

Small Business Development Center

101 Baldwin
Corpus Christi, TX 78404
(361) 698-1021

Business Plan

Submitted By:

Jerry Estell
1201 North Shoreline
Corpus Christi, TX 78401
(361) 881-1850

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I. NAME OF BUSINESS

The business is known as **SMALL BUSINESS DEVELOPMENT CENTER.**

II. OWNERSHIP OF BUSINESS

The business is a nonprofit organization.

III. INFORMATION ON BUSINESS

a. Type of Business and Products or Service

The mission of the Del Mar College Small Business Development Center is to promote growth, expansion, innovation, increased productivity, and improved management for small businesses in the Coastal Bend service area. These goals will be accomplished through activities of counseling, technical assistance, training seminars and workshops, advocacy, research studies, resource information and coordination with the US Small Business Administration and other community business support services. It is expected that activities of the SBDC will result in:

Mission Statement

- Improved performance of small business clients.
- Enhanced economic growth within the service area.
- Increased success rate for startup businesses.
- Full participation in program activities by special focus groups:

Women-owned businesses
Minority-owned businesses
Rural businesses
Export-active businesses
Veteran-owned businesses

The SBDC office is positioned as the focal point for small business development activities in our community by acting as leaders in economic development planning and delivery of highly effective counseling and training services.

There are two other grant-funded organizations that work closely with the SBDC: the Procurement Technical Assistance Center (PTAC) and Micro Loan Technical Assistance Branch.. The PTAC is partially funded by the Department of Defense and is designed to increase the number and type of businesses selling products and services to government agencies. The PTAC provides assistance through free counseling on procurement matters, electronic bid match services, assistance with certification packages (8(a), SDB, HUBZONE), networking and training opportunities, and many other government related procurement services. Micro Loan is a non-lending technical assistance provider that provides business based training and technical assistance to its micro borrowers. Individuals and small businesses applying for Micro Loan financing may be required to fulfill

training and/or planning requirements before a loan application is considered. Our office can help to find a micro lender in the immediate area.

b. History of Business

The SBDC Office in Corpus Christi was opened in the late 1980s to provide technical assistance to small business owners and potential small business owners. The original Office was hosted by the Corpus Christi Chamber of Commerce and started with two employees. The SBDC currently has offices at Del Mar College, the Corpus Christi Chamber of Commerce, and the Alice Chamber of Commerce. The current host is Del Mar College.

c. Location and Hours of Operation

The business is located at the Del Mar College East Campus at 101 Baldwin, VB-351, Corpus Christi, TX. It is open from 8:30 a.m. to 5:00 p.m. Monday through Friday. The business is closed on holidays.

101 Baldwin Blvd Corpus Christi, TX 78404-3805, US



d. Revenues and Accounting

The SBDC is a grant-funded nonprofit organization. The organization currently operates with funds from three government grants, matching funds from local partners, and in kind contributions from the hosting partners. All grants are audited by host institutions and federal auditors to ensure compliance with current laws.

e. Inventory and Supplies

Office supplies and equipment are replenished on as-needed basis.

f. Legal

The SBDC complies with all applicable laws that govern non profit organizations.

g. Current Proposal

The SBDC will continue to operate at the current funding level. In our quest to better serve existing small business owners and potential owners, we are continuously seeking additional funding. Local funding, state funding, and other federal grants are potential sources of additional funding. The SBDC is unique among grant funded organizations in that our assistance creates approximately six tax dollars for every dollar of funding.

IV. MARKET ANALYSIS

The Del Mar College SBDC is the only SBDC office in the area and is designated to serving 9 (nine) counties: San Patricio, Nueces, Kleberg, Jim Wells, Live Oak, McMullen, Duval, Brooks, Kennedy counties. These nine counties have over 10,000 existing small businesses.

V. MARKETING STRATEGY

a. Advertising

The SBDC advertises its training workshops and conferences in the Corpus Christi Caller Times, by word of mouth, mail-outs, and faxes.

b. Promotion

The SBDC is the only full service grant funded business developer in the nine county area. The quality of our loan packaging and consulting services have resulted in referrals from virtually every financial institution in the area.

c. Sales Strategy

The SBDC's sales strategy is straight forward. Provide the highest quality business planning products at a price every small business owner can afford. Our consulting and other business planning services are provided at no charge. There is a small fee to attend some of the business seminars presented by the SBDC.

VI. MANAGEMENT PLAN

a. Management

The management team consist of the SBDC Director, the PTAC Program Manager, the Micro Loan Program Manager, and the Training Coordinator. The SBDC Director is responsible for the overall management of the organization. The Director supervises all

employees, manages the budget, coordinates activities with host institutions and upstream grant managers. The PTAC Manager is responsible for all Procurement functions provided by the SBDC. The PTAC Manager supervises all PTAC employees, assists the Director with management of the PTAC budget, and coordinates PTAC activities with upstream grant managers. The Micro Loan Manager supervises all Micro Loan employees, assists the Director with management of the Micro Loan budget, and coordinates activities with upstream grant managers. The Training Coordinator is responsible for all training seminars, all initial client contact, and record keeping. The Training Coordinator assists the Director with management of the SBDC budget.

b. Employees

All employees are professional individuals with several years of experience. These individuals work independently to produce high quality products that enhance the client's probability of success.

VII. FINANCIAL ANALYSIS

Detailed financial information is depicted in Appendices 1 through 11.

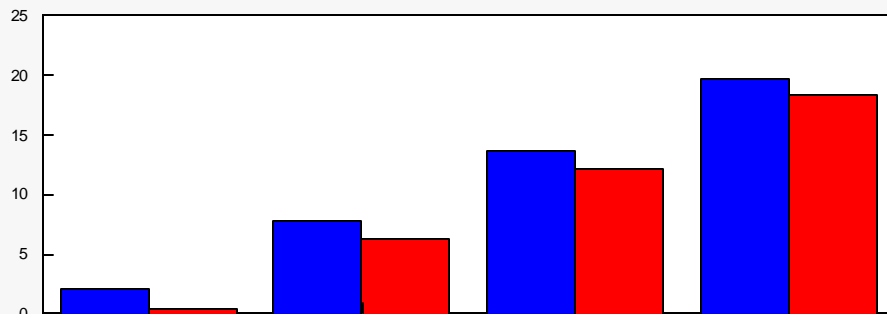
VIII. OTHER

This area is normally used to emphasize additional strengths that potential investors or lenders would find helpful in making a financial decision. We are using this space to discuss our sample business plan. We used all the key elements of a business plan to give you some information on the SBDC. These key elements are in a professional business plan format. The area lending institutions and many investors are familiar with this format. The financial analysis section is sample projections to depict the projections that SBDC provides to our clients. This is a copyrighted program that the Del Mar College SBDC has authorization to use.

EXECUTIVE FINANCIAL SUMMARY

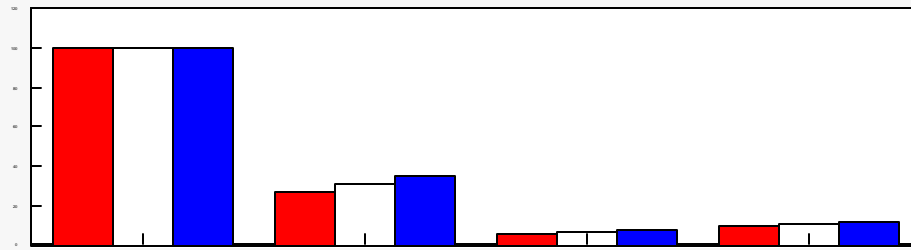
INCOME STATEMENT	YEAR 1	PERCENT	YEAR 2	PERCENT	YEAR 3	PERCENT
SALES	412,000	100.0%	452,000	100.0%	496,000	100.0%
COST OF GOODS/SERVICE						
GROSS PROFIT	412,000	100.0%	452,000	100.0%	496,000	100.0%
VARIABLE EXPENSES	5,562	1.4%	6,102	1.4%	6,696	1.4%
FIXED EXPENSES	293,628	71.3%	303,406	67.1%	313,583	63.2%
NET PROFIT	112,810	27.4%	142,492	31.5%	175,721	35.4%
Cash Flow for Debt	226,812	55.1%	248,547	55.0%	272,955	55.0%
Total Debt Service	100,055	24.3%	100,055	22.1%	100,055	20.2%
DEBT COVERAGE RATIO	2.3		2.5		2.7	
BALANCE SHEET						
CURRENT ASSETS	194,270	8.9%	367,758	16.0%	572,533	23.4%
NET FIXED ASSETS	1,987,256	91.1%	1,931,240	84.0%	1,875,224	76.6%
OTHER ASSETS						
TOTAL ASSETS	2,181,526	100.0%	2,298,998	100.0%	2,447,757	100.0%
CURRENT LIABILITIES	25,019	1.1%	26,962	1.2%	29,055	1.2%
LONG TERM LIABILITIES	986,764	45.2%	959,802	41.7%	930,747	38.0%
TOTAL LIABILITIES	1,011,783	46.4%	986,764	42.9%	959,802	39.2%
TOTAL EQUITY	1,169,744	53.6%	1,312,236	57.1%	1,487,956	60.8%
TOTAL LIABILITIES & EQUITY	2,181,527	100.0%	2,298,999	100.0%	2,447,758	100.0%

LIQUIDITY RATIOS



	BEGINNING	YEAR 1	YEAR 2	YEAR 3
■ CURRENT	2.10	7.76	13.64	19.71
■ QUICK	0.46	6.25	12.23	18.40

PROFIT RATIOS



	GROSS MARGIN	NET PROFIT	RETURN/ASSETS	RETURN/EQUITY
■ YEAR 1	100.00	27.38	5.17	9.64
■ YEAR 2	100.00	31.52	6.20	10.86
■ YEAR 3	100.00	35.43	7.18	11.81

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SOURCES AND USE OF FUNDS					
USE OF FUNDS	Owner	New Pur	New Credits	Total	
Land and Building	1,800,000	170,000		1,970,000	
Land Acquisition	200,000			200,000	
New Construction	1,600,000			1,600,000	
Bld Expansion/repair		170,000		170,000	
Machinery and Equip	43,272	30,000		73,272	
Equipment	43,272			43,272	
Equipment [Other]		30,000		30,000	
Office Eqpt Purchases					
Office Eqpt Repair					
Inventory					
Working Capital	13,662	35,000		48,662	
Cash	4,352			4,352	
Accounts Receivable	6,310			6,310	
Advertising					
Insurance Prepayment					
Legal/Prof Fees					
Supplies					
SBA Fees		35,000		35,000	
Rent/Utility Deposits	3,000			3,000	
Licenses					
Leasehold Renovation					
Other Prepaid Items					
TOTAL ASSETS	1,856,934	235,000		2,091,934	
DEBTS					
	Current	Paid by loan	New Debt	Total	
Accounts Payable					
SBA Loan[s]			1,035,000	1,035,000	
Non- SBA Loan[s]	800,000	800,000			
Other Debt					
TOTAL DEBT	800,000	800,000	1,035,000	1,035,000	
OWNER EQUITY	1,056,934			1,056,934	
PERCENT	57%			50.5%	
Use of Loan Proceeds					
Land Acquisition		Pay Off non SBA Loan		800,000	
Expansion or Repair	170,000	Other Debt Payment			
Machinery & Equipment	30,000	All Other			
Inventory					
Working Capital	35,000				
Acquisition of Business		Total Loan Requested		1,035,000	
Pay Off SBA Loan		Term of Loan in Years		20	
LOAN DATA					
	AMOUNT	PAYMENT	INT(APR)	YEARS	PP YEAR
Loan One	1,035,000	8,338	7.5%	20	12
Loan Two					
Loan three					
Total Loan	1,035,000	8,338	7.5%	20	100,055
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INCOME PROJECTIONS - YEAR ONE - MONTHS 1-6							
INCOME	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	TOTAL
Sales	26,374	26,374	26,374	26,374	43,956	43,956	193,407
Other Income	1,000	1,000	1,000	1,000	1,000	1,000	6,000
GROSS INCOME	27,374	27,374	27,374	27,374	44,956	44,956	199,406
Cost of Goods Sold							
GROSS PROFIT	27,374	27,374	27,374	27,374	44,956	44,956	199,406
Controllable expenses							
Salaries/wages	1,702	1,702	1,702	1,702	1,702	1,702	10,211
Payroll expenses	190	190	190	190	190	190	1,139
Legal/accounting	500	500	500	500	500	500	3,000
Advertising	226	226	226	226	226	226	1,354
Automobile	222	222	222	222	222	222	1,334
Supplies	1,550	1,550	1,550	1,550	1,550	1,550	9,302
Dues/subscriptions	109	109	109	109	109	109	652
Utilities	2,033	2,033	2,033	2,033	2,033	2,033	12,199
Telephone	519	519	519	519	519	519	3,114
Charge Card Expenses	370	370	370	370	607	607	2,692
Laundry	1,329	1,329	1,329	1,329	1,329	1,329	7,973
Contract Labor	1,078	1,078	1,078	1,078	1,078	1,078	6,467
Total controllable expenses	9,826	9,826	9,826	9,826	10,064	10,064	59,433
Fixed expenses							
Cablevision	634	634	634	634	634	634	3,801
Depreciation	916	916	916	916	916	916	5,496
Building depreciation	3,752	3,752	3,752	3,752	3,752	3,752	22,512
Real property tax	1,642	1,642	1,642	1,642	1,642	1,642	9,850
Personal property tax	165	165	165	165	165	165	989
SBA Loan interest expense	6,469	6,457	6,445	6,433	6,422	6,410	38,636
Other interest expense							
Officer's Salaries							
Officer's Payroll Expenses							
Insurance	1,286	1,286	1,286	1,286	1,286	1,286	7,719
Licenses/Permits	60	60	60	60	60	60	361
Miscellaneous	1	1	1	1	1	1	8
Postage	153	153	153	153	153	153	919
Total fixed expenses	15,078	15,066	15,054	15,043	15,031	15,019	90,290
TOTAL EXPENSES	24,904	24,892	24,881	24,869	25,094	25,082	149,723
NET PROFIT (LOSS)	2,469	2,481	2,493	2,505	19,862	19,874	49,683
CASH FLOW PROJECTIONS - YEAR ONE - MONTHS 1-6							
BEGINNING CASH BALANCE	4,352	11,824	17,093	22,361	27,629	47,605	4,352
NET PROFIT (LOSS)	2,469	2,481	2,493	2,505	19,862	19,874	49,683
PLUS ACCOUNTS PAYABLE							
CASH REC ON ACC	6,310	4,106	4,106	4,106	4,106	6,743	29,478
DEPRECIATION	4,668	4,668	4,668	4,668	4,668	4,668	28,008
LOAN EQUITY PAYMENT							
MORTGAGE EQUITY PMT	1,869	1,881	1,893	1,904	1,916	1,928	11,392
CHARGE SALES	4,106	4,106	4,106	4,106	6,743	6,743	29,911
OWNER DRAW							
LESS AP PAYMENTS							
CASH ASSET PURCHASES							
NET CASH FLOW	7,472	5,268	5,268	5,268	19,976	22,613	65,866
ENDING CASH BALANCE	11,824	17,093	22,361	27,629	47,605	70,218	70,218

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INCOME PROJECTIONS - YEAR ONE - MONTHS 7-12							
INCOME	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	TOTAL
Sales	43,956	43,956	26,374	26,374	32,967	32,967	206,593
Other Income	1,000	1,000	1,000	1,000	1,000	1,000	6,000
GROSS INCOME	44,956	44,956	27,374	27,374	33,967	33,967	212,593
Cost of Goods Sold							
GROSS PROFIT	44,956	44,956	27,374	27,374	33,967	33,967	212,593
Controllable expenses							
Salaries/wages	1,702	1,702	1,702	1,702	1,702	1,702	10,211
Payroll expenses	190	190	190	190	190	190	1,139
Legal/accounting	500	500	500	500	500	500	3,000
Advertising	226	226	226	226	226	226	1,354
Automobile	222	222	222	222	222	222	1,334
Supplies	1,550	1,550	1,550	1,550	1,550	1,550	9,302
Dues/subscriptions	109	109	109	109	109	109	652
Utilities	2,033	2,033	2,033	2,033	2,033	2,033	12,199
Telephone	519	519	519	519	519	519	3,114
Charge Card Expenses	607	607	370	370	459	459	2,870
Laundry	1,329	1,329	1,329	1,329	1,329	1,329	7,973
Contract Labor	1,078	1,078	1,078	1,078	1,078	1,078	6,467
Total controllable expenses	10,064	10,064	9,826	9,826	9,915	9,915	59,611
Fixed expenses							
Cablevision	634	634	634	634	634	634	3,801
Depreciation	916	916	916	916	916	916	5,496
Building depreciation	3,752	3,752	3,752	3,752	3,752	3,752	22,512
Real property tax	1,642	1,642	1,642	1,642	1,642	1,642	9,850
Personal property tax	165	165	165	165	165	165	989
SBA Loan interest expense	6,398	6,385	6,373	6,361	6,349	6,336	38,202
Other interest expense							
Officer's Salaries							
Officer's Payroll Expenses							
Insurance	1,286	1,286	1,286	1,286	1,286	1,286	7,719
Licenses/Permits	60	60	60	60	60	60	361
Miscellaneous	1	1	1	1	1	1	8
Postage	153	153	153	153	153	153	919
Total fixed expenses	15,007	14,994	14,982	14,970	14,958	14,945	89,856
TOTAL EXPENSES	25,070	25,058	24,809	24,796	24,873	24,861	149,467
NET PROFIT (LOSS)	19,886	19,898	2,565	2,577	9,094	9,106	63,126
CASH FLOW PROJECTIONS - YEAR ONE - MONTHS 7-12							
BEGINNING CASH BALANCE	70,218	92,832	115,445	123,351	128,619	139,403	70,218
NET PROFIT (LOSS)	19,886	19,898	2,565	2,577	9,094	9,106	63,126
PLUS ACCOUNTS PAYABLE							
CASH REC ON ACC	6,743	6,743	6,743	4,106	4,106	5,095	33,537
DEPRECIATION	4,668	4,668	4,668	4,668	4,668	4,668	28,008
LOAN EQUITY PAYMENT							
MORTGAGE EQUITY PMT	1,940	1,952	1,965	1,977	1,989	2,002	11,825
CHARGE SALES	6,743	6,743	4,106	4,106	5,095	5,095	31,889
OWNER DRAW							
LESS AP PAYMENTS							
CASH ASSET PURCHASES							
NET CASH FLOW	22,613	22,613	7,906	5,268	10,784	11,773	80,957
ENDING CASH BALANCE	92,832	115,445	123,351	128,619	139,403	151,175	151,175

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INCOME PROJECTIONS - YEAR TWO - MONTHS 1-6							
INCOME	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	TOTAL
Sales	29,011	29,011	29,011	29,011	48,352	48,352	212,747
Other Income	1,000	1,000	1,000	1,000	1,000	1,000	6,000
GROSS INCOME	30,011	30,011	30,011	30,011	49,352	49,352	218,747
Cost of Goods Sold							
GROSS PROFIT	30,011	30,011	30,011	30,011	49,352	49,352	218,747
Controllable expenses							
Salaries/wages	1,867	1,867	1,867	1,867	1,867	1,867	11,202
Payroll expenses	208	208	208	208	208	208	1,249
Legal/accounting	549	549	549	549	549	549	3,291
Advertising	248	248	248	248	248	248	1,485
Automobile	244	244	244	244	244	244	1,463
Supplies	1,701	1,701	1,701	1,701	1,701	1,701	10,205
Dues/subscriptions	119	119	119	119	119	119	715
Utilities	2,230	2,230	2,230	2,230	2,230	2,230	13,383
Telephone	569	569	569	569	569	569	3,416
Charge Card Expenses	405	405	405	405	666	666	2,953
Laundry	1,458	1,458	1,458	1,458	1,458	1,458	8,747
Contract Labor	1,182	1,182	1,182	1,182	1,182	1,182	7,094
Total controllable expenses	10,780	10,780	10,780	10,780	11,041	11,041	65,203
Fixed expenses							
Cablevision	634	634	634	634	634	634	3,801
Depreciation	916	916	916	916	916	916	5,496
Building depreciation	3,752	3,752	3,752	3,752	3,752	3,752	22,512
Real property tax	1,642	1,642	1,642	1,642	1,642	1,642	9,850
Personal property tax	165	165	165	165	165	165	989
SBA Loan interest expense	6,324	6,311	6,298	6,286	6,273	6,260	37,751
Other interest expense							
Officer's Salaries							
Officer's Payroll Expenses							
Insurance	1,333	1,333	1,333	1,333	1,333	1,333	8,000
Licenses/Permits	60	60	60	60	60	60	361
Miscellaneous	1	1	1	1	1	1	8
Postage	153	153	153	153	153	153	919
Total fixed expenses	14,980	14,967	14,954	14,942	14,929	14,916	89,687
TOTAL EXPENSES	25,760	25,747	25,734	25,722	25,970	25,957	154,890
NET PROFIT (LOSS)	4,251	4,264	4,276	4,289	23,382	23,395	63,857
CASH FLOW PROJECTIONS - YEAR TWO - MONTHS 1-6							
BEGINNING CASH BALANCE	151,175	158,674	165,579	172,484	179,389	202,472	151,175
NET PROFIT (LOSS)	4,251	4,264	4,276	4,289	23,382	23,395	63,857
PLUS ACCOUNTS PAYABLE							
CASH REC ON ACC	5,095	4,502	4,502	4,502	4,502	7,403	30,504
DEPRECIATION	4,668	4,668	4,668	4,668	4,668	4,668	28,008
LOAN EQUITY PAYMENT							
MORTGAGE EQUITY PMT	2,014	2,027	2,040	2,052	2,065	2,078	12,276
CHARGE SALES	4,502	4,502	4,502	4,502	7,403	7,403	32,812
OWNER DRAW							
LESS AP PAYMENTS							
CASH ASSET PURCHASES							
NET CASH FLOW	7,498	6,905	6,905	6,905	23,083	25,985	77,281
ENDING CASH BALANCE	158,674	165,579	172,484	179,389	202,472	228,457	228,457

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INCOME PROJECTIONS - YEAR TWO - MONTHS 7-12							
INCOME	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	TOTAL
Sales	48,352	48,352	29,011	29,011	36,264	36,264	227,253
Other Income	1,000	1,000	1,000	1,000	1,000	1,000	6,000
GROSS INCOME	49,352	49,352	30,011	30,011	37,264	37,264	233,253
Cost of Goods Sold							
GROSS PROFIT	49,352	49,352	30,011	30,011	37,264	37,264	233,253
Controllable expenses							
Salaries/wages	1,867	1,867	1,867	1,867	1,867	1,867	11,202
Payroll expenses	208	208	208	208	208	208	1,249
Legal/accounting	549	549	549	549	549	549	3,291
Advertising	248	248	248	248	248	248	1,485
Automobile	244	244	244	244	244	244	1,463
Supplies	1,701	1,701	1,701	1,701	1,701	1,701	10,205
Dues/subscriptions	119	119	119	119	119	119	715
Utilities	2,230	2,230	2,230	2,230	2,230	2,230	13,383
Telephone	569	569	569	569	569	569	3,416
Charge Card Expenses	666	666	405	405	503	503	3,149
Laundry	1,458	1,458	1,458	1,458	1,458	1,458	8,747
Contract Labor	1,182	1,182	1,182	1,182	1,182	1,182	7,094
Total controllable expenses	11,041	11,041	10,780	10,780	10,878	10,878	65,399
Fixed expenses							
Cablevision	634	634	634	634	634	634	3,801
Depreciation	916	916	916	916	916	916	5,496
Building depreciation	3,752	3,752	3,752	3,752	3,752	3,752	22,512
Real property tax	1,642	1,642	1,642	1,642	1,642	1,642	9,850
Personal property tax	165	165	165	165	165	165	989
SBA Loan interest expense	6,247	6,234	6,221	6,207	6,194	6,181	37,284
Other interest expense							
Officer's Salaries							
Officer's Payroll Expenses							
Insurance	1,333	1,333	1,333	1,333	1,333	1,333	8,000
Licenses/Permits	60	60	60	60	60	60	361
Miscellaneous	1	1	1	1	1	1	8
Postage	153	153	153	153	153	153	919
Total fixed expenses	14,903	14,890	14,877	14,863	14,850	14,837	89,220
TOTAL EXPENSES	25,944	25,931	25,657	25,644	25,728	25,715	154,618
NET PROFIT (LOSS)	23,408	23,421	4,354	4,367	11,536	11,549	78,634
CASH FLOW PROJECTIONS - YEAR TWO - MONTHS 7-12							
BEGINNING CASH BALANCE	228,457	254,441	280,426	290,232	297,137	310,109	228,457
NET PROFIT (LOSS)	23,408	23,421	4,354	4,367	11,536	11,549	78,634
PLUS ACCOUNTS PAYABLE							
CASH REC ON ACC	7,403	7,403	7,403	4,502	4,502	5,590	36,801
DEPRECIATION	4,668	4,668	4,668	4,668	4,668	4,668	28,008
LOAN EQUITY PAYMENT							
MORTGAGE EQUITY PMT	2,091	2,104	2,117	2,130	2,144	2,157	12,743
CHARGE SALES	7,403	7,403	4,502	4,502	5,590	5,590	34,988
OWNER DRAW							
LESS AP PAYMENTS							
CASH ASSET PURCHASES							
NET CASH FLOW	25,985	25,985	9,806	6,905	12,972	14,060	95,712
ENDING CASH BALANCE	254,441	280,426	290,232	297,137	310,109	324,169	324,169

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INCOME PROJECTIONS - YEAR THREE - MONTHS 1-6							
INCOME	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	TOTAL
Sales	31,912	31,912	31,912	31,912	53,187	53,187	234,022
Other Income	1,000	1,000	1,000	1,000	1,000	1,000	6,000
GROSS INCOME	32,912	32,912	32,912	32,912	54,187	54,187	240,022
Cost of Goods Sold							
GROSS PROFIT	32,912	32,912	32,912	32,912	54,187	54,187	240,022
Controllable expenses							
Salaries/wages	2,049	2,049	2,049	2,049	2,049	2,049	12,293
Payroll expenses	228	228	228	228	228	228	1,371
Legal/accounting	602	602	602	602	602	602	3,612
Advertising	272	272	272	272	272	272	1,630
Automobile	268	268	268	268	268	268	1,605
Supplies	1,866	1,866	1,866	1,866	1,866	1,866	11,198
Dues/subscriptions	131	131	131	131	131	131	784
Utilities	2,448	2,448	2,448	2,448	2,448	2,448	14,686
Telephone	625	625	625	625	625	625	3,748
Charge Card Expenses	444	444	444	444	732	732	3,240
Laundry	1,600	1,600	1,600	1,600	1,600	1,600	9,598
Contract Labor	1,297	1,297	1,297	1,297	1,297	1,297	7,785
Total controllable expenses	11,829	11,829	11,829	11,829	12,116	12,116	71,550
Fixed expenses							
Cablevision	634	634	634	634	634	634	3,801
Depreciation	916	916	916	916	916	916	5,496
Building depreciation	3,752	3,752	3,752	3,752	3,752	3,752	22,512
Real property tax	1,642	1,642	1,642	1,642	1,642	1,642	9,850
Personal property tax	165	165	165	165	165	165	989
SBA Loan interest expense	6,167	6,154	6,140	6,126	6,112	6,099	36,798
Other interest expense							
Officer's Salaries							
Officer's Payroll Expenses							
Insurance	1,333	1,333	1,333	1,333	1,333	1,333	8,000
Licenses/Permits	60	60	60	60	60	60	361
Miscellaneous	1	1	1	1	1	1	8
Postage	153	153	153	153	153	153	919
Total fixed expenses	14,823	14,810	14,796	14,782	14,768	14,755	88,734
TOTAL EXPENSES	26,652	26,639	26,625	26,612	26,885	26,871	160,284
NET PROFIT (LOSS)	6,260	6,273	6,287	6,301	27,302	27,316	79,738
CASH FLOW PROJECTIONS - YEAR THREE - MONTHS 1-6							
BEGINNING CASH BALANCE	324,169	333,578	342,335	351,092	359,849	386,403	324,169
NET PROFIT (LOSS)	6,260	6,273	6,287	6,301	27,302	27,316	79,738
PLUS ACCOUNTS PAYABLE							
CASH REC ON ACC	5,590	4,937	4,937	4,937	4,937	8,128	33,465
DEPRECIATION	4,668	4,668	4,668	4,668	4,668	4,668	28,008
LOAN EQUITY PAYMENT							
MORTGAGE EQUITY PMT	2,171	2,184	2,198	2,212	2,225	2,239	13,229
CHARGE SALES	4,937	4,937	4,937	4,937	8,128	8,128	36,003
OWNER DRAW							
LESS AP PAYMENTS							
CASH ASSET PURCHASES							
NET CASH FLOW	9,410	8,757	8,757	8,757	26,553	29,744	91,978
ENDING CASH BALANCE	333,578	342,335	351,092	359,849	386,403	416,147	416,147

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INCOME PROJECTIONS - YEAR THREE - MONTHS 7-12							
INCOME	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	TOTAL
Sales	53,187	53,187	31,912	31,912	39,890	39,890	249,978
Other Income	1,000	1,000	1,000	1,000	1,000	1,000	6,000
GROSS INCOME	54,187	54,187	32,912	32,912	40,890	40,890	255,978
Cost of Goods Sold							
GROSS PROFIT	54,187	54,187	32,912	32,912	40,890	40,890	255,978
Controllable expenses							
Salaries/wages	2,049	2,049	2,049	2,049	2,049	2,049	12,293
Payroll expenses	228	228	228	228	228	228	1,371
Legal/accounting	602	602	602	602	602	602	3,612
Advertising	272	272	272	272	272	272	1,630
Automobile	268	268	268	268	268	268	1,605
Supplies	1,866	1,866	1,866	1,866	1,866	1,866	11,198
Dues/subscriptions	131	131	131	131	131	131	784
Utilities	2,448	2,448	2,448	2,448	2,448	2,448	14,686
Telephone	625	625	625	625	625	625	3,748
Charge Card Expenses	732	732	444	444	552	552	3,456
Laundry	1,600	1,600	1,600	1,600	1,600	1,600	9,598
Contract Labor	1,297	1,297	1,297	1,297	1,297	1,297	7,785
Total controllable expenses	12,116	12,116	11,829	11,829	11,937	11,937	71,765
Fixed expenses							
Cablevision	634	634	634	634	634	634	3,801
Depreciation	916	916	916	916	916	916	5,496
Building depreciation	3,752	3,752	3,752	3,752	3,752	3,752	22,512
Real property tax	1,642	1,642	1,642	1,642	1,642	1,642	9,850
Personal property tax	165	165	165	165	165	165	989
SBA Loan interest expense	6,085	6,071	6,056	6,042	6,028	6,013	36,295
Other interest expense							
Officer's Salaries							
Officer's Payroll Expenses							
Insurance	1,333	1,333	1,333	1,333	1,333	1,333	8,000
Licenses/Permits	60	60	60	60	60	60	361
Miscellaneous	1	1	1	1	1	1	8
Postage	153	153	153	153	153	153	919
Total fixed expenses	14,741	14,726	14,712	14,698	14,684	14,669	88,230
TOTAL EXPENSES	26,857	26,843	26,542	26,527	26,621	26,606	159,995
NET PROFIT (LOSS)	27,330	27,344	6,371	6,385	14,269	14,284	95,982
CASH FLOW PROJECTIONS - YEAR THREE - MONTHS 7-12							
BEGINNING CASH BALANCE	416,147	445,892	475,636	487,584	496,341	511,772	416,147
NET PROFIT (LOSS)	27,330	27,344	6,371	6,385	14,269	14,284	95,982
PLUS ACCOUNTS PAYABLE							
CASH REC ON ACC	8,128	8,128	8,128	4,937	4,937	6,134	40,391
DEPRECIATION	4,668	4,668	4,668	4,668	4,668	4,668	28,008
LOAN EQUITY PAYMENT							
MORTGAGE EQUITY PMT	2,253	2,267	2,282	2,296	2,310	2,325	13,733
CHARGE SALES	8,128	8,128	4,937	4,937	6,134	6,134	38,397
OWNER DRAW							
LESS AP PAYMENTS							
CASH ASSET PURCHASES							
NET CASH FLOW	29,744	29,744	11,948	8,757	15,431	16,627	112,252
ENDING CASH BALANCE	445,892	475,636	487,584	496,341	511,772	528,399	528,399

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INCOME PROJECTIONS - YEARS 1-3						
INCOME	YEAR 1	Percent	YEAR 2	Percent	YEAR 3	Percent
Sales	400,000	97.09%	440,000	97.35%	484,000	97.58%
Other Income	12,000	2.91%	12,000	2.65%	12,000	2.42%
GROSS INCOME	412,000	100.00%	452,000	100.00%	496,000	100.00%
Cost of Goods Sold	0	0.00%	0	0.00%	0	0.00%
GROSS PROFIT	412,000	100.00%	452,000	100.00%	496,000	100.00%
Controllable expenses						
Salaries/wages	20,422	4.96%	22,405	4.96%	24,586	4.96%
Payroll expenses	2,277	0.55%	2,498	0.55%	2,741	0.55%
Legal/accounting	6,000	1.46%	6,583	1.46%	7,223	1.46%
Advertising	2,708	0.66%	2,971	0.66%	3,260	0.66%
Automobile	2,667	0.65%	2,926	0.65%	3,211	0.65%
Supplies	18,603	4.52%	20,409	4.52%	22,396	4.52%
Dues/subscriptions	1,303	0.32%	1,430	0.32%	1,569	0.32%
Utilities	24,397	5.92%	26,766	5.92%	29,371	5.92%
Telephone	6,227	1.51%	6,832	1.51%	7,497	1.51%
Charge Card Expenses	5,562	1.35%	6,102	1.35%	6,696	1.35%
Laundry	15,945	3.87%	17,493	3.87%	19,196	3.87%
Contract Labor	12,933	3.14%	14,189	3.14%	15,570	3.14%
Total controllable expenses	119,044	28.89%	130,602	28.89%	143,315	28.89%
Fixed expenses						
Cablevision	7,602	1.85%	7,602	1.68%	7,602	1.53%
Depreciation	10,992	2.67%	10,992	2.43%	10,992	2.22%
Building depreciation	45,024	10.93%	45,024	9.96%	45,024	9.08%
Real property tax	19,700	4.78%	19,700	4.36%	19,700	3.97%
Personal property tax	1,978	0.48%	1,978	0.44%	1,978	0.40%
SBA Loan interest expense	76,838	18.65%	75,035	16.60%	73,093	14.74%
Other interest expense	0	0.00%	0	0.00%	0	0.00%
Officer's Salaries	0	0.00%	0	0.00%	0	0.00%
Officer's Payroll Expenses	0	0.00%	0	0.00%	0	0.00%
Insurance	15,437	3.75%	16,000	3.54%	16,000	3.23%
Licenses/Permits	722	0.18%	722	0.16%	722	0.15%
Miscellaneous	15	0.00%	15	0.00%	15	0.00%
Postage	1,838	0.45%	1,838	0.41%	1,838	0.37%
Total fixed expenses	180,146	43.72%	178,907	39.58%	176,964	35.68%
TOTAL EXPENSES	299,190	72.62%	309,508	68.48%	320,279	64.57%
NET PROFIT (LOSS)	112,810	27.38%	142,492	31.52%	175,721	35.43%
PLUS ACCOUNTS PAYABLE	0	0.00%	0	0.00%	0	0.00%
PLUS CASH REC ON ACC	63,015	15.29%	67,305	14.89%	73,856	14.89%
PLUS DEPRECIATION	56,016	13.60%	56,016	12.39%	56,016	11.29%
LESS EQUITY PAYMENT	23,217	5.64%	25,019	5.54%	26,962	5.44%
LESS CHARGE SALES	61,800	15.00%	67,800	15.00%	74,400	15.00%
LESS OWNER DRAW	0	0.00%	0	0.00%	0	0.00%
LESS AP PAYMENTS	0	0.00%	0	0.00%	0	0.00%
LESS CASH FOR ASSETS	0	0.00%	0	0.00%	0	0.00%
CASH FLOW BALANCE	151,176	36.69%	324,170	71.72%	528,400	106.53%
NET CASH FLOW	146,824	35.64%	172,994	38.27%	204,231	41.18%

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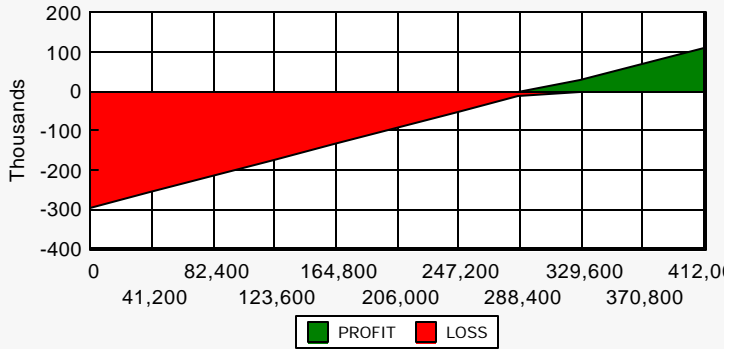
BALANCE SHEET PROJECTIONS - YEARS 1-3				
ASSETS	STARTUP	Year 1	Year 2	Year 3
Current Assets:				
Cash	4,352	151,175	324,169	528,399
Accounts Receivable	6,310	5,095	5,590	6,134
Inventory	0	0	0	0
Prepaid Expenses	38,000	38,000	38,000	38,000
Other Current Assets				
Total Current Assets	48,662	194,270	367,758	572,533
Net Fixed or Plant Assets:				
Land and buildings	1,970,000	1,924,976	1,879,952	1,834,928
Equipment & Machinery	73,272	62,280	51,288	40,296
Vehicles		0	0	0
Existing Business		0	0	0
Other Fixed Assets				
Total Net Fixed Assets	2,043,272	1,987,256	1,931,240	1,875,224
Total Assets	2,091,934	2,181,526	2,298,998	2,447,757
LIABILITIES & OWNER'S EQUITY				
Current Liabilities:				
Notes Payable	0	0	0	0
Accounts Payable	0	0	0	0
Taxes				
Current SBA	23,217	25,019	26,962	29,055
Current OLT Liabilities	0	0	0	0
Total Current Liabilities	23,217	25,019	26,962	29,055
Long-Term Liabilities:				
Installment Debt Payable	0	0	0	0
SBA Loan[s] Payable	1,011,783	986,764	959,802	930,747
Other Long-Term Liabilities	0	0	0	0
Total Long-Term Liabilities	1,011,783	986,764	959,802	930,747
Total Liabilities	1,035,000	1,011,783	986,764	959,802
Owner's Equity				
Paid-In Capital	1,056,934	1,056,934	1,169,744	1,312,236
Retained Earnings		112,810	142,492	175,721
Owner Drawing		0	0	0
Total Owner's Equity	1,056,934	1,169,744	1,312,236	1,487,956
Total Liab & Owner's Equity	2,091,934	2,181,527	2,298,999	2,447,758

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BREAK EVEN PROJECTIONS - YEARS 1-3

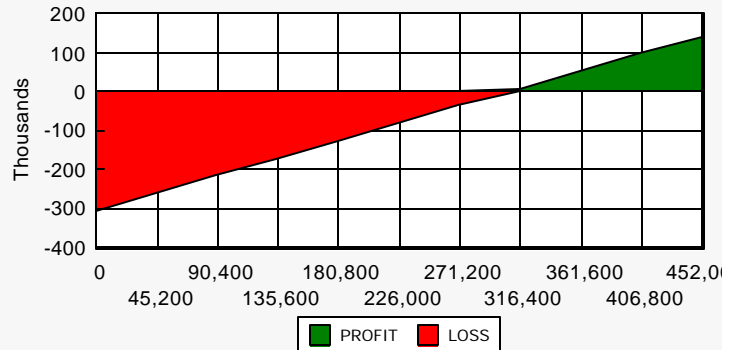
YEAR 1 BREAKEVEN ANALYSIS

SALES	412,000	VAR COST	5,562	FIXED C	293,628	BREAKEVEN	297,646
SALES	LOSS	PROFIT					
0	(293,628)	0					
41,200	(252,984)	0					
82,400	(212,340)	0					
123,600	(171,697)	0					
164,800	(131,053)	0					
206,000	(90,409)	0					
247,200	(49,765)	0					
288,400	(9,121)	0					
329,600	0	31,522					
370,800	0	72,166					
412,000	0	112,810					



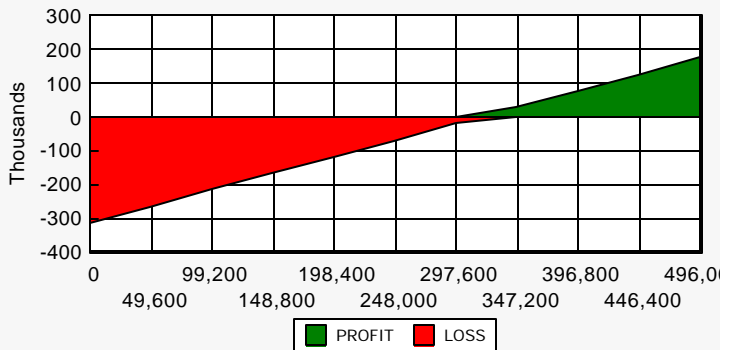
YEAR 2 BREAKEVEN ANALYSIS

SALES	452,000	VAR COST	6,102	FIXED C	303,406	BREAKEVEN	307,558
SALES	LOSS	PROFIT					
0	(303,406)	0					
45,200	(258,817)	0					
90,400	(214,227)	0					
135,600	(169,637)	0					
180,800	(125,047)	0					
226,000	(80,457)	0					
271,200	(35,868)	0					
316,400	0	8,722					
361,600	0	53,312					
406,800	0	97,902					
452,000	0	142,492					



YEAR 3 BREAKEVEN ANALYSIS

SALES	496,000	VAR COST	6,696	FIXED C	313,583	BREAKEVEN	317,875
SALES	LOSS	PROFIT					
0	(313,583)	0					
49,600	(264,653)	0					
99,200	(215,723)	0					
148,800	(166,792)	0					
198,400	(117,862)	0					
248,000	(68,931)	0					
297,600	(20,001)	0					
347,200	0	28,929					
396,800	0	77,860					
446,400	0	126,790					
496,000	0	175,721					



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