

Investment proposal from Iron Land Stone Company:

The following plan is for a single dimensional stone processing facility which will produce products that can easily compete with other world suppliers in a 24/7 operations and its following financial projections are based on that premise. This plan was first developed in 2015 after extensive studying of the fantastic natural stone resources that I discovered that were basically seen as nothing more than overburden for the iron ore industry. I realized the for over 100 years that the iron ore producers were literally blowing up billions of dollars in dimensional stone to mine millions of dollars of iron ore.

The stone resources are remarkable in several aspects, because of the glaciers from the last ice age the area of northern Minnesota was scraped clear of topsoils and in that process it compressed the stone to an average hardness of 9 on the Mohs scale whereas diamonds are 10.

There are several types of stone, black granite deposits that are estimated to be around 500,000 acres which translates to thousands of years of production. Banded Taconite which has a fantastic almost mystical appearance with a black background with colorful inclusions of red and green jasper, magnetite and calcite. Live colored Blood Red Jasper area that has an estimated 15,000 acres of deposits. Greenite which is what we call naturally formed Green Jasper colored quartzite has a huge deposit for exploration, it has two interesting possibilities, one as a natural not man made countertops and other if crushed produces a groundcover that shimmers when it is exposed to light. The fossilized Strmatolite Stone is extremely rare (about 2-5% of the entire resources.) this stone has the first creatures embedded on earth that created the first oxygen on this planet.

There are over 27 dimensional quality stone resources with different colorations. We are seeking investors that understand the importance of dimensional stone in building the worlds future construction projects.

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1.0 Executive Summary

1. To put it to numbers as far as production and cost to produce it is as follows: The slab line can produce a seven foot wide by twelve foot long block into 70 3CM polished slabs every three hours, the cost per square foot is \$1.64 USD in production costs, the minimum out the door whole sales price of \$5.00 a square foot

with a profit of \$3.36 per square foot which equates to 47,040 square feet every 24 hours every three minutes which equates to \$158,054.40 every twenty four hours in profit.

2. Location of facility: The Iron Range of Northern Minnesota.
3. Management Team: Stephen DeLong COO, Dax DeLong CEO. I have been promoting this business model since 2015, I have extensive knowledge as to the minerals and the possibilities of creating the largest dimensional stone company in the world. I envision at least ten facilities stretched across the Iron Range producing stone for the worlds new infrastructures.

4. 1.1 Objectives

5. 1. **Build a new 75,000 square foot robotic production facility on our proposed initial mine purchase that has an existing rail spur that will transport our products to two local seaports.**
6. **24/7 potential production capabilities are approximately 1,168,000 square feet of finished slabs per month @ \$7.00 USD a square foot minimum wholesale sale price creating, this is for the most abundant Black Granite. The Banded Taconite, Red Jasper and Green Jasper would be significantly more expensive and the Fossilized Stromatolite Stone could be as high as \$500.00 a square foot**
7. **\$11,760 ,000.00 of projected sales per month at maximum production capabilities.**
8. **These sales forecast numbers are based on the estimate of selling as**
9. **slabs/countertops at wholesale**
10. **pricing. And fabricate 1,100,000 square feet of tiles**
11. **per month with projected sales of \$2,475,000.00 per month @ \$2.25 per square foot. We**
12. **will be able to produce 30 housing units from our counter top production unit, per 8**
13. **hour shift with an approximate monthly production of 600 condo/housing units per**
14. **month.**
15. 2. Introduce our company's new fabrication facility (Iron Range Fabrication Facility) to the National
16. and International construction markets through advertising, stone show events and Architects,
17. building our sales Worldwide.
18. 3. Introduce our services to other quarry operators in the United States and foreign. In our
19. conversations with them, they have told us that we will give them the ability to compete against
20. foreign low labor cost countries. And this cooperation will assure us of our annual output forecasts,
21. through the distribution network already in place from these groups. This will also greatly enhance
22. our ability to enter foreign markets by cooperation.
23. 1.2 Mission
24. **This is an important time on the Minnesota Iron Range for several reasons. The**
25. **mining industry on the Range in the past has always been the backbone for the**
26. **mineral that fueled the steel industry of the United States and the World because of**
27. **iron**
28. **it's high quality. Today, other sources of high quality**
29. **labor markets, such as China, Africa and South America.**
30. **ore have been sourced in cheaper**
31. **To remove the ore on the**
32. **Range takes a great deal of money and time because of the necessary removal of very**
33. **hard layers of stone as waste, we work alongside the ore companies by removing this for**
- our use where it is workable. This is the stone that will transform the Range into the**

Our goal is to become the world's largest producer of the highest quality dimensional stone products and the very best jobs that will last for centuries.

Our company exists for the purpose of creating a profit from our sales for it's investors, owners, and employees. The mission is quite simple, to become the largest dimensional stone supplier in the World. We are a service oriented enterprise developed for the production and sales of natural dimensional stone for the building industry. Our professional service is what gets us I the door, our state of the art facility will insure that we will get the customer's order because of quality and saved costs in production.

* We offer the best customer service in the world by having the best industry associations that care as much as we do about our industry.

* All of our mentored salesmen will have no less than ten years experience in the design/build trades, which is almost unheard of in the stone industry, or any other construction materials company. These mentor sales people will help new sales people in understanding the industry and mentor them in the sales closing process.

* Our customers know that each dimensional stone product that they specify will be A.S.T.M. (American Society for Testing and Materials) tested and be suitable for their needed applications, we will be the only company that does this

without being asked. The testing is a mandatory part of every sale, this protects our customers and our company in making sure that the product application will perform perfectly to the Architects specifications.

* Our quarry/fabricator workers will be highly paid technicians, this is accomplished by the state of the art facilities production capabilities.

* We continually search for new quarry/fabricators from around the World who live by the same philosophy as we do, which is service and excellence. When our company locates a quarry that lives by the same professionalism and can add value to our bottom line, we will then form partnerships and create even larger association, making us more capable of supplying the world together with our natural stone and that of our associations.

* With our planned aggressive growth, our association will be a major player in the natural stone industry Worldwide.

* Because we pay our workers well, it will extend into the Iron Range region creating many auxiliary jobs, and our community outreach support programs will make us a highly respected neighbor to all. We will also invest in scholarships for higher education, these will be offered to Iron Range residents. And most importantly we will invest in other business concerns that we feel will re-invent the potential for the future of the Iron Ranges manufacturing and technology future.

1.3 Keys to Success

*** To secure our hold onto other parties mineral rights that are private, our plan is to sign contracts with all that will guarantee them a per ton payment and percentage of each slab sold royalty , tile or rough material sale. We will do this by having a electronic inventory system, working with our digital camera system that will take photos of all products, as they are processed. Each time a product is sold it is entered into the accounting system and the mineral rights owner will be paid an agreed upon royalty. This we feel will lock up the entire private owners group. Here is an example of their potential royalties on a block of stone 7' x 7' 10' long @ a \$7.00 per square foot sale price @ 10% royalty= \$3430.00**
***Another aspect of this shared payment will be the planned 2% per square feet performance payout to all of our employees, we feel it's important we pay our employees thus creating a feeling of being part of the team, not just an employee and most importantly keeping the unions out.**

- * We will have monthly meetings that resemble board meetings, where each one can discuss their departments operations, so that all work to further the companies values,success, safety and cohesion.**

2.0 Company Summary

Startup Costs Summary:

1. New Construction building cost 75,000 square foot: \$ 26,250,000.00

2. Quarry equipment : \$ 8,500,000.00

3. Facility processing equipment: \$ 14,575,640.00

4. Quarry crushers, ten units: \$ 2,850,000.00

5. Mineral Lease Start Up Costs: \$ 52,024,500.00

6. Equipment Sub Total: \$121,625,780.00

7. Operational Estimate Costs: \$2,024,500.00

8. Grand Total Finance: \$ 123,650,280.00

EXECUTIVE SUMMARY SNAP SHOT; Iron Range Corp is in the business of fabricating natural stone from Blocks from the Iron Range of Minnesota and from other suppliers from around the world. From these rare stone commodities and the natural stone materials, we provide our finished materials to our associate suppliers and our National and International distributors. The stone industry requires finished ready to install natural stone materials including production into tiles, slabs, fabrication, Blocks that are not for our choosing for production, are crushed and utilized for aggregates for road construction and landscape applications. The stone from the Iron Range is getting much acclaim, but we must also fabricate from known stone producers to help us gain market share, this will help introduce our Iron Range Dimensional stone products with its natural synergy with the stone trades and interested parties. Our facility will make us a major player in the worldwide stone market; with the stone from the Iron Range mines and the stone from other quarries and producing factories. This will be achieved with natural sheet stone slabs; this will boost our company and will expand our overall mission greatly, offering a broader spectrum of choice into the market place. Because of the stones uniqueness and of our knowledgeable ability to produce the highest quality products, we will be able to sell to the stone industry and trades at the lowest prices, easily competing with low labor cost suppliers. Our state of the art facilities and our superior cost effective production and savings, will greatly enhance our goals.

Auxiliary Startup Costs:

1. Fabrication Machinery for Facility: Each machine is state-of-the-art in the dimensional stone industry. They are

basically robotic in operation, the only personnel needed are to monitor their operations. These machines cannot be surpassed in their production the quality products they produce. \$ 8,575,640.00 Go to www.pedrini.it and click on capabilities and the English tab to the left of the page (about half way down), then click on (Granite Machinery). Click on the following links from the list to view the main facility machinery: Multi wire Jupiter GS200 (72 wire slab saw), M596, M595 (multi disc tile slab saws), Modulgranito (tile polishing/ finishing line), Slab Polishing Line, Resin Line (This machine uses resin to fill in the natural cracks in the Iron Range stone and other quarry producers slabs, the resin is proven to be stronger at the cracks than the actual stone it is sealing (PLEASE WATCH EACH SEGMENT))

2. **Aggregate Crushers:** Ten mobile crushers are to be utilized to produce high materials and aggregate for road and building construction nation wide. Their mobility will give them the needed capability to move easily from one material location to another. quality landscape

\$285,000.00 Each \$ 2,850,000.00 Ten Units **These will be used to create the needed aggregate for Americas infrastructure project nationwide, we have mountains of already crushed materials,**

3. **Facility Building:** It will be more than 75,000 square feet in size and will house the machinery, finished materials, and home office. \$26,250,000.00

4. **Cash on Hand:** These funds are to be used for attending and displaying our products several National and International Dimensional Stone Trade Shows. \$250,000.00

5. **Company Vehicles:** These are the vehicles for managers of operations: \$ 425,000.00 Four Units

6. **Quarry Equipment:** These would include Heavy loaders, saws, coring drills, etc., used in the extraction of blocks for processing. \$ 6,365,275.11

The following are the startup costs: 7 – 28 Sub Total: \$2,024,500.00

7. **Security Fence:** Facility security. \$110,000.00

8. **Inventory:** These will be finished materials from quarry suppliers from around the we will offer as a wholesale supplier. \$ 1,100,000.00

9. **Advertising Introduction:** Pamphlets & Catalogs distribution. Web site and builder magazine push into the National and International markets.. \$350,000.00

10. **Bag Machine:** Used to bag specialty crushed landscape rock. \$55,000.00

11. **ASTM Testing:** This is the approximate cost to have the dimensional stone slabs tested for various consistencies for construction standards listings for project specification.

12. **Specification Institute Testing:** They take the testing information from the ASTM write specification results that Architects and Engineers use to apply to their projects.\$15,000.00 to \$32,000.00 testing and

13. **Tumbler Grit:** Used for polishing high value crushed stone, supplied from China.

14. **Industrial Tumblers:** These will be made by area welders and will be used to polish \$27,000.00 high value rough crushed stone for distribution in one of our marketing plans and to fulfill high end landscape and gift shop supply orders. \$ 25,000.00 Each for Two Units - TOTAL:

17. **Consultant:** This person will be paid a flat fee of \$ 45,000.00 plus additional based payments upon profitable introductions to World builders. This person is a professional that has years of experience in large construction project sales.\$50,000.00 performance dimensional stone

18. **Stationary:** Pamphlets and catalogs for advertising, a monthly cost. \$ 22,000.00

19. **Computers:** Office and field support computers and communication. \$12,500.00

20. **Legal Fees:** The cost of securing a legal representative.

21. \$15,000.0021. **New Office Furniture:** \$6,500.00

22. **Geologist:** This person will develop our future quarrying and development of in mineral deposits. \$ 120,000.00 Yearly Plus Performance Pay.

23. **Quarry Boss;** This persons job is to manage the operations of the block quarry and ground aggregate productions. \$ 110,000.00 Per Year/Quarterly Performance Bonuses

24. **Office Supplies:** \$ 3,500.00

25. **Accountant:** A monthly expenditure. \$
26. **Training of Fabrication Personnel:** These costs are paid by the machine
27. **Training of Crushing Personnel:** These cost are paid by the crusher manufacturer.\$2500.00
28. **Additional Mineral Leases:** These must be purchased to assure our land rights to remove stone from the Iron Range.

3.0 Products and Services

We are in the business of developing and selling our natural stone products from the Iron Range Mines and other national quarry operators to construction projects Worldwide. Our stone from the Iron Range is getting much acclaim but we must also fabricate known stone products from quarries from around the World as our stone becomes more widely distributed to the construction industry. These collaborations with other quarry producers will also give us an instant exposure into the World market, as their established contacts will help facilitate our expansion of our Iron Range stone, while promoting their own products. We will be offering our production capabilities to associate quarry operators, giving them the ability to have their rough products fabricated by us. Giving them the ability to compete in the low labor cost Global market. It will also give us a great opportunity to become a National and International wholesale distributor. This automated (CNC) facility will make us a major player in the world wide stone production and distribution market, our Iron Range. With the natural stone from the Iron Range mines and the stone blocks from other producers, our company will become the go to supplier for all major construction projects Worldwide. One of the largest problems that Architects have in specifying dimensional stone for their building construction projects, is that the quality is hit or miss with low labor cost manufacturers and cost at the end of the day, is the specifier of products.

Architects from around the World will clamor to use our company because we are the blueprint for America's new manufacturing future and American quality. We will give them back what they have expected from Americas manufacturing past, the best products and the innovations, at a cost that makes us competitive Worldwide.

4.0 Market Analysis Summary

[The following are the target groups that we market to:](#)

National/International Dimensional Stone Distributors. **National Wholesale Aggregate Distributors:** Distributors are the back bone to aggregate stone sales growth.

Architects/Interior Designers. This is our most marketed to group, they specify the stone that builders/developers use in their building projects. They are also involved in introducing new stone to design because it is their job to bring design to a project. They are always looking for high quality, low cost, beautiful stone that they can utilize to their design signature on their projects.

Developers/Builders: These are the people who hire the Architect/Designer to design their buildings, they look to them for a vision. They are the money, we go to them to promote our stone company so they will ask their designers look at our company and its products.

Fabricators: We will introduce to fabricators our stone internationally at the National and International Stone Exhibitions, they fabricate stone for residential and commercial jobs.

Heavy Road Contractors: This group will be the customer we will market our aggregates to, they will be needing great hard materials for the upcoming federal infrastructure funding for the American highway system rebuilding. With the ten planned crushing machines we intend to put into service, we can produce over 17,520,000 tons of aggregate per year.

Landscape Architects/Landscape Contractors: These two groups are what they seem, one is the high end designer and the other is the actual installer/local designer of the decorative stone ground covers that decorate residential and commercial landscape projects with the beautiful aggregate products we produce.

State and Local Government Highway Departments: These two groups are a stable part of the supply chain market for us, they purchase yearly no matter what the economic condition.

4.1 Market Segmentation

National Heavy Road Contractor Aggregate Suppliers: This group is the supplier to heavy road contractors for asphalt, cement roadways and their structural components.

National Architects/Designers (Building/Landscape): These two groups specify dimensional stone products and the exterior decorative grounds design. the architect

Commercial/Residential Builders: These are the people who even though has specified a stone company, make the final determination on the actual used product. This is usually always due to cost.

National Stone Slab fabricators: This group takes the stone slabs and fabricates them into counter tops and other products for construction projects.

National Dimensional Stone Distributors: These groups are varied from the Home Depot to the industrial dimensional stone supplier. They buy from us at wholesale because of their buying and because of the assured quality materials we will supply them.

International Architects/Designers

International Dimensional Stone Distributors: This group will be very important to our quest to become the premier World supplier to the International building market. Stone building materials are used more extensively Internationally.

International Builders/Developers: Natural stone is a much valued building material to these groups, it is vital to build relationships with these two groups to gain in International distribution.

International Stone Fabricators: This group supplies the finished products to their

State and Local Road Departments: This group buys aggregates supplies for road repairs building them.

National Heavy Road Builders: We will be pushing marketing to this group and Federal officials of our ability to supply their needs nationally for the impending infrastructure work.

4.2 Target Market Segment Strategy

MARKET & INDUSTRY SUMMARY

The worldwide stone surface industry is dynamic and fast growing. It is conservatively forecast to grow, expanding our local residential program and custom commercial sector here in the United States & internationally. The recent research shows a rate of 4.4% to 6.8% annually in the USA to \$4.9 billion and (83.8 million) square feet of product sold. Some estimates put growth closer to 17% in the coming years. Specifically, in the demand for natural stone, in many additional categories' including granite countertops expected to increase at a rate of 5.8% by next year, resulting in a **\$1.5 billion yearly sales projection** and 19.8 million square feet sold. (Source: The Fredonia group) Granite and other natural stones are available at thousands of locations world wide in virtually unlimited quantities. In 2005, some 93 million tons of natural stone were produced worldwide. That same year, the United States alone produced \$6 billion worth of natural stone, a 14 percent increase over 2005. There were six million kitchen renovations performed in the U.S. in 2005 and sixty two million in 2007, spending on kitchen remodeling is expected to increase to \$79 billion, while spending on bathroom remodeling should reach \$39.2 billion. The U.S. residential kitchen and bath countertop market is valued at \$11.8 billion. billion per year, and demand is expected to grow to 509 million square feet and growing. The importing granite market leveled out in mid 2010, however with the bottoming out of the home market coming to a close, we expect figures to rise in 2014 with renovation and commercial building markets in the world market. Granite countertop sales is at an all time high.

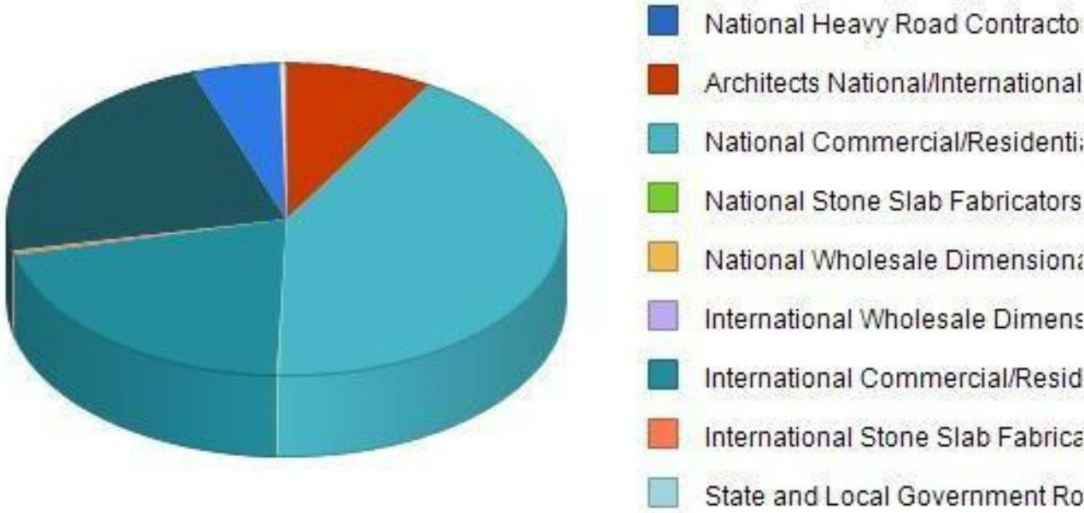
The important thing to remember is that we are an International building products producer. When other smaller regional producers are reliant financially for their existence on their regional sales, our success is guaranteed because no matter how the world economy performs, there will always be building development somewhere.

The growth for the stone industry in recent years has grown at historically record levels, manufacturing all types of natural stones; it is the covering of choice or the residential and commercial consumers for tops and floors, interiors and exteriors. While ceramic tile consumption was up 21% from 1997 to 2007, stone was up 69% during this period, further more stone has seen a prevalent increase to 83% to the present day. The stone industry is still going strong with additional renovations on the rise with residential and commercial buildings, also we have seen further growth in the area with kitchen and bath renovations through the recession, but positively bouncing back, no longer are the Formica and the cultured marble counters wanted, today it's all about granite countertops. Stone of many kinds are in great demand, and will no doubt grow and become enormously popular, now and certainly in the future, due to the overwhelming customer appeal and demand with renovations and new rebuild construction.

4.3 Service Business Analysis

Our industry is based on the two basic industry controlling aspects that every manufacturer must face, cost and quality. In the past quality has always taken a back seat to cost simply because excessive labor costs associated with commercial construction projects. Our new state of the fabrication facility will positively address both of these concerns.

Market Analysis (Pie)



4.3.1 Competition and Buying Patterns

Each of our targeted market groups choose products differently, the one commonality the cost factor.

1. **Building Product Specifiers:** They choose by several different qualities, first and foremost is the engineering side, which is their professional expertise. They are given instructions from Architects/Designers as to where the project is located, the products desired coloration and its required durability. They then require that each product that is in the running for specification the project, be tested or at the least be structurally consistent to other competitive products.
2. **Architects/Designers:** They choose based on what their clients want and what they have suggested to the clients, then they pass the request on to the specifier. A very important factor remains, the Architect/Designers puts forth through their artistic imagination the products that still they want to be used on the project. This means that these two groups are our main marketing focus, if you do not excite them they will simply go on to another like colored product.
3. **Builders:** This group historically has followed the direction of the specifiers' recommendations, simply to eliminate their responsibility for product failure. Things have changed dramatically over the last ten years, pricing due to under bidding and pressure from the developer to contain costs have now taken front stage in product choice. Since this accepted method of product choice has gained strength, so has the outcry from consumers of shoddy materials. This in turn has cost the developer more in replacement costs than the original higher costing quality specified products. The pendulum is now swinging back from the over building frenzy of the early twenty first century. Architects/Designers/Specifiers are now demanding that their choices be honored or they threaten to remove their responsibility from the project, thus killing it in the consumers eye.
4. **Developers:** Cost & Profit are the accepted reality of most, whereas others with true building knowledge experience, choose the better products.

5.0 Web Plan Summary

Our site will be an exciting fully functional informational source, so that all potential customers can easily discover our products. They then will have the easy ability to click for examples of costs and available products (**Think on this the potential customer can literally choose their slabs of polished stone that they want and relay this to their supplier, it will guarantee our products sales**) and then direct them to their regional and world supplier sales person. Then it will link them back to the sales department with ready cost and delivery information, delved from the information and professional or non-professional codes they enter on their questionnaire. People professional and non-professional, will be linked by the great product information that is shared by all and their ability to connect with one another through our sites customer matching software applications. This will enable professionals to link up with potential customers via our web site, a cost per professional connection is also a viable possibility in the future.

5.1 Website Marketing Strategy

The website launch will be in the same time frame as the launch of the Architectural/Designer World event show in a Middle Eastern Venue. The website will be used to showcase our products and a link to events themselves. They will be used in unison with the taping of the shows, to reach not the only the building professional but the entire World audience, to create the greatest marketing campaign ever seen. People will go to our Website to watch the event again and again, as it transforms from the Middle Eastern Event to following events in other venues such as China that will take place Worldwide that will include all professional from all countries. Think of it this way if you will, people in China, England, India, every culture will be able to go to our Website, click on a particular show and feel that they are part of this World event. We believe people will use these events as party entertainment on their big interactive screens,

6. SWOT Analysis

* **Strengths:**

1. State of the art fabrication machinery and facility, all CNC operated.
2. Great local manufacturing labor force.
3. Existing aggregate transportation mine rail system and two seaports accessing the Great Lakes.
4. Fantastic new natural raw stone supply of approximately 1.2 million acres.
5. Over twenty seven different producible products from the mines of the Iron Range.
6. Low overhead mineral lease costs, unlimited resources.
7. Great National & International sales force.
8. We will be the only high production facility in North America.

Weaknesses:

1. High overhead costs of purchasing state of the art equipment.
2. Training period for labor force.
3. Working out railway usage leases with iron range mining companies, for aggregate transfer docks on Lake Superior.
4. Costs in developing quarrying natural stone deposits on the Iron Range of

5. Costs of developing mineral leases (legal).

Minnesota.

6. Training of international sales associates.

* **Opportunities:**

1. Because of our International sales associates existing connections in their prospective home countries we will make great inroads in their countries building industries.

2. Working with the masonry unions will give us opportunities into supplying large commercial building projects in the United States.

* **Threats:**

1. Fuel surcharges are our greatest threat, shipping is the largest unknown cost variable to manufacturing business.

6.1.1 Strengths

* Unlimited natural stone resources located on the Iron Range, there is approximately million acres of stone producing land available for block extraction for products.

* Our facility is a Green manufacturing facility, we recycle all water and the product such slabs and tiles are Green because they can be refinished several times. The facility uses a deal less energy to produce our products because of the state of the art CNC machinery.

* Capability to produce 1,560,000 square feet of finished slabs for counter tops, building cladding, and interior applications per year.

* Capability to produce 10,731,000 square feet of tiles per year for interior design applications.

* Equipment that cannot be surpassed in their production capabilities, producing the highest quality products at a finished cost that can compete with any National or International producer. This equipment is basically robotic (CNC) in operation.

* Our ability to utilize the pre-existing taconite and iron ore delivery systems, that we can now use to deliver our finished products throughout the Great Lakes to the sea and to use the river way barge system to keep our shipping costs low.

* Superior Iron Range natural stone products with incredible hardness and durability.

* Minnesota Iron Range products that will re-energize the building design industry because of their fantastic beauty and that they are new and never before seen.

* A great manufacturing labor force that will be easily re-trained to operate our new machinery and the crushing operations, which are relatively the same jobs that they have done for years in the Iron Ore industry.

* Our Union labor force will give us a leg up into the building industry in the United States, most large commercial building projects are union labor built.

* Our International sales force with their own connections in their home countries will be

invaluable breaking into each market.

6.1.2 Weaknesses

* Higher costs for shipping finished materials during the winter months, which will force us to use the railway and highway systems instead of the Great Lakes ships.

* Higher fuel costs.