "Uh-oh. Is there a dot.com company out there that's a threat to my business model? How can I quickly embed the net in my core service? Or should I launch a totally separate e-version of my company?"

Fortune Magazine
September 6, 1999

"Internet Defense Strategy:
Cannibalize Yourself."

Management Team

findAspace.com is founded and operated by experienced salespeople and managers with demonstrated results in real estate, computer technology, and business growth.

Chairman Paul Kane is a successful commercial real estate broker who has handled transactions for UUNet, Erol Onaran and Strayer College. A D.C. native, he is extraordinarily well-connected in local business, charitable and political circles.

President Tony Mayo is a University of Chicago MBA and former Arthur Andersen consultant with years of entrepreneurial experience. His first company grew to 65 people in 3½ years delivering automated real estate services and was profitably sold. He teaches marketing at George Mason University and trains salespeople.

Kristine Denzau designed findAspace.com's database and user interface. She has been consulting to real estate giant Freddie Mac since 1990. She was employed by Booz Allen & Hamilton and James Martin & Company before becoming an independent consultant. She earned a Bachelor of Science degree in Applied Mathematics and Industrial Management from Carnegie-Mellon University.

Chet Riley has over 22 years of documented success in leadership and financial management as a Marine Corps Officer. In 1992, he built the newly established Marine Corps Recruiting Command controller division from scratch. In 1996, he was selected for a Brookings Institute Fellowship and worked appropriations issues for U.S. Senator Arlen Specter. In 1997, he was selected as the Secretary of the Navy's sole representative for all Marine Corps Congressional Appropriations matters until his retirement as a Lieutenant Colonel in 1999.

Ray Winslow is an experienced sales professional with expertise in organizational development and leadership. He holds an MBA and has management experience with IBM, USPS and the U.S. Navy. findAspace.com is his fourth Internet start-up company.

Advisory Board

Jeffrey Hilber, former CFO of UUNet, etc.

Financial Plan

Income

Target monthly revenue per individual listing	\$19
Target monthly revenue per major account listing	\$9
Cents per banner impression WWW	3¢
Cents per banner impression E-Mail	10¢
Cents per Click Through	20¢
Cents per listing in referral revenue, monthly	50¢

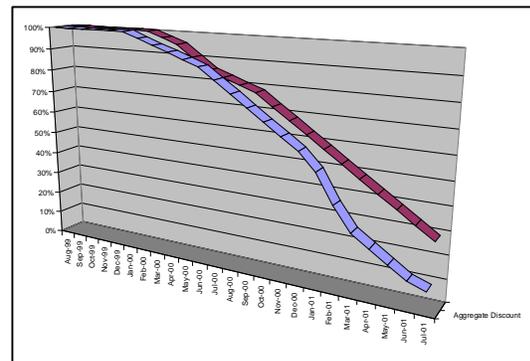
The major revenue assumptions of the plan are as follows:

Banner impressions / listing / month WWW	25
Banner impressions / listing / month Email	10
Click Thrus / listing / month	2

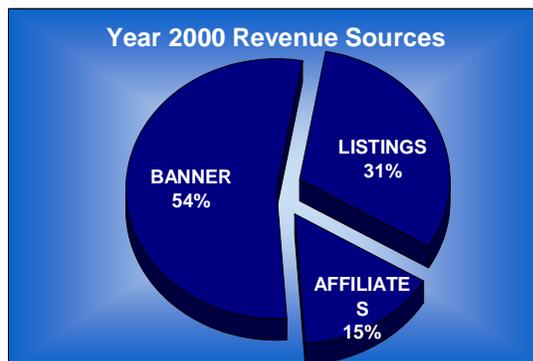
Affiliate Commission Rate on Listings	50%
Advertising Commission Rate on Banners	25%

Indiv. Listings--Days Receivable	1
Major Account Listings--Days Receivable	45
Affiliate Days Receivable	60
Advertising Days Receivable	75

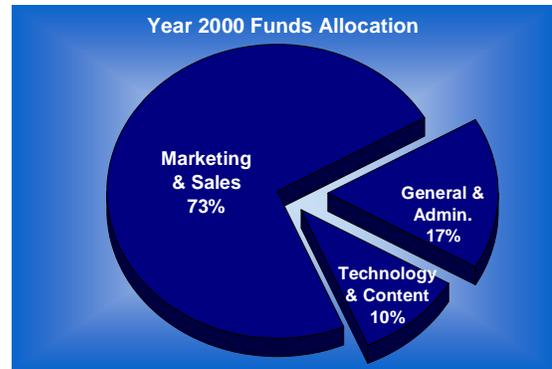
The plan allows for major discounting of listing fees for the first two years, particularly in new markets and for major accounts.



No significant advertising revenues are anticipated for the first half of 2000, until traffic builds.



The important first year expenses are for people and promotion



findAspace.com will use most invested capital to expand its sales and customer service staff and to invest in advertising.



Capitalization, as of December 31, 1999.

Owner	%	Common	Series A	Options	Diluted
Michael Chiaramonte	35.0%		3,500		32.1%
Kristine S. Denzau	5.0%	500			4.6%
Paul F. Kane	32.5%	3,250			29.8%
Tony Mayo	27.5%	2,750			25.2%
<i>Total</i>	100.0%	6,500	3,500		
		Outstanding	10,000		
Chester Riley				600	5.5%
Raymond Winslow				300	2.8%
Jeffrey Hilber				72	0.7%
<i>Additional Authorized</i>				528	4.8%
		Authorized & Issued	10,900		

Exit Strategies

Acquired

The findAspace.com service team, database, and traffic will be a valuable addition to two types of organizations:

- Sites with a product to sell to our small business decision makers.
 - Staples.com, Cort furniture, VISA, MCI WorldCom, Winstar, etc.
- Sites interested in selling commercial real estate promotion services to their traffic
 - Office.com, Microsoft bCentral, AllBusiness.com, Onvia.com, etc.
 - Any portal: AOL, Yahoo, etc.

IPO

findAspace.com may become a viable independent business as an Application Service Provider (ASP) for other sites by following the model pursued so successfully by FairMarket, Inc., the online auction provider. findAspace.com could be the commercial real estate "engine" for any of the sites mentioned above. By serving many sites, sharing with each the revenues from listings posted through their sites while making all listings available to every site, findAspace.com would become the primary commercial real estate resource on the Web. This could lead to a greater valuation than being the "captive" listing service for just one acquiring site.

Real Estate sector of the Internet is hot.

- CyberHomes sold for \$57 million July of 99
- Homestore valuation \$3.6 billion, IPO Aug of 99
- LoopNet Raises \$20 million in November of 99

Small business services sector is hot.

- CBS pays \$44 Million for 25% of OFFICE.com

Appendices

Competition Matrix

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Financial Results & Projections

Financial Results & Projections – Income Statement

	1999		2000				2001	
	3rd QTR	4TH QTR	1ST QTR	2ND QTR	3rd QTR	4TH QTR	1ST QTR	2ND QTR
Sales	ACTUAL *	ACTUAL						
Individual Listing Revenue	\$ -	\$ -	\$ 1,107	\$ 22,171	\$ 140,021	\$ 326,146	\$ 655,749	\$ 1,032,949
Major Account Revenue	\$ -	\$ -	\$ 394	\$ 16,498	\$ 64,361	\$ 135,010	\$ 239,214	\$ 369,879
Banner Revenue	\$ -	\$ -	\$ 7,975	\$ 46,925	\$ 117,446	\$ 159,826	\$ 194,664	\$ 229,906
Referral Revenue	\$ -	\$ -	\$ 2,279	\$ 13,407	\$ 33,556	\$ 45,665	\$ 55,618	\$ 65,688
Gross Revenue	\$ -	\$ -	\$ 11,754	\$ 99,001	\$ 355,384	\$ 666,647	\$ 1,145,246	\$ 1,698,423
Cost of sales	\$ (20,190)	\$ (53,482)	\$ (146,025)	\$ (199,463)	\$ (220,838)	\$ (277,797)	\$ (496,147)	\$ (758,891)
Gross profit	\$ (20,190)	\$ (53,482)	\$ (134,271)	\$ (100,461)	\$ 134,546	\$ 388,849	\$ 649,099	\$ 939,532
Expenses								
Operating expenses								
General & Administrative	\$ 20,228	\$ 39,409	\$ 81,589	\$ 100,083	\$ 118,322	\$ 125,514	\$ 136,118	\$ 150,527
Technology & Content	\$ 2,272	\$ 5,875	\$ 40,400	\$ 52,950	\$ 81,350	\$ 90,150	\$ 96,343	\$ 108,452
Marketing	\$ -	\$ 85	\$ 127,600	\$ 264,100	\$ 311,100	\$ 336,100	\$ 431,655	\$ 510,405
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation	\$ 318	\$ 1,458	\$ 2,923	\$ 4,248	\$ 5,132	\$ 5,943	\$ 6,090	\$ 6,901
Amortization	\$ 578	\$ 1,710	\$ 4,766	\$ 5,211	\$ 5,211	\$ 5,211	\$ 5,211	\$ 5,211
Total expenses	\$ 23,396	\$ 48,537	\$ 257,278	\$ 426,592	\$ 521,115	\$ 562,918	\$ 675,417	\$ 781,496
Operating income	\$ (43,586)	\$ (102,019)	\$ (391,549)	\$ (527,053)	\$ (386,568)	\$ (174,068)	\$ (26,318)	\$ 158,036
Other income and expenses								
Interest Income	\$ 1,355	\$ 1,465	\$ 13,395	\$ 10,176	\$ 6,385	\$ 3,908	\$ 2,573	\$ 2,115
Income before tax	\$ (42,231)	\$ (100,553)	\$ (378,154)	\$ (516,876)	\$ (380,183)	\$ (170,160)	\$ (23,745)	\$ 160,151
* Taxes @ 20%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,410	\$ 32,030
Net income	\$ (42,231)	\$ (100,553)	\$ (378,154)	\$ (516,876)	\$ (380,183)	\$ (170,160)	\$ (26,156)	\$ 128,121
Retained earnings-beginning	\$ (20,759)	\$ (42,231)	\$ (142,785)	\$ (520,939)	\$ (1,037,815)	\$ (1,417,998)	\$ (1,588,158)	\$ (1,614,314)
Dividends paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retained earnings-ending	\$ (42,231)	\$ (142,785)	\$ (520,939)	\$ (1,037,815)	\$ (1,417,998)	\$ (1,588,158)	\$ (1,614,314)	\$ (1,486,193)

* ONLY 2 MONTHS IN THE QUARTER

findAspace.com inc. Business Plan
Confidential Draft

Financial Results & Projections – Cash Balance

	1999		2000				2001	
	3rd QTR	4TH QTR	1ST QTR	2ND QTR	3rd QTR	4TH QTR	1ST QTR	2ND QTR
Cash from operations	ACTUAL *		**					
Net earnings (loss)	\$ (42,231)	\$ (100,174)	\$ (378,153)	\$ (516,874)	\$ (380,181)	\$ (170,157)	\$ (26,153)	\$ 128,123
Add-depreciation and amortization	\$ 896	\$ 3,168	\$ 7,689	\$ 9,459	\$ 10,343	\$ 11,154	\$ 11,301	\$ 12,112
Net cash from operations	\$ (41,335)	\$ (97,006)	\$ (370,464)	\$ (507,415)	\$ (369,838)	\$ (159,003)	\$ (14,852)	\$ 140,235
Cash provided (used) by operating activities								
Accounts Receivable	\$ -	\$ (722)	\$ (11,433)	\$ (60,513)	\$ (80,932)	\$ (72,604)	\$ (92,122)	\$ (98,213)
Other current assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other non-current assets	\$ (21,804)	\$ (19,500)	\$ (63,200)	\$ (15,900)	\$ (7,950)	\$ (7,950)	\$ -	\$ (10,600)
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current portion of long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,411)	\$ (32,031)
Accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other current liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distributions to shareholders	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net cash from operating activities	\$ (21,804)	\$ (20,222)	\$ (74,633)	\$ (76,413)	\$ (88,882)	\$ (80,554)	\$ (94,533)	\$ (140,844)
Cash provided by Operations	\$ (63,139)	\$ (117,229)	\$ (445,097)	\$ (583,828)	\$ (458,720)	\$ (239,557)	\$ (109,385)	\$ (609)
Interest Income	\$ 1,355	\$ 362	\$ 13,396	\$ 10,179	\$ 6,387	\$ 3,911	\$ 2,575	\$ 2,118
Increases (decreases)	\$ (61,785)	\$ (116,866)	\$ (431,701)	\$ (573,649)	\$ (452,332)	\$ (235,647)	\$ (106,810)	\$ 1,510
Financing transactions								
Increases (decreases)								
Short term notes payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Long term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other long-term liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital stock and paid in capital	\$ 300,000	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Net cash from financing	\$ 300,000	\$ -	\$ 2,000,000	\$ -				
Net increase (decrease) in cash	\$ (61,785)	\$ (116,866)	\$ (431,701)	\$ (573,649)	\$ (452,332)	\$ (235,647)	\$ (106,810)	\$ 1,510
Cash at beginning of period	\$ -	\$ 238,215	\$ 122,452	\$ 1,690,750	\$ 1,117,102	\$ 664,770	\$ 429,124	\$ 322,314
Cash at the end of period	\$ 238,215	\$ 122,452	\$ 1,690,750	\$ 1,117,102	\$ 664,770	\$ 429,124	\$ 322,314	\$ 323,823

* ONLY 2 MONTHS IN THE QUARTER

** ASSUMING \$2 MILLION PROVIDED JAN 00

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Survey

Web Site Survey

Border as Tested

findAspace.com™

About Us Contact Us 800-555-1212

Welcome back, Kristine!

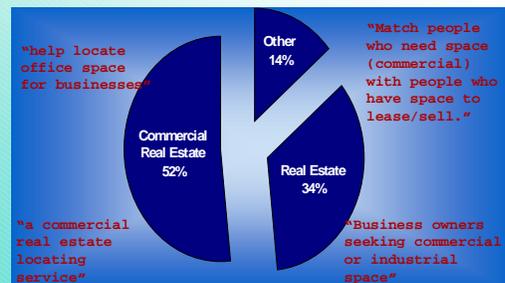
Find
List
Login
Messages
Resources

This page is a marketing survey to test the effectiveness of a logo and WWWeb page layout. If you would like to participate in the survey, please invest just five minutes to complete this survey. Answer all the questions below based upon your impression of the graphics at the top and left of this page. More information about findAspace.com will appear on the screen after you submit your responses.

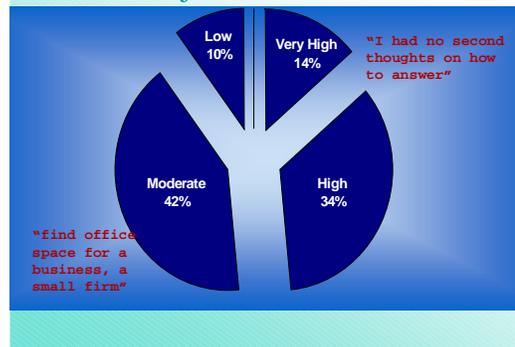
Thank you.

Test subjects were 30 business people with no prior knowledge of findAspace.com

Guesses at Purpose of Site



Subject's Confidence

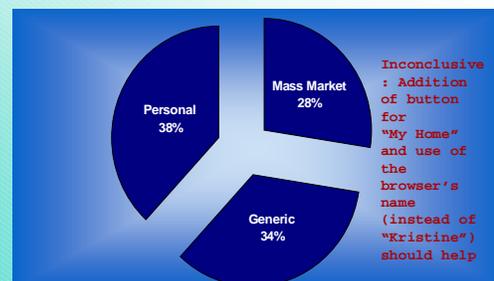


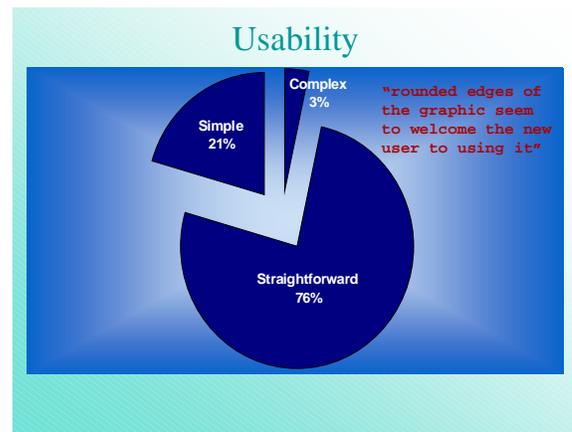
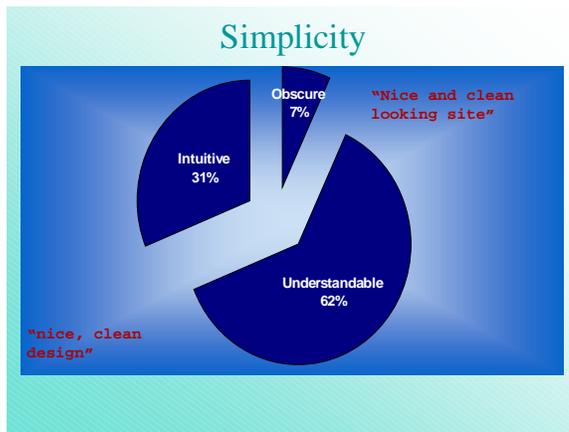
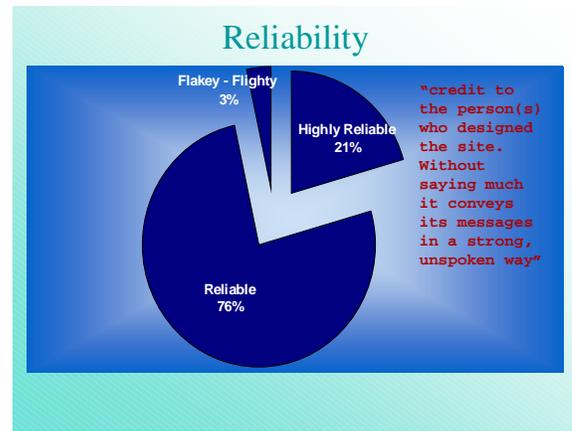
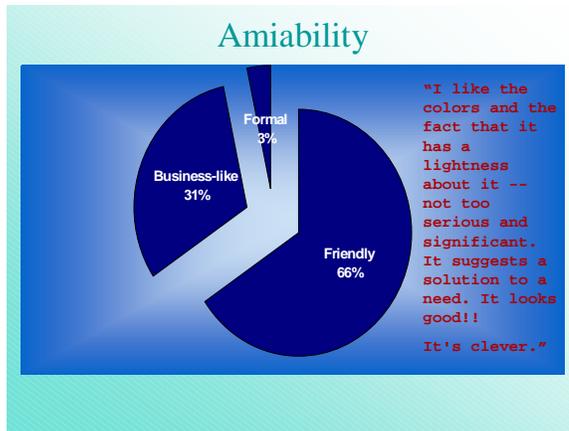
Goals of findAspace.com site

P - U - R - S - U - E

- Personal
- Useful
- Reliable
- Simple
- Useable
- Easy

Personalization





Design is Effective

- Purpose immediately understood
- Mood and character communicated
- Reliability and Usability apparent

"I like the logo, particularly the magnifying glass. Who did it?"

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Resumes

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Resumes

Paul Kane

Summary of Experience

Commercial Real Estate Advisory and Management Over 15 years of broad based experience covering complex commercial real estate transactions for several prominent companies in the Washington Metropolitan Area. Specializing in Tenant and Developer representation and value added commercial real estate services .

PROFESSIONAL EXPERIENCE

MEC REALTY ASSOCIATES, INC., Falls Church, Virginia

- o 1998-Present Commercial Real Estate Advisory Services.

Senior Real Estate Consultant. Responsible for business development and brokerage services for the Mid Atlantic area. Smithy Braedon / Oncor, Merrifield, Virginia

- o 1987-1997 Senior Vice President

Responsible for over 2,000,000 square feet of commercial transactions, specializing in Tenant and Developer representation.

Highlights include:-

- UUNET Technologies 350,000sf.
- Symbol Technologies 51,000sf.
- Computer Sciences Corp. 38,000sf.
- Intelligent Solutions 37,900sf.
- DAOU Systems 21,000sf.
- North American Mortgage 23,000sf.
- Strayer College 20,000sf.
- Radiation Care, Inc. 28,000sf.

Education:

James Madison University - B.A.

Community / Civic Leadership:

Board of Grameen Foundation USA

Bethany House - N. Va. shelter for battered women and children

Board · of Results Multilateral Bank Caucus - World Bank Policy

Chairman · The Hill Corporation - Citizen's lobby group for health and education issues

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Summary of Experience

Management: \$1,000,000.+ annual revenue consulting profit center, 65 person service bureau, startup service organization, computer systems development projects.

Technical: Meeting facilitation, strategic planning, team building, project management, systems analysis, budgeting, computer programming, public speaking, financial modeling, direct marketing, human resource management.

Education

University of Chicago M.B.A. 1978

University of Chicago B.A. 1977

Employment History

- 1999-Present; President, findAspace.com, inc.
- 1999-Present; Adjunct Faculty, George Mason University, School of Management
- 1995- 1999; Sales Trainer and Executive Coach
- 1994-1995; Senior Sales Representative, Software AG, Reston, Virginia

Headquarters member of northeast region sales team responsible for customer service, product introductions, and promotional programs. Revenue from over 200 commercial, state, and municipal organizations exceeded one million dollars before end of third fiscal quarter.

Responsibilities for telesales group include software support, design of direct mail pieces, and teamwork initiatives.

- 1993 to 1994, Independent Management Consultant, Reston, Virginia

Led project for the Office of Inspector General of the U.S. Department of Housing and Urban Development that analyzed and recommended improvements to Budgeting, Personnel, Finance, and Planning functions.

Consulted to Dreamway, Inc., a tax exempt organization offering therapeutic horseback riding lessons to mentally and physically handicapped people of all ages. Guided them in the restructuring of their Board of Directors, fundraising committee, and volunteer organization.

- 1990 to 1993; Sales Representative & Senior Consultant, James Martin & Company, Reston, Virginia

Opened new account with sale of software, training, and consulting package for total revenue in excess of \$250,000.

Led project to create Information Strategy Plan for Tax Collector of large Florida county. Organized and trained team, revised project plan, created and reviewed deliverables. Facilitated Executive Intensive Sessions (EIS) to articulate strategic vision and information strategy and conducted workshops for data and process modeling. Project resulted in changes to top management responsibilities and organizational structure as well as establishing a schedule for enhancements to the Office's data processing systems.

Sold and managed project to plan and analyze MCI's telemarketing and customer service processes. Facilitated Executive Intensive Sessions (EIS) for strategic visioning and information strategy.

Led project to facilitate strategic planning for and detailed analysis of U. S. Navy's Naval Investigative Service, with particular emphasis on financial management and tracking of investigations.

Led project to establish development coordination and encyclopedia management functions at U. S. Navy's Naval Surface Warfare Center. Also consulted to three Business Area Analysis projects and a "Data Warehouse" development effort.

- 1989 to 1990; National Accounts Manager, Robbins-Gioia, Inc. Alexandria, VA

Identified opportunities for the application of Robbins-Gioia, Inc.'s Program Management Support System (PMSS).

Closed sale of over \$100,000. to new Fortune 100 account in sixth month of employment, just three months out of training, in a business with an 18 month sales cycle.

- 1987 to 1989; President, Staff Innovations, Fairfax, Virginia

- 1986 to 1987; Business Center Manager, Systemhouse, Inc., Arlington, Virginia

Managed \$1 million+ profit center for this rapidly growing systems integration company.

- 1984 to 1986; Senior Consultant, Arthur Andersen & Co New York, NY

- 1982 to 1984; Independent Management Consultant, Providence, RI.

- 1978 to 1982; President, MASSystems, Inc., Fall River, MA

- 1976 to 1977; Peat, Marwick, Mitchell & Co, Providence, Rhode Island

Publications

Tracking 'Play Money' Infosystems, July 1987.

AA&Co's Capital Asset Pricing Model paper presented to New York University Graduate School of Business's Symposium on Frontiers of Management Accounting, April 1985, and Arthur Andersen's Executive Conference, May 1985.

A Glossary of Computer Terms published privately, 1984.

The MASSystem: Efficient Computer Assisted Property Assessment Lincoln Institute of Land Policy monograph, 1981.

Summary of Experience

- Business Area Analysis
- Business Process Re-Engineering - BPR
- CASE Tools
- Data Modeling - ERD
- Full Life Cycle Systems Development
- Group Facilitation - JAD
- Information Engineering
- Process Modeling
- Project Management
- Workflow

EDUCATION:

Carnegie-Mellon University - BS in Applied Mathematics, May 1985

Carnegie-Mellon University - BS in Industrial Management, May 1985

George Washington University - Graduate courses towards an MS in Operations Research

EXPERIENCE:

- July 1995 – Present; Independent Consultant

Freddie Mac - Re-engineered business processes for the Product Services Project. As Freddie Mac moves to a services-oriented architecture, data modeling, developed tool to assess complexity of proposed products,

U.S. Postal Service - Developed process and data model for the Injury Claims Administration business area to document the re-engineered business processes.

- July 1989 - January 1994; James Martin & Co. - Senior Consultant

Methodology expert, project manager and group facilitator during long term engagement at Freddie Mac (FHLMC).

Analyst and developer on a utility billing system development project for the city of Norfolk.

Methodology expert, project manager and group facilitator on the Investigation Identification Business Area Analysis project at the Internal Revenue Service.

Methodology expert, project manager and group facilitator on the Ship Configuration Management Business Area Analysis project at the Navy Fleet and Materials Support Office.

- June 1985 - June 1989; Booz Allen & Hamilton - Senior Consultant

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Summary of Experience

Twenty-two years of documented Marine Corps success in leadership and financial management, with the last ten years as a major "inner circle" player.

Leadership experience includes training and supervising large professional staffs.

Financial management strengths include effective strategic planning and improvement of operational procedures and internal controls.

EDUCATION:

MS (Financial Management), Naval Postgraduate School (Dec. 82)

BS (Business), University of Puget Sound (June 76)

EXPERIENCE

- o 1996 – 1999; Government Affairs

Head for all appropriations funding issues for the organization.

- o January 1996 – October 1996; Legislative Affairs

Brookings Institute Fellow,, as Senator Arlen Specter's Legislative Assistant for Defense issues.

- o 1992 – 1995; Chief Finance Officer

Responsible for budgeting, justifying, defending and executing a \$70 million annual operating budget and managing staff of 50 during four congressional cycles.

Built the controller organization from the ground up.

- o 1992 – 1995; Facilities Director

Planning, budgeting and reporting of over 1,400 recruiting facility locations.

- o 1990 – 1991; Director of Human Resources

Directed all administration, pay and postal functions for over 2,000 personnel.

- o 1988 – 1990; Financial Manager

20 person staff in support of 2,000 person organization.

- o 1987 – 1988; Government Affairs

- o 1976 - 1987; Previous Positions

Developed, staffed, and was the Head of a supply audit section, an Operations and Budget Officer, a Supply Officer, and a Budget Analyst on a corporate level.

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Summary of Experience

Experienced Sales and Marketing Professional. Team Leader. Project Manager. Change Agent. Dedicated to personal and team growth. Prefers "Win - Win" solutions. Seeks understanding. Strongly desires to be useful and make a difference.

Education

- MBA, Averett College, Danville, VA
- Pinnacle National Honors Society, MBA GPA 3.90.
- BA, Business Administration, Principia College, Elmhurst, IL
- Sandler Sales Training Institute (self-financed \$6,000)

Experience

- 1998 – 1999; National Security Agency (NSA), Deputy Reserve Forces Advisor - Navy
 - Responsible for Operational Management of all Navy and Marine Cryptologic Reserves.
- 1997 – 1998; Account Manager; Network Performance Systems, Inc.
 - Single largest deal in company history. 30 units at \$574K
 - Two \$100K deals in one month, first time in company history
 - Sold \$178,450, Nov 97 - largest single month during '97
 - Personally generated 500 qualified leads at Network/Interop
 - Complex sales to large corporations involving multiple decision-makers in different locations.
 - Developed sales database. Established sales processes and procedures.
- 1996 – 1997; Corporate Sales Rep; Visix Software, Inc.
 - Number One of four CSR's for five months
 - Only CSR to earn 100% of incentive compensation during first quarter.
 - Completed three sales (average sale \$80,000 - \$120,000).
 - Established sales database. Developed sales processes and procedures.
 - Company dissolved September 1997. Unable to deliver timely product.
- 1995 – 1996; Account Manager; EEI Communications
 - Number One of four Account Managers' over 10-month period
 - One Million dollars in sales over 18 month period. Average sale \$300.00
 - Closed \$125,000 sale with Federal Agency. Second largest sale in company history.
 - \$400,000 ahead of quota.

- 1994 – 1995; Sales Representative; Decision Support Systems Inc.
- 1994 – 1994; Recruiter; TRECOM Business Systems
- 1988 – 1994; TAD Technical Service

United States Postal Service Headquarters, Sales & Marketing
Sales & Marketing Consultant / Regional Manager

IBM Corporation, Customized Operational Services
Manager of Graphic Services

- 1984 – 1988; Northrop Corporation
Marketing/Financial Planner

- 1980 – 1984; United States Navy
Operations Officer on US Navy Frigate

Navy Reserve

Responsible for production and operations of sixty-five individuals. Extensive coordination with multiple sites via telephone, E-mail and regular mail service. Points of Contact over 4,800 for implementation. Personal contacts include over 700 individuals.

- Commanding Officer, Naval Reserve Security Group Minneapolis, Oct 1999 – Sep 2001
- Commanding Officer, Naval Reserve Security Group Norfolk, Oct 1997 - Sep 99
- Reserve Staff Cryptologist, Naval Doctrine Command, Oct 1994 - Sep 1997
- Commanding Officer, NRSB, Charleston 107, 25 Member Unit, 1993-1994
- Executive Officer, NRSB, Adelphi 306, 65 Member Unit, 1992 - 1993
- Executive Officer, NRSB, Adelphi 706, 35 Member Unit, 1990 - 1992