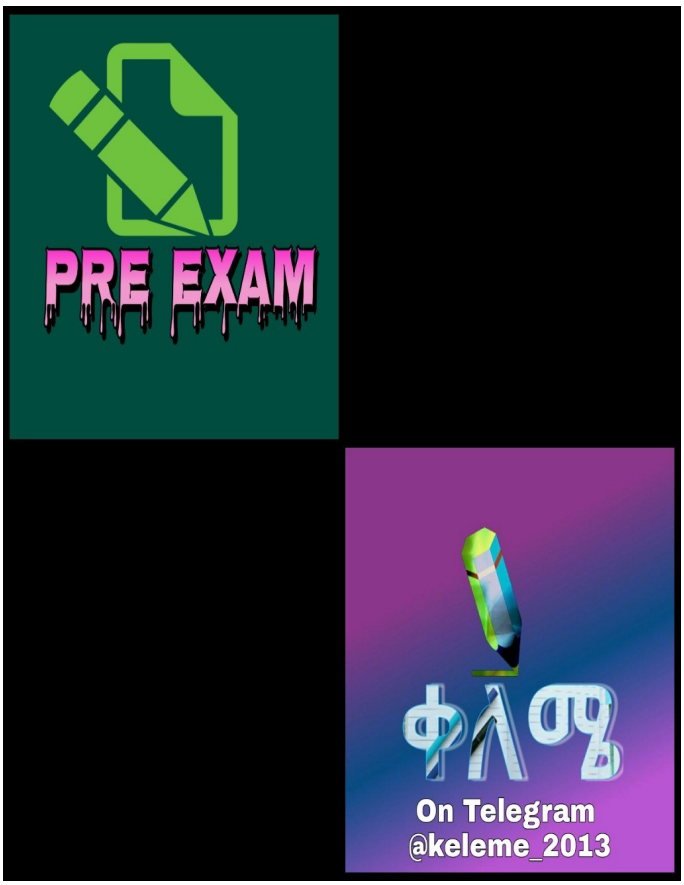
[COMPANY NAME]
BUSINESS PLAN



Contact: [Name] or [Name]
[Address]
[City, State ZIP]
Phone: XXX-XXX-XXXX
Fax: XXX-XXX-XXXX
E-Mail: [Email Address]

Confidentiality Agreement

The undersigned reader acknowledges that the information provided by ***[Company Name]*** in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of ***[Company Name]***.

It is acknowledged by reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader may cause serious harm or damage to ***[Company Name]***.

Upon request, this document is to be immediately returned to ***[Company Name]***.

_____
Signature

_____
Name (typed or printed)

_____
Date

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

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[Company Name]

1.0 Executive Summary

Introduction

[Company Name] is two bed & breakfast houses located in the heart of [LOCATION]. The company operates from [Address, City, State ZIP]. Each historical house is built in the late 19th century, with five charmingly decorated rooms geared to provide luxurious hospitality at its finest.

- ***The 1872 Victorian Style [NAME]***
- ***The [NAME] Inn on 2 acres land***

The Market

The [LOCATION] is one of [STATE]'s number one vacation destination locations. A statistical report shows that 2.75 million overnight trips were made to this area with bed and breakfast reflecting an annual revenue income of $40 million. 60.9% of travelers are over the age of 45 with an average income of over $100,000 per year. The total economic impact of visitors to [COUNTY] County was $1.3 billion in 2005.

The Management Team

[Name], a husband and wife team has managed these two Inns for over twenty-four years showing a steady income growth over the years. Their expertise in hospitality totals over 60 years combined and is a direct reflection of their word to mouth marketing strategy. Community leadership and local annual donations are just a few aspects [Name] and [Name] pride themselves with. Local wineries will recommend the Inns to their customers which almost always lead to repeat visitors to [CITY].

The Company

With ten rooms over two properties, the owners have a solid income stream and a 10% market share to this area. Adding additional marketing will draw new and existing customers for this tourist attraction. Renovating, remodeling, and adding rooms will help local vendors with their business.

[Company Name]is committed to participate in reviving the economy and return the sales to the heart of the [LOCATION]. These opportunities will ensure a strong competitive edge to other bed and breakfasts and at the same time implement a long-term revenue stream.

The Request

An immediate grant in the amount of **$250,000** will allow to

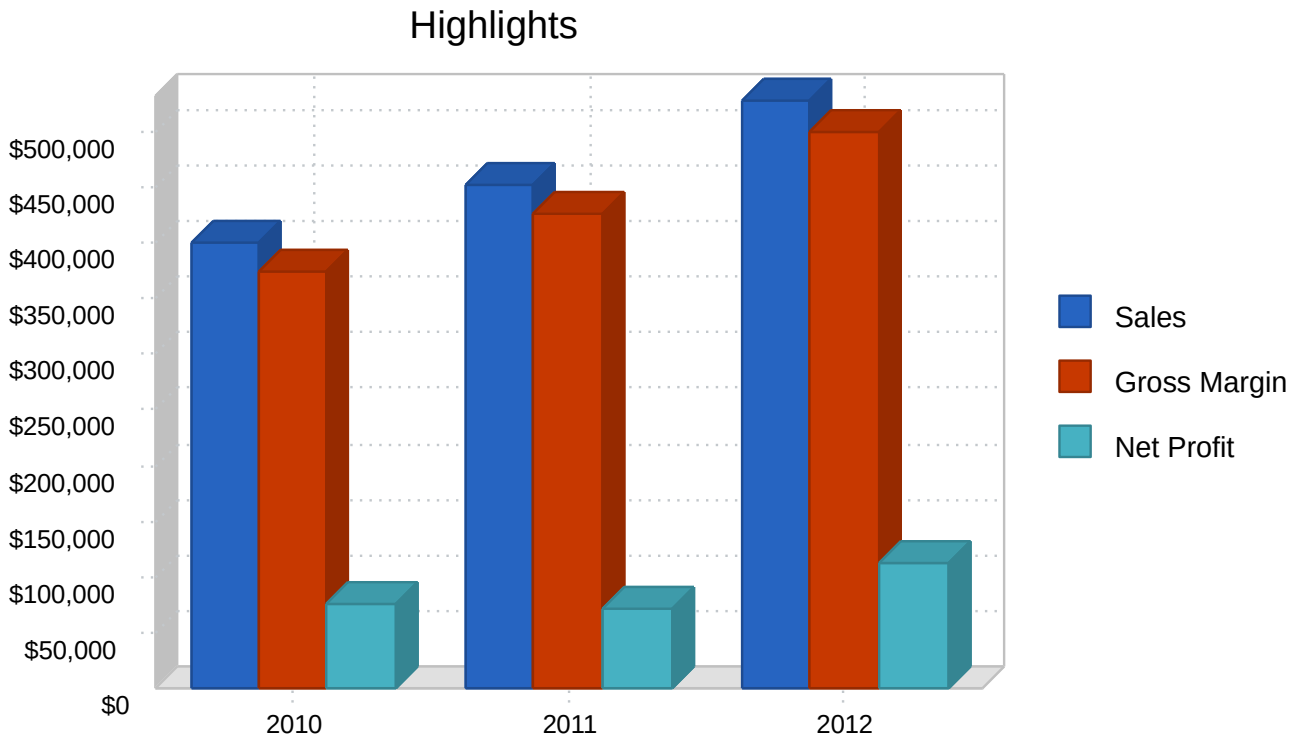
- Increase Marketing Efforts - $60,000
- Renovate and upgrade existing rooms - $119,000
- Add two rooms - $71,000

A second grant one year later in the amount of **$100,000** would allow to

- Add three more rooms - $100,000

This capital injection will create jobs, labor work, and additional reservation count. With an average annual capacity of 43% - 47%, the added rooms would generate a new revenue stream of an additional 33% to the Inns. Projecting only 30% of capacity for the FY 2011 and 2012 would yield an additional income of **$127,567**. As the highlights reflect, sales could reach over $500,000 by year three from receipt of capital.

This additional income and the projected gross profits will support the overall efforts in hiring a total of five more employees over the next three years.



1.1 Objectives

The [Company Name]s concept for this business plan is to obtain an immediate capital injection in the amount of $250,000 to address the following areas needed for the Inns and a second injection of $100,000 one year thereafter to add three additional rooms.

Realizing these objectives will boost the revenue streams, add jobs to the community, and inject labor jobs for a period of three years for the renovation, remodeling, and addition projects.

- **Marketing - $60,000**
    - Paid search engine listing to reach a higher presence on the internet hit rate
    - Upgrade websites
    - Produce direct mailers to existing and new customers
    - Create e-blast e-mail advertisements
    - Produce brochures and pamphlets for local advertisement

- **Remodel and Upgrade existing rooms - $119,000**
    - Replace carpets
    - Upgrade bathrooms and tubs (include conversion of two tubs into jetted tubs)
    - Purchase furniture and beds
    - Interior and exterior painting at [NAME] Inn
    - Add fireplaces to five rooms
    - Upgrade flooring to increase AAA rating

- **Expansion of two rooms at [NAME] - $71,000**
    - Add two rooms

- **Future Expansion of three additional rooms at [NAME] Inn - $100,000**
    - Add thee rooms

1.2 Mission

The [Company Name]s mission is to provide luxurious and hospitable lodging at an affordable price. The goal is to give guests a wonderful Bed and breakfast experience and assist them in their [LOCATION] vacation.

1.3 Keys to Success

[Company Name] keys to success for the [LOCATION] bed and breakfast Inns are:

- The great location of the Inns with access to the vineyards and wine train
- Local presence of over 24 years in business
- Highly recommended by local winery owners
- Proven track record of successful profit making operation over the past 24 years
- Community leadership and support
- Excellent service with "personal touch" hospitality

2.0 Company Summary

The target market is adult couples between ages 24 and 75 years visiting the [LOCATION] as well as visitors arriving in [CITY] without reservations.

[Company Name]s LLC operates two bed and breakfasts in the heart of [LOCATION] in [CITY], [STATE] which are:

[Company Name]

[Company Name]

2.1 Company Ownership

[Company Name]s is a Limited Liability Corporation operated by its original owners:

[Name]

Both, [Name] and [Name] have been in the hospitality industry for more than 30 years each.

2.2 Company History

[Company Name]s LLC was formed in **[Date]**. [Name] have been operating these two facilities from the [LOCATION] vacation destination infancy, contributing a tremendous amount of success with regards to the lodging and hospitality support. This success is reflected by the local recommendations made by vineyard owners who suggest the Inns for their overnight stay.

While the beautiful vineyards offer one of [STATE]'s finest wines, it is the Inns unprecedented personal service and their charmingly decorated rooms that create the memorable experience for visitors to return and new ones to choose the Inns.

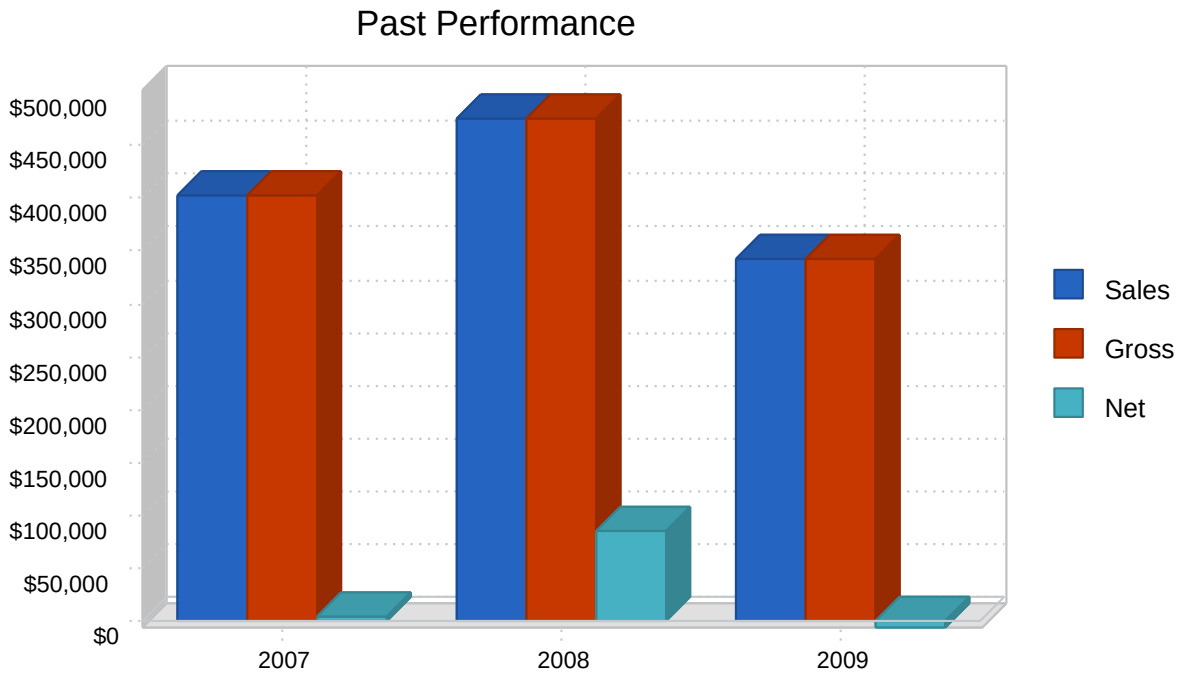
In the last 10 years, the [LOCATION] wine country also attracted a more high-end wealthier clientele, making the [LOCATION] a number one tourist attraction in [STATE]. As a result of this attraction, in the past five years, the numbers of available rooms have risen.

The economic challenges of the recent 18 months have placed a financial burden on the Inns that creates a challenge for competition. The solutions represented in this Business Plan are geared towards the reviving aspects of the visitor attraction, keeping up with the new marketing and advertising technology, and to upgrade, remodel, and add more rooms to the Inns. Both of the Inns are historical buildings constructed in the late nineteenth century and require a great deal of upkeep.

Table: Past Performance

Past Performance			
	2007	**2008**	**2009**
Sales	$402,926	$475,746	$341,965
Gross Margin	$0	$0	$0
Gross Margin %	0.00%	0.00%	0.00%
Operating Expenses	$397,987	$389,731	$347,229
Balance Sheet			
	2007	2008	2009
Current Assets			
Cash	$19,365	$18,000	$21,000
Other Current Assets	$225,000	$271,000	$247,000
Total Current Assets	$244,365	$289,000	$268,000
Long-term Assets			
Long-term Assets	$1,237,000	$1,734,000	$1,990,000
Accumulated Depreciation	$0	$0	$0
Total Long-term Assets	$1,237,000	$1,734,000	$1,990,000
Total Assets	$1,481,365	$2,023,000	$2,258,000
Current Liabilities			
Accounts Payable	$36,900	$2,600	$5,900
Current Borrowing			
Other Current Liabilities (interest free)	$0	$0	$0
Total Current Liabilities	$36,900	$2,600	$5,900
Long-term Liabilities	$684,000	$674,000	$664,000
Total Liabilities	$720,900	$676,600	$669,900
Paid-in Capital	$0	$0	$0
Retained Earnings	$760,465	$1,346,400	$1,588,100
Earnings	$0	$0	$0
Total Capital	$760,465	$1,346,400	$1,588,100
Total Capital and Liabilities	$1,481,365	$2,023,000	$2,258,000
Other Inputs			
Payment Days	0	0	0

Chart: Past Performance



3.0 Services

Both bed and breakfast properties offer lodging in a luxurious and intimate setting. The owners offer special attention to their guests, a tranquilizing ambiance, and a relaxing atmosphere in the heart of the [LOCATION].

- **The 1870 Romantic Victorian Style - [NAME] B&B - average room/suite rate of $227.00/night**
  - 5 Rooms Total
- **The [NAME] Inn on two acres - average room/suite rate of $249.00/night**
  - 5 Rooms Total

Both Inns offer amenities such as:

- [NAME] B&B: Location is in walking distance to the wine train
- [NAME] Inn: Location is on two acres amidst the vineyards

Both Inns offer rooms available with:

- Jacuzzi Tubs
- Fireplaces (in room)
- Satellite TV / Internet Access
- Air Conditioning
- Balcony / Deck
- Parlor

Specialty amenities include:

- The famous Champagne Breakfast
- Wine and cheese every evening

4.0 Market Analysis Summary

[LOCATION] and its Tourism

A recent study named "[COUNTY] County Visitor Profile Study & [COUNTY] County Economic Impact Study published in March 2006 revealed very important tourism and economical statistics regarding the impact tourism has on [LOCATION]. Below are key findings that directly impact the marketing analysis for the bed and breakfast properties.

How much does a Visitor spent?

Visitors who did not stay overnight within [COUNTY] County spent an average of $146 per day, **while overnight visitors spent $233 per day**. Average total Daily Spending of both categories is $197. Tourism in [COUNTY] County generates over $1.3 Billion in economic impact annually.

The visitor serving industry is the second largest sector of [COUNTY] Countys economy. Every 24 hours, guests of The [LOCATION] spend approximately $4 million in local businesses, with [COUNTY] visitors contributing about $176 million to the revenue of commercial hotels in [COUNTY] County. **Bed and breakfasts received another $40 million of their revenue from visitors.** Tax revenue generated by tourism spending is **$125 million annually**.

In addition to the well known winery attraction, the [LOCATION] has many other great activities that draw tourists to stay additional days. Some of the activities include:

- [STATE] Wine purchase and vineyard visits
- Fine Dining
- Art
- Hot Air Ballooning and Bicycling
- Golf

- Casinos
- Site Seeing Tours
- Spas / Massage
- Shopping
- Museum and Live Performances and Tours

4.1 Market Segmentation

Visitor Age Profile

The largest age group of respondents in the annual sample was between **35 and 44 years.** They made up **21%.** The age composition of all visitors showed a more senior picture, with the **45-54** age groups making up **23%** of all visitors represented by the total annual sample. Respondents between **35 and 54 years** of age (three age groups combined) made up close to **50%** of the annual total sample. Those at the age of **45 and above** accounted for **60.9%** of all visitors.

Visitor Income Profile

- $100,000 and over = 57.6%
- $150,000 and over = 26.6%
- $50,000 to $99,000 = 30.1%

Visitors Education Profile

- Professional and Technical = 30.2%
- Managers and Executives = 23.7%
- From the above sample about 73.5% hold a bachelor's to doctorate degree
- and 32.1% hold a master's and doctorate degree

How many visitors stay at a bed and breakfast annually?

According to the above statistics, approximately **171,673 visitors** utilized a **Bed and breakfast** for their lodging needs.

How likely are the Visitors to return to the [LOCATION] and when?

This question is extremely important to [Company Name] operation as it directly impacts their repetitive customer base. The Inns pride themselves with service that is worth coming back for. Therefore, we opted to illuminate this aspect in the Market Analysis. The findings are:

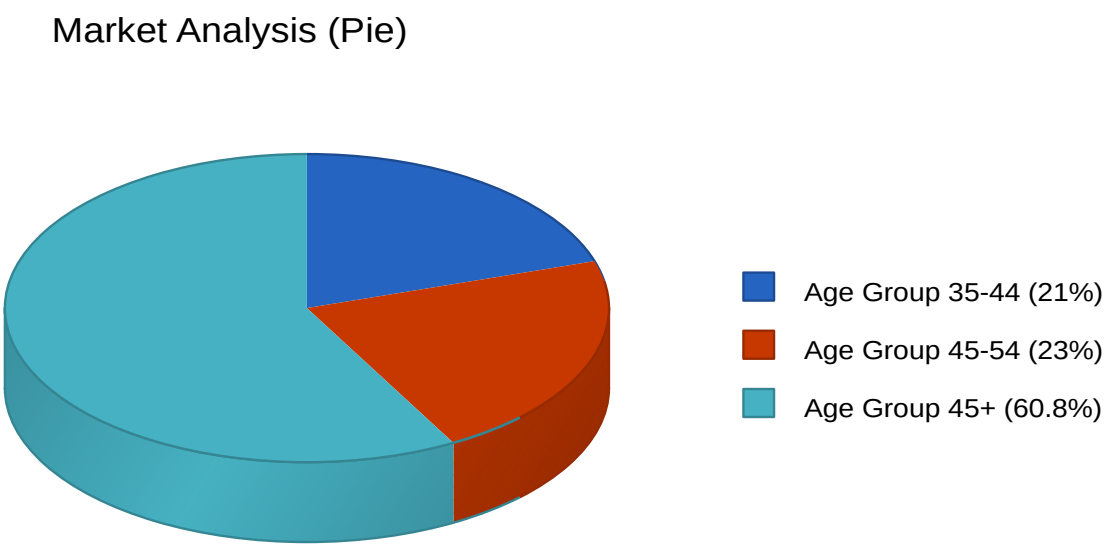
[LOCATION]'s travel market can be considered as highly loyal. The proportion of all guests who expressed either **"very likely" or "likely" to return to the area** for future visits was nearly **90.1%**.

This strongly suggests that the more often they visit the area and the more they know about it, the more likely they are to return. Among those who expressed a likelihood of future visits, **22.1%** would come back within **three months**; another **34.7%** between **four months and one year**.

Table: Market Analysis

Market Analysis							
Potential Customers	Growth	2010	2011	2012	2013	2014	CAGR
Age Group 35-44 (21%)	3%	36,052	37,134	38,248	39,395	40,577	3.00%
Age Group 45-54 (23%)	3%	39,485	40,670	41,890	43,147	44,441	3.00%
Age Group 45+ (60.8%)	3%	104,375	107,506	110,731	114,053	117,475	3.00%
Total	3.00%	179,912	185,310	190,869	196,595	202,493	3.00%

Chart: Market Analysis



4.2 Target Market Segment Strategy

The Inns targeted market groups are couples ranging from age 24 to 75 years of age seeking to visit the [LOCATION]. The major focus group which is also the highest

percentage of visitors to this area would be those of age 45 and over making up over 60% of the total visitors to the [LOCATION]. The secondary group classification would be the income level of $100,000 and above, making up about 86.2% of visitors.

4.3 Service Business Analysis

The [Company Name]s offer bed and breakfast hospitality accommodations as well as some food service for their guests. The [NAME] Inn and The [NAME] B&B each have five distinctively and individually decorated rooms for rent. Aside from the room, the Inns offer breakfast and wine & cheese in the evening.

4.3.1 Competition and Buying Patterns

Both of the Inns are competitively prices at an average price of $245.00/night. The intimate atmosphere which is created by the historical properties is an important aspect that new buildings can not compete with. Additionally, the Owners have a proven track record of returning guests based on the customer service, the rooms, and the personal attention they provide.

The Inns' greatest assets are the location of the Inns and the owner's long time community relationships with the town and county. This presence and involvement from the beginning of this tourist attraction are all added values that set the Inns apart from newly introduced bed and breakfast properties in the [LOCATION]. The [NAME] Inn is one of only three bed and breakfast location in this immediate area.

5.0 Strategy and Implementation Summary

Tourists visiting the [LOCATION] expect to vacation amidst the vineyards, restaurants, and shops in an atmosphere that "takes them back in time". Equipped with the amenities a modern traveler needs today, the owners have maintained this distinct "time capsule" ambiance through their perfectly situated 19th century bed and breakfasts. The goals of the Inn are two-sided; preserving these revenue making buildings and continue to provide exceptional memories to tourists visiting the beautiful enchanted [LOCATION].

5.1 SWOT Analysis

The [Company Name]s **strengths** are the locations, the 19th century historical buildings, and their original owners for over twenty-four years of operations are their major assets. Stemming from these strengths is a repetitive customer base through positive word of mouth recommendations from local winery owners, restaurants, and shops. The historical buildings, a major marketing asset, also create a **weakness** in regards to the costs associated with the maintenance and upkeep. Coupled with the economic challenges, a capital injection would yield a positive solution to upgrade and remodel these Inns while creating equity on the balance sheet.

These upgrades also present an **opportunity** for the Inns to create a competitive edge driven by added visibility on the internet to reach new customer who, no doubt, will become repeat guests. The noted weaknesses are ultimate the **threats** to the Inns which can be eliminated by implementing these opportunities.

5.1.1 Strengths

Great Locations: Both Inns are perfectly situated to accommodate two major groups of visitors

- Guest who wish to walk to restaurants and downtown shopping. [NAME] is located in walking distance to the wine train.
- Or Guests who wish to be on the country side among the vineyards on a two acre land.

Experience & Presence: The original owners of twenty-four years also have over thirty years of experience in the hospitality industry. Coupled with the knowledge, the owners have built a tremendous amount of reputation, trust, and community support over the years. These owners have operated longer than any other Innkeepers in this area.

[LOCATION] Community Involvement: From the start of operating the Inns, both [Name] have been active members of the [CITY] Chamber of Commerce and have been on the board of the [LOCATION] Visitors and Convention Bureau. Giving back to the community is a philosophy that comes naturally. **Each year donations of fifteen room nights are made available to benefit the local community services such as the [CITY] Rotary and the local school scholarship fund.**

5.1.2 Weaknesses

- The needed cash flow from profits is a result of the recent economic challenges. The Inns are historical buildings and need constant upkeep.
- Having to lay off four employees who are needed to maintain the Inns and to service the guests.
- The need for more internet presence through paid search engine tools to gain a higher reservation "hit rate".

5.1.3 Opportunities

- Travelers seeking reservations online will allow for the needed visibility to attract guests from all regions of the United States and world wide.
- The [LOCATION], for the past five years, has been the number one destination point in [STATE]. Preparing for the economical recovery, the owners will utilize the time to remodel and upgrade the Inns.
- Hiring five employees will create the needed labor force to assist with guest services
- Placing ads in magazines specifically for the [CITY] area
- Maintain communication with the existing customers on a regular basis (4 times a year)

- Attracting those guests with no reservation by local advertisement
- Adding five rooms over a period of three years will generate a higher revenue stream

5.1.4 Threats

- Lack of funding to maintain, remodel, and upgrade the historical buildings
- Low visibility on the internet to reach new guests
- Limited funds to maintain communications with repeat customers
- Unable to re-hire the needed employees
- Maintaining the Inns' competitive edge from emerging local competitors

5.2 Competitive Edge

The tangible competitive edge the Inns have over other lodging facilities are easily identified as:

- The owners who have diligently serviced the hospitality needs of thousands of guests for the past 24 years
- The 19th century historic buildings bring the bed and breakfast to live with each room idyllically decorated
- Both bed and breakfast are perfectly situated in the heart of [LOCATION]
- [NAME] B&B was bought at a time when prices were low
- Having a twenty-year lease on [NAME] Inn - one of only three Inns available in the area

5.3 Marketing Strategy

Internet Search Engine Upgrade:

Upgrade the URL links to be added to paid search engine return results. Add more keywords, and maintain service to stay on the top 10 hit return list when users search for [LOCATION] accommodations.

Direct Print Mailers & E-Mail:

Sent out e-mails and postcard mailers of updates from the bed and breakfast highlights, inform about upcoming events, and announce annual festivals to the existing customer base. Mailers should be sent at least four times a year. Addresses are available through the reservation system by zip code, status, and other criteria.

Local Print Advertising:

Advertise locally for those travelers without any reservations. Main focus is directed at winery, restaurants and shops in the [LOCATION]. Maps of winery, local magazines, and free brochures are available for advertising.

5.4 Sales Strategy

The [Company Name]s have fully functioning websites with reservation tools in place for each location. Currently, 72% of their reservations are made online.

- Paid search engine tool to increase internet presence
- Update website with Flash Player, new high graphic pictures, and interactive reservation tools
- Add more direct mailers and e-mail campaigners for existing customers
- Distribute more brochures and pamphlets at local places such as the winery, restaurants, and shops

5.4.1 Sales Forecast

The table below outlines the sales projections for the next three years (including 2010 current) based on both Inns with a total of 10 rooms combined. The direct costs associated with the sales are also combined and reflect an approximate 3% margin for the credit card merchant fee, a 6% margin for the Food and Beverages, and a 2% margin for Other Supplies and Linen from the annual Gross Sales amount.

In FY2010 sales are forecasted to include the marketing impact for the added visibility on paid search engines and a total of a 10 room capacity at 47% or $400,000 per year. FY-2011 sales include two additional rooms respectively an added revenue stream of $170,090, a 30% capacity of the added rooms would generate additional sales of $51,027 per year thus impacting the overall sales to $452,000 at a 44% capacity level.

In FY-2012 the added three rooms would generate even more revenues to the overall sales in the amount of approximately $255,135 per year. A 30% capacity of the added three rooms would generate additional sales in the amount of approximately $76,540 per year thus impacting the overall sales to $527,541 at a 41% capacity level.

Renovating, upgrading, and adding the five rooms over a period of three years will proof beneficial to the overall revenue stream to the Inns.

The current 100% revenues are reflective of about 3,650 reservations with a maximum income of $850,450. By the end of year three this revenue stream will be at 5,475 reservation opportunities with an increased revenue opportunity of $1,276,675.

A $350,000 grant capital injection would yield 27% in new revenue opportunities.

Table: Sales Forecast

Sales Forecast			
	2010	2011	2012
Sales			
[NAME] B&B	$148,500	$167,805	$195,325
[NAME] Inn	$251,500	$284,195	$332,224
	$0	$0	$0
Total Sales	$400,000	$452,000	$527,549
Direct Cost of Sales	2010	2011	2012
Credit Card Merchant Fee	$6,600	$6,732	$6,867
Food and Beverage	$14,400	$14,688	$14,982
Other Supplies and Linen	$4,800	$4,896	$4,994
Subtotal Direct Cost of Sales	$25,800	$26,316	$26,842

Chart: Sales Monthly

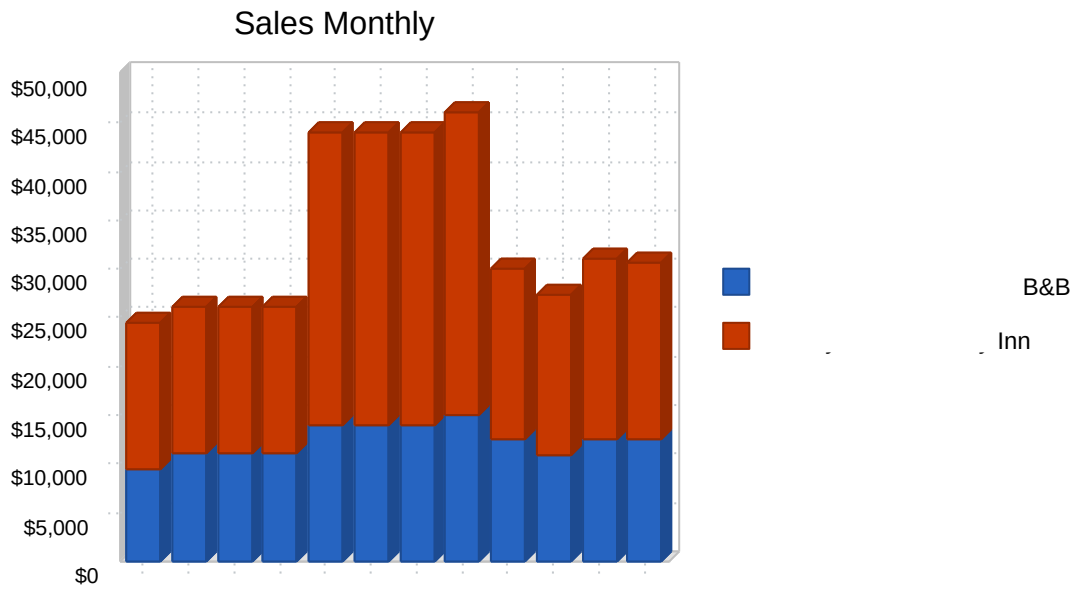
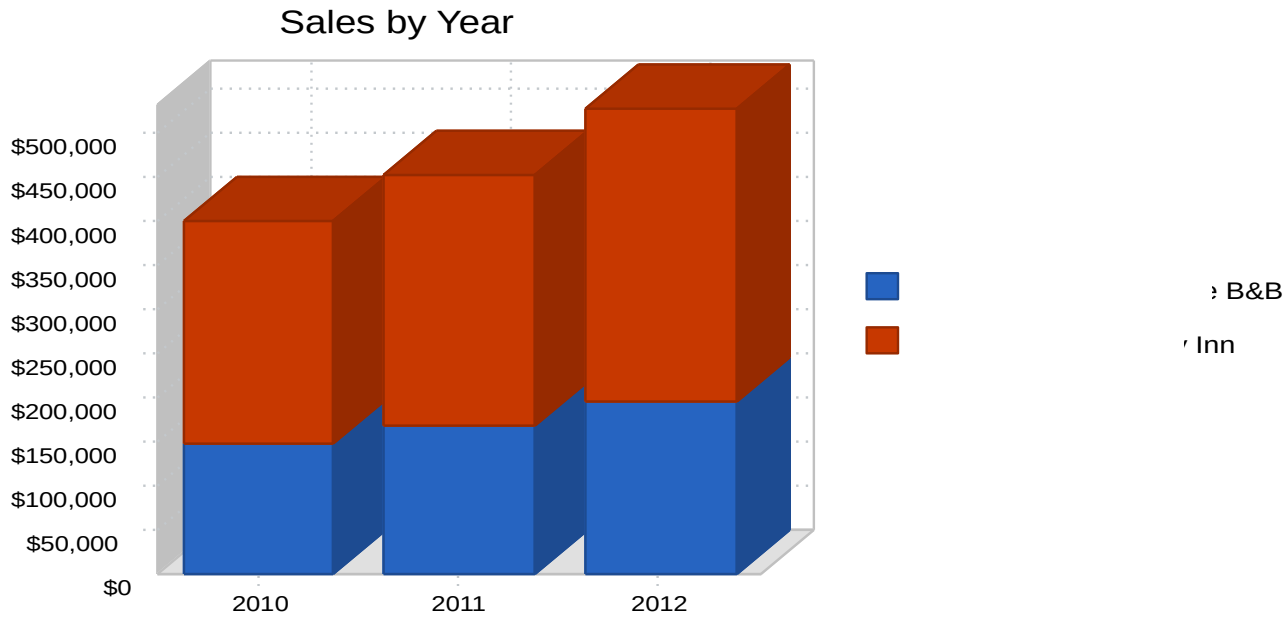


Chart: Sales by Year



5.5 Milestones

The following table lists important milestone dates and budget amounts. Upon receipt of the anticipated capital injection of $250,000, the internet search engine development can start immediately.

Print Advertisement is scheduled to be released throughout the year and the remodel/upgrade work is schedule within weeks after receipt of the capital.

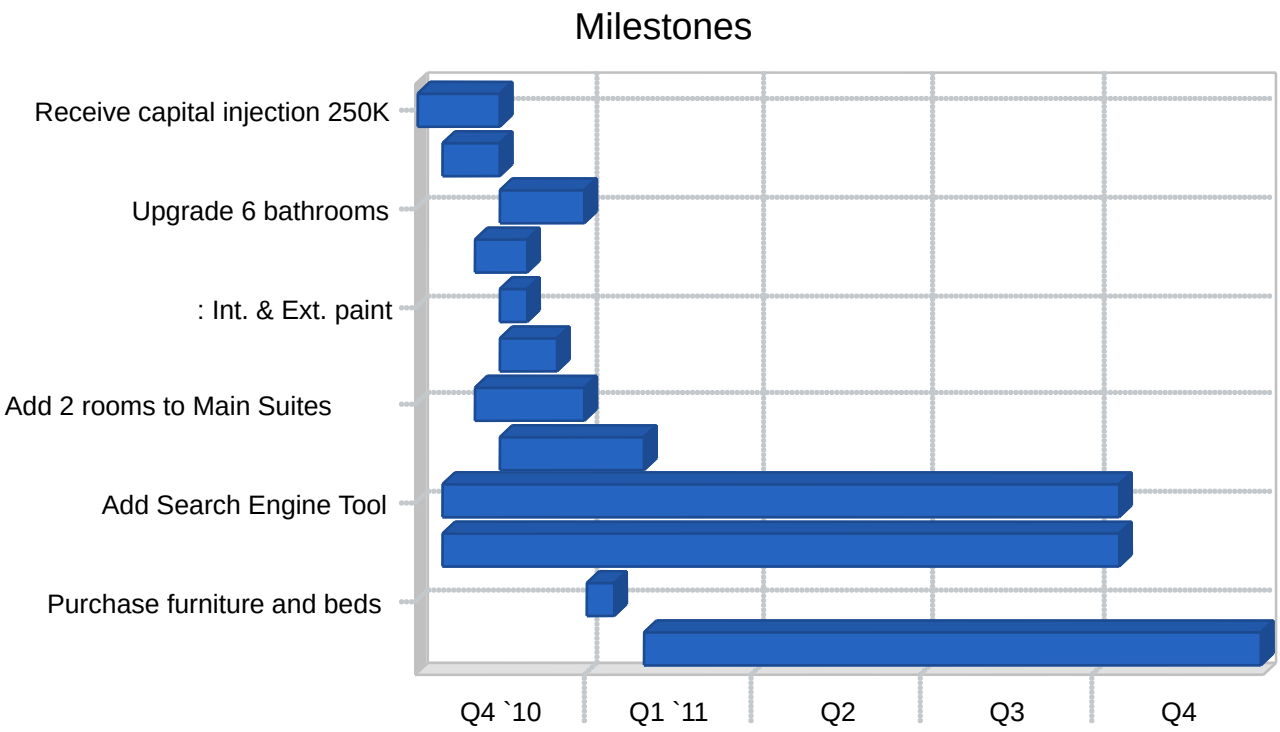
Adding two rooms in phase I will increase the added revenue stream for FY-2011 and adding three additional rooms from the second funding of $100,000 will add additional revenue streams for FY-2012.

Table: Milestones

Milestones

Milestone	Start Date	End Date	Budget	Manager
Receive capital injection 250K	10/1/2010	11/15/2010	$0	
Add Search Engine Tool	10/15/2010	10/15/2011	$42,000	Owners
Print Advertisement	10/15/2010	10/15/2011	$18,000	Owners
Replace carpet	10/15/2010	11/15/2010	$12,000	Owners
Upgrade 6 bathrooms	11/15/2010	12/31/2010	$19,000	Owners
Convert 2 tubs to jetted tubs	11/1/2010	11/30/2010	$8,000	Owners
Purchase furniture and beds	1/1/2011	1/15/2011	$28,000	Owners
Twilight Oaks: Int. & Ext. paint	11/15/2010	11/30/2010	$22,000	Owners
Add 5 fireplaces	11/15/2010	1/31/2011	$15,000	Owners
Upgrade bathroom flooring	11/15/2010	12/15/2010	$15,000	Owners
Add 2 rooms to Ambrose Bierce	11/1/2010	4/1/2010	$71,000	Owners
Add 3 rooms to Shady Oaks	10/1/2011	3/1/2012	$100,000	Owners
Totals			$350,000	

Chart: Milestones



6.0 Management Summary

The Inns are currently operated by the two owners, [Name], a full-time manager, and two hourly housekeeper employees. The company anticipates re-hiring two more employees by November 2010 to assist with the guest services and the remodel and renovation clean up work. One additional employee will be hired by April 2011 when the two rooms are added. Another two employees will be hired by the end of phase II completion of the three rooms in FY-2012.

6.1 Personnel Plan

The Inns will maintain its primary management functions through the current owners.

The manager employee has an annual gross salary of $64,000 and the housekeepers are at a gross hourly rate of $10.00/hour. The current two housekeepers will maintain the current workload until the renovation and remodel begins.

At that time, the Inns plan to hire or re-hire two of the three additional employees to service the facilities and guests. By the end of FY 2012, the Inns anticipate to have eight employees to service the facilities.

Table: Personnel

Personnel Plan			
	2010	2011	2012
Manager	$55,248	$55,248	$55,248
Housekeepers	$30,464	$62,016	$81,600
Total People	5	6	8
Total Payroll	$85,712	$117,264	$136,848

7.0 Financial Plan

The operations of the Inns do not require purchase of inventory and almost all sales are pre-paid or on cash basis, therefore, an increase in sales will not be accompanied by initial cash-flow deficits.

7.1 Important Assumptions

The financial plan depends on several important assumptions such as:

- The capital injections are received
- The paid search engine will attract new customers making online reservations
- The renovation, remodel, and addition will attract new and high-end customers

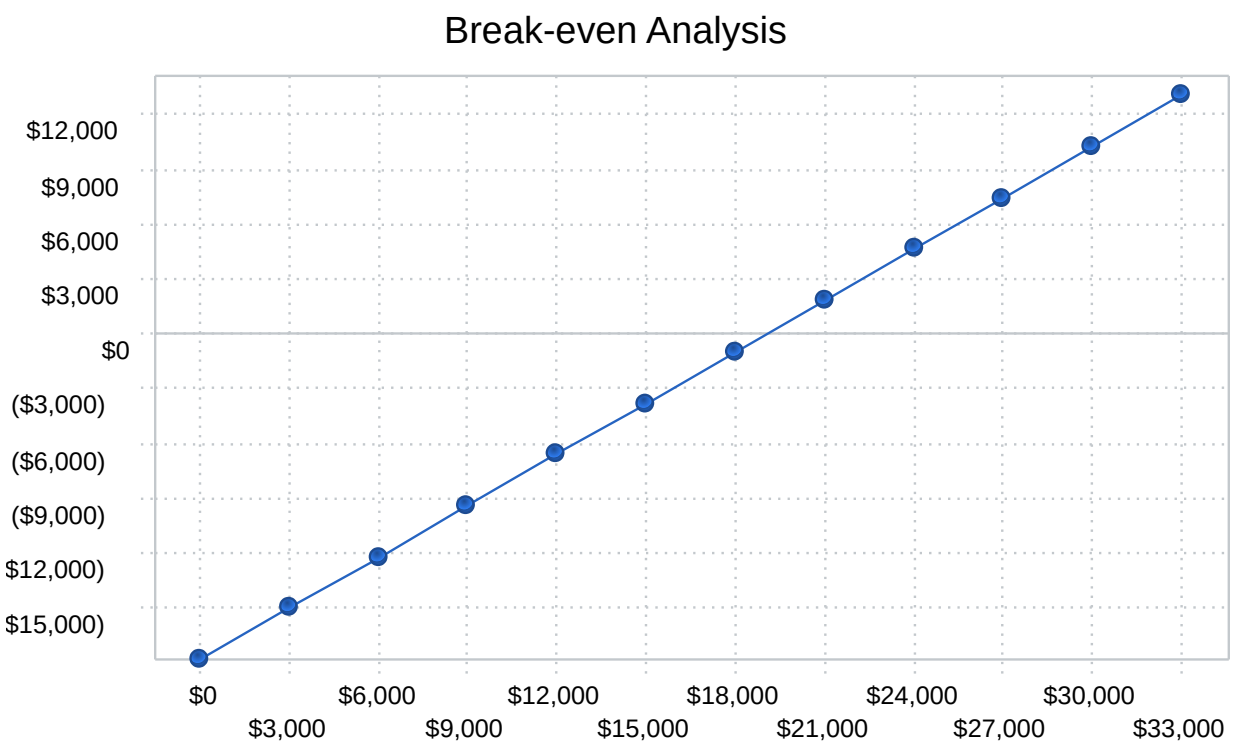
7.2 Break-even Analysis

The break-even analysis is based on the Inn's fixed costs of rent, maintenance, payroll, insurance, and general monthly costs. The monthly revenue break even point for the Inns is at $19,044 with an average percent variable cost of six percent.

Table: Break-even Analysis

Break-even Analysis	
Monthly Revenue Break-even	$19,044
Assumptions:	
Average Percent Variable Cost	6%
Estimated Monthly Fixed Cost	$17,816

Chart: Break-even Analysis



7.3 Projected Profit and Loss

Receiving a capital injection to handle the major marketing costs, renovations, and upgrades will yield a higher profit return for the FY 2010/2011/2012. The anticipated net profits will be used to re-hire and hire six additional employees by FY-2012.

Table: Profit and Loss

Pro Forma Profit and Loss			
	2010	2011	2012
Sales	$400,000	$452,000	$527,549
Direct Cost of Sales	$25,800	$26,316	$26,842
Other Costs of Sales	$0	$0	$0
Total Cost of Sales	$25,800	$26,316	$26,842
Gross Margin	$374,200	$425,684	$500,707
Gross Margin %	93.55%	94.18%	94.91%
Expenses			
Payroll	$85,712	$117,264	$136,848
Rent	$52,500	$52,500	$52,500
Depreciation	$0	$0	$0
Utilities	$21,000	$21,420	$21,848
Insurance & Auto Expenses	$15,504	$15,814	$16,130
Phone/Fax/Internet/Supplies/Equipment	$9,504	$9,694	$9,888
Payroll Taxes	$2,571	$3,518	$4,105
Marketing & Advertisement	$12,000	$12,240	$12,485
Repairs	$15,000	$15,300	$15,606
Total Operating Expenses	$213,791	$247,750	$269,411
Profit Before Interest and Taxes	$160,409	$177,934	$231,296
EBITDA	$160,409	$177,934	$231,296
Interest Expense	$72,060	$94,767	$98,679
Taxes Incurred	$13,252	$12,475	$19,893

Net Profit	$75,096	$70,692	$112,724
Net Profit/Sales	18.77%	15.64%	21.37%

Chart: Profit Monthly 2010

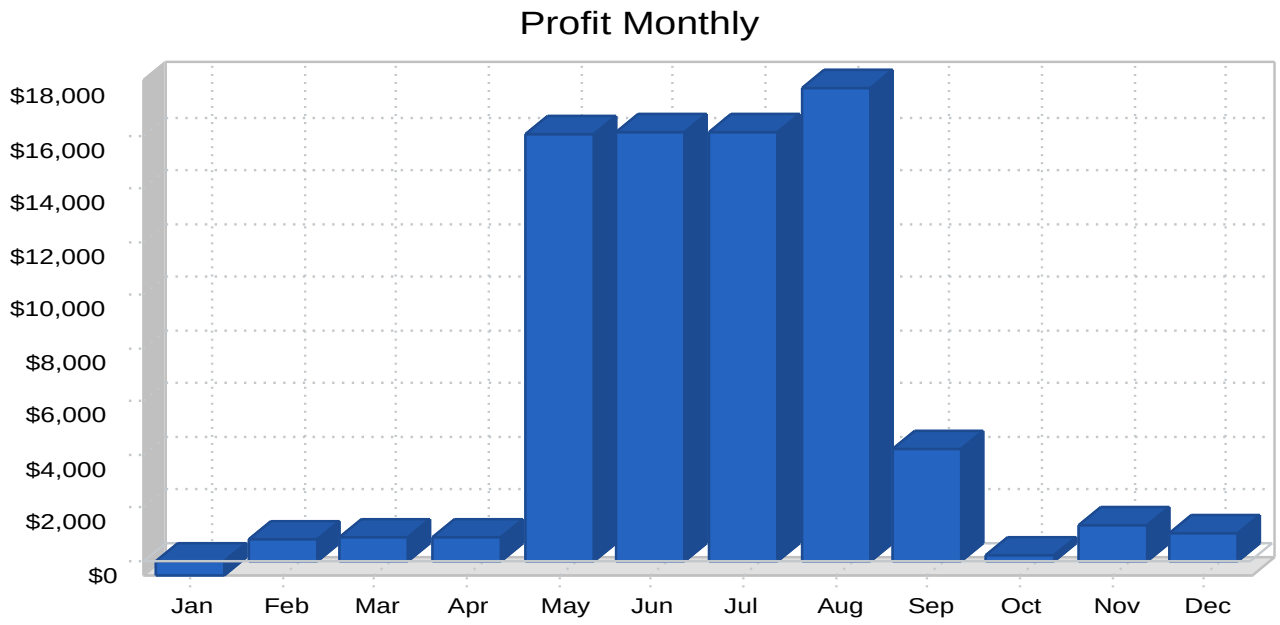


Chart: Profit Yearly

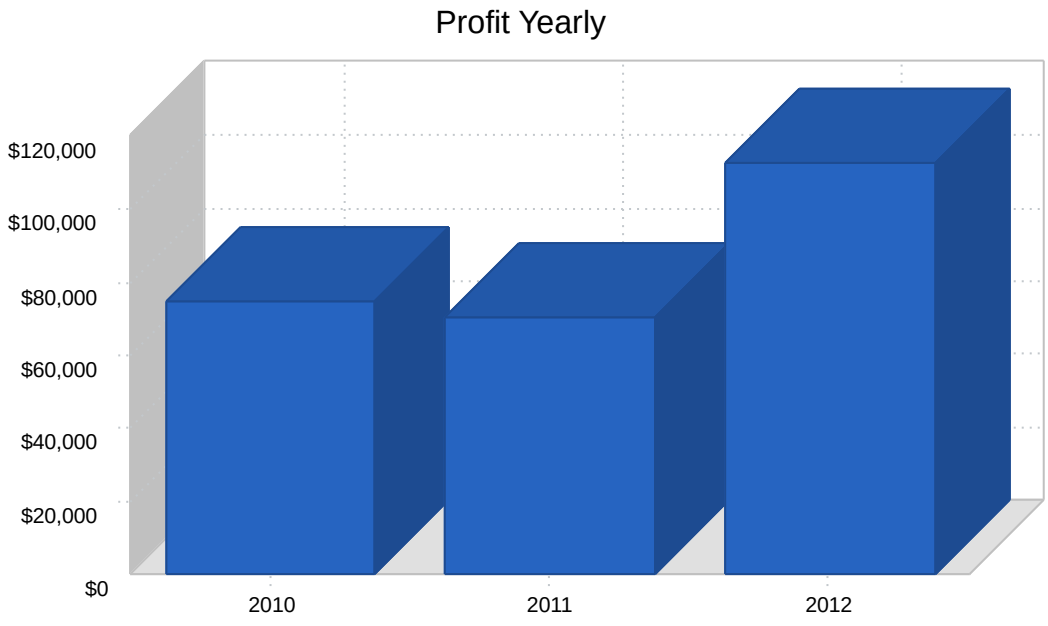


Chart: Gross Margin Monthly

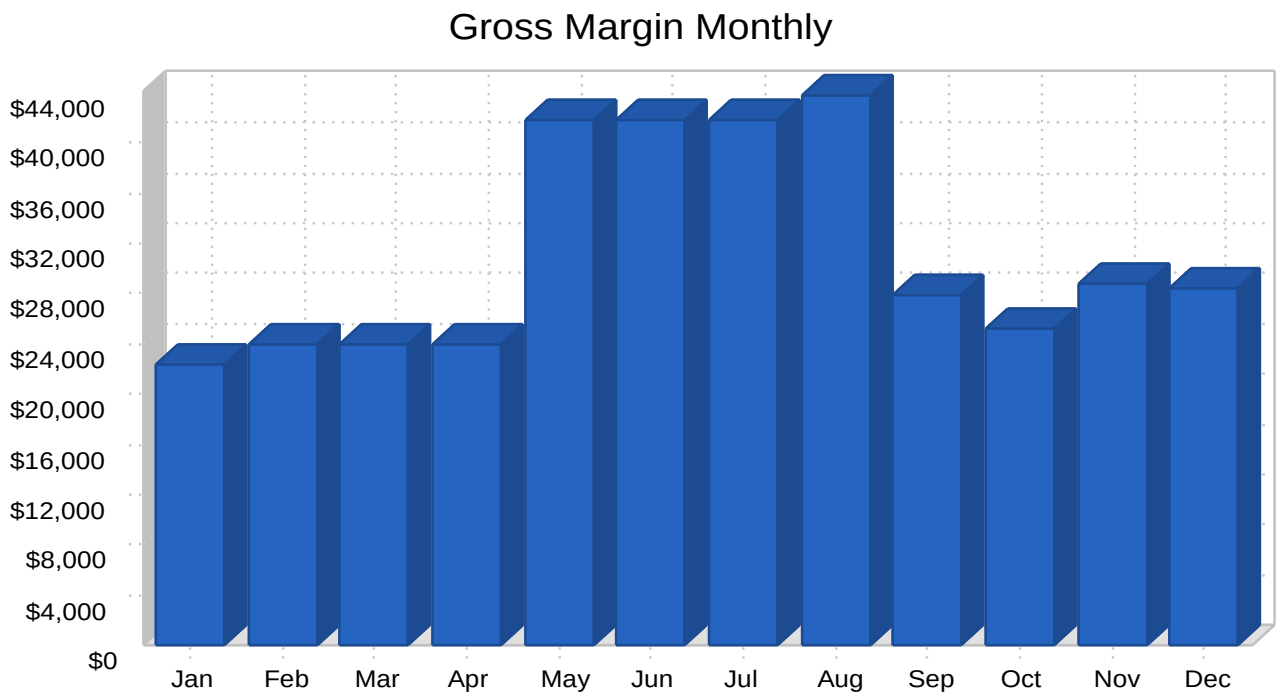
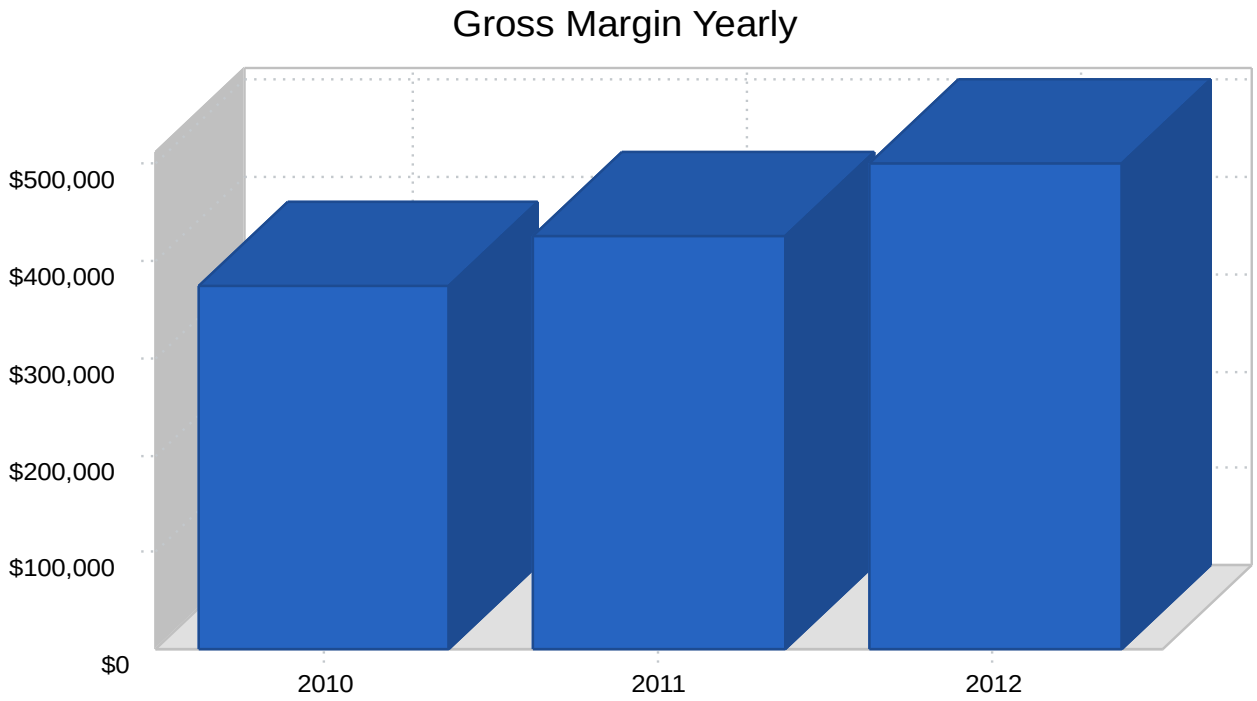


Chart: Gross Margin Yearly



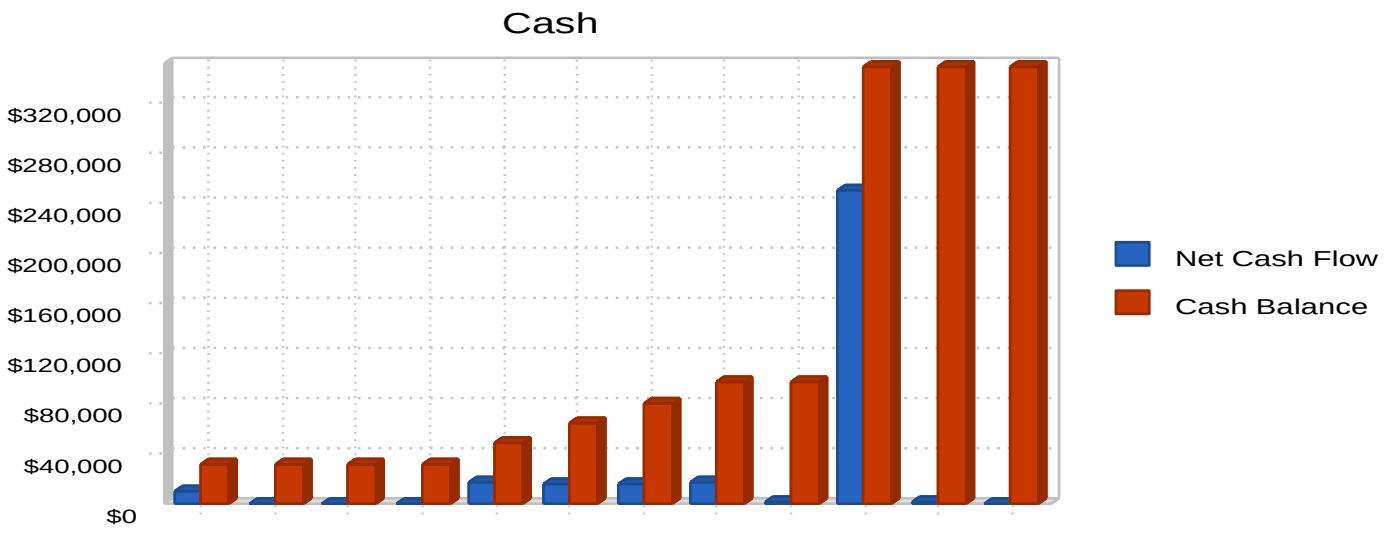
7.4 Projected Cash Flow

According to the projected profit and loss statement, the Inns will make positive cash flow as the capital injection is received towards the end of FY 2010 to address the costs of marketing, renovations, and room additions. Utilizing the capital injection to generate additional revenues and staying competitive in this market will generate sufficient cash flow to support the operations.

Table: Cash Flow

Pro Forma Cash Flow			
	2010	2011	2012
Cash Received			
Cash from Operations			
Cash Sales	$400,000	$452,000	$527,549
Subtotal Cash from Operations	$400,000	$452,000	$527,549
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	$0	$0	$0
New Current Borrowing	$250,000	$100,000	$0
New Other Liabilities (interest-free)	$0	$0	$0
New Long-term Liabilities	$0	$0	$0
Sales of Other Current Assets	$0	$0	$0
Sales of Long-term Assets	$0	$0	$0
New Investment Received	$0	$0	$0
Subtotal Cash Received	$650,000	$552,000	$527,549
Expenditures	2010	2011	2012
Expenditures from Operations			
Cash Spending	$85,712	$117,264	$136,848
Bill Payments	$225,189	$262,246	$276,832
Subtotal Spent on Operations	$310,901	$379,510	$413,680
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	$0	$0	$0
Principal Repayment of Current Borrowing	$0	$0	$0
Other Liabilities Principal Repayment	$0	$0	$0
Long-term Liabilities Principal Repayment	$10,884	$10,884	$10,884
Purchase Other Current Assets	$0	$0	$0
Purchase Long-term Assets	$0	$0	$0
Dividends	$0	$0	$0
Subtotal Cash Spent	$321,785	$390,394	$424,564
Net Cash Flow	$328,215	$161,606	$102,985
Cash Balance	$349,215	$510,822	$613,807

Chart: Cash Flow



7.5 Projected Balance Sheet

The projected balance sheet for [Company Name]s LLC is shown on the table below.

Table: Balance Sheet

Pro Forma Balance Sheet			
	2010	2011	2012
Assets			
Current Assets			
Cash	$349,215	$510,822	$613,807
Other Current Assets	$247,000	$247,000	$247,000
Total Current Assets	$596,215	$757,822	$860,807
Long-term Assets			
Long-term Assets	$1,990,000	$1,990,000	$1,990,000
Accumulated Depreciation	$0	$0	$0
Total Long-term Assets	$1,990,000	$1,990,000	$1,990,000
Total Assets	$2,586,215	$2,747,822	$2,850,807
Liabilities and Capital	2010	2011	2012
Current Liabilities			
Accounts Payable	$19,903	$21,702	$22,847
Current Borrowing	$250,000	$350,000	$350,000
Other Current Liabilities	$0	$0	$0
Subtotal Current Liabilities	$269,903	$371,702	$372,847
Long-term Liabilities	$653,116	$642,232	$631,348
Total Liabilities	$923,019	$1,013,934	$1,004,195
Paid-in Capital	$0	$0	$0
Retained Earnings	$1,588,100	$1,663,196	$1,733,888
Earnings	$75,096	$70,692	$112,724
Total Capital	$1,663,196	$1,733,888	$1,846,612
Total Liabilities and Capital	$2,586,215	$2,747,822	$2,850,807
Net Worth	$1,663,196	$1,733,888	$1,846,612

7.6 Business Ratios

Please find below the business ratios for the years of this plan. The Industry profile ratio is based on industry standard for "all other accommodations" with sales over $250,000 - $499,999

Table: Ratios

Ratio Analysis				
	2010	2011	2012	Industry Profile
Sales Growth	16.97%	13.00%	16.71%	4.33%
Percent of Total Assets				
Other Current Assets	9.55%	8.99%	8.66%	22.99%
Total Current Assets	23.05%	27.58%	30.20%	28.04%
Long-term Assets	76.95%	72.42%	69.80%	71.96%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	10.44%	13.53%	13.08%	12.54%
Long-term Liabilities	25.25%	23.37%	22.15%	34.42%
Total Liabilities	35.69%	36.90%	35.22%	46.96%
Net Worth	64.31%	63.10%	64.78%	53.04%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	93.55%	94.18%	94.91%	100.00%
Selling, General & Administrative Expenses	74.78%	78.54%	73.54%	64.95%
Advertising Expenses	13.13%	11.62%	9.95%	3.29%
Profit Before Interest and Taxes	40.10%	39.37%	43.84%	1.03%
Main Ratios				
Current	2.21	2.04	2.31	1.13
Quick	2.21	2.04	2.31	0.86
Total Debt to Total Assets	35.69%	36.90%	35.22%	58.34%
Pre-tax Return on Net Worth	5.31%	4.80%	7.18%	1.59%
Pre-tax Return on Assets	3.42%	3.03%	4.65%	0.66%
Additional Ratios	2010	2011	2012	
Net Profit Margin	18.77%	15.64%	21.37%	n.a
Return on Equity	4.52%	4.08%	6.10%	n.a
Activity Ratios				
Accounts Payable Turnover	12.02	12.17	12.17	n.a
Payment Days	28	29	29	n.a
Total Asset Turnover	0.15	0.16	0.19	n.a
Debt Ratios				
Debt to Net Worth	0.55	0.58	0.54	n.a
Current Liab. to Liab.	0.29	0.37	0.37	n.a
Liquidity Ratios				
Net Working Capital	$326,312	$386,120	$487,960	n.a
Interest Coverage	2.23	1.88	2.34	n.a
Additional Ratios				
Assets to Sales	6.47	6.08	5.40	n.a
Current Debt/Total Assets	10%	14%	13%	n.a
Acid Test	2.21	2.04	2.31	n.a
Sales/Net Worth	0.24	0.26	0.29	n.a
Dividend Payout	0.00	0.00	0.00	n.a

Table: Sales Forecast 2010

Sales Forecast												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales												
[NAME] B&B	$9,500	$11,100	$11,200	$11,200	$14,000	$14,000	$14,000	$15,000	$12,500	$11,000	$12,500	$12,500
[NAME] Inn	$15,000	$15,000	$15,000	$15,000	$30,000	$30,000	$30,000	$31,000	$17,500	$16,400	$18,500	$18,100
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Sales	$24,500	$26,100	$26,200	$26,200	$44,000	$44,000	$44,000	$46,000	$30,000	$27,400	$31,000	$30,600
Direct Cost of Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Credit Card Merchant Fee	$550	$550	$550	$550	$550	$550	$550	$550	$550	$550	$550	$550
Food and Beverage	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200
Other Supplies and Linen	$400	$400	$400	$400	$400	$400	$400	$400	$400	$400	$400	$400
Subtotal Direct Cost of Sales	$2,150	$2,150	$2,150	$2,150	$2,150	$2,150	$2,150	$2,150	$2,150	$2,150	$2,150	$2,150

Table: Personnel 2010

Personnel Plan												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Manager	$4,604	$4,604	$4,604	$4,604	$4,604	$4,604	$4,604	$4,604	$4,604	$4,604	$4,604	$4,604
Housekeepers	$2,176	$2,176	$2,176	$2,176	$2,176	$2,176	$2,176	$2,176	$2,176	$2,176	$4,352	$4,352
Total People	3	3	3	3	3	3	3	3	3	3	5	5
Total Payroll	$6,780	$6,780	$6,780	$6,780	$6,780	$6,780	$6,780	$6,780	$6,780	$6,780	$8,956	$8,956

Table: Profit and Loss 2010

Pro Forma Profit and Loss													
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales		$24,500	$26,100	$26,200	$26,200	$44,000	$44,000	$44,000	$46,000	$30,000	$27,400	$31,000	$30,600
Direct Cost of Sales		$2,150	$2,150	$2,150	$2,150	$2,150	$2,150	$2,150	$2,150	$2,150	$2,150	$2,150	$2,150
Other Costs of Sales		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Cost of Sales		$2,150	$2,150	$2,150	$2,150	$2,150	$2,150	$2,150	$2,150	$2,150	$2,150	$2,150	$2,150
Gross Margin		$22,350	$23,950	$24,050	$24,050	$41,850	$41,850	$41,850	$43,850	$27,850	$25,250	$28,850	$28,450
Gross Margin %		91.22%	91.76%	91.79%	91.79%	95.11%	95.11%	95.11%	95.33%	92.83%	92.15%	93.06%	92.97%
Expenses													
Payroll		$6,780	$6,780	$6,780	$6,780	$6,780	$6,780	$6,780	$6,780	$6,780	$6,780	$8,956	$8,956
Rent		$4,375	$4,375	$4,375	$4,375	$4,375	$4,375	$4,375	$4,375	$4,375	$4,375	$4,375	$4,375
Depreciation		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Utilities		$1,750	$1,750	$1,750	$1,750	$1,750	$1,750	$1,750	$1,750	$1,750	$1,750	$1,750	$1,750
Insurance & Auto Expenses		$1,292	$1,292	$1,292	$1,292	$1,292	$1,292	$1,292	$1,292	$1,292	$1,292	$1,292	$1,292
Phone/Fax/Internet/Supplies/ Equipment		$792	$792	$792	$792	$792	$792	$792	$792	$792	$792	$792	$792
Payroll Taxes	3%	$203	$203	$203	$203	$203	$203	$203	$203	$203	$203	$269	$269
Marketing & Advertisement	0%	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
Repairs		$1,250	$1,250	$1,250	$1,250	$1,250	$1,250	$1,250	$1,250	$1,250	$1,250	$1,250	$1,250
Total Operating Expenses		$17,442	$17,442	$17,442	$17,442	$17,442	$17,442	$17,442	$17,442	$17,442	$17,442	$19,684	$19,684
Profit Before Interest and Taxes		$4,908	$6,508	$6,608	$6,608	$24,408	$24,408	$24,408	$26,408	$10,408	$7,808	$9,166	$8,766
EBITDA		$4,908	$6,508	$6,608	$6,608	$24,408	$24,408	$24,408	$26,408	$10,408	$7,808	$9,166	$8,766
Interest Expense		$5,526	$5,518	$5,511	$5,503	$5,496	$5,488	$5,480	$5,473	$5,465	$7,541	$7,534	$7,526
Taxes Incurred		($93)	$148	$165	$166	$2,837	$2,838	$2,839	$3,140	$741	$40	$245	$186
Net Profit		($525)	$841	$932	$939	$16,075	$16,082	$16,088	$17,795	$4,201	$227	$1,388	$1,054
Net Profit/Sales		-2.14%	3.22%	3.56%	3.58%	36.53%	36.55%	36.56%	38.68%	14.00%	0.83%	4.48%	3.45%

Table: Cash Flow 2010

Pro Forma Cash Flow												
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash Received													
Cash from Operations													
Cash Sales		$24,500	$26,100	$26,200	$26,200	$44,000	$44,000	$44,000	$46,000	$30,000	$27,400	$31,000	$30,600
Subtotal Cash from Operations		$24,500	$26,100	$26,200	$26,200	$44,000	$44,000	$44,000	$46,000	$30,000	$27,400	$31,000	$30,600
Additional Cash Received													
Sales Tax, VAT, HST/GST Received	0.00%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
New Current Borrowing		$0	$0	$0	$0	$0	$0	$0	$0	$0	$250,000	$0	$0
New Other Liabilities (interest-free)		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
New Long-term Liabilities		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sales of Other Current Assets		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sales of Long-term Assets		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
New Investment Received		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Cash Received		$24,500	$26,100	$26,200	$26,200	$44,000	$44,000	$44,000	$46,000	$30,000	$277,400	$31,000	$30,600
Expenditures		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Expenditures from Operations													
Cash Spending		$6,780	$6,780	$6,780	$6,780	$6,780	$6,780	$6,780	$6,780	$6,780	$6,780	$8,956	$8,956
Bill Payments		$6,508	$18,253	$18,479	$18,487	$18,570	$21,145	$21,138	$21,142	$21,345	$19,065	$20,402	$20,654
Subtotal Spent on Operations		$13,288	$25,033	$25,259	$25,267	$25,350	$27,925	$27,918	$27,922	$28,125	$25,845	$29,358	$29,610
Additional Cash Spent													
Sales Tax, VAT, HST/GST Paid Out		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Principal Repayment of Current Borrowing		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Liabilities Principal Repayment		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Long-term Liabilities Principal Repayment		$907	$907	$907	$907	$907	$907	$907	$907	$907	$907	$907	$907
Purchase Other Current Assets		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Purchase Long-term Assets		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Dividends		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Cash Spent		$14,195	$25,940	$26,166	$26,174	$26,257	$28,832	$28,825	$28,829	$29,032	$26,752	$30,265	$30,517
Net Cash Flow		$10,305	$160	$34	$26	$17,743	$15,168	$15,175	$17,171	$968	$250,648	$735	$83
Cash Balance		$31,305	$31,465	$31,498	$31,524	$49,267	$64,435	$79,610	$96,782	$97,749	$348,397	$349,132	$349,215

Table: Balance Sheet 2010

Pro Forma Balance Sheet													
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Assets	Starting Balances												
Current Assets													
Cash	$21,000	$31,305	$31,465	$31,498	$31,524	$49,267	$64,435	$79,610	$96,782	$97,749	$348,397	$349,132	$349,215
Other Current Assets	$247,000	$247,000	$247,000	$247,000	$247,000	$247,000	$247,000	$247,000	$247,000	$247,000	$247,000	$247,000	$247,000
Total Current Assets	$268,000	$278,305	$278,465	$278,498	$278,524	$296,267	$311,435	$326,610	$343,782	$344,749	$595,397	$596,132	$596,215
Long-term Assets													
Long-term Assets	$1,990,000	$1,990,000	$1,990,000	$1,990,000	$1,990,000	$1,990,000	$1,990,000	$1,990,000	$1,990,000	$1,990,000	$1,990,000	$1,990,000	$1,990,000
Accumulated Depreciation	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Long-term Assets	$1,990,000	$1,990,000	$1,990,000	$1,990,000	$1,990,000	$1,990,000	$1,990,000	$1,990,000	$1,990,000	$1,990,000	$1,990,000	$1,990,000	$1,990,000
Total Assets	$2,258,000	$2,268,305	$2,268,465	$2,268,498	$2,268,524	$2,286,267	$2,301,435	$2,316,610	$2,333,782	$2,334,749	$2,585,397	$2,586,132	$2,586,215
Liabilities and Capital		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Current Liabilities													
Accounts Payable	$5,900	$17,637	$17,863	$17,871	$17,865	$20,440	$20,434	$20,428	$20,711	$18,385	$19,714	$19,968	$19,903
Current Borrowing	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$250,000	$250,000	$250,000
Other Current Liabilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Current Liabilities	$5,900	$17,637	$17,863	$17,871	$17,865	$20,440	$20,434	$20,428	$20,711	$18,385	$269,714	$269,968	$269,903
Long-term Liabilities	$664,000	$663,093	$662,186	$661,279	$660,372	$659,465	$658,558	$657,651	$656,744	$655,837	$654,930	$654,023	$653,116
Total Liabilities	$669,900	$680,730	$680,049	$679,150	$678,237	$679,905	$678,992	$678,079	$677,455	$674,222	$924,644	$923,991	$923,019
Paid-in Capital	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Retained Earnings	$1,588,100	$1,588,100	$1,588,100	$1,588,100	$1,588,100	$1,588,100	$1,588,100	$1,588,100	$1,588,100	$1,588,100	$1,588,100	$1,588,100	$1,588,100
Earnings	$0	($525)	$316	$1,248	$2,187	$18,262	$34,344	$50,432	$68,226	$72,427	$72,654	$74,042	$75,096
Total Capital	$1,588,100	$1,587,575	$1,588,416	$1,589,348	$1,590,287	$1,606,362	$1,622,444	$1,638,532	$1,656,326	$1,660,527	$1,660,754	$1,662,142	$1,663,196
Total Liabilities and Capital	$2,258,000	$2,268,305	$2,268,465	$2,268,498	$2,268,524	$2,286,267	$2,301,435	$2,316,610	$2,333,782	$2,334,749	$2,585,397	$2,586,132	$2,586,215
Net Worth	$1,588,100	$1,587,575	$1,588,416	$1,589,348	$1,590,287	$1,606,362	$1,622,444	$1,638,532	$1,656,326	$1,660,527	$1,660,754	$1,662,142	$1,663,196