



“GRIG In A Nutshell”

Mission/Values

What is GRIG's mission?

GRIG's mission is to create generation wealth through sustained returns on investments and promote mind share through education and networking.

Demographics

What is the typical profile of a member of GRIG?

High-income (Average of \$65,000)

Homeowners (70%)

Single, no children

Advanced degree holders

What's the % breakdown of age ranges, marital status, and gender?

23% 25-27

64% 28-30

14% 30+

55% Male, 45% Female

74% Single, 26% Married

12% with children

Size

What is the current size of our investment portfolio?

North of \$1.3 million

Funding

What are the monthly/annual financial contributions of each member?

\$175/month, \$2,100 per year. Dues will be increased to \$200 per month in Jan. 2007. Assuming 39 members, this amounts to \$6,825/month and \$81,900 per year in 2006 and \$93,600 in 2007.

A large number of partners pay more than the minimum so dues paid can range from \$175-\$300 per month. There have also been two distinct groups formed to make significant financial contributions to GRIG over the next 18 months. One group will aim to reach a capital account balance of \$40,000 each and another for \$25,000 each.

Are there any penalties in place for leaving the partnership or being delinquent in contributions?

The penalty for a voluntary withdrawal from the group is 10% of current net asset value. Outstanding balances will be charged a 10% fee on Dec. 31st of each year. Partners and Associates are indebted to GRIG for the entire financial contribution upon written acceptance to the LLC.

Strategy

What investment vehicles does GRIG use to facilitate its investment strategy?

GRIG seeks attractive investments with moderate risk in real estate properties, equity securities, and small business ventures. For real estate and stock investments, GRIG seeks to earn 15%+ ROI. For investments in small businesses, GRIG seeks 20%-30% ROI, with a stake of less than 20%.

What are our current/optimal asset allocation goals?

Real Estate 50%

Ventures 20%

Market Investments 20%

Other 10%

What is our time horizon?

The time horizon will vary depending on the type of investment, but GRIG will typically seek its target ROI within 12-18 months. For stock market investments, it can vary from 30 days to over one to two years.



“GRIG In A Nutshell”

What is our risk tolerance?
Moderate to aggressive

Structure

How many members are included in GRIG?
38

What is the optimal/target number of group members in the near-term?
GRIG will not have more than 50 members, as regulations of operating as an LLC. We do not expect the overall group membership to fluctuate greatly from its current size.

What are the classifications of each member within the group?
There are various levels of membership within GRIG: Principal Investor, Partner, Limited Partner, Associate, Member. These classifications vary and depend on an individual's level of involvement and financial contributions.

Are co-investment opportunities available to group members?
There are co-investment opportunities available for all partners on each deal. We view this as advantage because it minimizes risk to GRIG, and provides an individual within the group to directly take advantage of a great investment opportunity.

Are partners responsible for covering certain types of investments or industries?
GRIG is segmented into a Team Leadership Structure that provides resources for our key deliverables. The teams are: Ventures, Real Estate, Market Investments, and Communications (which serves as a support function). These teams work together to find opportunities for growth and personal development. We encourage our membership to leverage each other's experiences and create wealth and opportunities for all members.

What is GRIG's breakdown of % of active vs. passive members of the group?
60% active, 40% passive

How does GRIG choose new members?
New members are typically recommended by current members and must be able to demonstrate the ability to meet the financial requirements of the group. All potential members must have achieved excellence in their respective fields and be able to add significant value to the organization. Each member goes through a rigorous interview process before being selected as a partner. GRIG is no longer selects Associates or Members.

What's the exit policy for a member of GRIG?
Any member that chooses to withdraw from the group shall receive 90% of their interest in three payments following their withdrawal date. Any member that is delinquent in member contributions for a period greater than 61 days will automatically be terminated and receive 85% of their interest less any delinquent contributions and fines at the time of termination.

Due Diligence

How is due diligence conducted on various investment opportunities?
GRIG conducts a rigorous due diligence process on all investment opportunities to evaluate potential returns, adequately measure risks, and identify any issues that could cause an investment to not be successful. GRIG also takes this approach to the individuals and groups associated with each investment opportunity, as we strive to work with the most highly competent and ethical individuals.

Is there a champion for every actual investment? What is the specific responsibility of the champion?
There is a champion for every investment who will serve as the point person for all facets of a particular deal and maintains a relationship with the entity funded. GRIG feels it is necessary to have accountability for every investment we are involved in.



“GRIG In A Nutshell”

Decision-Making Process

How are investment decisions made?

Investment ideas are diligently researched and formally presented by a partner to the entire membership base and require a 2/3 vote to be approved. After approval, the champion for an investment will work with the financial partner to transfer appropriate funds as needed.

Management Team

What is the investing experience of your top decision makers?

Each of our managing partners have been personally involved in a combination of investing in the public equity and fixed-income markets, real estate investment properties, and small business ventures. They all bring a wealth of knowledge and expertise that is invaluable to the organization.

How long have the management team/officers been in their current roles?

Typically, less than two years. Each management team member is appointed for a two-year term and can only be re-elected once.

How often are these positions changed in a given period of time?

Every two years.

How is their effectiveness evaluated?

The management team is identified and developed prior to assuming the management role by succession planning. Once in a management position, the team is evaluated against specific team, management, and organization goals developed annually. Tracking of performance against established goals occurs at monthly meetings to identify any potential problems so they can be resolved promptly.

How is the management team's expense discipline?

GRIG always strives to achieve the best performance while incurring the lowest expenses, as it will continue to enhance our investments returns over the long-term.

Financial Performance

How has GRIG performed versus comparable investments?

GRIG has continued to outperform its market investment benchmarks and exceed its targets ROI on real estate and venture deals. GRIG has achieved annual returns of 15% to 20+% since inception and expects to only improve this performance going forward.

What are the expectations for GRIG going forward?

GRIG continues to strive to execute large transactions and hopes to be investing in million dollar deals by 2006. We will continue to execute on our current strategies and generate superior returns for our partners.

Are there appropriate benchmarks in place for evaluating success of investments and how are they determined?

GRIG uses the S&P 500 and the Dow as benchmarks for its market investments, as both provide a good proxy for performance of the broader public equity markets. For real estate and venture investments, GRIG currently uses its target ROI as benchmarks. GRIG feels that these target ROI's justify the risk for each type of investment.

What are the biggest challenges/risks that have affected GRIG's performance?

Unfavorable market conditions, strong pipeline of attractive deal flow, and commitment from human capital resources.



“GRIG In A Nutshell”

What plans does GRIG have in place to mitigate these risks?

GRIG has a strict asset allocation model that it adheres to and dedicated teams that focus on the group's objectives. GRIG also has a succession planning process in place that enables the group's performance to be driven by different partners of the organization.

How does the group manage idle cash on the balance sheet?

GRIG invests idle cash in a money market account that earns a competitive rate of return.

Does the group allocate an appropriate amount of "restricted cash" or "reserves"?

GRIG allocates a small amount for cash reserves. GRIG's objective is to remain as fully invested as possible to maximize investment returns and outperform designated benchmarks.

What are the key drivers for growth of the group's assets?

Principal investor contributions, appreciation of current assets, and success in finding attractive deal flow and market opportunities. We also are dependent on the ability of our partners to generate value-added ideas and strategies for the benefit of the group.