

SUPPLEMENTAL AGREEMENT

This Supplemental Agreement is entered into this 21st day of January, 2004, between the Lane Law Firm, L.L.C. [the Firm], with principal place of business located at 272 TINDALL ISLAND ROAD, GREENWICH, NEW JERSEY 80323 and the We The People Foundation for Constitutional Education, Inc. [the Client], with principal place of business located at 2458 RIDGE RD., QUEENSBURY, NEW YORK 12804.

On October 30, 2003, Mr. Robert L. Schulz, Chairman of We The People Foundation for Constitutional Education, Inc., [the Client], entered into a Second Retainer Agreement with The Lane Law Firm, L.L.C., [the Firm], for legal services for Phase Two of *We The People, et. al. v. The IRS, et. al.* [the Case].

For legal services for Phase Two of the Case, the Client agreed to compensate the Firm as follows, provided the Client was able to raise the necessary funds from contributions from its various donors:

1. When the Notice of Claim is served, the Client will pay the Firm the sum of \$250,000 to be placed into The Firm's Trust account. The amount of \$125,00 shall be transferred from the Trust account to Lane's personal account and shall be considered earned by Lane on the day the Complaint is filed in the US District Court and the Notice of Claim for the Federal Tort Claims Act Claim is served. After the Firm files and serves the Complaint and the Claim in this case, agencies of the government may file a motion to dismiss. The remaining sum of \$125,000 shall be transferred from the Trust account to Lane's personal account when Lane files a pleading in opposition to the motion to dismiss or within twenty days after the Complaint is filed in the US District Court and the Notice of Claim for the Federal Tort Claims Act Claim is served whichever date occurs first.
2. In addition to the sum set forth above, the Client shall pay to the Firm's Trust account the non-refundable sum of \$25,000 when the Complaint is filed in the US District Court and the Notice of Claim for the Federal Tort Claims Act Claim is served. That sum may be used by Lane for expenses, including travel, lodging, paralegal services or for compensating other counsel for specific tasks. These expenses need not be accounted for by Lane and shall be transferred from the Trust account to Lane's personal account at his sole discretion.
3. In addition to the provisions of paragraphs (1.) and (2.) set forth above, the Client shall deliver to the Firm four non-refundable checks, each in the amount of \$2,500. The disbursement of that sum, \$10,000, shall be at Lane's sole discretion and may be used for additional legal services or for paralegal services. The checks will be delivered to the Firm when the Complaint is filed in the US District Court and the Notice of Claim for the Federal Tort Claims Act Claim is served.

The funding for Phase Two has not yet arrived in full.

The Firm and the Client have agreed to certain modifications of the agreement so that the case may move forward without delay, namely:

1. The Client agrees to pay the Firm the sum of \$100,000 upon the filing of the Notice of Claim. Mark Lane is authorized to transfer that sum into his personal account.
2. The Firm will immediately serve the Notice of Claim regarding the Claim to be filed in the Court of Claims and the Complaint to be filed in the US District Court.
3. The Client has agreed to make good faith efforts to raise the additional sum of \$185,000, which will be paid to the Firm in increments of at least \$5,000, as those funds are received by the Client as contributions from its various donors, until the total of \$185,000 is paid in full.
4. The Firm has agreed to continue to exert its best efforts and to continue work on the case in accordance with the terms of the Second Retainer Agreement.

In all other respects, save for the modifications set forth above, the original Second Retainer Agreement dated October 30, 2003, attached hereto and incorporated by reference, remains as it was written and agreed to by and between the parties.

Agreed to and accepted by:

Mark Lane
Attorney at Law and Managing Member
The Lane Law Firm, L.L.C.

Robert L. Schulz
Chairman
We The People Foundation for Constitutional Education, Inc.

Dated: January 21, 2004