

The Inn of the Patriots B & B



The Inn of the Patriots

Bed & Breakfast

Home of the Presidential
Culinary Museum

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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 him.

Upon request, this document is to be immediately returned.

Signature Date

Name (typed or printed)

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

Table of Contents

1.0	Executive Summary	1
1.1	Objectives	4
1.2	Mission	5
2.0	Company Summary	7
2.1	Company Ownership	7
2.2	Start-up Summary	8
2.2.1	Start-up Funding	10
2.3	Keys to Success	11
3.0	Products	12
3.1	Industry Analysis	12
4.0	Market Analysis Summary	14
4.1	Market Segmentation	15
4.2	Target Market Segment Strategy	18
4.2.1	Marketing Strategy	18
4.3	Competition and Buying Patterns	20
5.0	Strategy and Implementation Summary	23
5.1	SWOT Analysis	24
5.2	Competitive Edge	24
5.3	Sales Strategy	25
5.3.1	Sales Forecast	27
5.4	Milestones	29
6.0	Web Plan Summary	30
6.1	Website Marketing Strategy	32
7.0	Management Summary	33
8.0	Financial Plan	36
8.1	Important Assumptions	36
8.2	Break-even Analysis	37
8.3	Projected Profit and Loss	38
8.4	Projected Cash Flow	39
8.5	Projected Balance Sheet	41
8.6	Business Ratios	44
	Appendix	47

The Inn of the Patriots Bed & Breakfast

1.0 Executive Summary

The Inn of the Patriots Bed & Breakfast will be a charming bed and breakfast (B&B) located in Grover, Cleveland County, NC. The valley is well known for its beauty and history. The B&B will be set up as a LLC of Martin Mongiello and will reside in the Mongiello's home. Their home is the center piece for the entire B&B experience. There will be up to seven guest rooms to choose from. The facility has a wonderful centralized living room for the socialization of the guests, a private garden patio and an on-site Presidential Culinary Museum on the property.

At first glance you might not even notice the unassuming white building festooned with flags on the street named after it's county. But once inside the front door you realize that this could only be The Inn of the Patriots Bed & Breakfast. A graceful Dalmatian wearing a purple heart on a sash may greet you as one of the staff takes your bags and leads you to a cozy alcove for Passion Fruit tea and delicate biscuits.

From an 18th Century portrait high above a crackling fire, famed French Gastronomer Brillat Savarin smiles approvingly. Steps away an enchanting courtyard beckons through French doors while the sparkle of crystal and silver on nearby tables hints at pleasures to come. Wherever you look fragrant flowers, richly layered fabrics and wall coverings and amethyst-studded ceilings form a bewitching backdrop for the owner's superb collection of art and antiques.

The Inn's personalized approach to serving its guests will be consistently rated amongst the World's Best by readers of *Travel + Leisure* magazine as well as others. Indeed, one will have the sense that anything might be possible here. Breakfast can be brought to your room or served in the light-filled Terrace Room overlooking the garden. Should you wish to take to the countryside for lunch, the staff will pack you an unforgettable picnic and suggest a scenic route through some of the most spectacular scenery in the country. Returning to The Inn for afternoon tea in the living room will be a treat. Attention to detail will clearly be the hallmark of this magical place.

The Market

Within the hospitality industry, The Inn of the Patriots Bed & Breakfast will be competing with hotels as there are no other B&Bs in the general area. The Inn of the Patriots Bed & Breakfast facilities are far nicer than other hotels in the area. All of the hotels in the area are fairly standard chain hotels, nothing noteworthy. The Inn of the Patriots Bed & Breakfast - on the other hand, is a beautiful, elegant home - on a quiet street, in a small town. A town that used to have a different name, until the President of the United States came. At that juncture, the citizens decided to honor him by changing their town name of Whitaker to Grover - after Grover Cleveland.

The Inn of the Patriots Bed & Breakfast has different target groups that it is going to successfully attract. The first are people from the region that just want to get away for the weekend. They may have activities planned for the weekend at the parks, local towns or just choose to relax in a comfortable setting. The second group are travelers who are passing through the area on I-85, prefer to stay in B&Bs - instead of a hotel/motel. Others will just want to have the experience of service presented by an Executive Chef. While we will certainly get customers that fall outside of these groups, this classification should be fairly accurate.

The Inn of the Patriots Bed & Breakfast

Competitive Edge

The Inn of the Patriots Bed & Breakfast has two distinct competitive edges that differentiates it from the competition. The first is the never-ending attention to detail and customer service. The Mongiello's recognize that their mission is to ensure that their customers have the finest stay with them. Both Marti and Stormy (Fiance') will do whatever it takes to ensure the customer's happiness. This will be showcased in breakfast which will offer Starbucks Authorized and Certified Training System of Coffee and Tazo Tea service.



We will have full Barrista services complete with Cafe Au Lait and four selections of coffee daily. Teas will be from the Tazo collection and number eight per day showcased. Our baked goods and breakfast will be amazing and celebrate the guests with offerings of traditional country simple pleasures, to gourmet exotic entrees to heart-healthy options endorsed by the American Heart Association. Country Style Skillet Ham grilled to perfection and served with Sausage Gravy over Hand Rolled Biscuits or Challah Bread Dipped French Toast with Blackberries and Raspberries on top and then dusted incessantly with Powdered Sugar are a few examples of simple pleasures. Pancetta, Sundried Tomato and California Asparagus Fritattas are an example of a gourmet selection while the offering of Egg Beaters, fresh juices with 100% juice and Wheat breads, Spelt or Hearty Grain Muffins are offerings of healthy cuisine. Whether a guest is desirous of splurging or maintaining a regimen - our full medical cuisine knowledge will be handy and unheard of in the region. So will our famous Polynesian White Chocolate Chip, Macadamia, Pineapple and Walnut cookies that everyone raves about!

Their second competitive edge is the unique facility. The facility is so wonderful in part because of the actual structure - which is a magical place to behold and stay at. The tiffany lamps inside, the original gas, solid-silver fixture lamps and antiques are all amazing - as are the historic stories of Executive Chef Marti's foods, dishes and living all over the world cooking for the American people as well as Kings, Queens, Princes and Prime Ministers - not to mention the First Family of the United States and Hollywood stars.

The Inn of the Patriots Bed & Breakfast



Management Team

The Inn of the Patriots B & B will be able to execute on its strong business model because of its management. Marti has earned his MBA providing the establishment with invaluable business skills. Marti also has unique experiences and talents that no other innkeeper has, being the Top Chef and Guest Service Manager at Camp David, a Sous Chef to the White House for Official State Dinners as well as his 21-years of service in the U.S. Navy. As Marti's extended resumes for Chef, Marketing VP and B & B GM show - he has deep and successful experience in all three avenues needed. Marti has been the GM for world-class resorts, Cendant hotels and B & B's each of which profits escalated at and programs grew. Marti will be assisted by numerous Presidents, famed Executive Chefs from television and industry magnates/titans/CEO's. Marti's fame around the world on TV, the TODAY show and more will also bring TV exposure, shows and once again - Marti will go live weekly on the radio and in magazines. Marti will be assisted by his step-son, James Thomas (JT) and wife, Stormy Lea Ann - whom are both trained Chefs from Country Club and restaurant work experiences. Marti will continue to work for the company he has been with for 13 years now.

The Inn of the Patriots B & B will be able to leverage its amazing facility and turn it into a beautiful, special B&B serving the Cleveland County community. This will be done by the passion and experience of Martin Mongiello. The B&B will become profitable by month three and will earn over \$70,000 in revenue by the end of year one.

The Inn of the Patriots Bed & Breakfast

1.1 Objectives

The objectives of The Inn of the Patriots Bed & Breakfast for the first five years of operation include:

- To create a B&B whose primary goal is to exceed customer's expectations along the lines learned of, "unprecedented hospitality and service standards," learned by the former Executive Chef and Camp David Resort Manager to the President of the United States.
- The Inn of the Patriots Bed & Breakfast will increase visitors every week through out the year.
- To increase our number of clients by 10% per year through superior service to 50% occupancy in 2012.
- To develop a sustainable business, surviving off its own cash flow, exceeding set data. Customer Comment Cards should score 92 or above on average.
- To develop a sustainable US Presidential Culinary Museum which survives off of its own cash flow, changes exhibits and contributes to the Bed and Breakfast operation by increased demographic draw. Customer Comment Cards should score 85 or above on average.
- To operate as green an operation as possible spanning water, power and emissions. Thusly becoming a lighthouse in the region for others.
- To contribute to the community in a loving and giving manner which allows us to grow Grover and Cleveland County, NC. This will be measured by awards received.



1.2 Mission

The Mission of The Inn of the Patriots B & B is:

"We are committed to being the preferred Bed and Breakfast Inn for the City of Kings Mountain area and Kings Mountain Park Region. We will exceed the aspirations of our guests and colleagues by providing a contemporary, world class experience, through continuous commitment to the development of our colleagues and product to achieve maximum growth and profitability."

For some the Inn will be a romantic fantasy world far removed from the harsh realities of modern day life, for others it will be a culinary oasis akin to visiting a White House starred restaurant in the countryside. Some will be surprised – and relieved – that The Inn doesn't take itself too seriously. Guests often will remark that while the interiors could be called grand they are also whimsical and wonderfully comfortable.

The Inn of the Patriots Bed & Breakfast

For history lovers Kings Mountain is one of the few unspoiled villages left in America. They say it has not changed much since George Washington first surveyed it. Whatever you're seeking, rest assured that our family will welcome the challenge of living up to your impossible expectations. We consider our business to be making dreams come true.

The Inn of the Patriots Bed & Breakfast

2.0 Company Summary

The Inn of the Patriots Bed & Breakfast, located in Cleveland County, North Carolina will offer a luxurious, quaint B&B for people to enjoy. The Inn of the Patriots Bed & Breakfast will have 7 individual rooms some with private baths, a central living room/socializing area, a garden patio, outdoor BBQ area and a Presidential Cooking Display and Museum (housed in former out building) for its guests. Two of the guest rooms can be closed off to form the Grover and Frances Cleveland Presidential Suite (the town of Grover changed it's name from Whitaker upon the visit of President Grover Cleveland) with a private kitchen, living room and outdoor sitting area and a separate entrance to offer a unique lodging experience. It is located less than two miles from Interstate 85, but is on a quite small town street.

The adjacent properties are of a matching elegant nature and charm up and down the street. The entire property next to us is owned by the church and quiet.

2.1 Company Ownership

The Inn of the Patriots Bed & Breakfast will be a LLC of Martin C.J. Mongiello - who will be the owner. The B & B uses Mr. Mongiello's home as the inn.



The Inn of the Patriots Bed & Breakfast

2.2 Start-up Summary

The Inn of the Patriots Bed & Breakfast start-up expenses include:

- Home office equipment including: computer, copier, fax machine, extra telephone line, and filing cabinet.
- Wireless Internet network access for guests.
- Website creation.
- Advertising/association dues for the several B & B associations.
- Furnishings and linens for individual guest rooms.
- Pest Control Program set up.
- Tableware (China, Silverware, and glassware).
- Signage.
- Safety Programs (Fire) (Anti-slip).

Table: Start-up

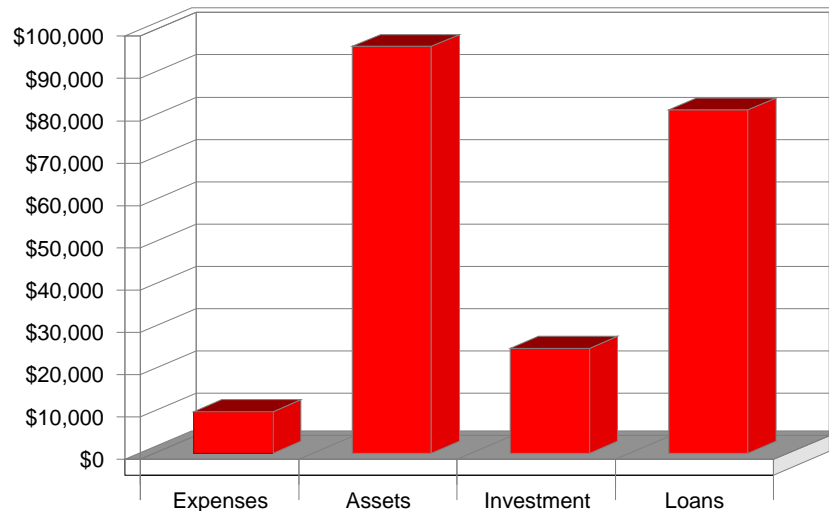
Start-up	
Requirements	
Start-up Expenses	
Legal	\$1,260
Insurance	\$2,903
Licenses and Permits	\$320
B & B Associations & linking	\$2,400
Retrofit of Garage	\$3,000
-	
Total Start-up Expenses	\$9,883
Start-up Assets	
Cash Required	\$24,000
Start-up Inventory	\$2,500
Other Current Assets	\$13,667
Long-term Assets	\$56,000
Total Assets	\$96,167
Total Requirements	\$106,050

The Inn of the Patriots Bed & Breakfast

Table: Start-up Funding

Start-up Funding	
Start-up Expenses to Fund	\$9,883
Start-up Assets to Fund	\$96,167
Total Funding Required	\$106,050
Assets	
Non-cash Assets from Start-up	\$72,167
Cash Requirements from Start-up	\$24,000
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$24,000
Total Assets	\$96,167
Liabilities and Capital	
Liabilities	
Current Borrowing	\$0
Long-term Liabilities	\$81,210
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$81,210
Capital	
Planned Investment	
Martin CJ Mongiello Investment	\$24,840
Other	\$0
Additional Investment Requirement	\$0
Total Planned Investment	\$24,840
Loss at Start-up (Start-up Expenses)	(\$9,883)
Total Capital	\$14,957
Total Capital and Liabilities	\$96,167
Total Funding	\$106,050

Start-up



The Inn of the Patriots Bed & Breakfast

2.2.1 Start-up Funding

We plan on achieving direct funding via a bank and backed by the SBA under a Patriot Express loan package.

We have budgeted \$32,000.00 for initial, functional yet tasteful furnishings.

Our Bed and Room Linen
Pricing Breakdown is as follows:

Comforters	\$700.00
Sheets	\$420.00
Blankets	\$350.00
Pillows	\$300.00
Towels	\$1,200.00
Dust Ruffles	\$140.00
Robes	\$1,680.00
Total	\$4,790.00

Martin C.J. Mongiello's Direct Investment

Item(s)	Value
Computers 2 Laptops	\$2,800.00
Computer Accessories	\$300.00
Printers (2)	\$513.00
Poster Printer	\$800.00
Router	\$148.00
Cables	\$156.00
Furniture	\$13,453.00
Lamps	\$150.00
Artwork	\$1,846.00
Accessories	\$1,273.00
Presidential Collection (signed pieces)	\$1,821.00
Kitchen Equipment	\$1,400.00
Phones	\$180.00
	\$24,840.00

2.3 Keys to Success

In order to succeed, The Inn of the Patriots Bed & Breakfast will strive to achieve the following goals:

- Position The Inn of the Patriots as the best B&B in the region among tourists and travelers.
- Build strong market position among the local patrons within a 120 mile radius.
- Maintain sound financial management of the venture.
- Link into the strongest referral engines and B & B Association engines for room bookings.
- Automate our full digital calendar and room night booking system onto our website of www.theinnofthepatriots.com
- Offer unique historical experiences and service to our guests.

The Inn of the Patriots Bed & Breakfast

3.0 Products

The Inn of the Patriots Bed & Breakfast is a small, attractive B & B that offers travelers a relaxed, small town setting for a weekend getaway, change of scenery, family occasions, State and National Military Park Events, etc. Inn of the Patriots Bed & Breakfast has a large central gathering room, an upstairs covered patio, and outside gardens that will allow travelers to socialize. The customers will receive the personal attention of Martin Mongiello and his family, who will meet any need a traveler has.

The Inn of the Patriots Bed & Breakfast provides a gourmet breakfast feast prepared by the former Executive Chef of the President of the United States and can meet any dietary restriction. Inn of the Patriots Bed & Breakfast is about, 45 minutes from Charlotte, 20 minutes from Gaffney, SC, 15 minutes from Shelby, 10 Minutes from Crowders Mountain State Park (hiking, birding, climbing, fishing, boating, trails, nature) and 5 Minutes from the Kings Mountain State and National Military Parks (numerous annual colonial reenactment events, historic farm and events all year long, rifle and musket firings complete with newly rebuilt museum).

It is important to note that Kings Mountain Military Park is only one of two National Military Parks in the United States allowed for the Revolutionary War.

3.1 Industry Analysis

Although Bed and Breakfasts have been firmly established in Europe for years, they were introduced in the United States in the late 1960s. There are now more than 20,000 B&Bs, up from about 2,000 in 1979. A sign of a maturing industry is the increasing average number of rooms per property, increasing occupancy rates, and increasing number of associations and support services; i.e., national, state, and regional associations setting standards. There are now professional newsletters, travel publications, guidebooks, and vendors catering to small lodges. The rewards of being a Bed and Breakfast host include meeting people, adding income, gaining independence and an enjoyable way of life, and perhaps, restoring an old building. The business can give you great satisfaction as it grows into a valuable investment. As a host, your personality, distinctive and personalized hospitality, standards of excellence, and creative marketing can make a significant difference.

Importance of Image, Name, and Word-of-Mouth:

The personal image one projects and the reputation of a B&B can make the difference between success and failure. You need to promote yourself as well as your B&B. I will be judged on how I dress, walk, speak, and interact. My attitude of caring and ability to make guests feel special will produce repeat and referral business. A good, lasting impression can be created by (1) front desk personal and telephone contact with guests; (2) the name of my B&B, my logo, slogan, and sign; (3) the design of my stationery and business cards; and (4) the eye-catching brochures and confirmation cards.

Coming up with a catchy name—one that sounds good, piques people's curiosity, and tells something about the B&B—is an important marketing consideration. Given the nature of the

The Inn of the Patriots Bed & Breakfast

region and it's namesake after Colonel Cleveland (Cleveland County later renamed to Cleveland County) as well as proximity to Kings Mountain - I believe I have done a great job! The name alone can help generate customers. A consumer's decision to select a B&B may involve actually visualizing or imagining what it may be like to stay in the B&B. B&Bs grow stronger by personal recommendations of customers and friends. Consumers generally ask trusted friends where to find a good B&B. It is the quality of the total B&B experience that makes the customer appreciative and talkative. Prospective owners/hosts need to be aware of how critical word-of-mouth public relations are in the growth of their B&B, thus one of your most important goals should be that every customer have an enjoyable experience.

There are hardly any B&B's in the region:

Buffalo Creek Farm, Lawndale, NC - only 2 Guestrooms and over 40 minutes away. Horse boarding also.

Hamrick-Goode House, Boiling Springs, NC over 30 minutes away - room rentals only - no breakfast served

Neither are close to the Interstate.

The Inn of the Patriots Bed & Breakfast

4.0 Market Analysis Summary

The Inn of the Patriots Bed & Breakfast has different target groups that it is attempting to attract. The first are people from the region that just want to get away for the weekend. They may have activities planned for the weekend at the parks, local towns or just chose to relax in a comfortable setting. Charlotte is the number one growth city in the USA.

The second group are travelers who are passing through the area on I-85 prefer to stay in B & Bs instead of a hotel/motel.

I-85 enters the state from Cherokee County, South Carolina near Grover in Cleveland County. After only a few miles, the highway enters Gaston County, which is part of the Charlotte metropolitan area.

Near Kings Mountain, I-85 turns from a northeast trajectory to an eastward one and goes through Gastonia before crossing the Catawba River and entering Charlotte. At Gastonia, the highway widens from four to six lanes and keeps the number of lanes until it reaches Charlotte, where the highway widens again to eight lanes.

In Charlotte, I-85 passes close to Charlotte-Douglas International Airport and goes by a number of retail centers before turning northeastward again just west of Uptown Charlotte. The highway bypasses the downtown area, but several exits do provide access to the area. A partial wrong-way interchange exists at the exit with Interstate 77 north of Uptown and I-85 continues northeastward through Concord and Kannapolis.

Just northeast of the Charlotte area is the Triad area, anchored by the cities of Winston-Salem, Greensboro and High Point. I-85 bypasses High Point and also largely bypasses Greensboro. Up until February 2004, I-85 went through the heart of Greensboro and joined Interstate 40 near downtown. Today, I-85 is routed along the Greensboro Urban Loop and meets I-40 east of downtown. Its former route is now known as Business 85.

Interstates 85 and 40 remain joined as they continue eastward to the Triangle region, anchored by the cities of Chapel Hill, Durham and Raleigh. West of Durham near Hillsborough, the two highways split, with I-40 heading southeast toward Chapel Hill and Raleigh while I-85 continues eastward through Durham, then northeastward as it exits the city. The highway bypasses Oxford and Henderson before crossing into Mecklenburg County, Virginia.

Others will just want to have the experience of a themed weekend presented by an Executive Chef.

Inn of the Patriots Bed & Breakfast will certainly get customers that fall outside of these groups, this classification should be fairly accurate.

The Inn of the Patriots Bed & Breakfast

4.1 Market Segmentation

Our customers can be broadly divided into three groups (please note it is possible to divide the customers in to much smaller groups, but we have chosen not to):

1. **Weekend getaway customers.** These people are from the region and are looking to get away from their life so they come to The Inn of the Patriots Bed & Breakfast to be pampered and escape.
2. **Travelers.** These people, for whatever reason, are passing through Cleveland County and prefer to stay in a B&B instead of a hotel/motel.
3. **Experience Executive Chef Service.** These people will be wanting to visit to experience the service provided by an Executive Chef who served the President of the United States. They also will be interested in the daily tour of the mansion and Presidential China collections and other Presidential culinary related items.

The following are researched historic sites and attractions in our county:

Central School Historic District. A four-block area anchored by the 1933 two-story brick school, which currently houses the administrative offices for the Kings Mountain District Schools. Contact the Kings Mountain Landmark Commission, 704-739-5217.

Central Shelby National Register Historic District. Two-hour self-guided walking tour of much of the original area of Shelby that was established in 1841 with thirty-eight architecturally significant structures. For more information, contact the Historic Shelby Foundation, 704-481-1842 or Uptown Shelby Association, 704-484-3100.

Joshua Beam House, 1920 New Prospect Church Road, Shelby, NC. An imposing two-story brick Greek Revival structure built between 1841 and 1845, this house is sited on a 150-acre tract of pasture and woodland four miles northeast of Shelby. One of the most prominent antebellum residences in Cleveland County. Private residence. Visitors are welcome to view the house from the road.

Kings Mountain - War Memorial. Railroad Avenue, Kings Mountain, NC 28086, 704-730-2103.

Metcalf Station of the Lawndale Railroad. Corner of Polkville Road (Hwy. 226) and Ramseur Church Road, 704-538-7212. From 1899-1943 a small private narrow gauge steam train plied the ridges and foothills of upper Cleveland County from Cleveland Mill & Power Company in Lawndale to Shelby, NC. The Lawndale Historical Society restored the original boxcar and store. Metcalfe is the southern limit of NC DOT's "South Mountain Scenery" Scenic Byway.

Sunset Cemetery, Martin Street, Shelby, NC. Established in 1841 brings about an awareness and understanding of the historical significance of the people buried here who made an historical impact on the city, the State, and the Nation. During the fall, visitors will enjoy the beautiful autumn colors of over 550 trees.

The Inn of the Patriots Bed & Breakfast

William Andrew Mauney House, 104 North Battleground Avenue, Kings Mountain, NC 28086, 704-739-5217 (Kings Mountain Landmark Commission). Built in 1872 as Mauney Brothers Store; later used as residence for Mauney family. Known as the "oldest unchanged house" in Kings Mountain. Restored in 2000 by local non-profit corporation. Mauney was among the founders of Kings Mountain, serving as first mayor and first postmaster.

Cleveland Community College. 137 S. Post Road, Shelby, NC 28152, 704-484-4000. A variety of art displays, theatrical performances throughout the year, a walking track, etc.

Cleveland County Arts Center, 704-484-ARTS (2787) is located inside the historic 1916 Post Office on the square in Uptown Shelby, NC. The Arts Council manages the facility and provides the programs which include art exhibits, dramas, art classes, artists performances and private functions. 9 - 5 p.m., Monday through Friday.

Cleveland County Historical Museum. Court Square, Uptown Shelby, NC 704-482-8186. Tuesday - Friday, 9 a.m. - 4 p.m. Built in 1907, this Classic Revival courthouse is the only structure on the "court square" in Shelby and has a true compass orientation. The geodetic center of Shelby is denoted by a 1" square of marble imbedded in the central hallway of this structure. Museum exhibits depict early life in Cleveland County; Collector's Corner; community exhibits; and Living History Program.

Gardner-Webb University, Boiling Springs, NC 704-406-4000. Guided tours available of the campus. Over 200 acres of rolling landscape rich with lawns and trees; theatre and music productions open to the public enhance the cultural pleasures of the region. **Craven E. Williams Observatory**. Public observing nights throughout the year. **Lake Hollifield Complex**, 6 acres with scenic lake, lighted walking trails, picnic areas, and home to the landmark 60' bell tower (Hollifield Carillon) with 40-bell carillon. **Broyhill Adventure Course** with Alpine Tower complex designed for team building and character development, 704-406-4257.

Kings Mountain Historical Fire Museum, 210 Cleveland Avenue, Kings Mountain, NC 28086, 704-734-0555. Open: Memorial Day through September, Sunday 2 - 5 p.m; other hours by appointment.

Kings Mountain Historical Museum, 100 E. Mountain Street, Kings Mountain, NC 704-739-6613. Housed in the old Kings Mountain Post Office. Exhibits featuring early life in Kings Mountain. Open 11 a.m. - 2 p.m. the first Sat. of each month and for special events.

Lawndale Historical Museum, Piedmont Drive, Lawndale, NC 704-538-7212. Housed in a modern portion of the old Piedmont School founded in 1897. Features Cleveland Mill & Power Company mill village; families and farm life. Original boxcar from the Lawndale Railway narrow gauge train (1899-1943) that ran to Shelby. See Metcalfe Station. Open June _ October on Sunday 2 - 4 p.m.

Leatherwood Trading & Coffee Co., 1 West Warren Street, Shelby, NC 28150. 704-480-7323, Live at Leatherwoods bluegrass stage show, 7 - 11 p.m.

Shelby Farmers Market, 200 West Warren Street, Shelby, NC 28150, 704-484-9005, Tuesday _ Friday, 7 a.m. - 2 p.m. (Closed the week after Labor Day.) Year-round farmers market housed

The Inn of the Patriots Bed & Breakfast

in the Kouris Warehouse, a Colonial Revival brick warehouse.

Shelby City Park Carrousel and Train, 901 West Sumter Street, Shelby, NC 28150. 704-484-6476 or 704-484-6839, or visit <http://users.vnet.net/carrousel>. Restored circa 1919 Herschell-Spillman carrousel and 1923 Artizan Military Band organ (year-round, in building) and miniature diesel "Rotary Special" train. 50 cents each ride.

Market Analysis (Pie)

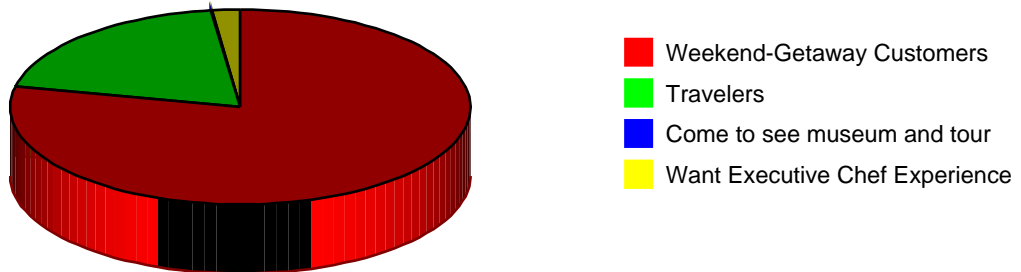


Table: Market Analysis

Market Analysis		2008	2009	2010	2011	2012	CAGR
Potential Customers	Growth						
Weekend-Getaway Customers	9%	964,982	1,051,830	1,146,495	1,249,680	1,362,151	9.00%
Travelers	9%	241,245	262,957	286,623	312,419	340,537	9.00%
Come to see museum and tour	8%	1,200	1,296	1,400	1,512	1,633	8.01%
Want Executive Chef Experience	5%	24,124	25,330	26,597	27,927	29,323	5.00%
Total	8.92%	1,231,551	1,341,413	1,461,115	1,591,538	1,733,644	8.92%

The Inn of the Patriots Bed & Breakfast

4.2 Target Market Segment Strategy

The Inn of the Patriots Bed & Breakfast intends to target these three customer groups as they make up the largest population of people who utilize B & B's. The Inn of the Patriots Bed & Breakfast has a three pronged strategy that will work for all these groups:

1. **Association membership and advertising.** A large number of visitors will look to regional B & B associations for information about the different B & B's in the area. Most associations publish a guide to the local B & B's and The Inn of the Patriots Bed & Breakfast wants to be in this guide. One of the other perks of membership is visibility on the associations website with a link to ours. Additionally, we will be a member of many Chambers of Commerce because people will typically inquire with the local Chambers when planning a vacation.
2. **Website.** The Inn of the Patriots Bed & Breakfast will have a full-service website that allows the visitor to view the B&B, read details about what it has to offer, provide information on regional activities, and even allow the visitor to book a reservation. With the growing use of the Internet, the Web has become an indispensable tool for planning vacations to areas that are not close enough to check out in person.
3. **Other Advertising.** In many rest areas and on billboards, as well as lifestyle magazines such as food, travel.
4. **Events.** Host Colonial, Civil War, WWI, and WWII themed events on the grounds.



4.2.1 Marketing Strategy

The retail marketing strategy of The Inn of the Patriots Bed & Breakfast centers on creating a corporate identity that clearly defines our market niche in terms that benefit our customer. Other specific strategies that will be used follow:

1. **Print Ads -** Keeping the The Inn of the Patriots Bed & Breakfast name in front of the customer while getting established will be necessary. We plan on running limited space ads in the local newspapers to keep our name and phone number in front of the consumer. We may attempt to showcase a single product in an effort to return revenue from the ad.

The Inn of the Patriots Bed & Breakfast

Our past experience has been that showing measurable revenue from these types of ads is difficult. In the future we plan on utilizing antiquemagazines and affluent Charlotte magazines as a method of increasing our sales revenue.

2. **Press Releases** - The local papers and magazines have offered to run releases and/or stories concerning the opening of The Inn of the Patriots Bed & Breakfast. We will also use the above media to run new art releases showcased in the B & B monthly.
3. **Unique Artist and Historic Gallery in House:** The Inn of the Patriots Bed & Breakfast will be the home to a local and unique artist who has all of their works displayed throughout the Inn. All of these items will be for sale. The home is therefore populated with free and beautiful works. Also, each month on the second Wednesday, we will host a wine (non-alcoholic), cider and cheese night with historic unveiling of "this month's work of art."
4. **Designer Postcard** - We will be holding a local contest for students to design a postcard for our guests to eventually buy. Our pricing for postcards is \$110.00 per 1000 and includes aqueous glossy film coating. The winner of the annual contest will receive a cash scholarship and internship with us.
5. **Apparel** - We know several people in the area who produce embroidered apparel such as will be on our robes. A line of premium The Inn of the Patriots Bed & Breakfast apparel could be designed and produced in very short runs to reduce inventory costs. These can be sold or given away with qualifying purchases to further expose the The Inn of the Patriots Bed & Breakfast name.
6. **Gourmet Dinners and Guest Speakers** - Our gourmet dinners will be a blockbuster, "State Dinner," event unequalled only at the White House. One of our guest chefs and guest speakers will be Walter Scheib III, the FOOD TV Iron Chef winner and White House Chef. His new book, White House Chef is doing wonderful at John Wiley and www.theamericanchef.com. Another invitee (mentor to Marti) will be Patrick O'Connell of the Inn at Little Washington, Michael Lomanoco of New York and the Late Show fame with David Letterman and Hubert Keller of TOP CHEF on Bravo TV and Fleur dy Lys.
7. **Grand Opening** - A Grand Opening is the most successful of any promotions. With manufacturer support, a large number of door prizes can be given away while instantly building a mailing list. Loss leader pricing on a few high volume consumable products will attract stories and traffic.
8. **Trade Shows, Chamber of Commerce meetings and Fairs** - We will exhibit at approximately four local trade shows annually.
9. **Word of Mouth** - By giving first-time customers great service and a fair price, the word is sure to spread. Also, the many industry and business contacts that we already have in the area will prove to be most beneficial in spreading the word.
10. **Monthly Events** - We will be hosting monthly specialty events and also exclusive reenactors from:
 - The Revolutionary War
 - French and Indian War complete with Indians
 - Spanish-American War
 - WW I and WW II

These "Patriots" will encamp on our grounds and interact with visitors in a special way of tours, candlelit talks at night and marching/camp life demonstrations. Many of these events include

The Inn of the Patriots Bed & Breakfast

skirts, brilliant uniforms. We also will be hosting monthly events such as Valentines Day Lovers Getaways with Champagne, Chocolate samplers, Fresh Fruit and Cheese and masseuse services. We will have a different events each month with different specials/dinners.

All marketing decisions with regard to specific media choices, frequency, size, and expenditures will be conducted on an on-going basis with careful considerations of returns generated.

4.3 Competition and Buying Patterns

Competition comes in several forms:

1. **Other B&Bs.** Typically B&Bs have a set of unique features, something that makes them stand out.

Some B&Bs will create uniqueness down to the level of different rooms within the B&B. We will be doing that. The size of a B&Bs range from one or two room (traditionally called a home stay) to a country inn with 30 rooms.

On average most B&Bs have only a couple of rooms and are often booked up in advance. Particularly during special events, demand outstrips supply for the B&Bs.

The B&Bs differentiate themselves by personal service offerings and the general ambiance of the Inn. Finally, B&Bs usually have a very nice sit down breakfast for their guests (Ours will be extensive and homemade with jams, preserves and jellies as well as Applewood Thick Cut Bacon and healthy options). This is not a simple continental breakfast of juice, coffee, and a bagel, but an elaborate spread of gourmet food such as quiche, a portabello mushroom, fresh roasted garlic and sun dried tomato omelette, or some sort of fresh smoked fish.

Guests of B&Bs are looking not just for a room to sleep in but the whole experience in staying in a lovely setting, with interesting people to chat with and people present to pamper them in any way possible.

2. **Hotels/motels.** These facilities are generally much more sterile in character relative to B&Bs.

The rooms are typically the same throughout the facility (unlike B&Bs where each room is typically different). The guests of hotels generally use the hotel as a place to stay at night.

The operator will usually see the guest when they check in and when they check out. This differs from a B&B where the guests are encouraged to spend time in communal rooms and socialize with the operators and the other guests.

Breakfasts, if included, are sparse. Even at the Hampton or Holiday Inn Express. The

The Inn of the Patriots Bed & Breakfast

typical guests are looking for a room to stay in at night and not much more than that.

The following are competitors in the region:

Affordable Suites of America - Shelby, 920 Grover Street, 704-471-0441

Comfort Inn - Kings Mtn., 720-A York Rd., 704-739-7070

Days Inn - Shelby, 1431 W. Dixon Blvd., 704-482-6721

EconoLodge - Shelby, 825 W. Dixon Blvd., 704-482-3821

Hampton Inn - Shelby, 2012 E. Marion Street, 704-482-5666

Holiday Inn Express - K.M., 100 Woodlake Pkwy., 704-734-0014

Holiday Inn Express - Shelby, 2001 E. Dixon Blvd., 704-480-0881

Motel Royal - Kings Mtn., 1709 Shelby Road, 704-739-2236

Ramada Limited - Kings Mtn., 728 York Road, 704-739-2544

Super 8 Motel - Shelby, 1716 E. Dixon Blvd., 704-484-2101

Town House Motel - Shelby, 1530 W. Dixon Blvd., 704-483-8539

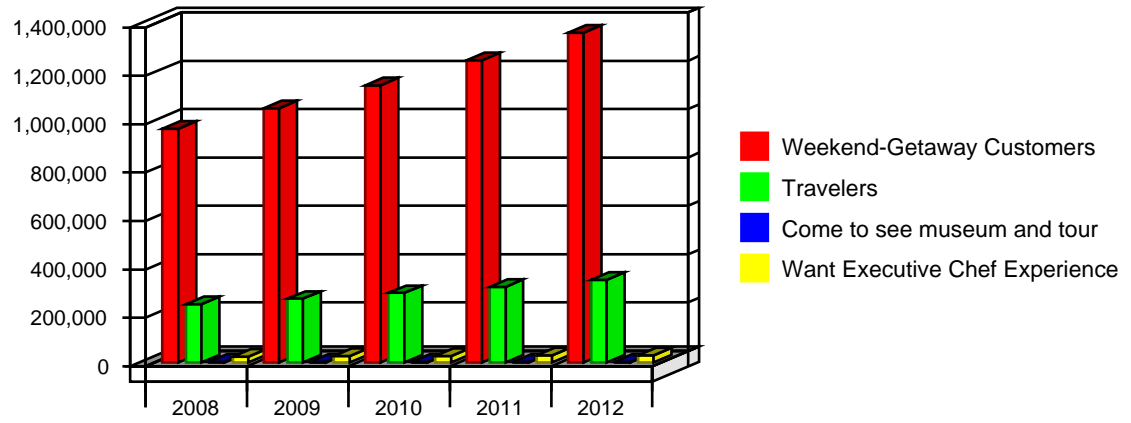
Camping

Brackett's Cedar Park, 4953 Casar Road, Lawndale 28090, 704-538-7124

Moss Lake Campgrounds, P.O. Box 429, Kings Mountain 28086, 704-482-7926 or 704-734-0333

The Inn of the Patriots Bed & Breakfast

Market Analysis (Bar)



5.0 Strategy and Implementation Summary

The Inn of the Patriots Bed & Breakfast will be using advertising and membership in associations to drive prospective customers. They will also use their website as a complete source of information about the B&B. Marti will then turn these leads into customers through unsurpassed attentiveness in one-on-one phone inquiries/conversations.



The Inn of the Patriots Bed & Breakfast

5.1 SWOT Analysis

The SWOT analysis provides us with an opportunity to examine the internal strengths and weaknesses The Inn of the Patriots Bed & Breakfast must address. It also allows us to examine the opportunities presented to us as well as potential threats.

The Inn of the Patriots Bed & Breakfast has a valuable inventory of **strengths** that will help it succeed. These strengths include: a knowledgeable and friendly staff, state-of-the-art computer hardware, software, website, full 100% in house graphics production (avoiding massive costs outside) for weekly events and flyers and a clear vision of the market need. We also will go GREEN with most of our energy and wastes, have a victory garden, Presidential Culinary Museum, provide tours and unique interaction with the InnKeeper whom has lived all over the earth as a patriot (American military) and served Kings, Queens, Princes, Presidents and Prime Ministers. Our offerings of food for breakfast (such as a Portobello Mushroom and Sun-dried Frittata (Egg Beaters)), home-made jellies, jams and preserves on croissants with all-you can eat down-home flapjacks and Vermont Maple syrup, hand-squeezed Orange Juice (or choice of six juices) as well as other items will be impossible to match. No offering will be able to compete and win with White House Chef offerings.

Strengths are valuable, but it is also important to realize the **weaknesses** The Inn of the Patriots Bed & Breakfast must address. These weaknesses include: lower priced rooms locally in regular hotels, loyalty card programs with multi-million enrollments and superior signage and networking.

5.2 Competitive Edge

The Inn of the Patriots Bed & Breakfast two competitive advantages are:

- **Attention to personalized service.** While anyone at a B&B should reasonably expect good service, there are ways of setting yourself apart.

This will be done through the unrelenting pursuit of personal attention. In the area there are no B&Bs that offer outstanding service.

The feeling of personal attention, or more accurately defined as a sense of person concern, really adds a positive dimension to the B&B experience. Not only will Marti be offering personal concern, but he will be providing the concern, not some employee. This will be an enchanted place of customer service standards few if ever experienced. No request will ever be too small, such as breakfast in bed or in your room!

- **Uniqueness and beauty of the facility.** The Inn of the Patriots Bed & Breakfast will be housed in the Mongiello home.

One unique aspect of The Inn of the Patriots Bed & Breakfast is the setting within the town of Grover which was renamed after the President of the United States, Grover Cleveland, when he visited. The setting is a beautiful lawn and yard in back. A lovely

The Inn of the Patriots Bed & Breakfast

porch with white rocking chairs spans the massive front of the home.

To compliment this setting, The Inn of the Patriots Bed & Breakfast will have a large outside patio allowing guests to spend relaxing time outside with a nice view of the valley and mountains.

5.3 Sales Strategy

The Inn of the Patriots Bed & Breakfast sales strategy will be multi-pronged:

Sales strategy regarding breakfasts and dinners.

I was supposed to have become an actor but soon found the living theater of the Inn and restaurant world more compelling than the stage. Running an Inn and restaurant allows me to be the producer, director, set designer, and lead player in a wonderfully fractured daily performance (with dinners weekend nights for staying guests) in which the world of complete illusion in the dining room is brilliantly juxtaposed with the blood-and-guts reality of the kitchen. Sometimes it seems like a Broadway show that won't quit – calamities happen, but somehow the show still opens every night.

Ever since I opened my first resort (Bayshores in Pensacola) in 1987, I've never really thought of "hosting" as an Inn, Hotel or Resort – just a hideaway with a manager who likes to entertain, clean and decorate - a lot! For over 26 years it has felt as if I've been hosting one continuous party whether at Country Clubs or resorts or restaurants. A successful party, like a great film or work of art, elevates the spirit, makes people feel life is worth living and enhances a guest's self esteem.

We will try to convey a sense of place at The Inn by making use of the abundance of wonderful products from our region, which the French call a "cuisine de terroir." We will try to elevate these fine, earthy ingredients and use them in unique and interesting new ways while still preserving the soulful flavors and memories we associate with them. Most of my favorite dishes are the simplest and depend on a few ingredients of the finest quality. I like food to appear effortless in its presentation – as though it dropped on the plate from the sky or was blown on it by a gentle breeze – never touched by human hands – or stacked and tortured as was the trend for a while.

It has taken me a long time to realize that what I've been doing over the last quarter century is evolving and refining many of the dishes I grew up with and making them relevant to a new century while keeping their soul intact — building a sort of culinary bridge between the past and future.

Personal attention in regard to calls of inquiry.

It is Marti's strategy to be willing to spend a fair amount of time on the phone to prospective clients. While most B&Bs will be pleasant on the phone and willing to answer any question, the

The Inn of the Patriots Bed & Breakfast

sooner they are off the phone, the sooner they can get back to the work they were previously doing.

Marti has the attitude that the more time he can spend on the phone with inquiries, the more likely he will be able to turn them into customers.

Very detailed website. Marti recognizes that over 95% of his clients have Web access and 80% used the Web to research their vacations. This usage is compelling enough to have a comprehensive website that offers enough information to allow the visitor to make a decision to stay with The Inn of the Patriots Bed & Breakfast.

The website will have 3D walk-through tours allowing people to see the different bedrooms as well as common areas. Online pricing and reservations are also available as well as a resource page that details the different activities in the area.

While Marti would like to encourage people to call with questions, if they do not they will be able answer almost all questions with the website.

5.3.1 Sales Forecast

The home has seven different rooms. December will be used for furnishing rooms and adding safety features. By month one of January, 2008 the B&B will be ready to go. Marti will have already been advertising, become a member of several B & B Associations with online bookings as well as have formed a strategic relationship with the Chambers of Commerce so business will ramp up fairly quickly.

In accordance with the 98-page "**Developing a Bed & Breakfast Business Plan**" (as was published by Purdue University and the University of Illinois) calling for first year occupancy rates of between 10% and 25% we agree that the median of this study would be 18.5%. We do not seek to argue that we would have lower than predicted occupancy (at the low end of 10%) or higher (at the high end of 25%). We would agree that the median is 18.5%. In our studies of the area we did not feel we could predict average or median first year occupancies - we felt that we could exceed that and be near the higher end.

However, for financing sake, we thought it best to present first-year occupancy at lower than even the median. Accordingly, our prediction starting in month one, January, 2008 shows forth a 15% occupancy. From there a sliding upward scale of 10% increase continues month-by-month and 10% year-by-year.

Robert D. Espeseth
Coordinator, Illinois-Indiana Sea
Grant Program Recreation Specialist
University of Illinois Cooperative
Extension Service
Robert D. Buchanan
Extension Specialist, Restaurant,
Hotel and Institutional Management
Purdue University

The Inn of the Patriots Bed & Breakfast

Sales Monthly

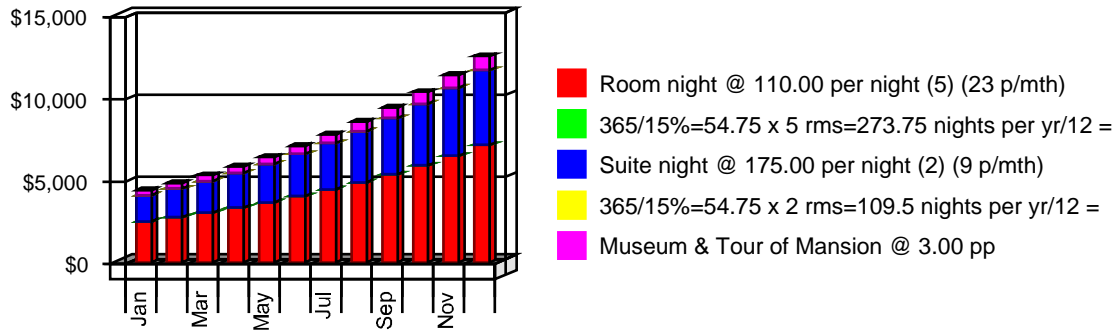


Table: Sales Forecast

Sales Forecast	2008	2009	2010	2011	2012
Sales					
Room night @ 110.00 per night (5) (23 p/mth)	\$53,653	\$59,018	\$64,920	\$71,412	\$78,553
365/15%=54.75 x 5 rms=273.75 nights per yr/12 =	\$0	\$0	\$0	\$0	\$0
Suite night @ 175.00 per night (2) (9 p/mth)	\$34,151	\$37,566	\$41,323	\$45,455	\$50,000
365/15%=54.75 x 2 rms=109.5 nights per yr/12 =	\$0	\$0	\$0	\$0	\$0
Museum & Tour of Mansion @ 3.00 pp	\$6,415	\$6,600	\$6,800	\$7,000	\$7,000
Total Sales	\$94,219	\$103,184	\$113,043	\$123,867	\$135,553
Direct Cost of Sales					
Room night @ 20.00 cost	\$5,520	\$5,796	\$6,085	\$6,390	\$6,710
Suite night @ 30.00 cost	\$3,240	\$3,402	\$3,572	\$3,750	\$3,938
Museum and Tour of Mansion	\$480	\$500	\$520	\$540	\$560
Subtotal Direct Cost of Sales	\$9,240	\$9,698	\$10,177	\$10,680	\$11,208

The Inn of the Patriots Bed & Breakfast

5.4 Milestones

The Inn of the Patriots Bed & Breakfast will have several milestones early on:

1. **Business plan completion.** This will be done as a road map for the organization. While we do not need a business plan to raise extended capital, it will be an indispensable tool for the ongoing performance and improvement of the company.
2. **Joining the different associations.** This is, in effect, the coming out party for announcing to the world that you are a real B&B, ready for business.
3. **Completion of the facility renovations.**
4. **Our 100th client.**

Table: Milestones

Milestones	Start Date	End Date	Budget	Manager	Department
Milestone Business Plan Completion	10/1/2007	11/6/2008	\$2,800	Stormy Neal	Business
Join Different Associations	12/10/2008	12/16/2008	\$2,400	Marti Mong.	Marketing
Completion of furnishings & decor	12/20/2008	1/25/2009	\$32,000	Marti Mong.	Design
100th Client	2/1/2008	3/1/2008	\$400	Andrew King	Marketing
Totals			\$37,600		

Milestones



The Inn of the Patriots Bed & Breakfast

6.0 Web Plan Summary

The firms of Mongiello Associates (www.mongielloassociates.com) and Galli Associates (www.galliassociates.com) will build an e-commerce enabled platform and website for The Inn of the Patriots Bed & Breakfast. SuperInn will be used for advanced room booking software and full credit card integration.

The website will encompass the award winning photography of Ms. Stormy Neal and Mr. Martin CJ Mongiello. It's design will be simple yet elegant.

Search Engine strategies will be provided for linking into 2000+ search engines (inclusive of top shelf AOL, MSN, Yahoo, Google, etc) via WebPosition Gold.

Some limited Google AdWords will be used. Overture Networks SEO strategies created by James Mongiello will be employed.

Local linking via BBB and COC with others will take place as will BBOonline and ABBA.

We will also link into the following promotional schemes for significant events held in Cleveland county:

SPRING

Arbor Day Celebration, Uptown Shelby, 704-484-3100, March.

Easter Egg Hunt. Courtsquare, Uptown Shelby, 704-484-3100, March.

Spring Home Garden Show, Fairgrounds, Shelby, 704-482-4425, April.

Gardner Webb University Community Orchestra Concert, Boiling Springs, 704-406-4448, April.

Special Olympics, North Shelby School, Shelby, 704-487-9941, April/May.

Bloomin' Arts Festival, Cleveland County Arts Center, Shelby, 704-487-2787, April.

Bass Tournament. Moss Lake, Kings Mountain, 704-482-7926, April.

Criterion Bicycle Race, Uptown Shelby, 704-471-0077, April.

Foothills Merry-Go-Round Festival, City Park, Shelby, 704-484-6821, April.

SUMMER

Bar H Championship Rodeo & Country Festival, Holly Hill Road, Boiling Springs, NC, 704-434-2866, May.

Cleveland County Choral Society Spring Concert, Brown Auditorium, Shelby, 704-482-8200

The Inn of the Patriots Bed & Breakfast

or 704-482-7520, May.

Cleveland County Rose Show, Cleveland Mall, Shelby, 704-487-8872, May.

Piedmont Stock Dog Trials, Stage Coach Road, Lawndale, 704-538-3487, May.

Cleveland County Student Art Competition, Cleveland County Arts Center, Shelby 704-484-2787, April/May.

Alive After Five Block Party & Concert Series, Uptown Shelby 704-484-3100, Thursdays, 5:30 - 8:30 p.m., April-August.

Jubilee Horse Show, Sundown Stables, Shelby, 704-434-8776, June.

Summer Art Camp, Cleveland County Arts Center, Shelby, 704-484-2787, June & July.

Independence Day Celebrations

Lawndale, 704-538-7212.

Cleveland Mall Fireworks, Shelby, 704-484-2001.

Freedom Fest, Shelby, 704-484-3100.

Festival of Fireworks, Kings Mountain, 704-739-9631.

Lattimore, 704-434-6313.

Casar, 704-538-4131.

Polkville, 704-538-8881.

Boiling Springs/GWU, 704-406-4637.

Piedmont Shrine Golf Tournament, River Bend Golf Course, Shelby, 704-482-4286, July.

Bethware Fair, Bethware School, Kings Mountain, 704-739-7005, July/August.

FALL

Tailgate and Tee Classic, Cleveland County Fairgrounds, Shelby, 704-487-8521, August/September.

Cleveland County Junior Golf Tournament, River Bend Golf Course, Shelby, 704-482-4286, August.

Belwood Antique Farm Equipment Show, Old Belwood School, Belwood, 704-538-3451, September.

Shelby Amateur Radio Club Ham Fest, Cleveland County Fairgrounds, Shelby, 704-482-4951, September.

Over The Mountain Triathlon, Kings Mountain, 704-730-2103, September.

Cleveland County Fair, Cleveland County Fairgrounds, Shelby, 704-487-0651, September/October.

Haunted Hay Ride, Holly Hill Road, Boiling Springs, 704-434-2866, October.

The Inn of the Patriots Bed & Breakfast

Mountaineer Days, Downtown Kings Mountain, 704-730-2103, October.

Octoberfest, Downtown Kings Mountain, 704-730-2103, October.

WINTER

Christmas Arts & Crafts Show, Cleveland County Fairgrounds, Shelby, 704-487-0651, November.

Homebuilders Hog Happnin' Barbecue Cookoff Festival, Cleveland County Fairgrounds, Shelby, 704-484-8700, November.

Christmas Parades

Boiling Springs, 704-434-2357, November

Kings Mountain, 704-730-2103, December

Uptown Shelby, 704-484-3100, November

Other municipalities - call Town Hall

Art & Soul Holiday Art Sale, Cleveland County Arts Center, Shelby, 704-487-2787, November/December.

Cleveland County Choral Society Christmas Concert, Brown Auditorium, Shelby, 704-482-8200 or 704-482-7520, December.

Christmas Around The Square Horse & Carriage Rides, Uptown Shelby, 704-484-3100, November/December.

Santa's House, Uptown Shelby, 704-484-3100, December.

Gingerbread House Contest, Cleveland County Arts Center, Shelby, 704-487-2787, December.

Festival of Lights, Gardner Webb University, Boiling Springs, 704-406-4637, November.

6.1 Website Marketing Strategy

Market strategy in an Internet room-booking business depends on recognition of expertise by the consumer. For The Inn of the Patriots Bed & Breakfast, it will start with our existing brick-and-mortar customer base, informing them of our Internet presence and encouraging their word-of-mouth recommendations to others. Further awareness will be heightened by utilizing search engine marketing, banner advertising, and affiliates.

The Inn of the Patriots Bed & Breakfast

7.0 Management Summary

The Inn of the Patriots Bed & Breakfast is owned and operated by Martin Mongiello. It will be a LLC. Marti has a degree in Culinary Arts and an MBA in Restaurant Management. He is also a Retired Culinary Specialist Senior Chief in the U.S. Navy who served 21 years. Among other tours of duty he served as Executive Chef and Guest Operations Manager at Camp David. He was also assistant manager for the 1500-room Bayshores resort in Pensacola, FL. He earned certification as a licensed hotel manager for the largest hotel chain in the world (Cendant), as well as was general manager of a highly successful Bed in Breakfast in downtown Philadelphia on Rittenhouse Square. In mid 2007, Marti was granted his Master Certified Food Executive (MCFE) designation at SUNY New York State Morrisville College by the International Food Service Executives Association.



Marti also holds a Certified Hospitality Manager (CHM) designation from graduating as the

The Inn of the Patriots Bed & Breakfast

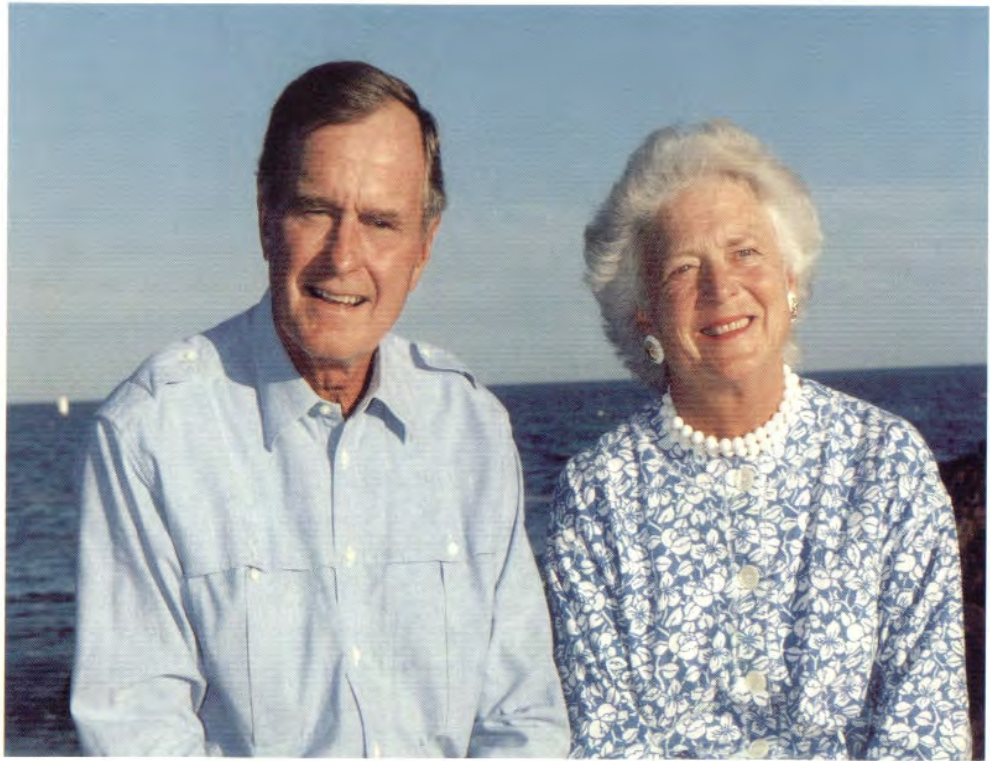
Valedictorian of the Starkey International Institute of Household Management in Denver, Colorado. He is a two-time Certified Executive Chef (CEC) with the American Culinary Federation and has numerous HACCP and sanitation certificates from the ACF, Experior and Chauncey International.

He has dreamed of someday having a B&B run from his house, with the excitement of taking care of travelers and never-ending visitors ready to share in the fun and stories of serving royalty and heads of state, let alone a chance to see and touch pieces of china and history from the White House and Camp David - as well as taste the recipes of such

Marti's education coupled with his practical experiences has given him the ideal skill-set required for operating a B&B. The only other thing that is truly required is passion, and Marti recognized his passion in serving which he has displayed in many positions and tasks. Marti has everything needed to succeed and will fulfill his destiny.

Marti will be assisted by his fiance Stormy L. Neal who is a professional in the Human Resources field who also has accounting and payroll experience, and who is a qualified banquet chef. She is able to help him in any task needed, administrative, cooking, cleaning and/or guest services.

An extended 200-page curriculum vitae is available with documents and certificates on Mr. Mongiello at the Mongiello family website of www.mongiello.org/CVsupplemental.htm



Best Wishes,

Ge. Bush

Barbara Bush

The Inn of the Patriots Bed & Breakfast

8.0 Financial Plan

The following sections will detail important financial information.

8.1 Important Assumptions

The following table highlights some of the important financial assumptions for The Inn of the Patriots Bed & Breakfast.

Table: General Assumptions

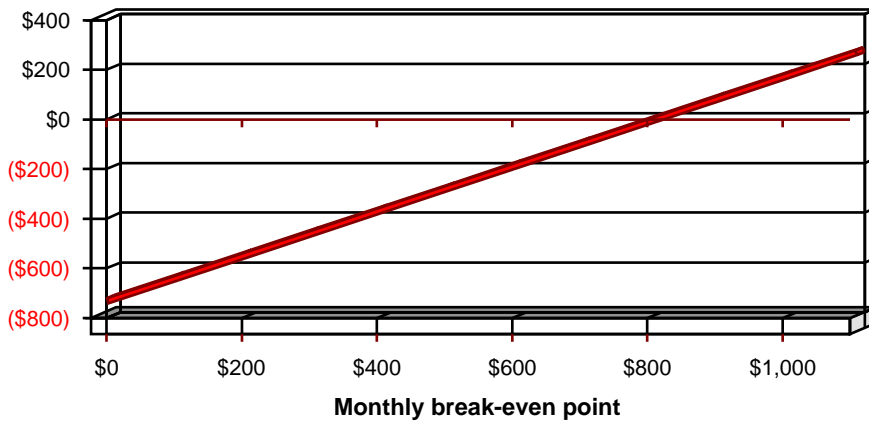
General Assumptions	2008	2009	2010	2011	2012
Plan Month	1	2	3	4	5
Current Interest Rate	6.00%	6.00%	6.00%	6.00%	6.00%
Long-term Interest Rate	6.00%	6.00%	6.00%	6.00%	6.00%
Tax Rate	13.00%	13.00%	13.00%	13.00%	13.00%
Other	0	0	0	0	0

The Inn of the Patriots Bed & Breakfast

8.2 Break-even Analysis

The Break-even Analysis indicates that monthly revenue must exceed \$813.00 to break even. This will fluctuate as the business plan is recalculated in the first twelve months of usage of utilities and advertising costs.

Break-even Analysis



Break-even point = where line intersects with 0

Table: Break-even Analysis

Break-even Analysis	
Monthly Revenue Break-even	\$813
Assumptions:	
Average Percent Variable Cost	10%
Estimated Monthly Fixed Cost	\$733

The Inn of the Patriots Bed & Breakfast

8.3 Projected Profit and Loss

The following table indicates projected, modest profits.

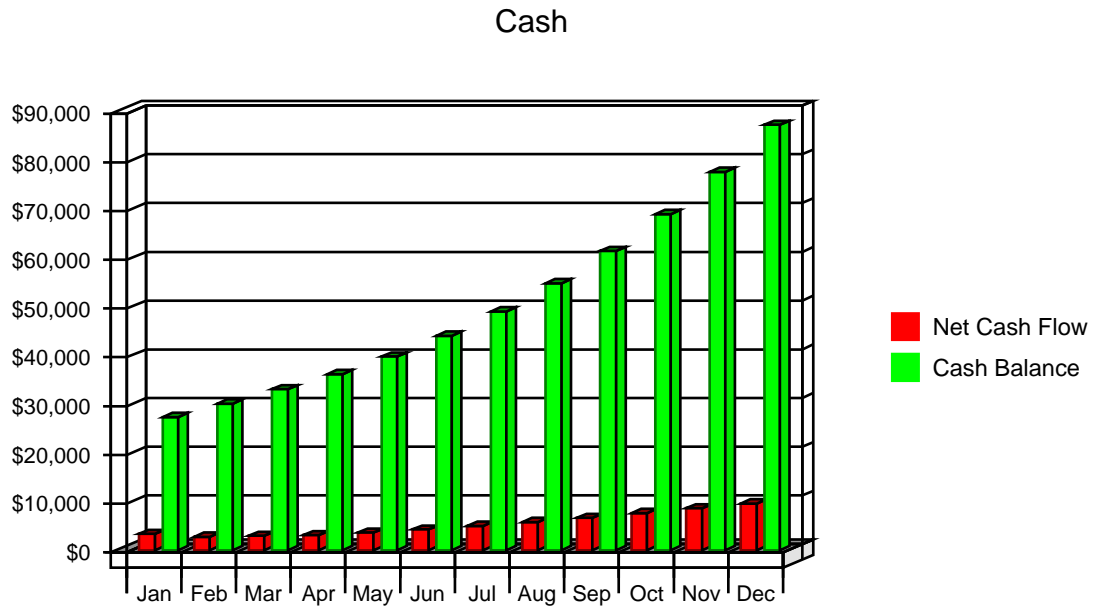
Table: Profit and Loss

Pro Forma Profit and Loss	2008	2009	2010	2011	2012
Sales	\$94,219	\$103,184	\$113,043	\$123,867	\$135,553
Direct Costs of Goods	\$9,240	\$9,698	\$10,177	\$10,680	\$11,208
Other	\$10,320	\$12,320	\$14,320	\$16,320	\$18,320
	-----	-----	-----	-----	-----
Cost of Goods Sold	\$19,560	\$22,018	\$24,497	\$27,000	\$29,528
	-----	-----	-----	-----	-----
Gross Margin	\$74,659	\$81,166	\$88,546	\$96,867	\$106,025
Gross Margin %	79.24%	78.66%	78.33%	78.20%	78.22%
	-----	-----	-----	-----	-----
Expenses					
Payroll	\$0	\$0	\$0	\$0	\$0
Sales & Marketing & Other Expenses	\$200	\$20,000	\$20,000	\$20,000	\$20,000
Depreciation	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Annual web and Assoc fees	\$100	\$1,600	\$1,700	\$1,800	\$1,900
Utilities	\$7,200	\$7,600	\$7,800	\$8,000	\$8,200
Insurance	\$100	\$4,800	\$5,000	\$5,200	\$5,400
	-----	-----	-----	-----	-----
Total Operating Expenses	\$8,800	\$35,200	\$35,700	\$36,200	\$36,700
	-----	-----	-----	-----	-----
Profit Before Interest and Taxes	\$65,859	\$45,966	\$52,846	\$60,667	\$69,325
EBITDA	\$67,059	\$47,166	\$54,046	\$61,867	\$70,525
Interest Expense	\$4,639	\$4,225	\$3,793	\$3,361	\$2,929
Taxes Incurred	\$7,959	\$5,426	\$6,377	\$7,450	\$8,632
	-----	-----	-----	-----	-----
Net Profit	\$53,262	\$36,315	\$42,676	\$49,857	\$57,765
Net Profit/Sales	56.53%	35.19%	37.75%	40.25%	42.61%

The Inn of the Patriots Bed & Breakfast

8.4 Projected Cash Flow

The following chart and table will indicate projected cash flow.

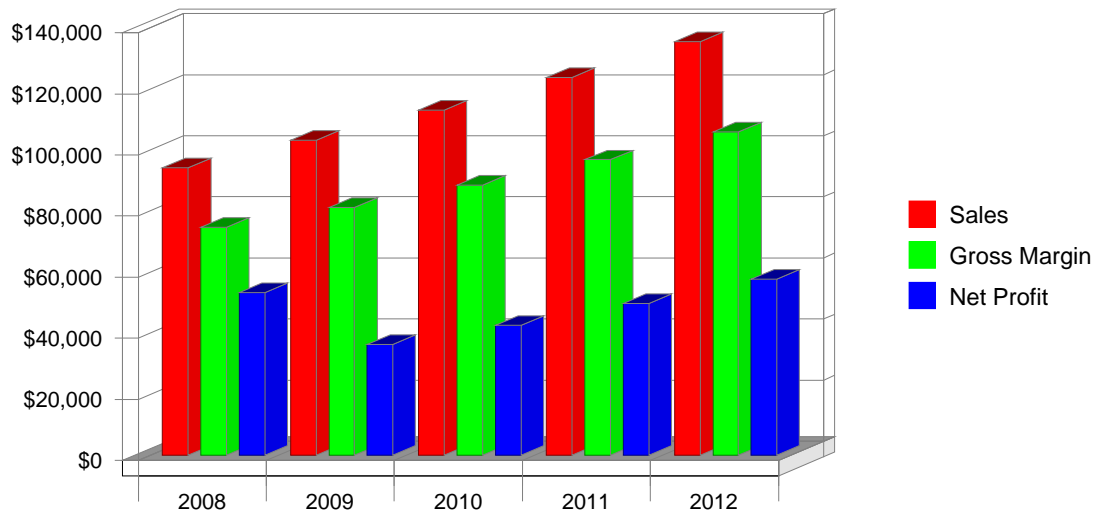


The Inn of the Patriots Bed & Breakfast

Table: Cash Flow

Pro Forma Cash Flow	2008	2009	2010	2011	2012
Cash Received					
Cash from Operations					
Cash Sales	\$94,219	\$103,184	\$113,043	\$123,867	\$135,553
Subtotal Cash from Operations	\$94,219	\$103,184	\$113,043	\$123,867	\$135,553
Additional Cash Received					
Sales Tax, VAT, HST/GST Received	\$12,248	\$13,414	\$14,696	\$16,103	\$17,622
New Current Borrowing	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$106,468	\$116,598	\$127,739	\$139,970	\$153,175
Expenditures					
Expenditures from Operations					
Cash spending	\$0	\$0	\$0	\$0	\$0
Bill Payments	\$35,989	\$64,946	\$69,057	\$72,738	\$76,519
Subtotal Spent on Operations	\$35,989	\$64,946	\$69,057	\$72,738	\$76,519
Additional Cash Spent					
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$43,189	\$72,146	\$76,257	\$79,938	\$83,719
Net Cash Flow	\$63,279	\$44,452	\$51,482	\$60,032	\$69,456
Cash Balance	\$87,279	\$131,731	\$183,213	\$243,244	\$312,701

Highlights



The Inn of the Patriots Bed & Breakfast

8.5 Projected Balance Sheet

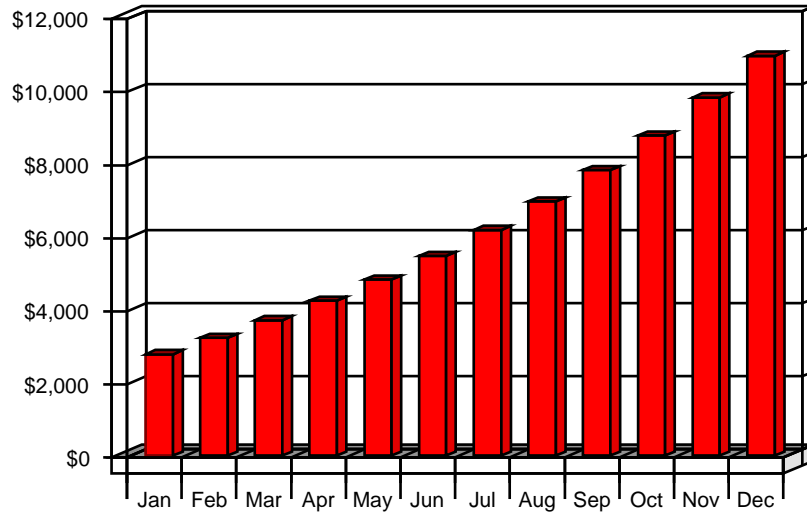
The following table will indicate the projected balance sheet. Bankers and CPA's will notice that excessive funds are reported being raised, initially. The \$24,000.00 remaining is only a contingency and prudent safety fund. It may prove cost effective and intelligent to place that into the SBA PE bank's savings fund or mutually accessible program yielding a good rate.

Table: Balance Sheet

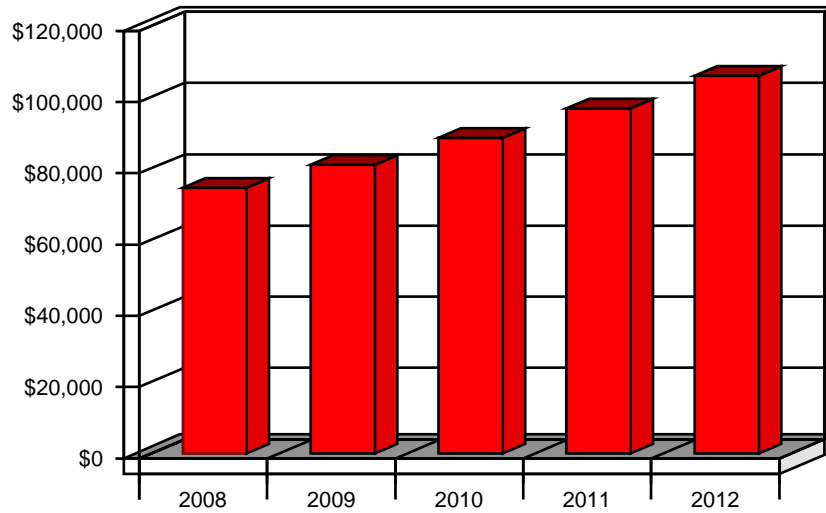
Pro Forma Balance Sheet	2008	2009	2010	2011	2012
Assets					
Current Assets					
Cash	\$87,279	\$131,731	\$183,213	\$243,244	\$312,701
Inventory	\$847	\$889	\$933	\$1,022	\$1,119
Other Current Assets	\$13,667	\$13,667	\$13,667	\$13,667	\$13,667
Total Current Assets	\$101,793	\$146,287	\$197,813	\$257,934	\$327,486
Long-term Assets					
Long-term Assets	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000
Accumulated Depreciation	\$1,200	\$2,400	\$3,600	\$4,800	\$6,000
Total Long-term Assets	\$54,800	\$53,600	\$52,400	\$51,200	\$50,000
Total Assets	\$156,593	\$199,887	\$250,213	\$309,134	\$377,486
Liabilities and Capital					
Current Liabilities					
Accounts Payable	\$2,116	\$2,880	\$3,034	\$3,196	\$3,362
Current Borrowing	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$12,248	\$25,662	\$40,358	\$56,461	\$74,083
Subtotal Current Liabilities	\$14,364	\$28,543	\$43,392	\$59,656	\$77,444
Long-term Liabilities	\$74,010	\$66,810	\$59,610	\$52,410	\$45,210
Total Liabilities	\$88,374	\$95,353	\$103,002	\$112,066	\$122,654
Paid-in Capital	\$24,840	\$24,840	\$24,840	\$24,840	\$24,840
Retained Earnings	(\$9,883)	\$43,379	\$79,694	\$122,371	\$172,227
Earnings	\$53,262	\$36,315	\$42,676	\$49,857	\$57,765
Total Capital	\$68,219	\$104,534	\$147,211	\$197,067	\$254,832
Total Liabilities and Capital	\$156,593	\$199,887	\$250,213	\$309,134	\$377,486
Net Worth	\$68,219	\$104,534	\$147,211	\$197,067	\$254,832

The Inn of the Patriots Bed & Breakfast

Gross Margin Monthly

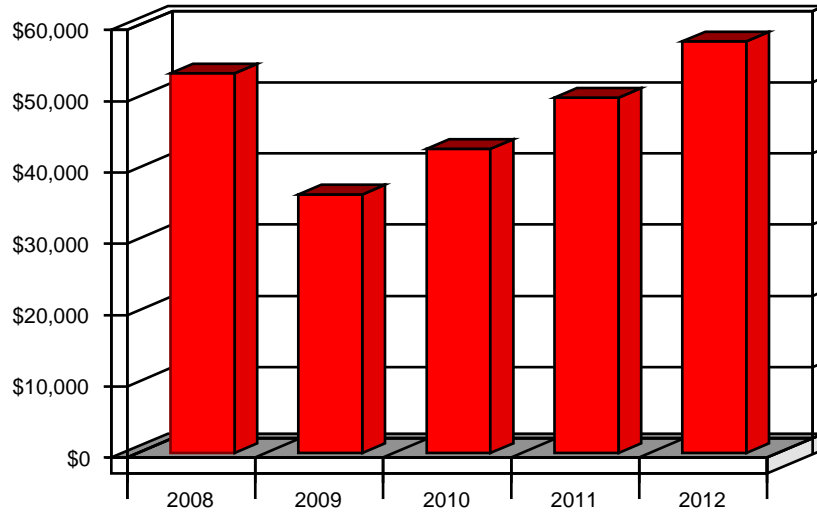


Gross Margin Yearly

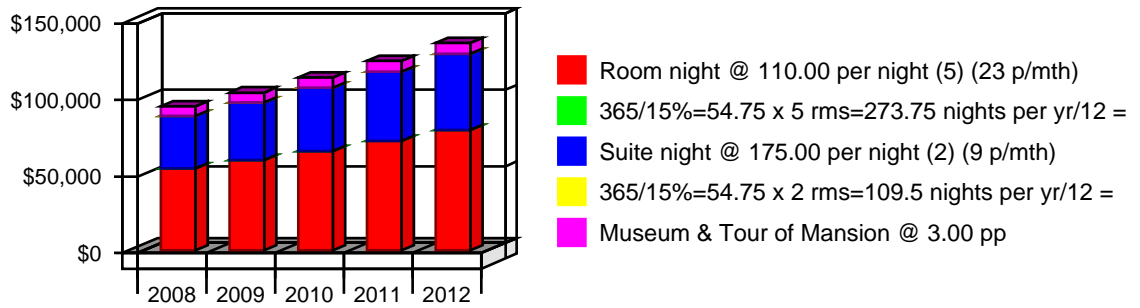


The Inn of the Patriots Bed & Breakfast

Profit Yearly



Sales by Year



The Inn of the Patriots Bed & Breakfast

Table: Payment Detail

Payment Detail	2008	2009	2010	2011	2012
Payment Delay in Days	16	16	16	16	16
Payables					
Beginning Payables Balance	\$0	\$2,116	\$2,880	\$3,034	\$3,196
Plus New Payment Obligations	\$38,104	\$65,711	\$69,210	\$72,900	\$76,685
Less Cash Spending	\$0	\$0	\$0	\$0	\$0
Less Bill Payments	\$35,989	\$64,946	\$69,057	\$72,738	\$76,519
Ending Payables Balance	\$2,116	\$2,880	\$3,034	\$3,196	\$3,362

8.6 Business Ratios

The business ratios reflect both a cross-sectional analysis and time-series analysis of the company's risk and profitability. The cross-sectional analysis consists of a comparison of our firm's ratios and those of the hotel and motel industry averages. The reader will note that there are some significant differences in the ratios, especially in regards to the way our company is leveraged. This is due to the fact that industry averages also include very large hotel chains that usually have much higher capital costs and investments in long-term assets. Furthermore, The Inn of the Patriots B&B has lower SG&A costs than other hotels and motels since B&Bs usually provide fewer services than larger competitors.

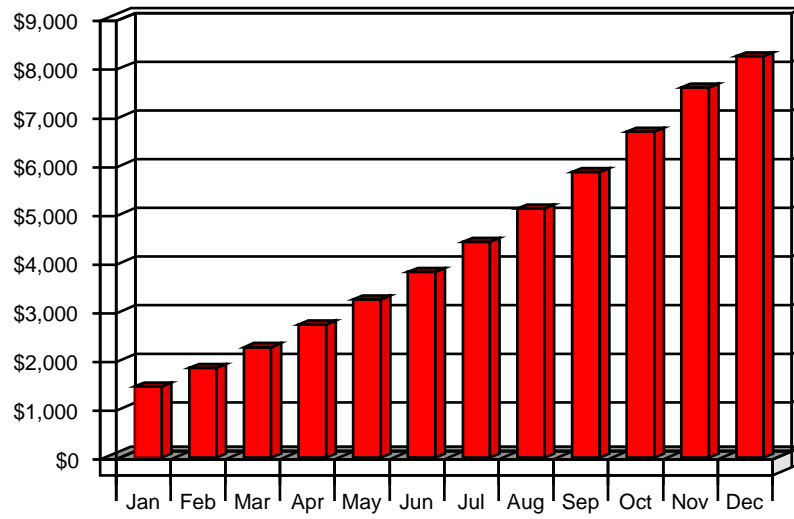
The Inn of the Patriots Bed & Breakfast

Table: Ratios

Ratio Analysis	2008	2009	2010	2011	2012	Industry Profile
Sales Growth	0.00%	9.52%	9.55%	9.58%	9.43%	2.04%
Percent of Total Assets						
Inventory	0.54%	0.44%	0.37%	0.33%	0.30%	1.03%
Other Current Assets	8.73%	6.84%	5.46%	4.42%	3.62%	31.17%
Total Current Assets	65.00%	73.18%	79.06%	83.44%	86.75%	35.54%
Long-term Assets	35.00%	26.82%	20.94%	16.56%	13.25%	64.46%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Current Liabilities						
Long-term Liabilities	9.17%	14.28%	17.34%	19.30%	20.52%	8.54%
Total Liabilities	47.26%	33.42%	23.82%	16.95%	11.98%	30.76%
Net Worth	56.44%	47.70%	41.17%	36.25%	32.49%	39.30%
Net Worth						
	43.56%	52.30%	58.83%	63.75%	67.51%	60.70%
Percent of Sales						
Sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Gross Margin	79.24%	78.66%	78.33%	78.20%	78.22%	100.00%
Selling, General & Administrative Expenses	138.22%	42.64%	43.67%	0.00%	0.00%	69.23%
Advertising Expenses	5.03%	1.22%	1.09%	0.00%	0.00%	2.62%
Profit Before Interest and Taxes	69.90%	44.55%	46.75%	48.98%	51.14%	1.59%
Main Ratios						
Current	7.09	5.13	4.56	4.32	4.23	2.15
Quick	7.03	5.09	4.54	4.31	4.21	1.57
Total Debt to Total Assets	56.44%	47.70%	41.17%	36.25%	32.49%	51.85%
Pre-tax Return on Net Worth	89.74%	39.93%	33.32%	29.08%	26.05%	1.27%
Pre-tax Return on Assets	39.10%	20.88%	19.60%	18.54%	17.59%	2.65%
Additional Ratios						
	2008	2009	2010	2011	2012	
Net Profit Margin	56.53%	35.19%	37.75%	40.25%	42.61%	n.a
Return on Equity	78.07%	34.74%	28.99%	25.30%	22.67%	n.a
Activity Ratios						
Inventory Turnover	9.94	11.17	11.17	10.93	10.47	n.a
Accounts Payable Turnover	18.01	22.81	22.81	22.81	22.81	n.a
Payment Days	14	14	16	16	16	n.a
Total Asset Turnover	0.60	0.52	0.45	0.40	0.36	n.a
Debt Ratios						
Debt to Net Worth	1.30	0.91	0.70	0.57	0.48	n.a
Current Liab. to Liab.	0.16	0.30	0.42	0.53	0.63	n.a
Liquidity Ratios						
Net Working Capital	\$87,429	\$117,744	\$154,421	\$198,277	\$250,042	n.a
Interest Coverage	14.20	10.88	13.93	18.05	23.67	n.a
Additional Ratios						
Assets to Sales	1.66	1.94	2.21	2.50	2.78	n.a
Current Debt/Total Assets	9%	14%	17%	19%	21%	n.a
Acid Test	7.03	5.09	4.54	4.31	4.21	n.a
Sales/Net Worth	1.38	0.99	0.77	0.63	0.53	n.a
Dividend Payout	0.00	0.00	0.00	0.00	0.00	n.a

The Inn of the Patriots Bed & Breakfast

Profit Monthly



Appendix

Appendix Table: Sales Forecast

Sales Forecast		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2008	2009	2010	2011	2012
Sales																		
Room night @ 110.00 per night (5) (23 p/mth)	10%	\$2,509	\$2,760	\$3,036	\$3,339	\$3,673	\$4,041	\$4,445	\$4,889	\$5,378	\$5,916	\$6,508	\$7,158	\$53,653	\$59,018	\$64,920	\$71,412	\$78,553
365/15%=54.75 x 5 rms=273.75 nights per yr/12 =	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Suite night @ 175.00 per night (2) (9 p/mth)	10%	\$1,597	\$1,757	\$1,932	\$2,126	\$2,338	\$2,572	\$2,829	\$3,112	\$3,423	\$3,766	\$4,142	\$4,556	\$34,151	\$37,566	\$41,323	\$45,455	\$50,000
365/15%=54.75 x 2 rms=109.5 nights per yr/12 =	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Museum & Tour of Mansion @ 3.00 pp	10%	\$300	\$330	\$363	\$399	\$439	\$483	\$531	\$585	\$643	\$707	\$778	\$856	\$6,415	\$6,600	\$6,800	\$7,000	\$7,000
Total Sales		\$4,406	\$4,847	\$5,331	\$5,864	\$6,451	\$7,096	\$7,805	\$8,586	\$9,445	\$10,389	\$11,428	\$12,571	\$94,219	\$103,184	\$113,043	\$123,867	\$135,553
Direct Cost of Sales																		
Room night @ 20.00 cost		\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$5,520	\$5,796	\$6,085	\$6,390	\$6,710
Suite night @ 30.00 cost		\$270	\$270	\$270	\$270	\$270	\$270	\$270	\$270	\$270	\$270	\$270	\$270	\$3,240	\$3,402	\$3,572	\$3,750	\$3,938
Museum and Tour of Mansion		\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$480	\$500	\$520	\$540	\$560
Subtotal Direct Cost of Sales		\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$9,240	\$9,698	\$10,177	\$10,680	\$11,208

Appendix

Appendix Table: General Assumptions

General Assumptions	Jan 1	Feb 2	Mar 3	Apr 4	May 5	Jun 6	Jul 7	Aug 8	Sep 9	Oct 10	Nov 11	Dec 12	2008 1	2009 2	2010 3	2011 4	2012 5
Plan Month																	
Current Interest Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Long-term Interest Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Tax Rate	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Appendix

Appendix Table: Profit and Loss

Pro Forma Profit and Loss	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2008	2009	2010	2011	2012
Sales	\$4,406	\$4,847	\$5,331	\$5,864	\$6,451	\$7,096	\$7,805	\$8,586	\$9,445	\$10,389	\$11,428	\$12,571	\$94,219	\$103,184	\$113,043	\$123,867	\$135,553
Direct Costs of Goods	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$9,240	\$9,698	\$10,177	\$10,680	\$11,208
Other	\$860	\$860	\$860	\$860	\$860	\$860	\$860	\$860	\$860	\$860	\$860	\$860	\$10,320	\$12,320	\$14,320	\$16,320	\$18,320
Cost of Goods Sold	\$1,630	\$1,630	\$1,630	\$1,630	\$1,630	\$1,630	\$1,630	\$1,630	\$1,630	\$1,630	\$1,630	\$1,630	\$19,560	\$22,018	\$24,497	\$27,000	\$29,528
Gross Margin	\$2,776	\$3,217	\$3,701	\$4,234	\$4,821	\$5,466	\$6,175	\$6,956	\$7,815	\$8,759	\$9,798	\$10,941	\$74,659	\$81,166	\$88,546	\$96,867	\$106,025
Gross Margin %	63.00%	66.37%	69.43%	72.21%	74.73%	77.03%	79.12%	81.02%	82.74%	84.31%	85.74%	87.03%	79.24%	78.66%	78.33%	78.20%	78.22%
Expenses																	
Payroll	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales & Marketing & Other Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200	\$200	\$20,000	\$20,000	\$20,000	\$20,000
Depreciation	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Annual web and Assoc fees												\$100	\$100	\$1,600	\$1,700	\$1,800	\$1,900
Utilities	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$7,200	\$7,600	\$7,800	\$8,000	\$8,200
Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100	\$100	\$4,800	\$5,000	\$5,200	\$5,400
Total Operating Expenses	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$1,100	\$8,800	\$35,200	\$35,700	\$36,200	\$36,700
Profit Before Interest and Taxes	\$2,076	\$2,517	\$3,001	\$3,534	\$4,121	\$4,766	\$5,475	\$6,256	\$7,115	\$8,059	\$9,098	\$9,841	\$65,859	\$45,966	\$52,846	\$60,667	\$69,325
EBITDA	\$2,176	\$2,617	\$3,101	\$3,634	\$4,221	\$4,866	\$5,575	\$6,356	\$7,215	\$8,159	\$9,198	\$9,941	\$67,059	\$47,166	\$54,046	\$61,867	\$70,525
Interest Expense	\$403	\$400	\$397	\$394	\$391	\$388	\$385	\$382	\$379	\$376	\$373	\$370	\$4,639	\$4,225	\$3,793	\$3,361	\$2,929
Taxes Incurred	\$217	\$275	\$339	\$408	\$485	\$569	\$662	\$764	\$876	\$999	\$1,134	\$1,231	\$7,959	\$5,426	\$6,377	\$7,450	\$8,632
Net Profit	\$1,455	\$1,841	\$2,266	\$2,732	\$3,245	\$3,809	\$4,429	\$5,110	\$5,860	\$6,684	\$7,591	\$8,240	\$53,262	\$36,315	\$42,676	\$49,857	\$57,765
Net Profit/Sales	33.03%	37.99%	42.50%	46.59%	50.30%	53.68%	56.74%	59.52%	62.05%	64.34%	66.42%	65.55%	56.53%	35.19%	37.75%	40.25%	42.61%

Appendix

Appendix Table: Cash Flow

Pro Forma Cash Flow		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2008	2009	2010	2011	2012
Cash Received																		
Cash from Operations																		
Cash Sales		\$4,406	\$4,847	\$5,331	\$5,864	\$6,451	\$7,096	\$7,805	\$8,586	\$9,445	\$10,389	\$11,428	\$12,571	\$94,219	\$103,184	\$113,043	\$123,867	\$135,553
Subtotal Cash from Operations		\$4,406	\$4,847	\$5,331	\$5,864	\$6,451	\$7,096	\$7,805	\$8,586	\$9,445	\$10,389	\$11,428	\$12,571	\$94,219	\$103,184	\$113,043	\$123,867	\$135,553
Additional Cash Received																		
Sales Tax, VAT, HST/GST Received	13.00%	\$573	\$630	\$693	\$762	\$839	\$922	\$1,015	\$1,116	\$1,228	\$1,351	\$1,486	\$1,634	\$12,248	\$13,414	\$14,696	\$16,103	\$17,622
New Current Borrowing		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)		\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets		\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0
New Investment Received		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received		\$4,979	\$5,477	\$6,024	\$6,627	\$7,289	\$8,018	\$8,820	\$9,702	\$10,672	\$11,740	\$12,914	\$14,205	\$106,468	\$116,598	\$127,739	\$139,970	\$153,175
Expenditures		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2008	2009	2010	2011	2012
Expenditures from Operations																		
Cash spending		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bill Payments		\$1,040	\$2,108	\$2,494	\$2,942	\$3,069	\$3,147	\$3,232	\$3,326	\$3,430	\$3,545	\$3,671	\$3,984	\$35,989	\$64,946	\$69,057	\$72,738	\$76,519
Subtotal Spent on Operations		\$1,040	\$2,108	\$2,494	\$2,942	\$3,069	\$3,147	\$3,232	\$3,326	\$3,430	\$3,545	\$3,671	\$3,984	\$35,989	\$64,946	\$69,057	\$72,738	\$76,519
Additional Cash Spent																		
Sales Tax, VAT, HST/GST Paid Out		\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment		\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200
Purchase Other Current Assets		\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0
Dividends		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent		\$1,640	\$2,708	\$3,094	\$3,542	\$3,669	\$3,747	\$3,832	\$3,926	\$4,030	\$4,145	\$4,271	\$4,584	\$43,189	\$72,146	\$76,257	\$79,938	\$83,719
Net Cash Flow		\$3,339	\$2,769	\$2,930	\$3,084	\$3,620	\$4,272	\$4,988	\$5,776	\$6,642	\$7,595	\$8,643	\$9,621	\$63,279	\$44,452	\$51,482	\$60,032	\$69,456
Cash Balance		\$27,339	\$30,107	\$33,038	\$36,122	\$39,742	\$44,014	\$49,002	\$54,778	\$61,421	\$69,016	\$77,658	\$87,279	\$87,279	\$131,731	\$183,213	\$243,244	\$312,701

Appendix

Appendix Table: Balance Sheet

Pro Forma Balance Sheet	Starting Balances	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2008	2009	2010	2011	2012
Assets																		
Current Assets																		
Cash	\$24,000	\$27,339	\$30,107	\$33,038	\$36,122	\$39,742	\$44,014	\$49,002	\$54,778	\$61,421	\$69,016	\$77,658	\$87,279	\$87,279	\$131,731	\$183,213	\$243,244	\$312,701
Inventory	\$2,500	\$1,730	\$960	\$847	\$847	\$847	\$847	\$847	\$847	\$847	\$847	\$847	\$847	\$847	\$889	\$933	\$1,022	\$1,119
Other Current Assets	\$13,667	\$13,667	\$13,667	\$13,667	\$13,667	\$13,667	\$13,667	\$13,667	\$13,667	\$13,667	\$13,667	\$13,667	\$13,667	\$13,667	\$13,667	\$13,667	\$13,667	\$13,667
Total Current Assets	\$40,167	\$42,736	\$44,734	\$47,552	\$50,636	\$54,256	\$58,528	\$63,516	\$69,292	\$75,935	\$83,530	\$92,172	\$101,793	\$101,793	\$146,287	\$197,813	\$257,934	\$327,486
Long-term Assets																		
Long-term Assets	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000
Accumulated Depreciation	\$0	\$100	\$200	\$300	\$400	\$500	\$600	\$700	\$800	\$900	\$1,000	\$1,100	\$1,200	\$1,200	\$2,400	\$3,600	\$4,800	\$6,000
Total Long-term Assets	\$56,000	\$55,900	\$55,800	\$55,700	\$55,600	\$55,500	\$55,400	\$55,300	\$55,200	\$55,100	\$55,000	\$54,900	\$54,800	\$54,800	\$53,600	\$52,400	\$51,200	\$50,000
Total Assets	\$96,167	\$98,636	\$100,534	\$103,252	\$106,236	\$109,756	\$113,928	\$118,816	\$124,492	\$131,035	\$138,530	\$147,072	\$156,593	\$156,593	\$199,887	\$250,213	\$309,134	\$377,486
Liabilities and Capital																		
Current Liabilities																		
Accounts Payable	\$0	\$1,040	\$1,068	\$1,426	\$1,516	\$1,553	\$1,594	\$1,638	\$1,688	\$1,742	\$1,802	\$1,869	\$2,116	\$2,116	\$2,880	\$3,034	\$3,196	\$3,362
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$573	\$1,203	\$1,896	\$2,658	\$3,497	\$4,419	\$5,434	\$6,550	\$7,778	\$9,129	\$10,614	\$12,248	\$12,248	\$25,662	\$40,358	\$56,461	\$74,083
Subtotal Current Liabilities	\$0	\$1,613	\$2,270	\$3,322	\$4,174	\$5,050	\$6,013	\$7,072	\$8,238	\$9,520	\$10,931	\$12,483	\$14,364	\$14,364	\$28,543	\$43,392	\$59,656	\$77,444
Long-term Liabilities																		
Long-term Liabilities	\$81,210	\$80,610	\$80,010	\$79,410	\$78,810	\$78,210	\$77,610	\$77,010	\$76,410	\$75,810	\$75,210	\$74,610	\$74,010	\$74,010	\$66,810	\$59,610	\$52,410	\$45,210
Total Liabilities	\$81,210	\$82,223	\$82,280	\$82,732	\$82,984	\$83,260	\$83,623	\$84,082	\$84,648	\$85,330	\$86,141	\$87,093	\$88,374	\$88,374	\$95,353	\$103,002	\$112,066	\$122,654
Paid-in Capital																		
Paid-in Capital	\$24,840	\$24,840	\$24,840	\$24,840	\$24,840	\$24,840	\$24,840	\$24,840	\$24,840	\$24,840	\$24,840	\$24,840	\$24,840	\$24,840	\$24,840	\$24,840	\$24,840	\$24,840
Retained Earnings																		
Retained Earnings	(\$9,883)	(\$9,883)	(\$9,883)	(\$9,883)	(\$9,883)	(\$9,883)	(\$9,883)	(\$9,883)	(\$9,883)	(\$9,883)	(\$9,883)	(\$9,883)	(\$9,883)	(\$9,883)	\$43,379	\$79,694	\$122,371	\$172,227
Earnings																		
Earnings	\$0	\$1,455	\$3,297	\$5,563	\$8,295	\$11,540	\$15,348	\$19,777	\$24,887	\$30,747	\$37,432	\$45,022	\$53,262	\$53,262	\$36,315	\$42,676	\$49,857	\$57,765
Total Capital	\$14,957	\$16,412	\$18,254	\$20,520	\$23,252	\$26,497	\$30,305	\$34,734	\$39,844	\$45,704	\$52,389	\$59,979	\$68,219	\$68,219	\$104,534	\$147,211	\$197,067	\$254,832
Total Liabilities and Capital	\$96,167	\$98,636	\$100,534	\$103,252	\$106,236	\$109,756	\$113,928	\$118,816	\$124,492	\$131,035	\$138,530	\$147,072	\$156,593	\$156,593	\$199,887	\$250,213	\$309,134	\$377,486
Net Worth	\$14,957	\$16,412	\$18,254	\$20,520	\$23,252	\$26,497	\$30,305	\$34,734	\$39,844	\$45,704	\$52,389	\$59,979	\$68,219	\$68,219	\$104,534	\$147,211	\$197,067	\$254,832

Appendix

Appendix Table: Payment Detail

Payment Detail	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	2008 16	2009 16	2010 16	2011 16	2012 16
Payment Delay in Days																	
Payables																	
Beginning Payables Balance	\$0	\$1,040	\$1,068	\$1,426	\$1,516	\$1,553	\$1,594	\$1,638	\$1,688	\$1,742	\$1,802	\$1,869	\$0	\$2,116	\$2,880	\$3,034	\$3,196
Plus New Payment Obligations	\$2,081	\$2,135	\$2,853	\$3,032	\$3,106	\$3,187	\$3,277	\$3,376	\$3,485	\$3,605	\$3,737	\$4,231	\$38,104	\$65,711	\$69,210	\$72,900	\$76,685
Less Cash Spending	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Bill Payments	\$1,040	\$2,108	\$2,494	\$2,942	\$3,069	\$3,147	\$3,232	\$3,326	\$3,430	\$3,545	\$3,671	\$3,984	\$35,989	\$64,946	\$69,057	\$72,738	\$76,519
Ending Payables Balance	\$1,040	\$1,068	\$1,426	\$1,516	\$1,553	\$1,594	\$1,638	\$1,688	\$1,742	\$1,802	\$1,869	\$2,116	\$2,116	\$2,880	\$3,034	\$3,196	\$3,362