

D9600000015

Requestor's Name

Wilson W. Wright
217 South Adams Street
Tallahassee, FL 32301-1700

224-5169

City/State/Zip

Phone #

Office Use Only
501.50

CORPORATION NAME(S) & DOCUMENT NUMBER(S), (if known):

THE MERCURY FUND

(Corporation Name)

(Document #)

2

(Corporation Name)

(Document #)

3

(Corporation Name)

(Document #)

4

(Corporation Name)

(Document #)

☒ Walk in

☒ Pick up time

10:00 8/9

☒ Certified Copy (3)

☐ Mail out

☐ Will wait

☐ Photocopy

☐ Certificate of Status

NEW FILINGS	
<input type="checkbox"/>	Profit
<input type="checkbox"/>	NonProfit
<input type="checkbox"/>	Limited Liability
<input type="checkbox"/>	Domestication
<input type="checkbox"/>	Other

AMENDMENTS	
<input type="checkbox"/>	Amendment
<input type="checkbox"/>	Resignation of R.A., Officer/ Director
<input type="checkbox"/>	Change of Registered Agent
<input type="checkbox"/>	Dissolution/Withdrawal
<input type="checkbox"/>	Merger

OTHER FILINGS	
<input type="checkbox"/>	Annual Report
<input type="checkbox"/>	Fictitious Name
<input type="checkbox"/>	Name Reservation

REGISTRATION/ QUALIFICATION	
<input type="checkbox"/>	Foreign
<input type="checkbox"/>	Limited Partnership
<input type="checkbox"/>	Reinstatement
<input type="checkbox"/>	Trademark
<input type="checkbox"/>	Other

RECEIVED
96 AUG -8 PM 3:40
DIVISION OF CORPORATION

Call when
Ready
224-5169

Examiner's Initials

WILLIAM T. KIRTLEY, P.A.

ATTORNEY AT LAW

TELEPHONE
(904) 366-1100
FAX
(904) 366-1101

204 FOURTH ST. S.E.
SARASOTA, FLORIDA 34237

August 7, 1996

VIA FEDERAL EXPRESS

Wilson W. Wright, Esq.
217 South Adams Street
Tallahassee, FL 32301

Re: The Mercury Fund
Ringling School of Art and Design, Inc.

Dear Mr. Wright:

I need you to do two things for me beginning tomorrow, August 8, 1996, and ending on Friday, August 9, 1996.

On August 8, 1996, I need you to file at the Division of Corporations the Agreement Establishing Irrevocable Trust/Declaration of Trust for The Mercury Fund. Our client wants three certified copies of this document so I have enclosed our client's check in the amount of \$507.50 to cover the filing fee of \$350 and the cost of three certified copies (\$157.50). These documents can be sent to me on Friday, August 9, 1996 with the Ringling documents.

On Friday, August 9, 1996, I need for you to obtain for me a certified copy of the Articles of Incorporation and a good standing certificate for the Ringling School of Art and Design, Inc., a not-for-profit corporation. Our checks in the amount of \$52.50 and \$8.75 are enclosed to cover the cost of these documents.

Please return The Mercury Fund documents and the Ringling School of Art and Design, Inc. documents on Friday, August 9, 1996, for delivery to me on Monday, August 12, 1996, in the enclosed Federal Express package which I have provided for your convenience. Please also provide me with billing statements for your services for these matters.

If you have any questions, please call me. Thank you very much for your assistance with these matters.

Very truly yours,


Catherine J. Scott
Certified Legal Assistant

Enclosures

**CERTIFICATE OF DESIGNATION OF
REGISTERED AGENT/REGISTERED OFFICE**

PURSUANT TO THE PROVISIONS OF SECTION 617.0501, FLORIDA STATUTES, THE UNDERSIGNED CORPORATION, ORGANIZED UNDER THE LAWS OF THE STATE OF FLORIDA, SUBMITS THE FOLLOWING STATEMENT IN DESIGNATING THE REGISTERED OFFICE/REGISTERED AGENT, IN THE STATE OF FLORIDA.

1. The name of the corporation is:

First Mortgage Fund
(must include suffix)

2. The name and address of the registered agent and office is:

Wilson W. Wright
(NAME)

217 So Adams St
(P. O. Box or Mail Drop Box **NOT** ACCEPTABLE)

Tallahassee FL 32301-1708
(CITY/STATE/ZIP)

Having been named as registered agent and to accept service of process for the above stated corporation at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

Wilson W. Wright
(SIGNATURE)

August 9, 1976
(DATE)

DECLARATION OF TRUST

STATEMENT REQUIRED BY CHAPTER 609.02,
FLORIDA STATUTES, AS AMENDED

SEAL-0 111419

111419

A F F I D A V I T

STATE OF FLORIDA
COUNTY OF SARASOTA

The undersigned, after being duly sworn, hereby states that he serves in the capacity as Chairman of the Board of Trustees of THE MERCURY FUND and that attached hereto is a true and correct copy of the Agreement Establishing Irrevocable Trust/Declaration of Trust which shall govern the affairs and business of THE MERCURY FUND.

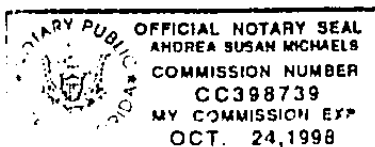
FURTHER AFFIANT SAYETH NOT.

Dated at Sarasota, Florida this 6TH day of August, 1996.

E. Michael

The foregoing instrument was acknowledged before me this 6th day of August, 1996 by *Emil Michael*, Chairman of the Board of Trustees of THE MERCURY FUND, a Florida business trust on behalf of the trust. He is personally known to me or has produced as identification and did take an oath.

Andrea Susan Michaels
NOTARY PUBLIC
My Commission Expires:
ANDREA SUSAN MICHAELS



AGREEMENT ESTABLISHING IRREVOCABLE TRUST/
DECLARATION OF TRUST

THE MERCURY FUND

THIS AGREEMENT ESTABLISHING IRREVOCABLE TRUST/DECLARATION OF TRUST is entered into as of the 20th day of June, 1996 by and between DR. EMIL MLADEK and GUY S. DELLA PENNA as Trustees of the Irrevocable Trust established by this Agreement, and all other parties who execute this Agreement in the manner hereinafter provided who shall be Beneficiaries of the Irrevocable Trust established by this Agreement.

PRELIMINARY STATEMENT

The parties hereto desire to form an Irrevocable Trust pursuant to Chapter 609, Florida Statutes, as amended, for the purpose of creating an investment fund which will initiate and carry out, under the direction and control of the Trustees (and their agents and designees), the investment and reinvestment of the capital of the Trust in the investment media described in Annex I hereto in accordance with the investment policies and objectives expressed and set forth in Annex I, which Annex I by this reference is made a part of this Agreement.

Accordingly, in consideration of the mutual covenants and agreements hereinafter set forth, the Trustees named herein or any successor Trustee acting under the auspices and authority of this Agreement agree to receive the contributions of the Beneficiaries hereof and to carry out the purposes for which this Trust is created.

SECTION 1 - Definitions

As used in this Agreement, the following terms shall have the meanings indicated:

1.1 Accountants. "Accountants" means a firm of independent certified public accountants selected by the Trustees.

1.2 Affiliate or Affiliates. "Affiliate" or "Affiliates" shall mean a Person directly or indirectly controlled by or under common control with the Trustees through one or more intermediaries.

1.3 Agreement. "Agreement" shall mean this Agreement creating the Irrevocable Trust established herein as presently in effect or as hereafter amended.

1.4 Bankruptcy. "Bankruptcy" with respect to a Trustee shall be deemed to occur when the Trustee (i) admits in writing his inability to pay his debts generally as they become due, (ii) files a petition in bankruptcy, (iii) voluntarily takes advantage of any bankruptcy or insolvency law, or is adjudicated bankrupt, or (iv) if a petition or an answer is filed proposing the

adjudication of a Trustee as a bankrupt, and that Trustee shall fail to successfully resist such adjudication within any required time or within ninety (90) days of the filing of such petition or answer (whichever period be longer).

1.5 Beneficiary. "Beneficiary" means any person making a contribution to the corpus of this Trust initially at the time of Trust establishment or subsequent thereto.

1.6 Code. "Code" means the Internal Revenue Code of 1986 as amended to date and from time to time.

1.7 Equity Securities. "Equity Securities" means the voting equity securities acquired by the Fund in Portfolio Companies from time to time in accordance with the investment and business activities to be conducted by the Fund as described in this Agreement and which are issued by Portfolio Companies formed under the laws of the Czech Republic and conducting their operations from facilities located in the Czech Republic.

1.8 Fund. "Fund" shall mean the Trust created by this Agreement.

1.9 Investment Advisor/Manager. "Investment Advisor/Manager" shall mean Investment Klub, Inc., a Czech corporation, or any successor firm, which entity shall provide management and investment advisory services to the Fund.

1.10 Investment Portfolio. "Investment Portfolio" means the Equity Securities and investment media acquired and held by the Fund on any particular date or from time to time.

1.11 Management Agreement. "Management Agreement" shall mean that agreement which is included with this Agreement as Annex II and pursuant to which Investment Klub, Inc. or any successor firm provides management and investment advisory services to the Fund.

1.12 Memorandum. "Memorandum" shall mean the Private Offering Memorandum of the Fund of which the Trustees serve as Trustees (in its final and definitive form or as such Memorandum may be amended or supplemented from time to time) which contains the private and limited offering of the Units of the Fund to qualified investors who become Beneficiaries of the Fund.

1.13 Net Asset Value. The term "Net Asset Value" of the Fund shall be computed in accordance with generally accepted accounting principles consistently applied by the Trustees when deemed appropriate by the Trustees, and by the Fund's Accountants, with respect to fiscal year computations and shall be the sum of:

Cash and cash equivalents on hand, with brokers or depository institutions (cash equivalents being valued at cost);

plus (+) the market or other value, as of the date of the Net Asset Value determination, of all Equity Securities or other investment media held by the Fund in connection with the carrying out of its investment objectives (less any obligation utilized by the Fund in

connection with the acquisition and ownership of such Equity Securities and Investment media);

less () the accrued liabilities of the Fund as of such Net Asset Value computation date, including, without limitation, any fees or items of compensation owing to the Trustees or the Manager (and their agents and designees) and the transactional commissions and costs which will be incurred if the Fund Investment Portfolio were liquidated on such Net Asset Value computation date. For purposes of Net Asset Value computation, "market value" shall be determined by utilizing market quotations on the day of such computation (or the most recent day that a market quotation is available) or if market quotations are not available on any Net Asset Value computation date, by a method that accurately reflects fair value in the exclusive judgment of the Trustees.

1.14 Net Asset Value Per Unit. "Net Asset Value Per Unit" means the Net Asset Value of the Fund as of any Net Asset Value computation date divided by the number of Units outstanding as of the close of business on such Net Asset Value computation date.

1.15 Other Capitalized Terms. Other capitalized terms shall have the definitions attributed to such terms as set forth in the Memorandum.

1.16 Person. "Person" means any individual or entity.

1.17 Portfolio Company or Companies. "Portfolio Company" or "Portfolio Companies" means the issuing entity(ies) of the Equity Securities acquired and held by the Fund from time to time during its period of existence.

1.18 Subscription Agreement. "Subscription Agreement" shall mean that document which contains the agreement of a suitable or Accredited Investor to become a Beneficiary of the Fund and to contribute to the corpus of the Fund in the manner provided in this Agreement and as described in the Memorandum and which is delivered with the Memorandum of the Fund utilized by the Fund in obtaining its initial capital.

1.19 Units of Beneficial Interest or Units. "Units of Beneficial Interest" or "Units" shall evidence each Beneficiary's contribution to the corpus of the Fund, initially and on a continuing basis and such Beneficiary's entitlement to the income and gains, if any, inuring to the Fund as a result of its investment activities. Upon the initial capitalization of the Fund, Beneficiaries shall contribute to the Fund at the rate of \$1,000 per Unit and upon and subsequent to the commencement of Fund investment activities at Net Asset Value Per Unit as exclusively determined by the Trustees under the terms and provisions of this Agreement.

SECTION 2 - General Provisions

2.1 Name. The name of the Fund shall be THE MERCURY FUND. The Fund shall effect such filings with respect to the use and protection of such name as required by law or as appropriate.

2.2 Purposes and Powers. The Fund is formed for the purposes set forth in the Preliminary Statement of this Agreement, Annex I hereto and the Memorandum and for all related activities enumerated and described in this Agreement and Annex I hereto and incidental or essential thereto. In pursuance of such purposes, the Fund shall have the power, in accordance with the purposes and subject to the terms of this Agreement and in the name of the Fund, to:

- (a) Sue and be sued, complain and defend;
- (b) Purchase, own, hold, and otherwise deal in and with the Equity Securities and media described in Annex I hereto in accordance with the investment objectives and policies expressed in Annex I;
- (c) Make contracts and guarantees and incur liabilities (including the utilization of borrowings), borrow money at such rates of interest as the Trustees of the Fund may determine if such activities are in accordance with the investment policies and objectives expressed and set forth in Annex I hereto;
- (d) Have offices and exercise the powers granted hereby in any state, territory, district or possession of the United States, or in any foreign country where lawfully permitted;
- (e) Elect or appoint officers or agents of the Fund, which may include Affiliates of the Trustees, and define their duties and fix their compensation;
- (f) Utilize the services of securities broker-dealers, management and investment advisors (under the auspices of the Agreement) and depository and custodial institutions with respect to the Fund's investment activities as determined by the Trustees and to pay the fees and other costs as a result of such utilization;
- (g) Convert the Unit proceeds received by the Fund as a result of the private offer and sale thereof as is contemplated by the Memorandum from United States currency into Czech Republic currency at such exchange rate or rates as deemed appropriate and which are obtainable by the Trustees on behalf of the Fund;
- (h) Have and exercise all additional powers necessary or convenient to effect any or all of the purposes for which the Fund is organized;
- (i) Pay from the corpus and revenues received by the Fund, the fees and reimbursements to the Trustees and the Manager, if any, as provided in this Agreement and as described in the Memorandum;

- (j) As described in the Memorandum, pay from the corpus of the Fund reasonable placement fees and expense reimbursements to securities broker-dealers and other qualified persons (including, without limitation, Affiliates of the Trustees) who assist the Fund in the sale of its Units at the time the Fund is initially capitalized or otherwise or effect the reimbursement of the payment of such selling commissions if paid on behalf of the Trustees or their Affiliates;
- (k) Pay from the corpus and income of the Fund the expenses and costs incurred in connection with the organization of the Fund as contemplated in the Memorandum; and
- (l) Generally, engage in such acts and courses of conduct which are necessary in the accomplishment of the purposes of the Fund.

2.3 Principal Place of Business. The principal office of the Fund shall be located at 1800 Second Street, Suite 780, Sarasota, Florida 34236 or such other location in the United States as the Trustees may elect. The Fund shall also maintain offices in common with the Manager in Prague, Czech Republic.

2.4 Term. The Fund shall commence its existence upon that date which the Department of State, State of Florida, issues its certificate as a result of the filing of this Agreement with the Department of State, State of Florida. The term of existence of the Fund shall, in effect, be continuous and the Fund shall terminate at such time as the Trustees effect such termination in accordance with the terms of this Agreement. In all events, the term of the Fund shall expire on December 31, 2016.

2.5 Declaration of Trust. The Trustees and the Beneficiaries who are or who become parties to this Agreement intend to constitute and continue a business trust under the auspices of Chapter 609, Florida Statutes, as amended, and this Agreement shall constitute a Declaration of Trust which, in accordance with the provisions of such Chapter, shall be duly filed in the manner required by such Chapter with the Department of State, State of Florida. Any such filing required by Chapter 609, Florida Statutes, as amended, may be executed by one of the two Trustees of the Fund. The Trustees shall also undertake all initial and continued compliance to assure the valid existence of this Trust under such referenced Chapter.

SECTION 3 - Status of Beneficiaries

3.1 Liability Limited. The Beneficiaries shall be liable for the debts of the Fund only to the extent of their contributions to the corpus of the Fund as agreed to be contributed in their respective Subscription Agreements to Units executed and delivered to the order of the Fund, or otherwise as agreed to be made. In such regard, this Agreement, as the Declaration of Trust required by Chapter 609, Florida Statutes, as amended, expressly provides that the Units to be issued to the Beneficiaries shall, upon the complete payment of the Unit subscription obligation of each such Beneficiary, be, in accordance with Chapter 609.07, Florida Statutes, as amended, fully paid and non-assessable and the

Beneficiaries who have fully paid their Unit subscription obligations shall not be liable to any debt or obligation of the Fund.

3.2 Manner of Payment. Beneficiaries shall effect their respective contributions to the corpus of the Fund in cash in one lump sum at the time of Unit purchase.

3.3 Unit Purchase by Trustees or Affiliates. The Trustees or their Affiliates shall not be required to purchase Units but may do so.

3.4 No Management Powers. A Beneficiary shall take no part in or interfere in any manner with the control, operation or management of the business and investment activities of the Fund and shall have no right or authority to act for or bind the Fund. Such powers are exclusively reserved and vested in the Trustees and the Manager.

3.5 The Units. Each Unit owned by a Beneficiary shall be fully paid, once payment therefor has been tendered to the Fund in accordance with this Agreement. Transfer of Units is limited and restricted as set forth in Section 10 of this Agreement.

3.6 No Withdrawal of Capital. No Beneficiary shall have the right to receive, withdraw or reduce his contribution to the corpus of the Fund except as provided herein or as a result of the dissolution of the Fund.

3.7 Form of Capital Return. No Beneficiary shall have the right to demand or receive property other than cash in return for his contribution to the corpus of the Fund, and no Beneficiary shall have priority over any other Beneficiary, either as to the return of contributions to the corpus of the Fund or as to profits, losses or distributions, otherwise than as set forth in Section 5.

SECTION 4 - Contributions to Trust Corpus, Organization and Capitalization

4.1 Beneficiaries. Each Beneficiary who executes this Agreement or an identical counterpart hereof as a Beneficiary in the manner herein provided, shall contribute to the corpus of the Fund at the rate per Unit and in the manner determined initially and from time to time by the Trustees acting in compliance with the terms of this Agreement. At the time of the initial capitalization of the Fund, suitable and Accredited Investors who become Beneficiaries of the Fund as a result of their subscriptions to Units in the manner described and provided in the Memorandum shall contribute to the corpus of the Fund at the rate of One Thousand Dollars (\$1,000) per Unit subject to any minimum Unit purchase requirement established by the Trustees. Such contribution per Unit shall be made in cash at the time of Unit subscription. In the sole discretion of the Trustees, contributions represented by fractional Units may be made by one or more Beneficiaries. At the time that the corpus of the Fund becomes invested in the Investment Portfolio, persons acquiring Units and becoming Beneficiaries

shall purchase a Unit or Units at Net Asset Value Per Unit, as determined exclusively by the Trustees.

4.2 Expenses of Fund Organization and Capitalization. The expenses of Fund organization and the offer and sale of its Units under the auspices of the Memorandum shall be paid by the Manager and the Placement Agent for the Units, as identified in the Memorandum. If contemplated by the provisions of the Memorandum, such organizational costs and fees may be reimbursed by the Fund to the Manager and the Placement Agent identified in the Memorandum. Thereafter, the Fund shall be responsible for and shall pay from its capital or income all expenses and costs arising or resulting from the initiation and conduct of its activities.

SECTION 5 - Allocation and Distribution of Fund Income and Gain

All items of income and gain realized by the Fund as a result of its investment activities, net of losses realized or accrued, shall be allocated and distributed to the Beneficiaries of the Fund on the basis of the number of Units held by each Beneficiary in relation to the number of Units outstanding of the Fund on each occasion of distribution. Beneficiaries shall be permitted to invest any such distributions made by the Fund in Units or fractional Units at the then Net Asset Value Per Unit at the discretion of the Trustees. The Trustees, in their discretion, may establish reserves for unrealized losses accrued by the Fund from time to time and to withhold cash of the Fund otherwise distributable by the Fund.

SECTION 6 - Books, Records and Reports

6.1 Books and Records. The Trustees shall maintain full and accurate books of the Fund at the Fund's principal place of business and at the Fund's located in Prague, the Czech Republic, showing all receipts and expenditures, assets and liabilities, profits and losses of the Fund, number of outstanding Units and ownership thereof and all other records necessary for recording the Fund's business and affairs. Each Beneficiary and his duly authorized representatives shall at all times during regular business hours have access to and may inspect and copy any of such books and records.

6.2 Fiscal Year. The fiscal year of the Fund shall end on the 31st day of December of each year.

6.3 Reports. The following reports shall be furnished to all Beneficiaries:

(a) Upon request of any Beneficiary, a report reflecting the Net Asset Value Per Unit of the Fund.

(b) Within seventy five (75) days after the end of the Fund's fiscal year, all information necessary for the preparation of the Beneficiaries' Federal Income tax returns under the Code and pursuant to other taxing authority.

(c) Within one hundred fifty (150) days after the end of the Fund's fiscal year, financial statements reflecting the Fund's financial condition and Net Asset Value Per Unit at the end of each such fiscal year. Such financial statements may be audited by the Accountants selected for the Fund by the Trustees and, where appropriate and feasible, shall be prepared in accordance with generally accepted accounting principles as applied and utilized in the United States or the counterpart of such principles applied and utilized in the Czech Republic. Such financial statements shall clearly identify the accounting principles utilized in the preparation thereof.

(d) Such other reports as deemed appropriate by the Trustees.

Such annual and quarterly financial statements shall include information relative to the amount of fees and other elements of compensation paid during such year by the Fund to the Trustees and Affiliates of the Trustees.

SECTION 7 - Powers of the Trustees

7.1 Powers and Rights. Subject only to the limitations set forth in this Agreement, the Trustees shall have full, exclusive and complete authority and discretion in the management and control of the business and activities of the Fund for the purposes herein stated and as stated in Annex I hereto and shall make all decisions affecting the activities of the Fund. The Trustees shall manage and control the affairs of the Fund to the best of their ability. In connection therewith, the powers and rights of the Trustees include, but are not limited to, the power and right to:

(a) Utilize the capital and revenues of the Fund in furtherance of the Fund's purposes, including, without limitation, the conversion of the Fund's capital from United States currency into the currency of other nations, including, without limitation, the currency of the Czech Republic;

(b) Sell, trade, exchange or otherwise dispose of all or any portion of the Fund's assets upon such terms and conditions and for such consideration as are determined in accordance with the provisions of this Agreement;

(c) At the expense of the Fund, maintain or cause to be maintained the books and records of the Fund and cause the reports to be furnished to Beneficiaries, as required by Section 6 hereof;

(d) Place and hold title to Fund assets and investments in the name of a nominee or custodian; permit the Trustees or any of their agents

or Affiliates to purchase such assets and investments in their own names and temporarily hold title thereto for the purpose of facilitating the acquisition of such assets by the Fund, the borrowing of money for the Fund or any other purpose related to the business of the Fund;

(e) Arrange to prosecute, defend, settle or compromise such actions at law or in equity at the expense of the Fund as may appear necessary to enforce or protect the Fund's interests, and satisfy any judgment, decree, decision or settlement in connection therewith;

(f) Undertake and carry out such actions and courses of conduct as are necessary to implement and carry out the purposes and powers of the Fund as set forth by Section 2.2 of this Agreement;

(g) Exercise such other rights and powers of trustees of trusts authorized or permitted under the laws of the State of Florida and the Czech Republic, except to the extent any of such rights or powers may be limited or restricted by the express provisions of this Agreement.

(h) Reimburse or directly pay the expenses properly incurred by the Trustees and/or the Manager in connection with the carrying out of the activities of the Fund and to pay the fees due and payable to the Trustees and the Manager from the corpus and income of the Fund.

7.2 Limitation on Powers and Rights. The Trustees shall not cause or permit the Fund to:

(a) Make any loans to the Trustees or their Affiliates or utilize any of the assets of the Fund in connection with the obtaining or securing of any loan obtained or desired to be obtained by the Trustees or their Affiliates; or

(b) Commingle the funds of the Fund with those of any other Person or permit another to employ such funds or assets in any manner except for the exclusive benefit of the Fund.

SECTION 8 - Compensation of the Trustees and Affiliates, Other Interests

8.1 Compensation. The Trustees shall receive reasonable compensation for their services as Trustees of the Fund. It is acknowledged that Affiliates of the Trustees shall receive compensation by virtue of the Management Agreement, as well as by virtue of the successful completion of the private offer and sale of the Units as described and set forth in the Memorandum.

8.2 Other Interests of the Trustees. The Trustees may engage in or possess an interest in other business ventures of every nature and description, independently or with others. Neither the Fund nor the other Beneficiaries shall have any rights in and to such independent ventures or the income or profits derived therefrom.

SECTION 9 - Successor Trustees

In the event that a trustee shall withdraw, become subject to Bankruptcy or shall otherwise become unqualified or unable to serve as a trustee of the Fund, the Beneficiaries may, within sixty (60) days of the occurrence of any of the foregoing events, elect a successor trustee by an eighty percent (80%) vote of all Units then outstanding and entitled to vote (unless a greater percentage vote is required by applicable law), and such successor trustee shall execute this Agreement and shall be bound by and assume the duties imposed by the terms hereof. Failure to elect a successor trustee when required shall result in the termination of the Fund. In the event that a trustee remains in service to the Fund subsequent to the withdrawal or disqualification of another trustee, the requirement to elect a successor trustee shall be determined upon the written advisement of legal counsel to the Fund. Any successor candidate must meet any qualifications determined necessary by legal counsel to the Fund in order to assure (i) the continuance of the Fund as an irrevocable trust under Florida law for the then remaining term hereof and (ii) treatment of the Fund as a non-taxable entity and not an association taxable as a corporation under the Code.

SECTION 10 - Redemption, Assignment or Sale of Fund Units

10.1 Redemption of Units. The Units held by the Beneficiaries from time to time may not be redeemed by the Fund upon presentment thereof by the holders except at the discretion of the Trustees. Any such redemption of Units effected by the Fund upon the action of the Trustees shall be at the Net Asset Value Per Unit most recently calculated by the Trustees on behalf of the Fund.

10.2 Redemption Fee. The Fund may charge a one percent (1%) fee in connection with Unit redemption.

10.3 Assignment or Sale.

(a) All or part of the Units held by Beneficiaries may be assigned only as permitted by the provisions of this Section 10. The Fund shall not be bound by any such assignment until a counterpart of the instrument of assignment, executed and acknowledged by the parties thereto, is delivered to the Fund.

(b) No part of the Units held by a Beneficiary may be assigned or transferred to a minor or incompetent except pursuant to a trust or custodial arrangement for the benefit of a minor or an incompetent who is a member of the assigning Beneficiary's Immediate Family. The term "Immediate Family" as used in this Section 10 shall mean the spouse or direct lineal descendants of a Beneficiary.

10.4 Consent.

(a) Except as provided by this Section 10 or elsewhere in this Agreement, no Beneficiary shall transfer, sell, assign, give or otherwise dispose of his Units or a part thereof, whether voluntarily or by operation of law, or at judicial sale or otherwise, to any Person, unless such Beneficiary first obtains

the written consent of the trustees to do so. Such consent may be given or denied by the trustees in their sole and complete discretion and any assignee of a Unit must have the characteristics determined necessary by the trustees.

(b) The provisions of Section 10.4(a) shall not apply to (i) the transfer or assignment by a Beneficiary of all or a part of his or her Units to a Person who is a Beneficiary hereof; (ii) the transfer or assignment by a Beneficiary of all or part of his Units, whether on death or inter vivos transfer (in trust or otherwise), to or for the benefit of any member of his Immediate Family (subject to Section 10.3 above); (iii) any transfer or assignment of the Units of a deceased or incapacitated Beneficiary to his legal representative or by such a legal representative to accomplish any transfer or assignment described under (ii); or (iv) the pledge, mortgage or hypothecation by a Beneficiary of all or a part of his Units but such provisions shall apply to a foreclosure of, or other realization upon, such pledge, mortgage or hypothecation.

(c) In addition to the foregoing restrictions, any proposed transfer of a Unit, except those permitted transfers described herein, shall only be permitted upon receipt by the Fund of an opinion of its legal counsel to the effect that such transfer constitutes a permitted and/or exempt transfer under this Agreement, the Securities Act of 1933, as amended, any applicable state securities law or other applicable law.

SECTION 11 - Termination and Dissolution

11.1 Events Causing Dissolution. The Fund shall be dissolved and its affairs wound up upon:

(a) The withdrawal or disqualification of a Trustee unless a successor Trustee is elected within sixty (60) days of such withdrawal if such election is required;

(b) The sale or other disposition of all of its assets other than in the ordinary course of the business of the Fund;

(c) The expiration of the term of the Fund, or upon termination by the Trustees pursuant to Section 11.2 of this Agreement; or

(d) The occurrence of any event which, under the laws of the State of Florida or other authority having jurisdiction over the Trust, the Trustees or the Affiliates thereof, the terms of this Agreement notwithstanding, shall dissolve the Fund.

11.2 Dissolution by the Trustees. The Trustees shall cause the Fund to be dissolved and liquidated on or before the expiration of the term of the Fund. The Trustees may terminate, dissolve and liquidate the Fund at any time prior to the expiration of its term if, in their sole determination, such action is in the best interests of the Beneficiaries of the Fund. Prior to or upon Fund termination, the Trustees shall dispose of its assets at such prices and upon

such terms as are then best obtainable under the circumstances. The proceeds from such disposition shall be used as follows and in the following priorities:

(a) To satisfy all creditors in the order of priority as provided by law, including any amounts owing to the Trustees and/or the Manager; and

(b) To the extent that cash is available, to the Beneficiaries of the Fund on a per Unit basis in accordance with Section 5 hereof.

SECTION 12 - Amendments to Agreement

Beneficiaries may not propose amendments to this Agreement at any time. The Trustees may propose an amendment to this Agreement at any time. In such case, the Trustees shall submit to all Beneficiaries, by certified mail addressed to their last address shown in the records of the Fund, a verbatim statement of such proposed amendment, an opinion of legal counsel to the Fund (which opinion may be a reasoned opinion) as to the legal effect of such proposed amendment and to the effect that such proposed amendment constitutes a permissive amendment under this Agreement, a statement of the purpose of such amendment and such other matters as the Trustees deem material to the consideration of such amendment.

Such proposed amendment shall thereby become effective in accordance with its terms without further action unless, within thirty (30) days after the mailing of such notice, Persons holding more than fifty percent (50%) of the outstanding Units shall make objection to such amendment in writing to the Trustees. In such event, the Trustees may submit such proposed amendment to a vote of all holders of outstanding Units and such amendment shall become effective in accordance with its terms upon the affirmative vote of Persons holding a majority of outstanding Units unless a greater percentage vote is required by other terms of this Agreement or applicable law. The Trustees shall keep all Beneficiaries advised of the status of any proposed amendment and shall promptly notify all Beneficiaries of the final adoption or rejection of any such proposed amendment. Such vote may be conducted at a meeting of the Beneficiaries called in accordance with this Agreement or by a mail polling of all Beneficiaries entitled to vote on the proposed amendment.

Any amendment to this Agreement which has the effect of materially altering the investment objectives and policies of the Fund with respect to its Investment Portfolio as expressed and set forth in Annex I will require, in order to be adopted, the consent of all holders of Units then outstanding excepting the holders of Units electing to effect a redemption at current Net Asset Value Per Unit of all Units held by them contemporaneous to the consideration and adoption of such amendment, the provisions of Section 10.1 hereof notwithstanding.

SECTION 13 - Litigation, Indemnification, Legal Conformance

13.1 Generally. The Trustees are authorized to bring, defend, settle or compromise actions or claims at law or in equity at the Fund's expense as may be necessary or proper to enforce or protect any interest of the Fund. The Fund and the Trustees shall respond to any final decree, judgment or decision of any court, board or authority having jurisdiction in the premises, and of any settlement of any suit or claim prior to judgment or final decision therein. The Trustees shall satisfy any debt, judgment, decree, decision or settlement out of any insurance proceeds available therefor, and next, out of Fund assets and income. The Trustees shall not be individually liable for the debts and obligations of the Fund.

13.2 Limitation of Liability of Trustees. The Trustees shall not be liable to the Beneficiaries or the Fund for any good faith act or omission to act in the exercise of their judgment under the provisions of this Agreement or on behalf of the Fund.

13.3 Indemnification of Trustees. The Trustees may be indemnified by the Fund, and, to the extent of its assets, the Fund shall indemnify such entities and/or persons for liability arising from errors in judgment or other acts or omissions if the Trustees' conduct was in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Fund. If criminal prosecution results from such conduct or activities, it must appear, in order to obtain such indemnification, that the Trustees had no reasonable cause to believe that their conduct or activities were unlawful. In the event suit is brought against the Trustees by the Fund, the Trustees can only be indemnified if the Trustees were not negligent or no misconduct on the part of the Trustees is shown, unless a court determines that the Trustees were reasonably entitled to indemnification from the Fund under the circumstances. Such indemnification is not, however, intended to effect any waiver of any rights the holders of Units or Beneficiaries may have under federal or state securities laws.

13.4 Applicable Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Florida.

SECTION 14 - Meetings and Action by Beneficiaries

14.1 Call and Notice of Meetings. Meetings of the Beneficiaries to vote upon any matters as to which the Beneficiaries are authorized to take action under this Agreement may be called at any time by the Trustees (or any surviving Trustee). Upon the call of a meeting, the Trustees (or any surviving Trustee) forthwith shall cause notice to be given to the Beneficiaries entitled to vote that a meeting will be held at a date, time and place fixed by the Trustees (or any surviving Trustee) which is not less than ten (10) nor more than sixty (60) days after the giving of notice of the meeting. Meetings of Beneficiaries may be held at any place which may be designated by the Trustees. The time and place of the meeting shall be reasonably convenient to all participants. In the absence of any such designation, meetings shall be held at the principal place of business of the Fund. Notices of meetings shall be in writing, shall set

forth the place, the day and hour of the meeting, shall indicate the voting power of each Beneficiary to whom it is given and shall be given to each person who is a Beneficiary entitled to vote on the date of giving of the notice, either personally or by mail or other means of written communication, postage prepaid, addressed to such person at his address appearing on the records of the Fund. Included with the notice of a meeting shall be a detailed statement of the action proposed, including a verbatim statement of any proposed amendment to this agreement, and an opinion of counsel as to the legality of such amendment. In addition, such notice shall include a statement of the Trustees' recommendation as to the action proposed. Such notice shall also include a form upon which the Beneficiaries may indicate their written consent to any action proposed to be taken at such meeting.

14.2 Adjournment of Meetings. Any Beneficiaries' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of Beneficiaries having a majority of the voting power of the Beneficiaries attending the meeting, but in the absence of a quorum, no other business may be transacted at such a meeting. When a meeting is adjourned for less than thirty (30) days, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat, other than by announcement at the meeting at which the adjournment is taken. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

14.3 Quorum for Meetings. There shall be deemed to be a quorum at any meeting of the Beneficiaries at which the voting power of the Beneficiaries attending such meeting plus the voting power exercised by Beneficiaries who have submitted to the Trustees effective written consents to action at such meeting or instruments equivalent to a revocable form of proxy constitutes a majority of the voting power of the Beneficiaries entitled to vote at such meeting.

14.4 Number of Votes. Each holder of Units shall be entitled to one vote per Unit held on all matters submitted to the Beneficiaries for vote. Beneficiaries may vote their Units in person or by proxy or written consent to any proposed action in form and content approved by legal counsel to the Fund. Except as to matters described elsewhere in this Agreement, all matters submitted to the Beneficiaries for vote shall be adopted by the Beneficiaries upon the majority vote of Units outstanding and entitled to vote on the record date established for any meeting of the Beneficiaries.

SECTION 15 - Power of Attorney

15.1 Grant. The Trustees (which term as used in this Section 15 includes any co-Trustee and any successor or substituted Trustee), by virtue of the power of attorney given by each Beneficiary hereof in their respective Subscription Agreements to Units or as otherwise obtained by the Trustees, have been appointed the true and lawful attorneys-in-fact for the Beneficiaries (including substituted Beneficiaries) with power and authority to act in their names and on their behalf in the execution, acknowledgement swearing to and filing of documents, which will include, but not be limited to, the following:

- (a) This Agreement and any amendments to this Agreement;
- (b) Any other instrument which may be required to be filed by the Fund with any governmental agency, or which the Trustees deem it advisable to file.

15.2 Nature. The Power of Attorney to be granted by each Beneficiary to the Trustees:

- (a) Is a Special Power of Attorney coupled with an interest, is irrevocable, and shall survive the death of the Beneficiary;
- (b) May be exercised by the Trustees for each Beneficiary or by listing all of the Beneficiaries executing any instrument with the single signatures of the Trustees;
- (c) Shall survive the delivery of any assignment by a Beneficiary of the whole or any portion of his Units; except that where the assignee thereof has been approved by the Trustees, the Power of Attorney shall survive the delivery of such assignment for the sole purpose of enabling the Trustees to execute, acknowledge and file any instrument necessary to effect such assignment.

15.3 Beneficiaries Bound by Act of Majority. By execution and delivery of such Power of Attorney as incorporated in each Beneficiary's Subscription Agreement to Units or as otherwise obtained by the Trustees of the Fund, each Beneficiary agrees to be bound by the terms and provisions of this Agreement as presently constituted and as such Agreement may be amended from time to time in accordance with the provisions of Section 12 hereof.

SECTION 16 - Agreement Binding on Beneficiaries

16.1 Beneficiaries Independently Bound. Each Beneficiary shall become bound by this Agreement immediately upon affixing his signature hereto in the manner herein provided and independently of the signature of any other Beneficiary.

16. Counterparts. This Agreement may be executed in any number of copies, all of which shall constitute one and the same document and Agreement and all of which shall have the same force and effect as if all of the parties hereto had executed the same counterpart and any fully executed Agreement may be considered as an original.

16.3 Further Assurances. Each Beneficiary hereby agrees to execute all such further instruments and documents and to take all such further action as the Trustees may reasonably require in order to give effect to the provisions and purposes of this Agreement.


SECTION 17 - Miscellaneous Provisions

17.1 Address and Notices. The address of the Trustees and the Fund shall be the Fund's principal office. The address of each Beneficiary for all purposes shall be as set forth next to such Beneficiary's name on the signature page of this Agreement, or such other address of which the Trustees have received written notice. Any notice, demand or request required or permitted to be given or made hereunder shall be deemed given or made when delivered or sent in the manner provided herein to such Beneficiaries at such addresses.

17.2 Entire Agreement. This Agreement, and any additional instruments to be executed and delivered pursuant hereto, constitute the entire understanding with respect to the subject matter hereof. The headings herein are for convenience only and shall not affect the interpretation of any of the provisions hereof.

17.3 Preliminary Statement of Agreement. The recitals set forth in the Preliminary Statement hereof are hereby expressly incorporated and made an integral part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement on the day and year first above written.



Emil Mladek, Trustee



Guy S. Della Penna, Trustee

BENEFICIARIES:

ADDRESS:

UNITS
HELD:

As executed on behalf of the above Beneficiaries by the Trustees pursuant to the power of attorney described in Section 15 of this Agreement.

ANNEX 1

THE MERCURY FUND

STATEMENT OF INVESTMENT OBJECTIVES AND POLICIES

Capitalized terms utilized in this Annex 1 have the definitions set forth in the Agreement or the Memorandum unless specifically provided otherwise in this Annex 1.

Consistent with the investment objectives and policies set forth in this Annex 1, the Fund, through the action of the Manager, shall endeavor to accomplish the following:

1. The Manager will cause the Fund's capital, which will be received from Unit subscribers in the form of U.S. currency, to be converted into Czech currency at the most favorable exchange rates available.
2. Upon conversion of the Fund's capital to Czech currency, the Manager will cause such currency in substantial part to be temporarily invested in deposit instruments issued by banks and other depository institutions formed pursuant to the laws of the Czech Republic and conducting operations in and from the Czech Republic.
3. The Manager, on behalf of itself and the Fund, will identify certain potential Portfolio Companies which will be examined with a view to effecting a purchase of the Equity Securities of such potential Portfolio Companies. Initially, the Manager anticipates that emphasis will be afforded to those potential Portfolio Companies, among others, engaging in machinery manufacturing with a particular emphasis on utility equipment.
4. Emphasis will be given to those potential Portfolio Companies which have a significant export and domestic product distribution.
5. An analysis will be carried out and completed by the Manager with respect to the capital structure of the potential Portfolio Company in order to determine weaknesses and strengths in such structure and the relative benefits which can be derived as a result of the infusion of capital from the Manager and the Fund. Such analysis will include a comprehensive examination of the historical and current financial statements of each potential Portfolio Company.
6. An analysis will be undertaken and completed with respect to each potential Portfolio Company in order to determine the amount of capital required to effect any necessary modernization required with respect to the potential Portfolio Company's equipment and means of manufacturing.
7. The Manager, on behalf of itself and the Fund, will undertake a full analysis of the background and capabilities of the present management of the potential Portfolio Company, as such management may be

augmented by management personnel and systems introduced by the Manager subsequent to the investment by the Manager and the Fund in such Portfolio Company. Personnel of the Manager are expected to actively participate in the management of the business and affairs of each Portfolio Company.

8. In all instances, the Manager will attempt to effect the purchase of the Portfolio Company's Equity Securities at a price which is less than the perceived market value of such Equity Securities, or at a price which appropriately relates to the liquidation value of the Portfolio Company.
9. Unless otherwise determined by the Trustees and the Manager, it is anticipated that the Fund shall invest in the Equity Securities of each selected Portfolio Company and that such investment in the Equity Securities of each such selected Portfolio Company will, when taken with the purchase and investment effected by the Manager in the Equity Securities of each designated Portfolio Company, constitute 52% of the outstanding Equity Securities of each such Portfolio Company, 20% of such 52% being held by the Fund and 32% of such 52% being held by the Manager. At the sole discretion of the Trustees and the Manager, such 20% and 32% amount may vary but it is not anticipated that the aggregate holdings of the Fund and the Manager at any time during the conduct of the business of the Fund will constitute less than 52% of the outstanding Equity Securities of a selected Portfolio Company.
10. The Manager, on behalf of itself and the Fund, will undertake and complete such further analysis and study as may be required as a result of the unique aspects of the business and business operations of a potential Portfolio Company.

The Manager shall determine the amount of the Fund's liquid assets (comprised of cash and cash equivalents) which shall be maintained in such form in order to provide for a certain level of liquidity for the Fund to effect any Unit redemptions and expenses of operations which occur as a result of the provisions of the Agreement.

ANNEX 11

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (the "Management Agreement") is entered into as of this day of 1996 by and between THE MERCURY FUND, an Irrevocable Trust created and existing pursuant to an Agreement Establishing Irrevocable Trust/Declaration of Trust dated as of the 20th day of June, 1996, as executed by the Trustees and Beneficiaries thereof (herein the "Fund") and INVESTMENT KLUB, INC., a corporate entity formed and existing pursuant to the laws of the Czech Republic and EXECUTIVE WEALTH MANAGEMENT SERVICES, INC., a corporation organized and existing under the laws of the State of Florida (herein collectively the "Manager").

W I T N E S S E T H:

WHEREAS, the Fund has been organized to pool the contributions to its corpus made by certain suitable and Accredited Investors, all of which is set forth in the Private Offering Memorandum of the Fund dated June __, 1996 (herein the "Memorandum"); and

WHEREAS, the Agreement Establishing Irrevocable Trust/Declaration of Trust which establishes the Fund (herein the "Agreement") appoints DR. EMIL MLADEK and GUY S. DELLA PENNA as Trustees (herein the "Trustees"), said Trustees to serve in such capacity until their disqualification or inability to serve; and

WHEREAS, the Agreement provides and authorizes the Trustees to procure and utilize the services of a manager and advisor and the Trustees desire to utilize the services of INVESTMENT KLUB, INC. as Manager to the Fund.

NOW, THEREFORE, in consideration of the mutual agreements, promises, terms and conditions herein contained and for other good and valuable consideration, the Fund, the Trustees and the Manager agree as follows:

1. Basic Agreement. The Fund and the Trustees hereby retain the Manager to assist the Trustees in the management of the investment and reinvestment of the Fund's corpus and to assist the Trustees in the administration of the affairs of the Fund within the reasonable discretion and direction of the Trustees. At all times, the Manager shall be subject to the general supervision of the Trustees. Additionally, the day-to-day investment, management and portfolio decisions with respect to the Investment Portfolio of the Fund shall be made by the Manager with consultation with the Trustees. The Manager, by its execution of this Management Agreement, agrees during the term hereof to faithfully render the services and to assume the obligations required of it as set forth herein and to perform same for the compensation recited herein. The Manager shall for all purposes herein be considered and deemed an independent contractor and shall, except as expressly provided in or authorized by this Management Agreement, or otherwise, have no authority to act for or to represent the Fund or the Trustees nor shall the Manager, except as provided in such instruments, in any way or otherwise be deemed the agent of the Fund or the Trustees. It is acknowledged that the Trustees and the entities constituting the Manager are affiliated by virtue of the ownership of the voting equity securities of the entities

constituting the Manager by the Trustees, to wit: Dr. Emil Mladek and Guy S. Della Ponna.

2. Responsibilities of the Manager. The Manager hereby undertakes to render the following services and assume the following obligations to the Fund and the Trustees:

A. Fund Administration. The Manager shall furnish to the Fund adequate office space, furnishings, facilities and equipment as may be reasonably required for the purpose of managing the affairs and conducting the business of the Fund, including, without limitation, the dissemination of correspondence and other communications to the Unit holders of the Fund, and the maintenance of bookkeeping, accounting and auditing services and records relative to the Fund's investment and business activities. Such services may be rendered within the offices of the Manager or in such other place as may be agreed upon from time to time by and between the Fund and the Manager.

B. Investment and Portfolio Management Services.

(1) Under the direction, supervision and control of the Trustees, the Manager shall manage the assets and portfolio of the Fund subject to and in accordance with the investment objectives, policies and restrictions of the Fund, as such objectives, restrictions, policies and directions are set forth in Annex I to the Agreement. To fulfill its duties hereunder, the Manager shall make all determinations with respect to the investment of the Fund's assets and the purchase and sale of the Fund's Investment Portfolio, and shall take such steps as may be necessary to implement such actions. The Manager shall also determine the manner in which voting rights, rights to consent to Fund action, and any other rights pertaining to the Investment Portfolio of the Fund shall be exercised. The Manager shall render regular reports to the Fund, at regular meetings of the Trustees and at such other times as may be reasonably requested by the Trustees setting forth (i) the decisions made by the Manager with respect to the investment of the Fund's assets and the purchase and sale of Equity Securities, (ii) the reasons for such decisions, and (iii) the extent to which such decisions have been implemented.

(2) The Manager, subject to and in accordance with directions issued by the Trustees from time to time, shall place, in the name of the Fund, orders for the execution of the Fund's portfolio transactions. In placing such orders, the Manager shall seek to obtain the most favorable net price and execution for the Fund, but such requirement shall not be deemed to obligate the Manager to place any order solely on the basis of obtaining the lowest commission rate if the other standards set forth in this paragraph have been satisfied. The Fund and the Manager recognize and acknowledge that there may be

situations in which different brokers are equally able to provide the most favorable price and execution and that, in selecting among such brokers with respect to particular transactions, it may be desirable to choose such brokers who furnish research, statistical quotations, and other information to the Fund and the Manager in accordance with the standards set forth herein. Moreover, to the extent that it continues to be lawful to do so and as long as the Trustees determine that the Fund will benefit, directly or indirectly, from doing so, the Manager may place orders with a broker who charges a commission for a particular transaction in excess of the commission which might have been charged by another broker for effecting the same transaction, provided that the excess commission is reasonable in relation to the value of brokerage and research services. It is also acknowledged that the investments effected by the Fund under the management and direction of the Manager will be in the Equity Securities of Portfolio Companies which have been organized and are existing under the laws of the Czech Republic and which conduct their business operations from facilities located within the Czech Republic. Accordingly, the customs with respect to purchase and sale transactions involving such Equity Securities may be unique to the Czech Republic and also may be negotiated transactions which occur as a result of a negotiation process undertaken and completed by the Manager, on behalf of the Fund, and the issuer of such Equity Securities so purchased and held from time to time.

- C. Information for Legal Compliance. The Manager, its officers, employees and agents will make available and provide to the Fund and the Trustees accounting and statistical information required by the Fund in connection with the preparation of reports and other documents required by the Federal and state securities laws of the United States and will provide such information as the Fund may reasonably request for use in the preparation of such documents.
 - D. Additional Obligations and Services. The Manager shall make its officers, employees and agents available to the Trustees of the Fund for consultation and discussions regarding the administrative management of the Fund and its investment activities.
3. Fund Expenses. It is understood and agreed that the Fund will pay all of its expenses other than those expressly assumed by the Manager herein. Expenses payable by the Fund shall include, without limitation, the following:
- A. Fees payable to the Trustees as provided in the Agreement;
 - B. Accounting fees, including expenses of audit;
 - C. Charges made by any transfer agent, registrar, custodian and dividend disbursing agent, including the expense of issuance, repurchase or redemption of Fund Units;

- D. Taxes (including any income or franchise taxes) levied against the Fund;
 - E. Brokerage fees and commissions incurred in the purchase and sale of Fund Equity Securities;
 - F. Costs incidental to meetings of the Fund, reports by the Fund to its Unit holders, the filing of reports with any regulatory bodies, and the maintenance of the Fund's existence;
 - G. Legal fees incurred in connection with the Fund's activities; and
 - H. Expenses of printing certificates representing Units of the Fund.
4. Compensation of the Manager. The Manager shall be compensated for services rendered hereunder as set forth in Annex III to the Agreement.
5. Activities of the Manager. The services of the Manager rendered to the Fund hereunder are not deemed exclusive, and the Manager and its Affiliates shall be free to render similar services to others.
6. Liabilities of the Manager/Reimbursements.
- A. In the absence of willful misfeasance, bad faith, gross negligence, or reckless disregard of obligations or duties hereunder on the part of the Manager, the Manager shall not be subject to liability to the Fund or to any Unit holder of the Fund for any act or omission in the course of, or connected with, rendering services hereunder or for any losses which may be sustained in the purchase, holding or sale of any security by the Fund.
 - B. If contemplated by the terms of the private offering of Units as set forth in the Memorandum, the Manager may be reimbursed for the costs and expenses advanced by the Manager in connection with the organization of the Fund pursuant to Chapter 609, Florida Statutes, as amended and the private offer and sale of the Units of the Fund which represent the corpus of the Fund.
7. Renewal and Termination.
- A. The term of this Management Agreement shall be indefinite and this Management Agreement shall continue in force until such time as the Fund permanently ceases its investment and business activities as described in the Agreement and the Memorandum.
 - B. This Management Agreement may be terminated at any time without the payment of any penalty by either the Fund or the Manager upon sixty (60) days written notice being given by the terminating party.
 - C. Any notice under this Management Agreement shall be given in writing addressed and delivered or sent by postage paid certified mail,

return receipt requested, to the other party at any office of such party.

B. Governing Law. This Management Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have caused this Management Agreement to be executed effective the 6th day of AUGUST, 1996.

THE MERCURY FUND

By E. Mladok
Dr. Emil Mladok, Trustee

By Gina S. Della Penna
Gina S. Della Penna, Trustee

INVESTMENT KLUB, INC.

By E. Mladok
Dr. Emil Mladok, President

ANNEX III

THE MERCURY FUND

ITEMS AND ELEMENTS OF COMPENSATION PAYABLE TO MANAGER

Capitalized terms utilized in this Annex III have the definitions set forth in the Agreement of the Fund or the Memorandum unless specifically provided otherwise in this Annex III

The Manager shall be entitled to the following items or elements of compensation as a result of services rendered to the Fund:

<u>Description or Nature of Fee</u>	<u>Amount of Fee</u>
Management Fee	An annual charge of 2% of the greater of (a) the amount invested in the Equity Securities of Portfolio Companies charged on an annual basis or (b) if the Equity Securities of such Portfolio Companies are publicly held and the Equity Securities thereof are the subject of an active trading market with reliable daily quotations with respect to share and/or unit prices, the fee shall be equal to such 2% made against the market value of the shares or units of the Equity Securities held by the Fund in such Portfolio Companies as such share or unit value has existed on the last day of each calendar month of each year for which a management fee is charged. In effecting such calculation of the management fee, the averages of such value at the end of each calendar month for each calendar year for which a management fee is charged shall be determined and the 2% management fee shall be charged against such determined average value
Participation Fee	A fee equal to 50% of the realized profits experienced by the Fund as a result of its investment in and the subsequent liquidation of the Equity Securities of any Portfolio Company. For such participation fee to be realized by the Manager, the Fund must liquidate all or a part of its holdings of the Equity Securities of any Portfolio Company at a price which represents a profit to the Fund. Such profit, if any, will be determined by deducting from such realized price for such shares or units of the Equity Securities of a Portfolio Company the acquisition costs for such shares or units and the transactional costs incurred by the Fund in connection with the acquisition of such shares or units and the disposition thereof. It is anticipated that such 50% participation fee, if earned, will be allocated between Investment Klub, Inc. and Executive Wealth Management Services, Inc. (the "Managers") on the basis of 35% and 15%, respectively.