

BUSINESS PLAN

APRIL 2000

Contact

Kurt Reuss, Founder & CEO

CONTRACTOR.COM

2951 Wyandot Street, Denver CO 80211

800-924-1998, ext. 1016 (office)

303-480-9042 (fax) / 303-601-3907 (cell)

kurt@contractor.com

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
VISION/MISSION	3
Mission Statement	3
Vision	3
PRESENT SITUATION	4
Company	4
Products and Services	4
Revenue Sources	7
Market	8
Accomplishments to Date	8
Strategic Alliances	9
Founders	9
Competition	9
Financial Status	10
Funding Request	11
PRODUCTS AND SERVICES	12
Current Products	12
Product Strategy	12
MARKETING PLAN	13
Marketing Strategy	13
First Mover Advantage	13
Current Market Position	14
Growth and Exit Strategy	14
INFORMATION TECHNOLOGY STRATEGY	15
Current Information Technology	15
Information Technology Strategy	15
COMPANY OVERVIEW	16
Legal Business Description	16
Management Team	16
FINANCIAL DATA AND PROJECTIONS	19

This document shall not be considered an offer to sell, or a solicitation to buy, securities of Contractor Internet Community (the present registered corporate name for Contractor.com). All information is subject to potential investor due diligence and further negotiations prior to the sale of any securities. This document contains confidential and proprietary information belonging exclusively to Contractor.com.

EXECUTIVE SUMMARY

MISSION STATEMENT

To establish Contractor.com as the leading source of daily business solutions for the US contractor labor pool. The company will aggregate this pool of one million contractors into a vibrant, “sticky” on-line community by providing compelling Web-based business products and services, including free Internet access, Web pages and e-mail.

COMPANY

Contractor.com is an early-stage business-to-business aggregator, infomediary and e-commerce portal aimed at the one million members of the US contractor labor pool. The company intends to bring this pool into its on-line business hub on a daily basis by providing the “one stop” answer for contractors seeking to improve and maximize their profitability, efficiency, marketing, skills, and knowledge. In addition, new channels of communication will be created between contractors and their dealers and manufacturers, thereby creating a platform upon which Contractor.com can build a thriving e-commerce network.

PRODUCTS AND SERVICES

Directly and in partnership with other companies, Contractor.com offers a variety of products and services including:

I. Business Solutions

- a. ASP Solutions
- b. E-Commerce
- c. Financial Services
- d. Lead Generation
- e. Downloadable Business Forms
- f. Internet Solutions
- g. Contractor University
- h. General Information

II. New Communication Channels

- a. Manufacturer-to-Contractor (Ad space on opening window, button bar, banners)
- b. Manufacturer-to-Dealer Communication Channels (Web site templates for

manufacturers to provide to dealers)

REVENUE SOURCES

Contractor.com will derive revenue from four sources:

- I. E-commerce transactional revenue
- II. Sale of ad space on opening window, button bar, and banners
- III. Revenues generated in partnership with ASP solutions providers and financial institutions
- IV. Gold membership revenue

MARKET/COMPETITION

The \$650 billion US construction industry is comprised of three areas: Commercial-Industrial, Production Homebuilders and Home Improvement. Although the first two segments are being served on the Web, Contractor.com is currently the only company targeting the Home Improvement portion (\$170 billion) and the contractor labor pool.

FOUNDERS

Before founding Contractor.com in 1998, Kurt Reuss and Kevin Ellis were the co-founders of TASM Development. Drawing on that experience as home improvement contractors and developers, Reuss and Ellis bring invaluable relationships and critical industry insight to the task of building a Web business that addresses the unique needs of contractors. Prior to TASM, Reuss was an equity options trader and cellular license entrepreneur, while Ellis' background was in computer programming and general contracting.

FUNDING REQUEST

Contractor.com is currently seeking to leverage the company's existing contractor community, content, Web site traffic, database and other related assets. The \$10 to \$20 million capital request will be allocated toward:

Development and implementation of a Web-based business platform with e-commerce and educational capabilities (\$3-\$5m)

Launch of marketing strategy (\$5m)

Establishing sales and support operations and hiring key management and

support staff (\$3m) for the next year of operation

A larger round will enable Contractor.com to acquire contractors as members more quickly through increased new member incentives, advertising and events.

GROWTH AND EXIT STRATEGY

Contractor.com is the only serious business-to-business Web site in this market. The company foresees the following growth:

	% Target Market enrolled as members	Revenues	Profit/Loss
Year 1	11%	\$19.3 million	(\$6.5 million)
Year 2	22%	\$74.4 million	\$36 million
Year 3	33%	\$161.3 million	\$117 million

Contractor.com plans to raise a second round within four to five months to fund more contractor member acquisition programs, business development and strategic alliances. The company plans to move as quickly as possible to an IPO or other liquidity event.

VISION/MISSION

VISION

Contractor.com's Vision is to establish the company as the leading source of daily business solutions for the US contractor labor pool.

MISSION STATEMENT

In order to make its Vision a reality, Contractor.com is committed to providing compelling Web-based products and services that attract the contractor labor pool to its on-line business hub on a daily basis. The company will provide the "one stop" answer for contractors seeking to improve and maximize their profitability, efficiency, marketing, skills, and knowledge. In addition, new channels of communication will be opened between contractors and their dealers, manufacturers and customers, thus creating a platform upon which to establish a thriving e-commerce network.

PRESENT SITUATION

COMPANY

Contractor.com is an early-stage business-to-business infomediary and e-commerce portal aimed at serving and aggregating the one million members of the United States contractor labor pool. The company intends to mass these contractors into a vibrant, “sticky” on-line community by providing a variety of compelling products and services (see “Products and Services” below). Contractor.com will become an integral part of the contractor’s business day.

To date, Contractor.com’s database contains one million records of residential contracting companies, including over 8,000 records updated by the contracting company themselves. This database is the largest and most accurate database of its kind and is attracting attention from homeowner-oriented sites and contractor associated companies looking to license its content.

PRODUCTS AND SERVICES

Both directly and in partnership with other Internet-based companies, Contractor.com will offer a variety of products and services through its portal as a means of aggregating the one million members of the US contractor labor pool.

These products and services can be divided into two groups: the first set are business solutions for contractors and the second set create new communication channels between manufacturers, dealers and contractors.

Business Solutions

1. ASP Solutions
 - a. Estimating
 - b. Scheduling
 - c. Permitting
 - d. Classifieds, etc.

2. E-Commerce

- a. Building materials procurement system
- b. Product Information
 - i. Product descriptions
 - ii. Pricing Information
 - iii. Product Availability
 - iv. Order status
 - v. Specials/Promotions

3. Financial Services

- a. Lines of credit
- b. Payroll
- c. Taxes
- d. Lending
- e. Insurance

4. Lead Generation from Custom Directories

Contractor.com has created an up-to-date and accurate contractor database that provides consumers with a way to find and contact contractors. Contractors receive the leads by either e-mail or fax at their own option.

Although trade associations possess what may seem to be similar directories, these are legacy database systems notorious for being riddled with errors. For example, the National Association of Homebuilders (NAHB), the largest association representing contractors in the country, internally estimates that 30% of its data is inaccurate.

Contractor.com licenses filtered versions of its directory to various consumer Web sites. When added to the consumer site's remodeling and home improvement suggestions, the contractor directory provides the site with greater depth of content. In return, the consumer site increases the lead generating capability of the Contractor.com directory.

5. Downloadable Business Forms

- a. Contracts
- b. Change orders
- c. Lien waivers

6. Internet Solutions

- a. Free Internet dial-up service
- b. Free Web site
- c. Free e-mail

7. Contractor University

- a. Product installation classes
- b. General business education

8. General Information

Contractor.com provides personalized homepages to contractors (My Contractor.com homepages). Contractors will choose from various news choices including:

- a. Trade news
- b. Industry Trends
- c. Local news
- d. Weather
- e. Sports
- f. Travel

New Communication Channels

Manufacturer-to-Contractor Communication Channel

Contractor.com enables manufacturers to provide directly to contractors many functions related to pre- and post-sales product support that are currently handled by dealers. This results in the exchange of more accurate information and the development of improved distribution strategies. The contractor benefits from access to more efficient support, the dealer benefits from reduced pre- and post-sale support expenses, and the manufacturer benefits by controlling his brand more precisely.

1. Opening Window: Each time a contractor user starts his/her browser, he/she is presented with an Opening Window.



2. Button Bar: The button bar is loaded onto the user's screen each time his/her browser is opened (following the launch of the opening window). The bar cannot be closed by the user and therefore remains visible at the bottom of the browser throughout the user's Internet experience. Unlike the button bars normally associated with free Internet Service, though, it contains links to useful business tools. The bar is a feature of Contractor.com's service, not a nuisance.



3. Banner Ad Space: The Contractor.com Web site offers advertisers extensive opportunities to target various segments of its contractor audience.

Manufacturer-to-Dealer Communication Channel

1. Templated Web sites - Using its SiteBuilder engine, Contractor.com offers manufacturers the ability to provide their dealers with a manufacturer-designed Web site. The dealer sites are dynamically generated and can be changed by the manufacturer as necessary across the entire network. In addition to helping manufacturers better communicate with their dealers, this network of dealer Web sites provides the platform on which Contractor.com is building its national distribution (e-commerce) channels.

REVENUE SOURCES

Contractor.com will derive revenue from four sources:

1. Transactional revenue from e-commerce is the company's ultimate goal. Once Contractor.com has built a substantial contractor community and created new channels of communication among the players of the home improvement

industry, the company will have an ideal platform on which to institute e-commerce. By focusing on the development of audience and distribution channels, Contractor.com has the option of either developing its own e-commerce interface or integrating an interface developed by a third party.

2. The sale of opening window, button bar and banner ad space to all market segments looking to reach contractors.
 - a. Opening window: Manufacturers are expected to pay \$50 per year for control of the opening window. This will give them a vehicle to reach contractors on a consistent basis with a flexible, low-cost, broad-reaching message board. Currently top manufacturers pay \$500 - \$800 per year to reach their end users through traditional advertising with meager success.
 - b. Button bar: Advertisers are expected to pay \$25 per year to have a button on the button bar, which includes a 20% share of the rotating banner space.
 - c. Banner ads: Advertisers will pay a higher CPM rate than the norm due to the high degree of targeting and business-to-business value.
3. Partnership revenue generated by offering business solutions to contractors. Contractor.com will share in revenues from partnership with ASP providers and financial institutions.
4. Contractor.com generates significant membership revenue through its gold membership program. Gold Members pay \$18.95 per month and receive priority positioning in the contractor directory. (In addition to being less expensive than the Yellow Pages, the Yellow Pages does not offer the value of Contractor.com's licensing agreements with consumer sites.)

The company can offer its distribution channel service at a relatively low cost due to the large size of the total market and cost advantages of the Internet. Its product promotion service will command premium fees because promotional offers will be presented at the contractor's point of purchase. Manufacturers will happily add depth and breadth of content on the site in order to promote professional use of their products.

MARKET

All segments of the \$680 billion US construction industry use subcontracted labor, the target user for Contractor.com. The industry is comprised of \$330 billion in Commercial-Industrial projects and \$350 billion in residential projects (whether Production Homebuilders or Home Improvement). While some existing businesses serve the Commercial-Industrial and Production Homebuilder industry segments (e.g. buildnet.com, buzzsaw.com, bidcom.com), **Contractor.com is the only Web site that focuses on meeting the needs of both single-trade contracting companies (i.e., the construction industry's labor force) and small- to medium-sized construction businesses in the home improvement industry.** (The professional home improvement segment makes up \$170 billion of the \$650 billion US construction market.)

Over one million companies identify themselves as residential contractors and they purchase \$68 billion of construction materials each year. Contractor.com expects to register 11% of its initial target market as members within one year and 33% of its target market as members by the end of Year 3. Of these companies, Contractor.com is targeting the top 30%, who account for 70% of home improvement receipts.

ACCOMPLISHMENTS TO DATE

Since January 1998, Contractor.com has achieved the following significant milestones:

- Developed an easy-to-navigate on-line contractor directory
- Built a database of 1.1 million contractor profiles, the most extensive on the Internet
- Built an Oracle database system to manage tremendous amounts of information and poised for growth
- Built a team to develop products and service customers
- Recruited and hired critical industry leaders to develop the company's mission and strategies, market to contractors and develop content
- Built a beta version of the Contractor University
- Developed a free ISP concept and partner
- Identified and compiled business tools, trade content, and web-based applications for the contractor
- Developed internal systems to prepare for rapid growth
- Entered negotiations with key distribution channels and strategic partners

- Developed an e-commerce strategy to provide product procurement to contractors
- Purchased the www.contractor.com and www.contractors.com URLs

STRATEGIC ALLIANCES

An integral part of Contractor.com's strategy is to form alliances with key partners for the delivery of content and services. No formal agreements have been finalized, but Contractor.com has conducted extensive negotiations with several potential partners, including OneCore.com and Egroups (financial services), Qualified Remodeler Magazine (contractor business and skill improvement resources), Nextel (communication devices), Netclerk (permit pulling), Atlantic Forms (business forms), and Home Tech (business Internet solutions).

FOUNDERS

Before founding Contractor.com in 1998, Kurt Reuss and Kevin Ellis were the co-founders of TASM Development, a home improvement, development and investment company. In the space of two years, they built TASM from scratch into a \$2 million company. Drawing on their experience as home improvement contractors and developers, Reuss and Ellis bring invaluable relationships and critical industry insight to the task of building a Web business that addresses the unique needs of contractors.

Before founding TASM, Reuss has been a serial entrepreneur beginning as an equity options trader on the floor of the AMEX and later as an owner of a cellular license, while Ellis' background was in computer programming and general contracting. (For further information on Reuss, Ellis and other management members, see the section on Management Team Backgrounds in the Company Overview section.)

COMPETITION

Currently, Contractor.com is the only Internet presence focusing on the market comprised of the contractor labor pool and small- to medium-sized construction businesses in the home improvement industry. The nearest major e-business competitors are sites that serve both commercial and industrial contracting companies, homeowners looking for a remodeler or sales to do-it-yourselfers.

Companies focusing on the Commercial and Industrial contracting market and Production

Homebuilding include Bidcom.com, Buzzsaw.com, and Buildnet.com. These sites are geared toward technically literate, large contracting firms and provide bidding, communication and product fulfillment services. As such, rather than being competitors, they should more accurately be viewed as potential partners. Contractor.com can support their labor needs through such features as Requests for Bid (RFBs) and job postings.

Companies focusing on homeowners looking for a remodeler include Improvenet.com, Homeportfolio.com, Home Service Store, ServiceMagic.com and Remodel.com. These companies provide homeowners with design ideas and assist in project coordination and completion while selling their homeowner leads to contractors.

Companies currently focusing on 'Do-it-yourselfers' include Amazon.com, HomeDepot.com, Hardware.com and Buildscape.com. These companies are directed at the homeowner do-it-yourself market and not at developing meaningful, direct-to-contractor relationships and valued services.

Recently, HomeDepot.com began to offer discounts on product purchases to professional contractors and to develop a more comprehensive strategy for addressing professional contractors. Home Depot faces several barriers on this front, however, not the least of which is an inherent lack of respect on the part of contractors toward Home Depot. This is derived from the fact that Home Depot's business model was in part based on cutting contractors out of the product sales equation by selling directly to consumers.

Although they may be beginning to focus on the professional contractor market, Home Depot does not currently have solid established relationships with the professional contractor. The advantage of Contractor.com's model is that it uses existing manufacturer-dealer-contractor relationships and morphs them into more efficient relationships.

The thousands of existing wholesalers are poorly organized and have limited capital and technical resources. Contractor.com expects a few of them will defensively enact e-business systems, but these firms have neither Internet savvy nor technical skills, and are burdened with legacy systems.

Some niche business-to-business e-commerce players are appearing in specific trade categories, for example Probuild.com, which sells lumber electronically, and Werner, which sells electrical supplies. These niche e-commerce companies should be partnered or purchased to accelerate the speed to a complete market presence.

FINANCIAL STATUS

Contractor.com is currently in the process of offering equity to generate \$10-20 million of capital. The company has approximately 5 million shares of common stock outstanding, with the majority held by the founders and employees. To date, the founders and employees have invested \$1.8 million.

FUNDING REQUEST

Contractor.com is currently seeking to leverage the company's existing contractor community, content, Web site traffic, database, relationships and other related assets. The \$10 to \$20 million capital request will be allocated toward:

- Development and implementation of a Web-based business platform (\$4m)
- Launch of the marketing strategy (\$15.5m)
- Establishing sales and support operations and hiring key management and support staff (\$6.3m).

Revenues generated during the first year of operation will provide the additional capital Contractor.com needs to meet its short-term objectives. A larger round will enable Contractor.com to acquire contractors as members more quickly through increased new member incentives, advertising and events.

PRODUCTS AND SERVICES

CURRENT PRODUCT

To date, Contractor.com has built its content and community components. For a detailed list, see "Products and Services" in Present Situation, above.

PRODUCT STRATEGY

By targeting the professional home improvement and single-trade contractor segments, Contractor.com is focusing on the largest inefficiencies that exist in the market. These

areas are also therefore the best opportunities for increased profit margins.

Remaking the Manufacturer--Dealer--Contractor Relationship

The contractors' supplier base is fragmented, with manufacturers selling to thousands of dealers and then relying on these dealers to provide accurate pre-sale and post-sale product support to the end user, the contractors. Manufacturers are consequently eager to support Contractor.com's goal of developing a new communication channel to their customers. Contractor.com's on-line marketplace will interface with ordering departments at supplier sites and tie into contractors' on-line estimating tools, bid forms, and accounting applications.

It is important to note, however, that the dealer is not being cut out of the equation. Some current dealer functions, such as pre- and post-sales support, will be handled on-line directly between manufacturer and end user, *but the dealer still handles the sale*. Hence the manufacturer benefits from the opportunity to control his brand more precisely, the dealer benefits from reduced pre- and post-sale expenses, and the end user benefits from access to more efficient support and information.

Once these information exchange channels are in place, they will provide a solid and natural platform for the building and development of e-commerce.

MARKETING PLAN

MARKETING STRATEGY

Contractor.com plans to create a high-revenue, high-margin business by developing "ownership" of contractors. The company will promote free Internet access to contractors through existing distribution channels such as trade/supplier publications, direct mail, manufacturers and their dealers, lumber yards, rental shops and trade associations.

Step #1: Seed the market

Contractor.com will distribute 770,000 ISP CDs to contractors in the first 90 days through the following channels of distribution:

<u># of CDs</u>	<u>Rate of Conversion</u>	<u>Contractors Enrolled for ISP</u>
-----------------	---------------------------	-------------------------------------

Trade Publications	320,000	4%	12,800
Direct Mail	300,000	2%	6,000
Supplier Publications	125,000	5%	6,250
Manufacturers/Suppliers	20,000	20%	4,000
Trade Associations	5,000	20%	<u>1,000</u>
			30,050

Step #2: Viral Marketing

Along with free Internet service, contractors receive web-based e-mail with an “@contractor.com” extension. This generic and easy-to-remember address serves to further bind contractors to the service, making switching services less attractive.

Contractor.com will utilize the Hotmail/NetZero viral marketing strategy by promoting Contractor.com’s free ISP and e-mail service on each e-mail message sent by contractor members, thereby substantially accelerating membership growth.

	<u>Month 3</u>	<u>Month 7</u>	<u>Month 12</u>
Contractor.com	23,000*	63,000*	113,000*
NetZero	1m	3m	5m

*includes 30% attrition rate

Contractors work together and socialize together. Chat rooms, message boards, and the array of business tools provided by Contractor.com will provide a sense of community to its membership and further encourage dissemination of the CD.

FIRST MOVER ADVANTAGE

The fact that this group has been slow to join the Internet provides Contractor.com with the opportunity to gain a first mover advantage. Internet usage by contractors is currently estimated to be less than half of that of the general population.

CURRENT MARKET POSITION

Over the past two years, Contractor.com has conducted extensive interviews and research with numerous contractors, product manufacturers and industry experts. In addition, management has gathered feedback at trade shows where the top contractors

and suppliers in the country gather semi-annually. Contractor.com has also hired consultants with industry expertise to coach its team on strategic issues. **All of these parties report that Contractor.com is in a leadership position.** They are not aware of another company with a vision focused on solving the critical and growing needs of contracting companies.

This was further confirmed when GE recently asked Contractor.com to educate its marketing staff about Internet trends in home improvement. Contractor.com, Verticalnet.com and HomeDepot.com were all invited on the same day to present their on-line strategy and marketing plans so that GE could evaluate how it will distribute its home materials products and financial products in the future. GE's positive feedback confirmed that Contractor.com is the leading company focused on the business of the professional residential contractor.

GROWTH AND EXIT STRATEGY

Contractor.com is the only serious business-to-business Web site in this market. The company foresees the following growth:

	% Target Market enrolled as members	Revenues	Profit/Loss
Year 1	11%	\$19.3 million	(\$6.5 million)
Year 2	22%	\$74.4 million	\$36 million
Year 3	33%	\$161.3 million	\$117 million

(For more details, see "Forecasted Financials", below.)

Contractor.com plans to raise a second round within four to five months to fund more contractor member acquisition programs, business development and strategic alliances. The company plans to move as quickly as possible to an IPO or other liquidity event.

INFORMATION TECHNOLOGY STRATEGY

CURRENT INFORMATION TECHNOLOGY

The company's current IT system consists of a hosted MSOL database on Linux running on a Pentium II/400 server. The system averages 2,000,000 individual page views per month. Without the administrative functions that are currently executed on the company's server, the average load uses 45% of server resources.

INFORMATION TECHNOLOGY STRATEGY

Contractor.com is currently completing development of a new IT system to run critical operations including the Web site. The new system is being developed using Oracle running on the Sun UltraSparc platform. It allows for scalability as resource demands increase and to meet the requirements of offerings to Contractor.com clients.

Contractor.com plans to manage and integrate best-in-class, off-the-shelf solutions and work with business-to-business application service providers to create unique systems with future flexibility.

A certain amount of custom programming is expected, however. This will allow Contractor.com to deliver the broadest range of features and services. Key aspects of IT development will be outsourced to reliable third parties, reducing the burden of hiring, training, purchasing and building a complete IT infrastructure.

Specific examples include contracting web development experts and the use of: Net Tracker to track web usage statistics, Radiation Software's classifieds and personals software, Madrona Park's "Ultimate Bulletin Board" software for discussion groups, mapping services from MapQuest, Kana software's e-mail system to assist customer support and interaction, and live, real-time content by ISyndicate.

COMPANY OVERVIEW

LEGAL BUSINESS DESCRIPTION

Company Name

The present registered corporate name for Contractor.com is *Contractor Internet Community, Inc.* The company is also the registered owner of the Web address “www.contractors.com”.

Legal Form of Business

Contractor.com is registered as a Delaware Corporation.

MANAGEMENT TEAM

Kurt Reuss	Founder & CEO
Kevin Ellis	Founder & Director of Contractor Relations
Shawn Draper	President
Bill Asdal	Dean of Contractor.com University
Mike Turner	Vice President, Association and Trade Relations
Bill Carmichael	Director, Sales and Industry Relations
Brian Powell	Director, Technology

Management Team Backgrounds

Kurt Reuss, Founder & CEO

Prior to co-founding Contractor.com, Kurt Reuss and Kevin Ellis co-founded TASM Development, a residential home improvement, development and investment company. Within two years, they grew the start-up company to a value of \$2 million. Before TASM, Reuss was an equity options trader at the American Stock Exchange. Beginning with a small fund of \$50,000, he earned over \$2 million in excess of investors' initial investment within three years by personally trading within the account. In 1988, Reuss bid on a number of strategically selected cellular licenses and won a significant region in Colorado. Three years later, he sold the region to McCaw, turning a \$70,000 investment into \$9 million. He received a BA in Finance from Northeastern University.

Kevin Ellis, Founder & Director of Contractor Relations

In addition to having worked as a computer programmer, Kevin Ellis brings to his role as Director of Contractor Relations over ten years experience as a licensed general contractor. Prior to co-founding Contractor.com with Kurt Reuss, Ellis co-founded TASM Development, also with Reuss, where he oversaw the redevelopment of historic homes in North Denver. Before TASM, Ellis spent five years supervising the building of custom homes and commercial projects for F&M Construction in Vail, Colorado. Ellis also has experience as a computer consultant, having spent three years in that role at CAP International in Boston, MA, and studied Computer Science at Northeastern University.

Shawn Draper, President

Shawn Draper brings ten years of building industry experience as the former Vice President of Marketing for the nation's third largest window manufacturer, Weather Shield Windows and Doors. Draper built an award winning marketing team from scratch that was directly responsible for tripling market share and increasing sales an average of 25% in his three-year tenure. Draper is recognized by the industry, manufacturers, dealers, and contractors alike, for his astute understanding of the home building marketplace. Draper is twice the recipient of the NAHB President's Award for his contributions to the building industry, as well as, multiple marketing and communications industry awards for excellence. Draper was the Remodeling-Home Improvement Market Manager responsible for complete business management of the \$403 million business for Andersen Windows. Draper entered the building industry as the owner of a small business development consulting firm, counting 3M as its' largest client. Draper holds a BA in Business Administration and Education, and a Masters Degree in Business Administration.

Bill Asdal, Dean of Contractor.com University

Being named the NAHB Remodeler Council 2000 Remodeler of the Year is just the latest recognition the building and remodeling industry has granted Bill. Remodeling Magazine named Asdal to its Big 50 Hall of Fame in 1998. He was the Chairman of the NAHB Remodelers Council in 1996, representing the interests of the 197,000-member organization and he was the 1997 President of the Community Builders Association of New Jersey. Asdal is also one of nine national Builder Trustees for NCHI, the manufacturers advocacy group. Bill serves on an industry steering committee for the

Partnership for Advancing Technologies in Housing (PATH). The PATH program is administered through the White House Office of Science and Technology. In 1996 Bill became the inspiration for and the driving force behind the creation of the award winning publication Professional Remodeler Magazine, Asdal continues to serve on the Editorial Advisory. His company, Asdal & Company Builders, Ilc, has won repeated recognition and Awards of Excellence. Asdal holds a BA in Industrial Education, and a Masters Degree in Administration and Supervision.

Mike Turner, Vice President, Associations and Trade Relations

Mike Turner was the President of TLC Builders Inc., a full service residential remodeling firm, for nearly fifteen years. He also served as Chairman of the Remodelers Council of the National Association of HomeBuilders (NAHB). In the over 14 years he has been in the home improvement business, Turner has received many awards for professionalism and quality construction, the most recent being his selection as 1999 “National Remodeler of the Year” by the NAHB Remodeler’s Council. In addition to serving on many industry boards, Turner hosts a well-known home improvement talk radio show in Atlanta, GA and is a frequent speaker at awards banquets, dinner meetings, and education seminars. He received a dual-major BA in Business Administration and Economics from North Georgia College.

Bill Carmichael, Director, Sales and Industry Relations

Bill Carmichael was the Chief Operating Officer and Executive Vice President of the National Association of the Remodeling Industry (NARI). In his role at NARI, Carmichael dealt extensively with manufacturers, developing strong relationships with large supply companies such as Anderson Windows and Dupont Corian. Carmichael has been building relationships in the home improvement field for over 27 years, including 10 years as president of Hess, a large window, door and porch enclosure company. Carmichael was also previously a Lieutenant in the US Army.

Brian Powell, Director, Technology

Brian Powell has over seven years experience in the development of UNIX software including multi-threaded client-server applications and web technologies. He has managed all aspects of software engineering, schedules, customer interface, and documentation. From 1994 until 1996, Powell served as an engineer in the Data Technologies Division of TRW, Inc. Prior to that, he spent three years at the Colorado

Center for Astrodynamics Research (CCAR), where he was responsible for development of software to support US Naval Fleet Operations. Powell has an MS in Computer Science from University of Colorado and a BS in Aerospace Engineering from the University of Colorado. He was one of the original beta testers of Mosaic, precursor to the Netscape browser.

Contractor.com has been accepting resumes for the positions of Chief Operating Officer (COO), Chief Financial Officer (CFO), and Chief Technical Officer (CTO), with the intent of hiring upon receipt of the next round of funding.

The company has also identified experienced candidates for the positions of Sr. VP Marketing, VP of Product Development, VP of Sales and Web Site Editor. Candidates have expressed an interest in joining Contractor.com when it receives its next round of funding, although the company has not yet extended any formal offers.

In addition, Contractor.com is aggressively searching for candidates for the following executive roles: Vice President of Business Development/Internet, Vice President of E-commerce, Vice President of Quality Systems, Vice President of Customer Service, Vice President of Homeowner Marketing (phase two strategy development), as well as a number of non-executive positions.

Financial Data & Projections

Proposed Financing

The need to move quickly is paramount and the opportunity for market space dominance is profound.

The company requires \$23,000,000 to achieve its near-term objectives. Total financing will come from revenues generated and capital investment.

Funds will be used for the following purposes:

Web site and technical development:	\$
1.8MM	
Marketing/Advertising/Brand:	\$15.5MM
Customer Service:	\$
0.7MM	
Sales & Business development:	\$
3.4MM	
Finance & Administration:	\$
2.2MM	
Equipment & Infrastructure:	\$ 1.9MM

Financial Data & Projections

Three-Year Revenue & Expense Projections

	Year1	Year2	Year3
Revenue			
Promotional Rev	\$ 14,446,476	\$ 47,299,269	\$ 81,419,574
Financial products Rev	\$ 576,640	\$ 4,970,240	\$ 14,773,440
Member Services	\$ 4,230,718	\$ 18,537,849	\$ 32,431,149
E-Commerce Rev	\$ 31,152	\$ 3,554,560	\$ 32,635,970
TOTAL REVENUE	\$ 19,284,986	\$ 74,361,918	\$ 161,260,133

Expense

Product Development	\$	\$	\$
	1,800,000	1,986,000	1,986,000
Marketing	\$	\$	\$
	15,512,540	23,440,880	24,326,100
Customer Service	\$	\$	\$
	713,227	1,761,409	2,538,341
Sales/Business	\$	\$	\$
Development	3,357,000	6,231,000	8,949,000
Finance & Administration	\$	\$	\$
	2,218,636	3,057,545	3,768,955
Equipment	\$	\$	\$
	2,148,636	1,628,636	1,900,000
TOTAL EXPENSES	\$	\$	\$
	25,750,040	38,105,471	43,468,395
Revenue minus Expenses	\$	\$	\$
	(6,465,054)	36,256,447	117,791,738

Line item detail available on request

These numbers do not include cost of venture capital round, interest, taxes, costs of acquisitions, or a large investment or IPO.

Financial Data & Projections

Revenue Assumptions

Sponsorships:

In year 1, Contractor.com will enroll 160,000 contractors with a free ISP account and expects an attrition rate of 30%, resulting in 113,920 member accounts. 60% or 68,000 of these accounts will be sponsored by manufacturers who will pay \$49 per account for the first year. The sponsoring advertiser will receive ad space on the opening window of the contractor's Internet startup and one button on the floating bar that is not removable by the contractor. The remaining 75% of the floating bar ad space will be available for other advertisers. Contractor.com expects to sell 66% of the available floating bar space inventory at \$75 per subscriber in Year 1.

In year 2, Contractor.com will enroll an additional 140,000 contractors for a free ISP account with an attrition rate of 20% resulting in 225,000 active accounts. 80% of these accounts will be sponsored by manufacturers at an average price of \$69 per account. Contractor.com expects to sell 85% of the remaining floating bar ad space at \$100 to other sponsors in Year 2.

In Year 3, Contractor.com will enroll an additional 120,000 contractors for a free ISP account and anticipates an attrition rate of 10% resulting in 333,000 total ISP members. 90% of these accounts will be sponsored by manufacturers at a price of \$100 per contractor. In Year 3, Contractor.com expects to sell 90% of the floating bar ad space at a price of \$150 per subscriber.

Financing:

Assumptions are based on current negotiations with One Core, a financing company that provides payroll services, credit card processing, bill paying, leasing, etc. Once a contractor signs up for a financial service, Contractor.com will get an upfront referral fee of \$100 plus an annual revenue estimated to be \$100 per contractor. Once Contractor.com has provided the finance company with more than 1000 accounts, the referral fee will increase to \$200 per account and the annual revenue from each account is expected to increase to \$200.

Email:

Contractor.com will allow other advertisers to send their message to its subscribers for a fee of 6 cents per message.

Information:

Subscribers will be required to fill out a survey at the time they activate service. They will also be periodically polled on various issues and this information will be sold to sponsors. Contractor.com believes that a value of \$2 per contractor per month is easily attainable.

Membership:

Contractor.com expects to have an updated profile on 200,000 contractors by end of Year 1. In Year 1, 10% of these contractors will pay \$18.95 per month to have a priority listing in the directory, increasing to 15% in Year 3.

Ad Revenue:

Portal ad revenue is based on portal users visiting the Contractor.com site 3 times per week and visiting 10 pages each time. The company expects to receive an average price of \$50 per thousand impressions collected. Industry average price per thousand impressions is \$33, but Contractor.com should be able to collect more than the industry average

because its portal ads are targeted to a specific audience.

Directory ad revenue is based on a number of homeowners visiting the site.

Revenues from the University are based on a percentage of regular portal users taking courses.

E-commerce will be in development phase during Year 1.