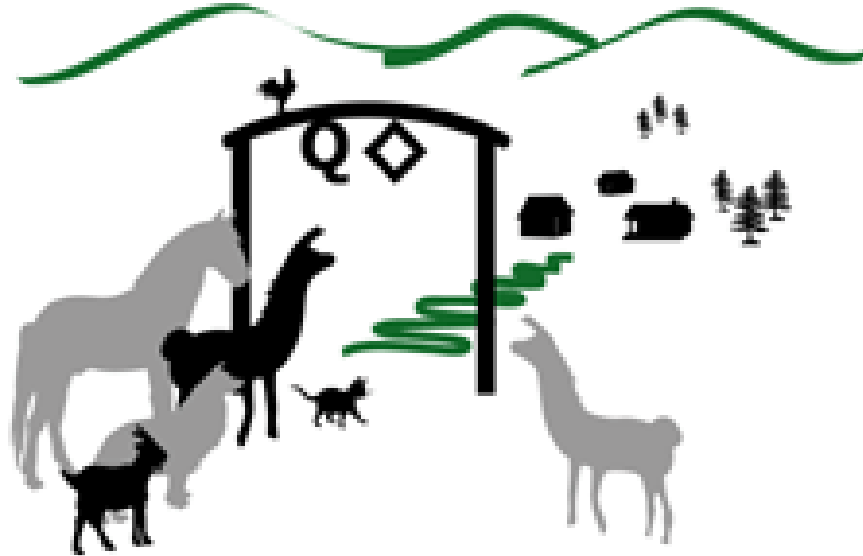


Bar-Q-Diamond Ranch



Business Plan

As of 01 January 2008

Revision History

Version	Date	User	Changes
1.4	01 JAN 08	Stephen Quackenbush	<ul style="list-style-type: none"> Information Update
1.3	01 JUN 2007	Stephen Quackenbush	<ul style="list-style-type: none"> Information update and formatting changes for tax appeal filing (less number of pages to print)
1.2	19 JAN 2005	Stephen Quackenbush	<ul style="list-style-type: none">
1.1	01 Oct 2004	Stephen Quackenbush	<ul style="list-style-type: none"> Updates to shareholders plan
1.0	01 APR 2003	Stephen Quackenbush	<ul style="list-style-type: none"> Initial Plan with incorporation

Non-Disclosure and Confidentiality Agreement

The undersigned ("Recipient") hereby agrees that all financial and other information ("Information") that it has and will receive concerning Bar-Q-Diamond Ranch Inc. is confidential and will not be disclosed to any individual or entity without prior written consent.

The Information shall remain the property of Bar-Q-Diamond Ranch Inc. and shall be returned to Bar-Q-Diamond Ranch Inc. promptly at its request together with all copies made thereof.

Recipient acknowledges that no remedy of law may be adequate to compensate Bar-Q-Diamond Ranch Inc. for a violation of this Agreement and Recipient hereby agrees that in addition to any legal or other rights that may be available in the event of a breach hereunder, Bar-Q-Diamond Ranch Inc. may seek equitable relief to enforce this Agreement in any Court of competent jurisdiction.

Date

Signature

This is a business plan and does not imply an offering of securities.

Contact Information:

Refer to the Ranch website for contact info:
www.bar-q-diamond.com

This document contains confidential information. It is disclosed to you for informational purposes only. Its contents shall remain the property of Bar-Q-Diamond Ranch Inc. and shall be returned to Bar-Q-Diamond Ranch Inc. when requested.

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1. Executive Summary

Bar-Q-Diamond Ranch, Incorporated is a small ranch focusing on the production of Llamas and Angora Goats as agricultural products. The ranch is currently developing a herd of Llamas and Angora goats that will produce quality fiber products and bloodlines that produce quality show animals.

The ranch will supplement its income by providing stud service and boarding services for other growers. And during the Colorado hunting season, the llamas are leased to a known outfitter.

The ranch has been established and already has a sizable herd of Llamas and Angora Goats as well as boarders of llamas. It additionally has interested buyers for the fiber products as well as commitments from outfitters for Llamas for packing (primarily during hunting season).

2. Company Background

Shari and Stephen Quackenbush established Bar-Q-Diamond Ranch in 2003 with the goal of raising show quality llamas and Angora goats.

Llamas

The current llama herd has already placed as Grand Champion and Reserve Grand Champion at the National Western Stock Show in January of 2004 and again placed highly in many of the competition classes at NWSS in 2005, 2006 and 2007. The Llamas are sheared once per year in the late spring for their fiber production.

A few of the females have been bred and will continue to do so on a set rotational breeding schedule to produce cria. The offspring are selected to either be sold to prospective buyers or held by the ranch to increase the current herd size.

The studs will be used to breed with other established herds.

During the fall months some of the male Llamas are leased to an established outfitter for use as pack animals during the Colorado hunting season. The current outfitters are:

- Buckhorn Llama Co. – Stan Ebel – Masonville, CO (970-667-7411)
- Spruce Ridge Llamas Adventure Treks - Dan Jones - Salida, CO (719-539-4182)

Angora Goats

The Angora goats are sheared twice a year, in the spring and fall for fiber production.

The females are bred on a set rotational breeding schedule. The offspring are selected to either be sold to prospective buyers or held by the ranch to increase the current herd size. The dominant buck (male) is used for stud service to breed with other established herds.

Fiber Processing

Fiber processing consists of sending the shorn fiber from the Llamas and Angora Goats to a fiber mill, where all of the fiber is processing into rovings. Once processing is complete, the finished product is usually kept at the mill under consignment for sale.

Fiber mills in the Colorado area include:

- Red Barn Fiber Processing - Curt & Susan Boyes (970-669-6106)
5401 Norwood, Loveland, CO 80538
- Leighton Farms Fiber Mill - Tom & Kathleen (719-689-3593)
120 S 3rd Street. Victor, Colorado

Ranch Operations

The ranch is strategically located close to the towns of Castle Rock and Franktown in Colorado. Being close to large populations, but at the same time in an agricultural area, provides convenient facilities for those that would like to board their llamas. Many 4-H individuals either board their animals at the ranch or use one of the ranch's animals for showmanship and 4-H projects.

The ranch offers boarding facilities for those individuals that do not have the facilities or property themselves to board their animals.

3. Products

Llamas

- **Fiber production from llamas**
Llama fiber is currently being used world wide for felted products, rugs, ropes, blankets, dry-fly tying materials and fine clothing when mixed with sheep wool. The demand for llama fiber is increasing as it is a natural product, which does not contain any oils and comes in the widest range of colors. Furthermore, llama fiber is non-allergenic; that is, people that are allergic to sheep wool are usually not allergic to llama fiber.
- **Breeding/stud fees**
Blood lines in the llama industry are very well documented and managed. Each breeder carefully selects their stock and selects which llamas are breed to others in order to produce specific attributes in the offspring. The ranch offers breeding services to prospective customers, from the line of llamas that the ranch owns.

- **Show and competition winnings**

While large prize purses are rare, there are winnings available throughout the country at the many llama competitions. These are available in halter class, showmanship class and the many performance classes (public relations, obstacle, pack, driving).

- **Animal Leasing**

Colorado is a hunting paradise for large game hunters from across the USA. Outfitters are leasing pack animals in order to cater to the needs of their customer base. Hunters have learned the ease of packing in to their camp sites thanks to these docile pack animals. Llamas are the perfect fit for the rough terrain of the Colorado Rockies and are far more suited to the job than a horse might be. Llamas require less maintenance, feed and training than horses or mules and are less destructive to the wilderness and to trails. A fit llama can carry 100-125 lbs for many miles. There's a growing demand from out of state hunters for pack animals during the Colorado hunting season.

Angora Goats

- **Fiber production from Angora goats**

Mohair from Angora goats is one of the most sought after fiber products world wide. Angora goats are probably the most efficient fiber producers on earth. The United States is now the second largest producer of Mohair fibers, thus the demand for the fiber is rapidly increasing.

- **Breeding/stud fees**

Blood lines in the angora goat industry are well documented and managed. Each breeder carefully selects their stock and selects which goats are breed to others in order to produce specific attributes in the offspring. The ranch offers breeding services to prospective customers, from the line of angora goats that the ranch owns.

A rotational breeding plan has been established at the ranch for both the llama and goat herds. The program will be designed to not only increase the herd size, but the ranch will also produce quality animals that will be available for purchase by prospective buyers. Thus, through developing quality herds, the ranch will be increasing its quality fiber production.

4. Services

Services offered by Bar-Q-Diamond will include:

Stud Services

For both Llama and Angora Goats, the studs of each herd are offered at a fee for stud services to selected established ranches. During this time the prospective mate will be boarded at the Bar-Q-Diamond Ranch. The boarding fees are included in the stud fee.

Boarding services

For those individuals that want to own one or more llamas for show and pleasure, Bar-Q-Diamond Ranch offers boarding services.

Grooming Services

As part of the boarding services, the ranch offers grooming and maintenance services to boarders. These include, but are not limited to grooming (washing, blowing, shearing, toenail trimming, fighting teeth removal) and veterinarian care (acute care and regular maintenance, such as annual tetanus and deworming inoculations). See the supplemental information section for a complete list of additional services.

Leasing Services

During hunting season, some of the Llamas will be leased to outfitters for large game hunters, which use the llamas to pack supplies into camp and pack harvested animals back out again.

5. The Industry, Competition and Market

Natural fiber production is an ever increasing industry in the United States. The American consumer is demanding more natural fibers in their clothing as well as other household items such as blankets, rugs and decorative items. As with any industry the desire of a top quality product is high on any buyers lists. By hand selecting and breeding top quality animals, high quality fiber products are the result.

6. Marketing Plan

With today's ever increasing computer savvy buyer, the Internet and a well presented web page is the ideal way to tap into the world wide fiber industry. The Bar-Q-Diamond Ranch has established a web presence to alert prospective customers of the ranch's services.

The ranch attends many Llama and Angora Events such as the Estes Park Wool Market, National Western Stock Show, Grand Nationals, as well as the local 4-H and FFA events, which exposes the ranch to potential customers.

The ranch also maintains membership in many of the llama and goat organizations, which allows the ranch to market to the small buyers.

7. Operating Plan

Bar-Q-Diamond Ranch is a 40 acre ranch located just east of Castle Rock., Colorado. All operations are managed by the founders, Shari and Stephen Quackenbush. They are also responsible for all marketing activities. The company is relatively new as far as developing a

quality herd. However, the herd's reputation is already establishing itself with impressive showings at National Western Stock Show and Grand Nationals.

8. Management, Organization and Ownership

The founders of Bar-Q-Diamond have over 10 years of small ranching experience. Stephen has owned the ranch for over 10 years and has recently developed an interest in developing it to its full potential. Both Stephen and Shari have extensive marketing experience after working in the travel industry. Stephen's web site and electronic knowledge will allow them to tap the ever growing marketing tool of the Internet, those allowing them exposure to the world wide wool and fiber markets.

The principals, Shari and Stephen Quackenbush, are the sole stockholders of the company.

9. Goals and Strategies

Bar-Q-Diamond Ranch is well on its way to success after the very impressive showings at the National Western Stock Show. This exposure will open doors throughout the industry. The initial herd is of high quality and should produce exceptional offspring.

10. Financial Assumptions

The owners envision investing approximately \$35,000 annually into the ranch for the next 4-5 years, in order to fund the infrastructure to make the ranch financially viable.

Distributions have not been projected at this time due to a lack of positive cash flow. Future distributions will depend on performance, when appropriate.

11. Supplemental Information

Boarding Contract

See latest "Boarding Contract"

Grooming and Veterinarian Services Fee Schedule

See latest Boarding Contract for fee schedule