

Property Rehabber, Inc.

Strategic Business Plan

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1.0 Executive Summary

The purpose of this business plan is to raise \$300,000 for the development of a property rehabilitation firm while showcasing the expected financials and operations over the next three years. The Property Rehabber, Inc. (“the Company”) is a Texas based corporation that will acquire residential properties with the intent to fix them and resell them into the open market. The Company was founded by John Doe.

1.1 The Operations

The Company will be actively engaged in the acquisition of properties throughout the State of Texas that are in need of substantial renovation prior to their sale or rent to a third party. Property Rehabber, Inc. will focus on developing ongoing relationships with real estate investors that will generally acquire rehabilitated properties after their completion. The business will also maintain an expansive marketing apparatus for marketing these units for sale to the general public (in conjunction with a retained real estate brokerage).

Management intends to acquire properties that are usually 30% to 70% under their fair market value. The business will have a number of inspectors on retainer so that the Company can know what specific issues must be addressed in order to bring the property to saleable condition. The Company will also have a thorough inspection of each property completed (among a number of different contracting disciplines) to ensure that there are no unexpected issues during the course of a renovation.

The third section of the business plan will further describe the services offered by the Property Rehabber.

1.2 Financing

Mr. Doe is seeking to raise \$300,000 from as a bank loan. The interest rate and loan agreement are to be further discussed during negotiation. This business plan assumes that the business will receive a 10 year loan with a 6% fixed interest rate. The financing will be used for the following:

- Capital to acquire properties for renovation.
- Financing for the first six months of operation.
- Capital to market the properties for sale to the general public.

Mr. Doe will contribute \$50,000 to the venture.

1.3 Mission Statement

Management’s mission is to develop Property Rehabber into a premier property rehabilitation firm in the Texas and Midwestern US market.

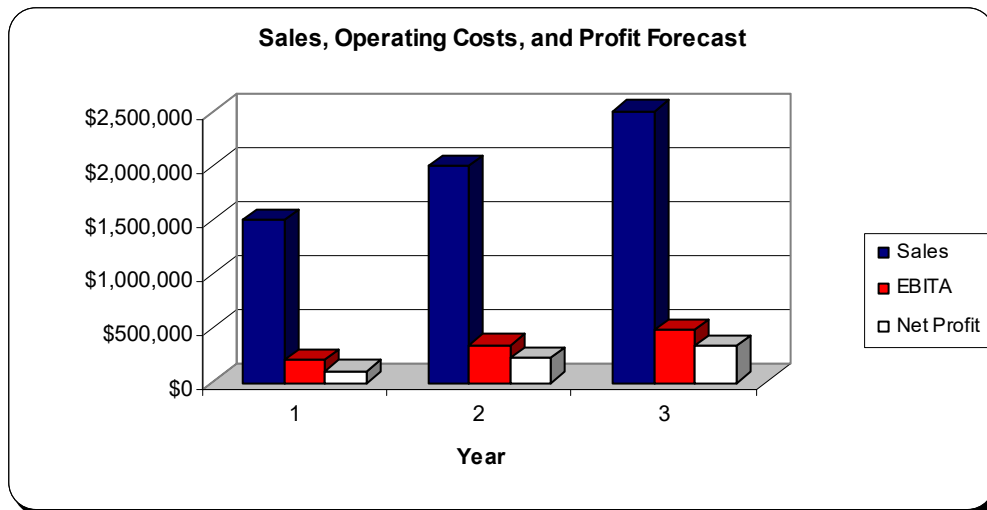
1.4 Management Team

Mr. Doe is a veteran contracting professional that will be able to properly manage all aspects of property rehabilitation while quickly bring the operations of this business to profitability within the first year of operations. His biography can be found in the sixth chapter of this business plan.

1.5 Sales Forecasts

Mr. Doe expects a strong rate at the commencement of operations. Below are the expected financials over the next three years:

Proforma Profit and Loss (Yearly)			
Year	1	2	3
Sales	\$1,500,000	\$2,000,000	\$2,500,000
Operating Costs	\$243,918	\$251,235	\$258,772
EBITA	\$206,083	\$348,765	\$491,228
Taxes and Interest	\$95,697	\$115,825	\$157,528
Net Profit	\$110,385	\$232,940	\$333,700



1.6 Expansion Plan

The Founder expects that the business will aggressively expand during the first three years of operation. Mr. Doe intends to complete a number of property rehabilitations during the next three years while heavily reinvesting the Company's positive cash flow into new projects.

2.0 Company and Financing Summary

2.1 Registered Name and Corporate Structure

Property Rehabber, Inc. The Company is registered as a corporation in the State of Texas.

2.2 Required Funds

At this time, the Property Rehabber requires \$300,000 of debt funds. Below is a breakdown of how these funds will be used:

Projected Startup Costs	
Initial Property Acquisitions	\$300,000
Working Capital	\$40,000
General Furniture, Fixtures, and Equipment	\$10,000
Total Startup Costs	\$350,000

Mr. Doe will make a \$50,000 capital injection into the Company.

2.3 Investor Equity

Mr. Doe is not seeking an investment from a third party at this time.

2.4 Management Equity

John Doe owns 100% of the Property Rehabber, Inc.

2.5 Exit Strategy

As each real estate deal is completed separately, Management has not outlined a concrete exit strategy. In the event Mr. Doe wishes to retire or cease business operations, he will most likely contract a real estate brokerage to divest the Company's current assets and the Property Rehabber entity will dissolve.

3.0 Operations

As stated in the executive summary, Property Rehabber, Inc. will be actively involved with the acquisition of properties that are substantially undervalued due to improvements that are needed. The business will work with a litany of third party contractors and inspectors in order to ensure that any specific rehabilitation can be carried out profitably. Mr. Doe has been actively building a large scale database of real estate agents and brokers that will source undervalued properties on behalf of the Company.

For project undertaken by the business, Management anticipates that it will take two to three months in order to complete the renovation. The Company will strive to achieve a return on investment of at least 50% on all acquisitions and rehabilitations. Generally, the Company will acquire properties that have an initial sales price of \$100,000 to \$150,000 with the anticipation that the properties will be sold for \$175,000 to \$250,000 upon their completion.

It should be noted that Property Rehabber, Inc. will generally use its own in-house construction personnel. Certain renovation and rehabilitative functions will be outsourced (primarily electrical work). At all times, Property Rehabber, Inc. will maintain all proper licenses, construction permits, and insurance policies. Mr. Doe has retained an attorney that will work on behalf of the business as it relates to general legal counsel regarding construction activities as well as for the legal aspect of buying/selling properties.

As it relates to targeted properties, the Company will focus its acquisitions on condominiums, single-family homes, duplexes, and triplexes. The Company will expand its operations over the next three years to include small-scale apartment buildings and multifamily residential properties. Property Rehabber, Inc. may seek to acquire additional rounds of capital from an investor in order to carry out large scale rehabilitations within the next three years. However, this business plan assumes that no further capital will be used and that all future growth will be financed via the retained earnings of the Company.

4.0 Strategic and Market Analysis

4.1 Economic Outlook

This section of the analysis will detail the economic climate, the real estate industry, the customer profile, and the competition that the business will face as it progresses through its business operations.

Currently, the worldwide economy is facing a number of uncertainties due to Covid-19. As a result of lower economic activity, interest rates have fallen substantially as people/businesses have cut back on expenditures. For real estate, there are now a number of new properties on the market (among people that are looking to sell properties rather than face foreclosure). This has created a number of buying opportunities among firms that have access to capital and want to acquire undervalued properties (especially those needing a moderate amount of renovation). It should be noted that many of the new single family, condo, and multifamily properties that are now being listed for sale were previously used for short-term vacation rentals. Many owner-operators of these firms are quickly looking to divest these properties given the waning demand for vacation travel (especially among investors that overleveraged their operations over the past four years).

However, the current economic climate should not impact Property Rehabber, Inc.'s ability to generate revenues. The business, as thoroughly discussed in this document, will acquire properties that are substantially undervalued. Additionally, the low interest rate environment will allow third party real estate investors (as well as potential buyers that will acquire a property as their primary residence) to affordably purchase these completed units.

4.2 Industry Analysis

The U.S. Economic Census estimates that there are 7,400 firms that specialize in the renovation of existing real estate units in the United States. Each year, this industry generates in excess of \$14 billion dollars in aggregate gross incomes. Additionally, the business employs over 58,000 employees (does not include independent construction workers).

The growth rate of this industry is expected to mirror that of the economy as a whole. It should be noted that it is expected that there will be a flurry of activity over the next twelve to twenty-four months as the economy undergoes a correction as a result of the Covid-19 pandemic.

4.3 Customer Profile

Among individuals that will purchase completed properties as their primary residence, Management has developed the following demographic profile that will be used in conjunction with marketing operations:

- Annual household income of \$50,000 to \$100,000
- Has a budget of \$175,000 to \$250,000 for the acquisition of a home
- Has a down payment of 5% to 20% for their purchase.
- Will require a mortgage.

Among real estate investors that will purchase properties from the Company on an ongoing basis, the following individuals/companies will be targeted:

- Maintains a current portfolio of residential real estate valued between \$2 million to \$15 million
- Will generally cash (or a line of credit) to acquire properties without requiring a mortgage for acquisition
- Seeks to acquire single family and small multiunit residential properties

4.4 Competition

Given the free market nature of real estate, Property Rehabber, Inc. will face competition from general contractors, other property rehabilitation firms, and individuals that engage in this type of activity. One of the ways that the Company will remain competitive in this market is by maintaining a low cost operating and overhead infrastructure that will allow the business to remain flexible on pricing at all times.

Additionally, the business will use modern styling in all properties rehabilitated. The Company will retain an interior designer that will allow each completed property to have substantial appeal among potential buyers.

5.0 Marketing Plan

Property Rehabber, Inc. will use a number of marketing strategies in order to ensure that the Company can divest its rehabilitated units within one to three months of their completion. Below is an overview of the strategies that will be used by the Company over the life of the business.

5.1 Marketing Objectives

- Develop and maintain connections with real estate investors that will immediately purchase completed units.
- Retain a qualified real estate brokerage that will market properties to the general public when necessary.
- Maintain an expansive online presence that showcases in development properties.

5.2 Marketing Strategies

Foremost, Property Rehabber, Inc. will maintain strong relationships with Texas based real estate investors that will continually acquire properties that will then be rented to tenants. By partnering with these investors, the Company will be able to ensure a free flow of capital once a property is ready for sale. Mr. Doe has been actively working with real estate investors for many years, and he will call on these contacts to expand these relationships.

As it relates to online marketing, the Company will maintain an expansive website that showcases completed properties (including prior work of the business), properties that are currently under rehabilitation, the business' contact information, and other pertinent information regarding Property Rehabber, Inc. This website will be search engine optimized and mobile friendly.

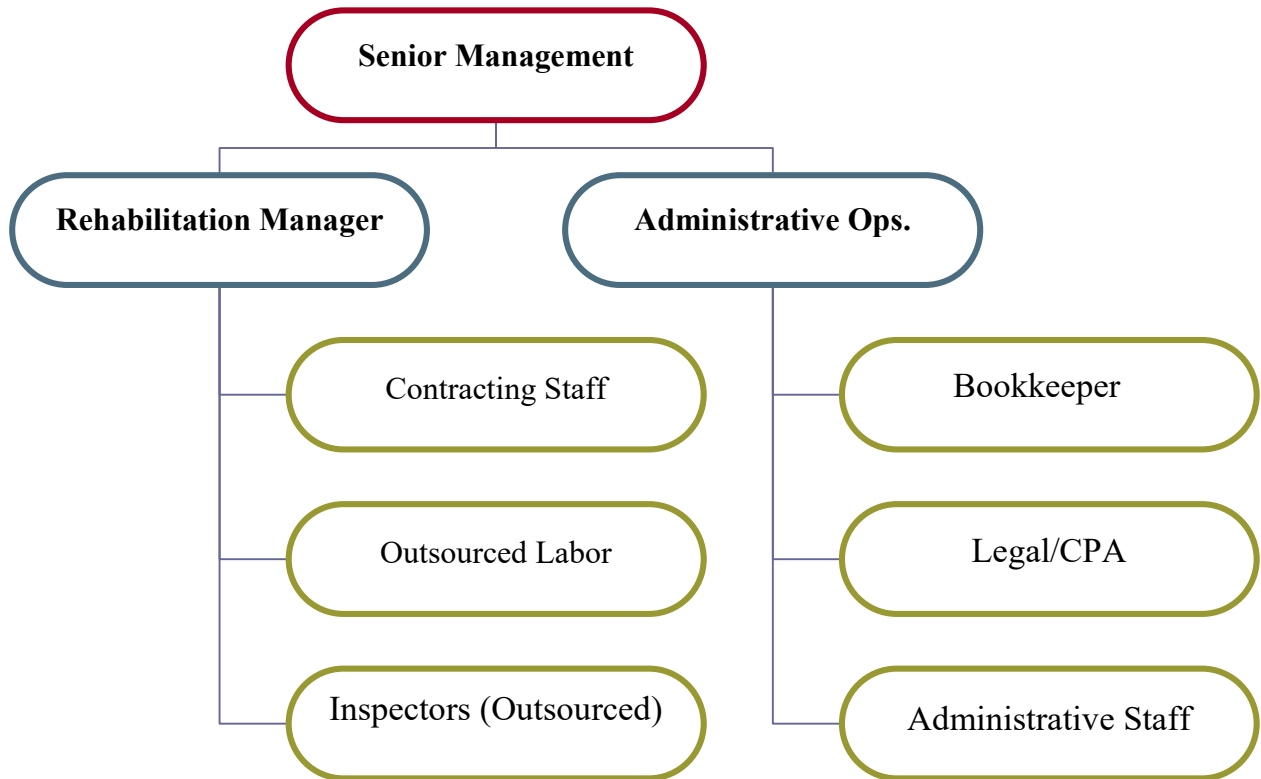
The Company will also maintain a presence on social media platforms including Facebook, Twitter, Instagram (for photos), and YouTube (for video). When a property is completed, images and video tours of the property will be placed on these platforms. This will further create interest among potential homebuyers.

Additionally, for properties that have been recently completed (but not yet under contract) – Property Rehabber will list these properties on popular real estate sales focused platforms. This will shorten the lead time between completion and sale.

In order to further drive sales of units to the general public, the Company will maintain relationships with local and regional real estate brokerages (and their associated agents). Property Rehabber, Inc. anticipates that commission rates will be 3% to 5% for each completed property.

6.0 Organizational Plan and Personnel Summary

6.1 Corporate Organization

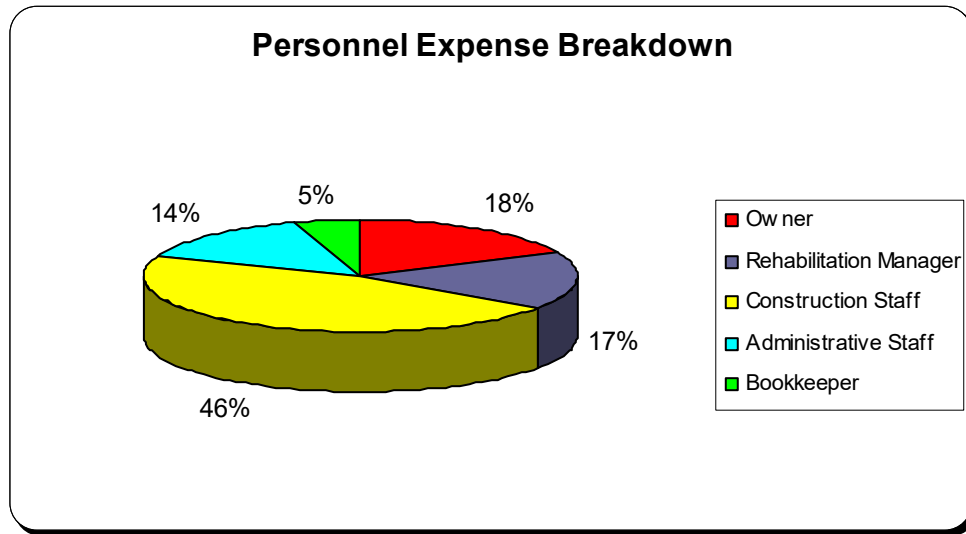


6.2 Organizational Budget

Personnel Plan - Yearly			
Year	1	2	3
Owner	\$35,000	\$36,050	\$37,132
Rehabilitation Manager	\$32,500	\$33,475	\$34,479
Construction Staff	\$90,000	\$92,700	\$95,481
Administrative Staff	\$27,500	\$28,325	\$29,175
Bookkeeper	\$10,000	\$10,300	\$10,609
Total	\$195,000	\$200,850	\$206,876

Numbers of Personnel			
Year	1	2	3
Owner	1	1	1
Rehabilitation Manager	1	1	1
Construction Staff	3	3	3
Administrative Staff	1	1	1
Bookkeeper	1	1	1
Totals	7	7	7

6.2 Organizational Budget (Cont.)



6.3 Management Biographies

In this section of the business plan, you should write a two to four paragraph biography about your work experience, your education, and your skill set. For each owner or key employee, you should provide a brief biography in this section.

7.0 Financial Plan

7.1 Underlying Assumptions

The Company has based its proforma financial statements on the following:

- The Property Rehabber will have an annual revenue growth rate of 29% per year.
- The Owner will acquire \$300,000 of debt funds to develop the business (carrying a 10 year term and a 6% interest rate).
- The Founder will contribute \$50,000 towards the business.

7.2 Sensitivity Analysis

Property Rehabber, Inc.'s revenues are moderately sensitive to negative changes in the economy. As has been discussed throughout this document, the business intends to focus its operations on the acquisition of distressed and heavily discounted properties that need a moderate amount of improvement. This will provide the Company with a substantial financial cushion as it progresses through its operations. This, coupled with the strong gross margins generated from each sale, will ensure that the Company can remain profitable and cash flow positive at all times. It should be noted that Property Rehabber, Inc. will generate instant equity in each completed project.

7.3 Source of Funds

Financing	
Equity Contributions	
Management Investment	\$50,000.00
Total Equity Financing	\$50,000.00
Banks and Lenders	
Banks and Lenders	\$300,000.00
Total Debt Financing	\$300,000.00
Total Financing	\$350,000.00

7.4 General Assumptions

General Assumptions			
Year	1	2	3
Federal Tax Rate	25.0%	25.0%	25.0%
State Tax Rate	5.0%	5.0%	5.0%
Personnel Taxes	7.65%	7.65%	7.65%

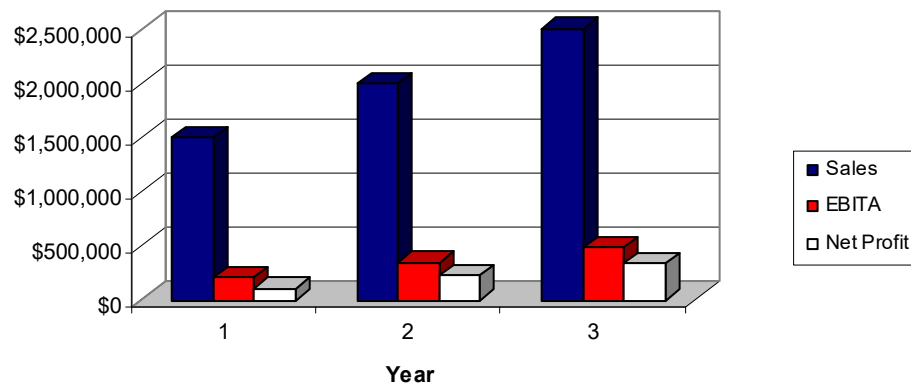
7.5 Profit and Loss Statements

Proforma Profit and Loss (Yearly)			
Year	1	2	3
Sales	\$1,500,000	\$2,000,000	\$2,500,000
Cost of Goods Sold	\$1,050,000	\$1,400,000	\$1,750,000
Gross Margin	30.00%	30.00%	30.00%
Gross Profit	\$450,000	\$600,000	\$750,000

Expenses			
Payroll	\$195,000	\$200,850	\$206,876
General and Administrative	\$10,000	\$10,300	\$10,609
Marketing Expenses	\$2,500	\$2,575	\$2,652
Professional Fees and Licensure	\$1,500	\$1,545	\$1,591
Insurance Costs	\$12,000	\$12,360	\$12,731
Property Maintenance	\$2,000	\$2,060	\$2,122
Property Taxes	\$5,000	\$5,150	\$5,305
Miscellaneous Costs	\$1,000	\$1,030	\$1,061
Payroll Taxes	\$14,918	\$15,365	\$15,826
Total Operating Costs	\$243,918	\$251,235	\$258,772

EBITA	\$206,083	\$348,765	\$491,228
Federal Income Tax	\$68,007	\$83,193	\$119,178
State Income Tax	\$10,304	\$16,639	\$23,836
Interest Expense	\$17,386	\$15,993	\$14,514
Net Profit	\$110,385	\$232,940	\$333,700
Profit Margin	7.36%	11.65%	13.35%

Sales, Operating Costs, and Profit Forecast



7.6 Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly			
Year	1	2	3
Cash From Operations	\$110,385	\$232,940	\$333,700
Cash From Receivables	\$0	\$0	\$0
Operating Cash Inflow	\$110,385	\$232,940	\$333,700

Other Cash Inflows

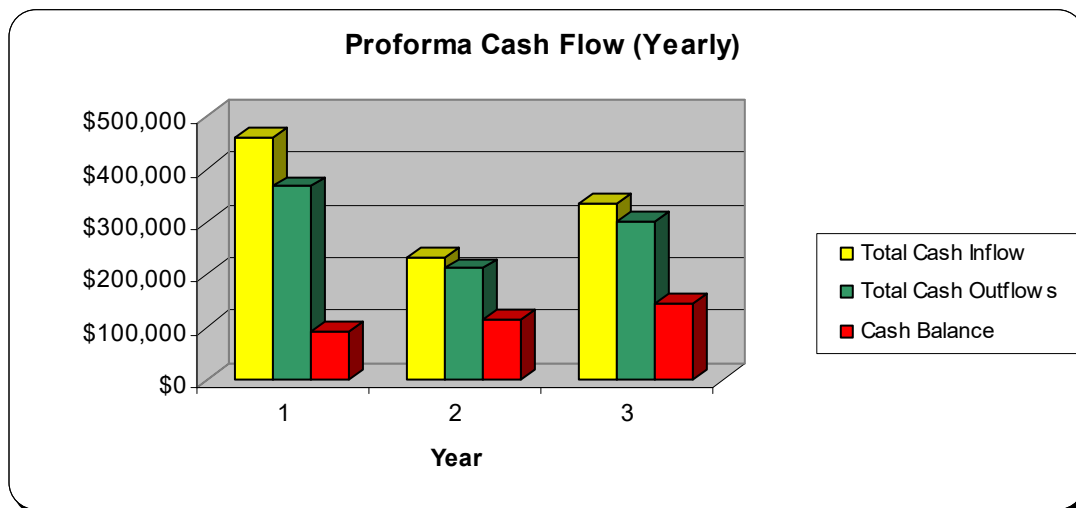
Equity Investment	\$50,000	\$0	\$0
Increased Borrowings	\$300,000	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0
A/P Increases	\$0	\$0	\$0
Total Other Cash Inflows	\$350,000	\$0	\$0

Total Cash Inflow	\$460,385	\$232,940	\$333,700
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Cash Outflows

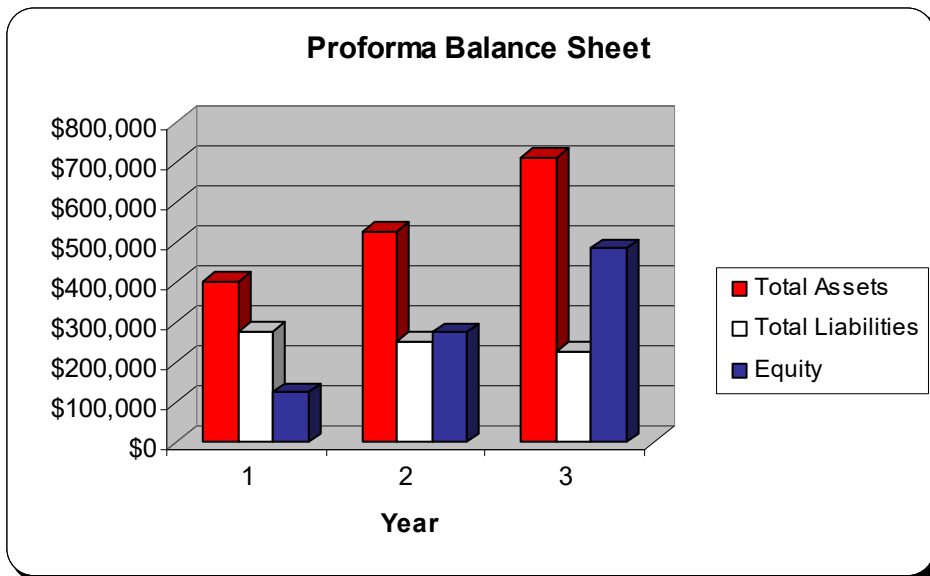
Repayment of Principal	\$22,582	\$23,974	\$25,453
A/P Decreases	\$0	\$0	\$0
A/R Increases	\$0	\$0	\$0
Asset Purchases	\$310,000	\$104,483	\$154,123
Dividends	\$35,122	\$83,586	\$123,299
Total Cash Outflows	\$367,703	\$212,044	\$302,875

Net Cash Flow	\$92,682	\$20,897	\$30,825
Cash Balance	\$92,682	\$113,579	\$144,404



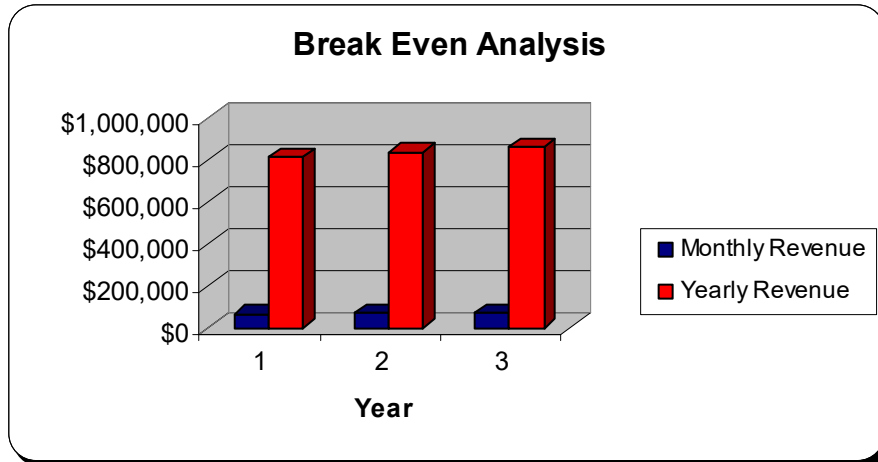
7.7 Balance Sheet

Proforma Balance Sheet - Yearly			
Year	1	2	3
Assets			
Cash	\$92,682	\$113,579	\$144,404
Real Estate	\$300,000	\$399,259	\$545,676
FF&E	\$10,000	\$15,224	\$22,930
Total Assets	\$402,682	\$528,062	\$713,010
Liabilities and Equity			
Accounts Payable	\$0	\$0	\$0
Long Term Liabilities	\$277,418	\$253,444	\$227,991
Other Liabilities	\$0	\$0	\$0
Total Liabilities	\$277,418	\$253,444	\$227,991
Equity	\$125,264	\$274,618	\$485,019
Total Liabilities and Equity	\$402,682	\$528,062	\$713,010



7.8 Breakeven Analysis

Monthly Break Even Analysis			
Year	1	2	3
Monthly Revenue	\$67,755	\$69,788	\$71,881
Yearly Revenue	\$813,058	\$837,450	\$862,574



7.9 Business Ratios

Business Ratios - Yearly			
Year	1	2	3
Sales			
Sales Growth	0.0%	33.3%	25.0%
Gross Margin	30.0%	30.0%	30.0%
Financials			
Profit Margin	7.36%	11.65%	13.35%
Assets to Liabilities	1.45	2.08	3.13
Equity to Liabilities	0.45	1.08	2.13
Assets to Equity	3.21	1.92	1.47
Liquidity			
Acid Test	0.33	0.45	0.63
Cash to Assets	0.23	0.22	0.20

Appendix A – SWOT Analysis

Strengths

- The ability to create substantial equity in each project upon its completion.
- Ongoing relationships with real estate investors will allow for a short lead time between completion and sale.
- Moderately low operating and overhead costs as a function of revenues.
- A highly experienced owner-operator (John Doe) that has years of experience in the contracting and construction industry.

Weaknesses

- Rapid changes in the economic climate can impact of the operations of the business.
- Property rehabilitation requires a substantial upfront investment.

Opportunities

- Potentially rent certain completed units in order to produce a recurring stream of revenue for the Company.
- Acquisition of additional rounds of debt capital in order to further fuel growth.
- Syndication of equity capital that would allow Property Rehabber, Inc. to complete renovations and rehabilitations on larger scale residential and commercial properties.

Threats

- Continued economic uncertainty as a result of the pandemic.
- Other companies competing to sell their units among real estate investors and homebuyers.

Appendix B - Three Year Profit and Loss Statement

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Sales	\$250,000	\$0	\$0	\$250,000	\$0	\$250,000	\$250,000
Cost of Goods Sold	\$175,000	\$0	\$0	\$175,000	\$0	\$175,000	\$175,000

Gross Profit	\$75,000	\$0	\$0	\$75,000	\$0	\$75,000	\$75,000
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Expenses

Payroll	\$16,250	\$16,250	\$16,250	\$16,250	\$16,250	\$16,250	\$16,250
General and Administrative	\$833	\$833	\$833	\$833	\$833	\$833	\$833
Marketing Expenses	\$208	\$208	\$208	\$208	\$208	\$208	\$208
Professional Fees and Licensure	\$125	\$125	\$125	\$125	\$125	\$125	\$125
Insurance Costs	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Property Maintenance	\$167	\$167	\$167	\$167	\$167	\$167	\$167
Property Taxes	\$417	\$417	\$417	\$417	\$417	\$417	\$417
Miscellaneous Costs	\$83	\$83	\$83	\$83	\$83	\$83	\$83
Payroll Taxes	\$1,243	\$1,243	\$1,243	\$1,243	\$1,243	\$1,243	\$1,243
Total Operating Costs	\$20,326	\$20,326	\$20,326	\$20,326	\$20,326	\$20,326	\$20,326

EBITA	\$54,674	-\$20,326	-\$20,326	\$54,674	-\$20,326	\$54,674	\$54,674
Federal Income Tax	\$11,335	\$0	\$0	\$11,335	\$0	\$11,335	\$11,335
State Income Tax	\$1,717	\$0	\$0	\$1,717	\$0	\$1,717	\$1,717
Interest Expense	\$1,500	\$1,491	\$1,482	\$1,472	\$1,463	\$1,454	\$1,444

Net Profit	\$40,122	-\$21,817	-\$21,808	\$40,149	-\$21,790	\$40,168	\$40,177
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Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	1
Sales	\$0	\$0	\$250,000	\$0	\$250,000	\$1,500,000
Cost of Goods Sold	\$0	\$0	\$175,000	\$0	\$175,000	\$1,050,000

Gross Profit	\$0	\$0	\$75,000	\$0	\$75,000	\$450,000
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Expenses

Payroll	\$16,250	\$16,250	\$16,250	\$16,250	\$16,250	\$195,000
General and Administrative	\$833	\$833	\$833	\$833	\$833	\$10,000
Marketing Expenses	\$208	\$208	\$208	\$208	\$208	\$2,500
Professional Fees and Licensure	\$125	\$125	\$125	\$125	\$125	\$1,500
Insurance Costs	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Property Maintenance	\$167	\$167	\$167	\$167	\$167	\$2,000
Property Taxes	\$417	\$417	\$417	\$417	\$417	\$5,000
Miscellaneous Costs	\$83	\$83	\$83	\$83	\$83	\$1,000
Payroll Taxes	\$1,243	\$1,243	\$1,243	\$1,243	\$1,243	\$14,918
Total Operating Costs	\$20,326	\$20,326	\$20,326	\$20,326	\$20,326	\$243,918

EBITA	-\$20,326	-\$20,326	\$54,674	-\$20,326	\$54,674	\$206,083
Federal Income Tax	\$0	\$0	\$11,335	\$0	\$11,335	\$68,007
State Income Tax	\$0	\$0	\$1,717	\$0	\$1,717	\$10,304
Interest Expense	\$1,435	\$1,425	\$1,416	\$1,406	\$1,397	\$17,386

Net Profit	-\$21,761	-\$21,752	\$40,206	-\$21,733	\$40,225	\$110,385
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Profit and Loss Statement (Second Year)					
2					
Quarter	Q1	Q2	Q3	Q4	2
Sales	\$500,000	\$500,000	\$500,000	\$500,000	\$2,000,000
Cost of Goods Sold	\$350,000	\$350,000	\$350,000	\$350,000	\$1,400,000

Gross Profit	\$150,000	\$150,000	\$150,000	\$150,000	\$600,000
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Expenses

Payroll	\$50,213	\$50,213	\$50,213	\$50,213	\$200,850
General and Administrative	\$2,575	\$2,575	\$2,575	\$2,575	\$10,300
Marketing Expenses	\$644	\$644	\$644	\$644	\$2,575
Professional Fees and Licensure	\$386	\$386	\$386	\$386	\$1,545
Insurance Costs	\$3,090	\$3,090	\$3,090	\$3,090	\$12,360
Property Maintenance	\$515	\$515	\$515	\$515	\$2,060
Property Taxes	\$1,288	\$1,288	\$1,288	\$1,288	\$5,150
Miscellaneous Costs	\$258	\$258	\$258	\$258	\$1,030
Payroll Taxes	\$3,841	\$3,841	\$3,841	\$3,841	\$15,365
Total Operating Costs	\$62,809	\$62,809	\$62,809	\$62,809	\$251,235

EBITA	\$87,191	\$87,191	\$87,191	\$87,191	\$348,765
Federal Income Tax	\$20,798	\$20,798	\$20,798	\$20,798	\$83,193
State Income Tax	\$4,160	\$4,160	\$4,160	\$4,160	\$16,639
Interest Expense	\$4,132	\$4,044	\$3,954	\$3,863	\$15,993

Net Profit	\$58,101	\$58,190	\$58,279	\$58,370	\$232,940
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Profit and Loss Statement (Third Year)					
3					
Quarter	Q1	Q2	Q3	Q4	3
Sales	\$625,000	\$625,000	\$625,000	\$625,000	\$2,500,000
Cost of Goods Sold	\$437,500	\$437,500	\$437,500	\$437,500	\$1,750,000

Gross Profit	\$187,500	\$187,500	\$187,500	\$187,500	\$750,000
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Expenses

Payroll	\$51,719	\$51,719	\$51,719	\$51,719	\$206,876
General and Administrative	\$2,652	\$2,652	\$2,652	\$2,652	\$10,609
Marketing Expenses	\$663	\$663	\$663	\$663	\$2,652
Professional Fees and Licensure	\$398	\$398	\$398	\$398	\$1,591
Insurance Costs	\$3,183	\$3,183	\$3,183	\$3,183	\$12,731
Property Maintenance	\$530	\$530	\$530	\$530	\$2,122
Property Taxes	\$1,326	\$1,326	\$1,326	\$1,326	\$5,305
Miscellaneous Costs	\$265	\$265	\$265	\$265	\$1,061
Payroll Taxes	\$3,956	\$3,956	\$3,956	\$3,956	\$15,826
Total Operating Costs	\$64,693	\$64,693	\$64,693	\$64,693	\$258,772

EBITA	\$122,807	\$122,807	\$122,807	\$122,807	\$491,228
Federal Income Tax	\$29,795	\$29,795	\$29,795	\$29,795	\$119,178
State Income Tax	\$5,959	\$5,959	\$5,959	\$5,959	\$23,836
Interest Expense	\$3,771	\$3,677	\$3,582	\$3,485	\$14,514

Net Profit	\$83,283	\$83,377	\$83,472	\$83,568	\$333,700
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Appendix C - Three Year Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	\$40,122	-\$21,817	-\$21,808	\$40,149	-\$21,790	\$40,168	\$40,177	-\$21,761
Cash From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$40,122	-\$21,817	-\$21,808	\$40,149	-\$21,790	\$40,168	\$40,177	-\$21,761

Other Cash Inflows

Equity Investment	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Cash Inflows	\$350,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Total Cash Inflow	\$390,122	-\$21,817	-\$21,808	\$40,149	-\$21,790	\$40,168	\$40,177	-\$21,761
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Cash Outflows

Repayment of Principal	\$1,831	\$1,840	\$1,849	\$1,858	\$1,868	\$1,877	\$1,886	\$1,896
A/P Decreases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/R Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$310,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$311,831	\$1,840	\$1,849	\$1,858	\$1,868	\$1,877	\$1,886	\$1,896

Net Cash Flow	\$78,291	-\$23,657	-\$23,657	\$38,291	-\$23,657	\$38,291	\$38,291	-\$23,657
Cash Balance	\$78,291	\$54,634	\$30,977	\$69,268	\$45,611	\$83,902	\$122,193	\$98,536

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	1
Cash From Operations	-\$21,752	\$40,206	-\$21,733	\$40,225	\$110,385
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	-\$21,752	\$40,206	-\$21,733	\$40,225	\$110,385

Other Cash Inflows

Equity Investment	\$0	\$0	\$0	\$0	\$50,000
Increased Borrowings	\$0	\$0	\$0	\$0	\$300,000
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$0	\$0	\$0	\$0	\$0
Total Other Cash Inflows	\$0	\$0	\$0	\$0	\$350,000

Total Cash Inflow	-\$21,752	\$40,206	-\$21,733	\$40,225	\$460,385
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Cash Outflows

Repayment of Principal	\$1,905	\$1,915	\$1,924	\$1,934	\$22,582
A/P Decreases	\$0	\$0	\$0	\$0	\$0
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$0	\$0	\$0	\$0	\$310,000
Dividends	\$0	\$0	\$0	\$35,122	\$35,122
Total Cash Outflows	\$1,905	\$1,915	\$1,924	\$37,055	\$367,703

Net Cash Flow	-\$23,657	\$38,291	-\$23,657	\$3,170	\$92,682
Cash Balance	\$74,879	\$113,170	\$89,513	\$92,682	\$92,682

Cash Flow Analysis (Second Year)					
2					
Quarter	Q1	Q2	Q3	Q4	2
Cash From Operations	\$58,235	\$58,235	\$58,235	\$58,235	\$232,940
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$58,235	\$58,235	\$58,235	\$58,235	\$232,940

Other Cash Inflows

Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$0	\$0	\$0	\$0	\$0
Total Other Cash Inflows	\$0	\$0	\$0	\$0	\$0

Total Cash Inflow	\$58,235	\$58,235	\$58,235	\$58,235	\$232,940
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Cash Outflows

Repayment of Principal	\$5,860	\$5,948	\$6,038	\$6,129	\$23,974
A/P Decreases	\$0	\$0	\$0	\$0	\$0
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$26,121	\$26,121	\$26,121	\$26,121	\$104,483
Dividends	\$20,897	\$20,897	\$20,897	\$20,897	\$83,586
Total Cash Outflows	\$52,877	\$52,965	\$53,055	\$53,146	\$212,044

Net Cash Flow	\$5,358	\$5,270	\$5,180	\$5,089	\$20,897
Cash Balance	\$98,040	\$103,310	\$108,490	\$113,579	\$113,579

Cash Flow Analysis (Third Year)					
3					
Quarter	Q1	Q2	Q3	Q4	3
Cash From Operations	\$83,425	\$83,425	\$83,425	\$83,425	\$333,700
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$83,425	\$83,425	\$83,425	\$83,425	\$333,700

Other Cash Inflows

Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$0	\$0	\$0	\$0	\$0
Total Other Cash Inflows	\$0	\$0	\$0	\$0	\$0

Total Cash Inflow	\$83,425	\$83,425	\$83,425	\$83,425	\$333,700
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Cash Outflows

Repayment of Principal	\$6,221	\$6,315	\$6,410	\$6,507	\$25,453
A/P Decreases	\$0	\$0	\$0	\$0	\$0
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$38,531	\$38,531	\$38,531	\$38,531	\$154,123
Dividends	\$30,825	\$30,825	\$30,825	\$30,825	\$123,299
Total Cash Outflows	\$75,577	\$75,670	\$75,766	\$75,862	\$302,875

Net Cash Flow	\$7,848	\$7,754	\$7,659	\$7,563	\$30,825
Cash Balance	\$121,427	\$129,182	\$136,841	\$144,404	\$144,404

Appendix D – Loan Amortization Table

Payment Number	Payment Amount	Principal Payment	Interest Payment	Balance
1	\$3,331	\$1,831	\$1,500	\$298,169
2	\$3,331	\$1,840	\$1,491	\$296,330
3	\$3,331	\$1,849	\$1,482	\$294,481
4	\$3,331	\$1,858	\$1,472	\$292,622
5	\$3,331	\$1,868	\$1,463	\$290,755
6	\$3,331	\$1,877	\$1,454	\$288,878
7	\$3,331	\$1,886	\$1,444	\$286,992
8	\$3,331	\$1,896	\$1,435	\$285,096
9	\$3,331	\$1,905	\$1,425	\$283,191
10	\$3,331	\$1,915	\$1,416	\$281,276
11	\$3,331	\$1,924	\$1,406	\$279,352
12	\$3,331	\$1,934	\$1,397	\$277,418
13	\$3,331	\$1,944	\$1,387	\$275,475
14	\$3,331	\$1,953	\$1,377	\$273,522
15	\$3,331	\$1,963	\$1,368	\$271,559
16	\$3,331	\$1,973	\$1,358	\$269,586
17	\$3,331	\$1,983	\$1,348	\$267,603
18	\$3,331	\$1,993	\$1,338	\$265,610
19	\$3,331	\$2,003	\$1,328	\$263,608
20	\$3,331	\$2,013	\$1,318	\$261,595
21	\$3,331	\$2,023	\$1,308	\$259,573
22	\$3,331	\$2,033	\$1,298	\$257,540
23	\$3,331	\$2,043	\$1,288	\$255,497
24	\$3,331	\$2,053	\$1,277	\$253,444
25	\$3,331	\$2,063	\$1,267	\$251,380
26	\$3,331	\$2,074	\$1,257	\$249,307
27	\$3,331	\$2,084	\$1,247	\$247,223
28	\$3,331	\$2,095	\$1,236	\$245,128
29	\$3,331	\$2,105	\$1,226	\$243,023
30	\$3,331	\$2,115	\$1,215	\$240,908
31	\$3,331	\$2,126	\$1,205	\$238,782
32	\$3,331	\$2,137	\$1,194	\$236,645
33	\$3,331	\$2,147	\$1,183	\$234,498
34	\$3,331	\$2,158	\$1,172	\$232,339
35	\$3,331	\$2,169	\$1,162	\$230,170
36	\$3,331	\$2,180	\$1,151	\$227,991
37	\$3,331	\$2,191	\$1,140	\$225,800
38	\$3,331	\$2,202	\$1,129	\$223,598
39	\$3,331	\$2,213	\$1,118	\$221,386
40	\$3,331	\$2,224	\$1,107	\$219,162
41	\$3,331	\$2,235	\$1,096	\$216,927
42	\$3,331	\$2,246	\$1,085	\$214,681
43	\$3,331	\$2,257	\$1,073	\$212,424
44	\$3,331	\$2,268	\$1,062	\$210,156
45	\$3,331	\$2,280	\$1,051	\$207,876
46	\$3,331	\$2,291	\$1,039	\$205,585
47	\$3,331	\$2,303	\$1,028	\$203,282

48	\$3,331	\$2,314	\$1,016	\$200,968
49	\$3,331	\$2,326	\$1,005	\$198,642
50	\$3,331	\$2,337	\$993	\$196,305
51	\$3,331	\$2,349	\$982	\$193,955
52	\$3,331	\$2,361	\$970	\$191,595
53	\$3,331	\$2,373	\$958	\$189,222
54	\$3,331	\$2,385	\$946	\$186,837
55	\$3,331	\$2,396	\$934	\$184,441
56	\$3,331	\$2,408	\$922	\$182,033
57	\$3,331	\$2,420	\$910	\$179,612
58	\$3,331	\$2,433	\$898	\$177,180
59	\$3,331	\$2,445	\$886	\$174,735
60	\$3,331	\$2,457	\$874	\$172,278
61	\$3,331	\$2,469	\$861	\$169,809
62	\$3,331	\$2,482	\$849	\$167,327
63	\$3,331	\$2,494	\$837	\$164,833
64	\$3,331	\$2,506	\$824	\$162,327
65	\$3,331	\$2,519	\$812	\$159,808
66	\$3,331	\$2,532	\$799	\$157,276
67	\$3,331	\$2,544	\$786	\$154,732
68	\$3,331	\$2,557	\$774	\$152,175
69	\$3,331	\$2,570	\$761	\$149,605
70	\$3,331	\$2,583	\$748	\$147,023
71	\$3,331	\$2,596	\$735	\$144,427
72	\$3,331	\$2,608	\$722	\$141,819
73	\$3,331	\$2,622	\$709	\$139,197
74	\$3,331	\$2,635	\$696	\$136,562
75	\$3,331	\$2,648	\$683	\$133,915
76	\$3,331	\$2,661	\$670	\$131,254
77	\$3,331	\$2,674	\$656	\$128,579
78	\$3,331	\$2,688	\$643	\$125,892
79	\$3,331	\$2,701	\$629	\$123,190
80	\$3,331	\$2,715	\$616	\$120,476
81	\$3,331	\$2,728	\$602	\$117,748
82	\$3,331	\$2,742	\$589	\$115,006
83	\$3,331	\$2,756	\$575	\$112,250
84	\$3,331	\$2,769	\$561	\$109,481
85	\$3,331	\$2,783	\$547	\$106,697
86	\$3,331	\$2,797	\$533	\$103,900
87	\$3,331	\$2,811	\$520	\$101,089
88	\$3,331	\$2,825	\$505	\$98,264
89	\$3,331	\$2,839	\$491	\$95,425
90	\$3,331	\$2,853	\$477	\$92,571
91	\$3,331	\$2,868	\$463	\$89,704
92	\$3,331	\$2,882	\$449	\$86,821
93	\$3,331	\$2,897	\$434	\$83,925
94	\$3,331	\$2,911	\$420	\$81,014
95	\$3,331	\$2,926	\$405	\$78,088
96	\$3,331	\$2,940	\$390	\$75,148
97	\$3,331	\$2,955	\$376	\$72,193

98	\$3,331	\$2,970	\$361	\$69,224
99	\$3,331	\$2,984	\$346	\$66,239
100	\$3,331	\$2,999	\$331	\$63,240
101	\$3,331	\$3,014	\$316	\$60,225
102	\$3,331	\$3,029	\$301	\$57,196
103	\$3,331	\$3,045	\$286	\$54,151
104	\$3,331	\$3,060	\$271	\$51,091
105	\$3,331	\$3,075	\$255	\$48,016
106	\$3,331	\$3,091	\$240	\$44,926
107	\$3,331	\$3,106	\$225	\$41,820
108	\$3,331	\$3,122	\$209	\$38,698
109	\$3,331	\$3,137	\$193	\$35,561
110	\$3,331	\$3,153	\$178	\$32,408
111	\$3,331	\$3,169	\$162	\$29,246
112	\$3,331	\$3,184	\$146	\$26,055
113	\$3,331	\$3,200	\$130	\$22,855
114	\$3,331	\$3,216	\$114	\$19,639
115	\$3,331	\$3,232	\$98	\$16,406
116	\$3,331	\$3,249	\$82	\$13,158
117	\$3,331	\$3,265	\$66	\$9,893
118	\$3,331	\$3,281	\$49	\$6,612
119	\$3,331	\$3,298	\$33	\$3,314
120	\$3,331	\$3,314	\$17	\$0