

SCHEDULE A

Risk Factors

We Have Limited Assets and Operating History.

The Company was formed to invest in the Portfolio Company. The Company currently has no assets, and as of the completion of the offering, will have had no experience operating as an independent company. There can be no assurance that we will ever operate profitably and the Company must be considered in the development stage.

The Company is Investing in the Portfolio Company and does not have Diversified Investments.

The Company's strategy is to invest in the Portfolio Company. As a result, the Company will be subject to the risks inherent in investments in a single business. The effects on cash available for distribution to Purchasers resulting from a downturn in the industry of the Portfolio Company will be more pronounced than if the Company had diversified its investments.

RISK INHERENT IN EMERGING GROWTH COMPANY INVESTMENTS.

The investment intended to be made by the Company involves a high degree of risk. In general, financial and operating risks confronting both early-and developmental-stage companies, as well as more mature expansion-stage companies are significant. Many emerging growth companies go out of businesses every year. It is difficult to know how companies will grow, if at all, or what changes may occur in the market. While potential returns should reflect the perceived level of risk in any investment situation, there can be no assurance that the Company will be adequately compensated for risks taken. A loss of a Purchaser's entire investment is possible and no profit may be realized.

Early-stage and development-stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing which may not be available through institutional private placements or the public markets. In addition, the markets that such companies target are highly competitive and in many cases the competition consists of larger companies with access to greater resources. The percentage of companies that survive and prosper is small.

Investments in more mature companies in the expansion or profitable stage involve substantial risks. Such companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire other businesses, or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing, and general management of these activities.

LACK OF COMPANY INFORMATION.

The information made available to the Company and/or the Purchaser regarding the Portfolio Company the Company will invest in is very limited. As the Portfolio Company is privately held, they are not subject to the same disclosure and reporting obligations of publicly traded companies. In making your decision to invest in the Company, you may not be provided with financial, operational, or other information that may be important in making an investment decision. In most cases, the Portfolio Company's valuation at the time of the investment and/or the Company's ownership percentage in the Portfolio Company will not be known to the Purchaser and such ownership percentage can be reduced significantly for a number of reasons. Florida Funders Management, LLC (the "**Manager**") does not assume any responsibility for the accuracy of completeness of such information.

LACK OF INFORMATION FOR MONITORING AND VALUING THE COMPANY'S ASSETS.

The Manager may only be able to obtain limited information about the Portfolio Company and, in some cases, may not be able to obtain information beyond the information that is publicly available. The Portfolio Company will determine the best way to keep the investment community updated on the progress of the business so the Manager may not be aware of material adverse changes that have occurred with respect to certain of its investments. The value of the Company's investment in the Portfolio Company could be significantly negatively affected by any such event. Further, the Manager may have to make valuation determinations without the benefit of an adequate amount of relevant information. Prospective Purchasers should be aware that as a result of these difficulties, as well as other uncertainties, any valuation made by the Manager may not represent the fair market value of the securities acquired by the Company.

NO ASSURANCE OF RETURNS.

The Company will typically be an equity purchaser in the Portfolio Company. You will not receive a return on your investment unless and until the Portfolio Company distributes money. A private company typically distributes money when it gets sold to another company or a new set of Purchasers, when it pays a dividend, or when it is listed on a stock exchange or other public trading platform. The Portfolio Company may take a long time or never achieve one of these events. As such, there can be no assurance that you will receive any returns from the Company. The timing of profit realization, if any, is highly uncertain.

ECONOMIC CONDITIONS; CURRENT STATUS OF MARKETS.

The success of any investment activity is determined to some degree by general economic conditions. Economic markets today are in a period of unprecedented stress. The availability, unavailability, or hindered operation of external credit markets, equity markets and other economic systems which the Company may depend upon to achieve its objectives may have a significant negative impact on the Company's operations and profitability. The stability

and sustainability of growth in global economies may be impacted by terrorism or acts of war. There can be no assurance that such markets and economic systems will be available or will be available as anticipated or needed for the Company to operate successfully. Changing economic conditions could potentially adversely impact the valuation of portfolio holdings.

MINORITY INVESTMENTS.

The Company's investment will likely represent a minority stake in a privately held company. As is the case with minority holdings in general, such minority stakes that the Company may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. The Company may also invest in companies for which the Company has no right to appoint a director or otherwise exert significant influence. In such cases, the Company will be reliant on the existing management and board of directors of such companies, which may include representatives of other financial Purchasers with whom the Company is not affiliated and whose interests may conflict with the interests of the Company.

RELIANCE ON THE MANAGER.

Purchasers will be relying on the Manager to conduct the business of the Company as contemplated by the Operating Agreement. Any prior experience that the Manager may have was obtained under different market conditions and with different technologies at the forefront of development. There can be no assurance that the Manager will successfully manage the Company.

NO ASSURANCE OF ADDITIONAL CAPITAL FOR INVESTMENTS.

After the Company has invested in the Portfolio Company, continued development and marketing of products may require that additional financing be provided to the Portfolio Company. The Portfolio Company may have substantial capital needs that are typically funded over several stages of investment. No assurance can be made that such additional financing will be available and no assurance can be made as to the terms upon which such financing may be obtained. Alternatively, the Company, either directly or through one of its portfolio companies, may elect to sell developed or undeveloped technologies to existing companies. No assurance can be made that buyers for such technologies can be located or that the terms of any such sales will be advantageous.

REPAYMENT OF DISTRIBUTIONS.

In the event that the Company is unable otherwise to meet its obligations, the Members may be required to repay to the Company or to pay to creditors of the Company distributions previously received by them.

PERFORMANCE OF OTHER SPVS OR FUNDS.

The performance of other SPVs or funds sponsored by the Manager is not necessarily indicative of the Company's results. There can be no assurance that positive returns will be achieved. Loss of principal is possible on any given investment.

BRIDGE FINANCING.

The Company may lend money to the Portfolio Company on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in the Company's control, such long-term securities may not issue and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Company.

LIMITATIONS ON ABILITY TO EXIT INVESTMENTS.

The Manager expects to exit from its investments in two principal ways: (i) private sales (including acquisitions of its portfolio companies) and (ii) initial and secondary public offerings. At any particular time, one or both of these avenues may not be open to the Company, or timing with respect to these exit mechanisms may be inopportune. As such, the ability to exit from and liquidate portfolio holdings may be constrained at any particular time.

CONTINGENT LIABILITIES ON DISPOSITION OF INVESTMENTS.

In connection with the disposition of an investment in the Portfolio Company, the Company may be required to make representations about the business and financial affairs of such Portfolio Company typical of those made in connection with the sale of a business. The Company may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the Manager may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires.

ABSENCE OF LIQUIDITY AND PUBLIC MARKETS OF PORTFOLIO COMPANY SECURITIES.

The Company's investment in the Portfolio Company will be private, illiquid holdings. As such, there will be no public markets for the securities held by the Company and no readily available liquidity mechanism at any particular time for any of the investments held by the Company. The Manager expects that most, if not all, of its investments in private companies will be subject to transfer restrictions that will prohibit or restrict their transferability to secondary buyers while such companies remain private. In addition, the realization of value from any investments will not be possible or known with any certainty until the Manager elects, in its sole discretion, to sell the Company's investments and subsequently distribute the proceeds to its Purchasers or to distribute securities to Purchasers in lieu of cash.

NO MARKET; ILLIQUIDITY OF COMPANY CLASS A UNITS.

A Purchaser in the Class A Units should consider his or her purchase as a long-term investment. An investment in the Company will be illiquid and involves a high degree of risk. There is no public market for Units in the Company, and it is not expected that a public market will develop. Consequently, Members will bear the economic risks of their investment for the term of the Company. Prospective Purchasers will be required to represent and agree that they are purchasing the membership interests for their own account for investment only and not with a view to the resale or distribution thereof.

CERTAIN LIMITATIONS ON ABILITY OF MEMBERS TO TRANSFER THEIR CLASS A UNITS IN THE COMPANY.

The transferability of Class A Units in the Company will be restricted by the Operating Agreement and by United States federal and state securities laws. In general, Members will not be able to sell or transfer their Company Class A Units to third parties without the consent of the Manager.

LEGAL AND REGULATORY RISKS.

The Company is not and does not expect to be registered as an “investment company” under the Investment Company Act, pursuant to an exemption set forth in Sections 3(c)(1) and/or 3(c)(7) of the Investment Company Act. There is no assurance that such exemptions will continue to be available to the Company. Due to the burdens of compliance with the Investment Company Act, the performance of the Company’s investment portfolio could be materially adversely affected, and risks involved in financing portfolio companies could substantially increase, if the Company becomes subject to registration under the Investment Company Act. Neither the Company nor its counsel can assure Purchasers that, under certain conditions, changed circumstances, or changes in the law, the Company may not become subject to the Investment Company Act or other burdensome regulation. In addition, neither the Manager nor its affiliates are registered as an “investment adviser” under the Advisers Act. It remains unclear if rules promulgated by the SEC under the Dodd–Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”) will require the Manager (or an affiliate of the Manager) to register under the Advisers Act. If the Manager (or an affiliate of the Manager) registers as an investment adviser, at such time, a copy of Part 2 of its SEC Form ADV, which constitutes its regulatory disclosure brochure, will be made available as required. In such event, the Manager (or an affiliate of the Manager) would become subject to additional regulatory and compliance requirements associated with the Dodd-Frank Act. Any such additional requirements, or any different requirements, may be costly and/or burdensome to such party or parties and could result in the imposition of restrictions and limitations on the operations of the Company and/or the disclosure of information to regulatory authorities regarding the operations of the Company. In addition, the Company does not plan to register the offering of the Class A Units to the Members under the Securities Act of 1933. As a result, Members will not be afforded the protections of such Acts with respect to their investment in the Company.

CONFLICTS OF INTEREST.

Instances may arise where the interest of the Manager (or its member(s)) may potentially or actually conflict with the interests of the Company and the Members. For example, conflicts of interest may arise as a result of the Manager's (or its shareholders, members, officers, directors, or employees) having investments in portfolio companies and the Company as well as other investments both public and private. In addition, the Manager has or intends to form other investment funds to co-invest in some or all of the Company opportunities, invest in opportunities the Company has declined to participate in or otherwise make investments. The Manager may offer the pro rata participation rights of the Company in the securities of the Portfolio Company to other investment entities for consideration which will not be paid to the Purchasers in the Company. An inherent conflict of interest exists as a result of the allocation of investment opportunities by the Manager to the Company and such other investment funds. By subscribing for a Class A Unit in the Company, each Member understands, consents and agrees to such conflicts of interest.

LACK OF MEMBER CONTROL.

The Manager has complete discretion in managing the Company's investment. The Members will not make decisions with respect to the management, disposition or other realization of any investment made by the Company, or other decisions regarding the Company's business and affairs.

Tax Aspects.

The tax aspects of an investment in the Company are complicated, and each Purchaser should have them reviewed by a professional adviser familiar with such Purchaser's personal tax situation and with the tax laws and regulations applicable to the Purchaser and investment in limited liability companies. The Company is not intended and should not be expected to provide any tax shelter, but is organized as a limited liability company taxed as a partnership to permit collective investment by the Members without imposition of taxation at the entity (i.e., Company) level.

The Members, and not the Company, are subject to tax on any income or gain realized by the Company. This tax liability exists even in the absence of cash distributions. Accordingly, a Member may have taxable income, and a resulting tax liability, arising from such Member's investment in the Company in a fiscal period when no cash is distributed to such Member by the Company. Individual taxpayers are prevented from deducting indirectly, through a pass-through entity such as the Company, expenses that would be deductible if paid or incurred directly by such taxpayers. The Code (as defined below) imposes limits on a number of deductions characterized as "miscellaneous itemized deductions," including those for expenditures related to investment income or property.

There can be no assurance that the tax consequences described herein will be applied to the Company or the Members. Such matters are subject to change by legislation, administrative action and judicial decisions. Legislation has been proposed from time to time in Congress which, if enacted, could modify the tax treatment of the Company or the Members. If the IRS

challenges any tax position taken by the Company and such challenge is sustained, Members may incur liability for interest and penalties.

A Member may incur tax liabilities under state or local income tax laws of certain jurisdictions in which the Company operates directly or indirectly through subsidiary entities as well as the jurisdiction of such Member's residence or domicile, which laws vary from one locale to another and which, like federal income tax laws, are complex and subject to change. Special tax considerations may also apply to any corporation, limited liability company, trust or other entity exempt from federal income taxation, including, without limitation, any Qualified Plan (as defined in U.S. federal regulations), endowment Company or foundation, or charitable, religious, scientific or educational organization.

The foregoing summary does not purport to address all aspects of income taxation that may be relevant to a Purchaser, nor is it intended to be applicable to all Purchasers. Purchasers should consult their own tax advisors for all tax aspects of investing in the Company, considering their own tax situations.

The Class A Units are a Speculative Investment, Subject to Risk of 100% Loss.

An investment in the Class A Units is highly speculative, subject to the risks, among others, described in these Risk Factors. A Purchaser should have sufficient financial resources to be able to suffer a substantial or complete loss in the value of his or her investment in the Company without adversely affecting his or her overall financial condition or his or her ability to provide for his or her family and discharge his or her other financial and business obligations.

No Underwriter.

The Class A Units are being offered without the benefit of an underwriter to evaluate the merits and risks of an investment in the Class A Units. As a result, the Purchaser will not have the benefit of an independent due diligence review and investigation of the type normally performed by an unaffiliated, independent underwriter in connection with a securities offering.

No Independent Third Party Set the Purchase Price for the Class A Units.

The purchase price for the Class A Units was arbitrarily determined by the Company, based upon our anticipated capital needs, and the Class A Units that we determined to issue. The offering price does not necessarily bear any relationship to the intrinsic value of the Company. No independent third party made an appraisal of the value of the Company or otherwise participated in setting the purchase price for the Class A Units.

The foregoing risks are not a complete explanation of all the risks involved in acquiring a Class A Unit in the Company. Potential Purchasers are urged to read this entire Agreement and the Operating Agreement before making a determination whether to invest in the Company.

