AI
MDAI
SOLUTIONS

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1.0 Executive Summary

The purpose of this business plan is to secure $100 million for the development of an AI driven data center based in Houston, Texas. MDAI Solutions LLC ("the Company") will provide access to state-of-the-art technologies that will provides enterprises with cloud capabilities for their machine learning and artificial intelligence applications. The business was founded by Matthew Deutsch. Full scale revenue generation is expected to occur in two years after this construction is complete.

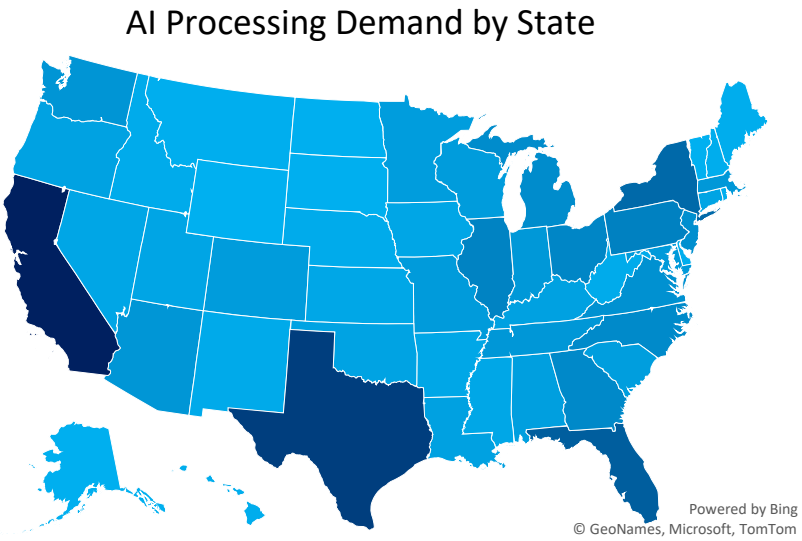
Operations

The primary revenue center for the business will come from the ongoing use of the Company's state-of-the-art servers that will feature parallel processing computing capabilities, which will provide low latency communication for technology companies. It should be noted that while the primary focus of the company's services will be on artificial intelligence, entities that are operating large scale application suites can also use the servers and data storage solutions on site.

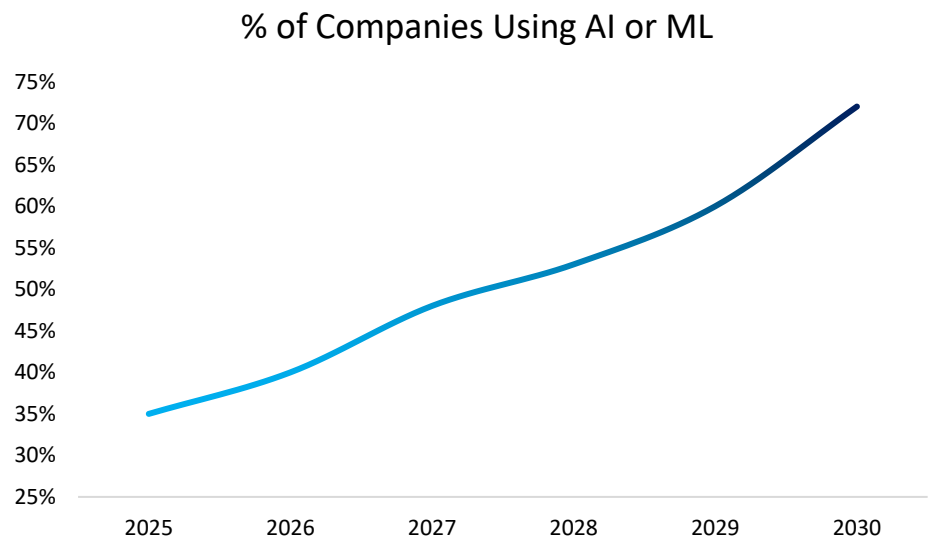
The business will have round-the-clock- cyber security on staff in the event that an emergency occurs. Furthermore, customers will gain access to a wide range of functionality so that they can control every aspect of their technology's operations. Beyond revenues produced from ongoing server and data center usage, the Company will generate secondary fees from deploying AI/ML solutions in tandem with their respective IT departments. This will produce substantial profits from MDAI Solutions.

The third section of the business plan will further discuss the operations of the company.

Market Demand



As will be noted later in this document, the demand for AI focused processing is set for explosive growth over the next ten years. MDAI Solutions is poised to capture a significant portion of this demand especially among companies that are based in Texas and the Midwestern United States. Total industry demand is expected to swell past $200 billion by 20230.



The Financing

At this time, the company seeking in aggregate of $100 million in order to launch operations. Of this capital, $20 million will come from private investors while the $80 million will come from a financial institution that will provide a loan for the building and the initial technology equipment. This document assumes that the debt portion of capital will carry a 20 year term and an 8% interest rate.

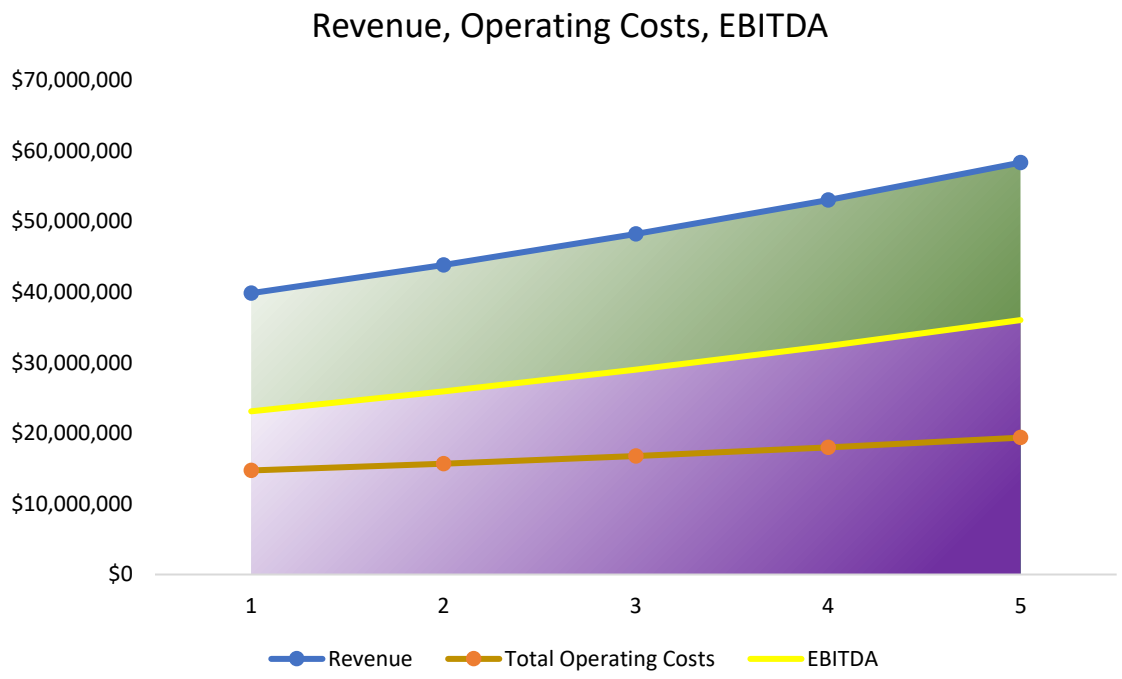
Moving forward, the company can easily secure additional capital and as needed basis, given the highly recurring reams of revenue that are generated from the continued use of the company services. This document assumes that no further capital will be acquired outside of the funding site.

The Future

The company will make sustained and ongoing investment into the scope of its technology operations. The company will continually upgrade its equipment so that the data center remains at the forefront of technology related to parallel, processing, and storage solutions. After the fifth year of operations, MDAI Solution may develop additional data centers within other major markets in the United States given the continued increase in demand. The Company will also expand the scope of its deployment operations as this is a major profit center.

Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	$39,847,500	$43,832,250	$48,215,475	$53,037,023	$58,340,725
Cost of Revenue	$1,992,375	$2,191,613	$2,410,774	$2,651,851	$2,917,036
Gross Profit	$37,855,125	$41,640,638	$45,804,701	$50,385,171	$55,423,689
Total Operating Costs	$14,737,806	$15,705,226	$16,786,261	$18,003,934	$19,388,363
EBITDA	$23,117,320	$25,935,412	$29,018,441	$32,381,237	$36,035,326

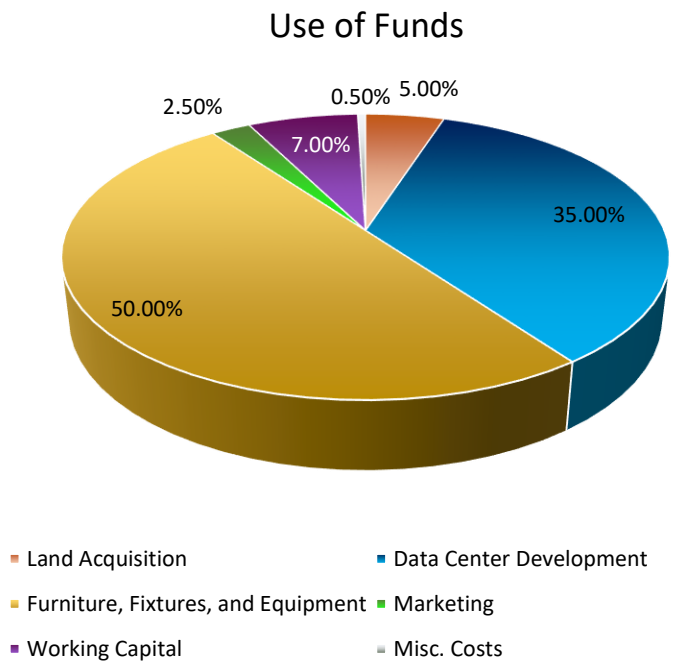


2.0 The Financing

2.1 Funds Required

As noted in the executive summary, an aggregate of $100 million is needed to launch operations. The funding will be allocated as follows.

Use of Funds	
Land Acquisition	$5,000,000
Data Center Development	$35,000,000
Furniture, Fixtures, and Equipment	$50,000,000
Marketing	$2,500,000
Working Capital	$7,000,000
Misc. Costs	$500,000
Total	$100,000,000



2.2 Management and Investor Equity

This will be further discussed during negotiation.

2.3 Exit Strategies

In the event that it is financially prudent to do so, the company will work with a qualified investment bank in order to properly digest the business with our party. Given the economic stability of AI driven data centers, the business could receive a sales premium of up to 20 times earnings, which would include all fixed assets in real estate held by the business.

3.0 Operations

MDAI Solutions' operations have been specifically developed the scale ability in mind. Most importantly, the Company will have thousands of servers that each have graphic processing units that can be used extensively for AI based applications. The business will keep its operating costs as possible so that the business can remain pricing competitive at all times.

The location feature stated the art cooling systems in order to reduce the risk of any potential issues that may occur during the course of normal business operation. Furthermore, the Company will have extensive security on site not only to address physical access risk, but also for cyber security. One of the ways of the company will maintain a major differentiating factor is that the Company will provide 24/7 to cyber security experts that can address any breaches that may occur.

The Company will continue to acquire additional technology assets it expands. At the onset of operations, management anticipates that the business will operate at 50% capacity. Over the next five years, the business will onboard number of clients so that the initial data center in Houston reaches 100% utilization at this time. As will be discussed in the seventh section of the business plan, the company has a highly defined marketing plan in place so that on boarding can occur during the development process.

4.0 Overview of the Organization

4.1 Registered Name

MDAI Solutions LLC. The business is registered as limited liability company in the State of Texas.

4.2 Commencement of Operations

Revenue generating operations will commence in two years.

4.3 Mission Statement

The Company's mission to provide cost-effective data center solutions with scale, ability, artificial intelligence, and machine learning in mind.

4.4 Vision Statement

To become the preeminent data storage, cloud solution, and data center within the United States.

4.5 Organizational Objectives

- Properly on-board clients during the development period.
- Maintain fiscally sound protocols so the business can continually reinvest into new technologies.
- Develop additional data centers in economically viable markets throughout the United States.
- Maintain a committed program to implementing the highest level of cyber security available for the company's facilities.
- maintain an expensive online presence so that the business could be quickly found when AI driven data centers are searched.
- Maintain extensive relationships with the technology community so that MDAI Solutions maintains a highly visible brand name among industry professional seeking AI and ML data center services.
- Remain within the letter of the law regarding all services rendered.
- Expand the types of cloud-based solutions offered to the Company's clients outside of AI and ML technologies.

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

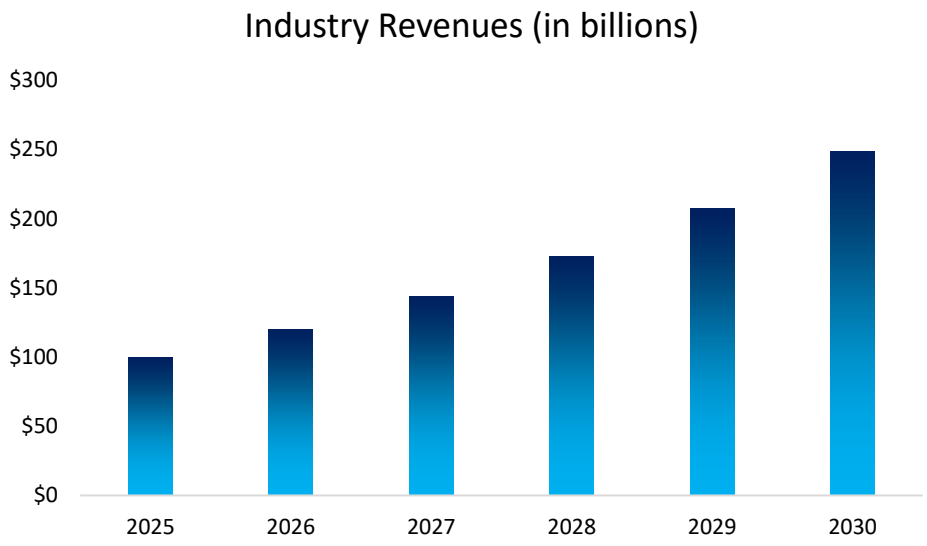
This section of the business plan document the current economic climate, the competitive issues that the business will face, and the profile of companies that are expected to use the data center services.

At this time, the economic climate, the United States, moderate. There has been some volatility given the evolving trade policies that have been change over the past twelve months. Appropriate monetary policy has been put in place to ensure that inflation remains stable.

However, any issues with the economy will not impact the Company's ability to generate revenue. The demand for data centers that can provide access to state technologies, especially for artificial intelligence, continues to expand rapidly, not only with the United States but globally as well. The data center will be able to meet the needs for wide range of technology Enterprises that are seeking cost-effective solutions to their processing.

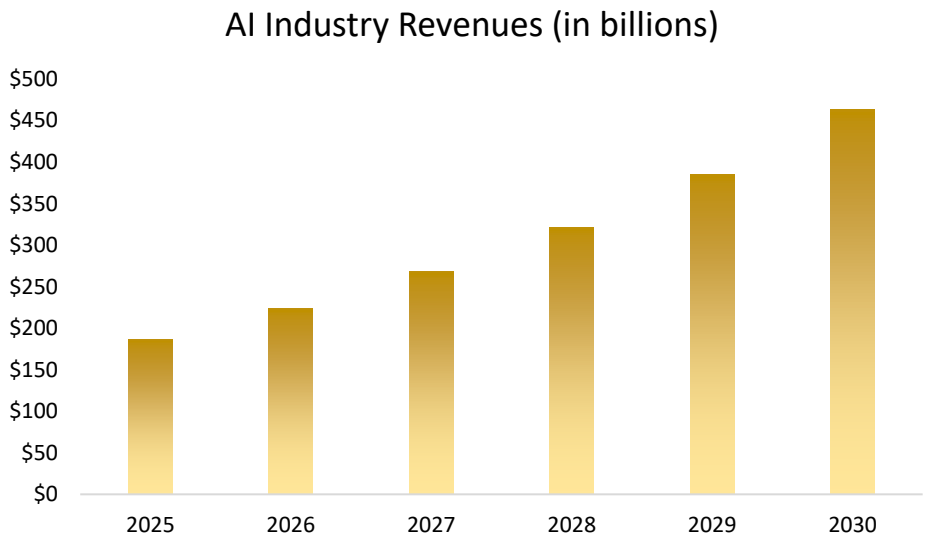
5.2 Industry Analysis

Currently, the demand for data centers is a $100 billion year in industry. Given the rapid rise of artificial intelligence, large language, models, and machine learning – this industry is place to achieve 20% compounded annual growth over the next 10 years. The Company is outstanding position to capture this growth through its state-of-the-art facilities in Houston.



It should be noted that the business will continually monitor any changes in the technology landscape in regards to artificial intelligence as well as cloud solutions. The Company is

committed to remain at the forefront of this technology to provide an outstanding level of service coupled with comprehensive solutions for the complex needs of AI focused enterprises.



5.3 Customer Profile

The business will be able to care to a wide range of companies that are seeking cost-effective solutions. The scope of businesses that require offsite data center services continues to grow each year. Management has developed the following demographic profile that will be used during the course of marketing operations:

- Annual revenues exceeding $2 million
- Will spend $50,000 to $200,000 per annum with the Company
- Principally operates within Texas or the Midwestern United States

Through its operations, the Company can effectively target up to 54,000 enterprises within its target market and up to 750,000 enterprises nationally.

5.4 Competitive Analysis

As this business plan is written as a sample only, no formal competitive analysis was completed. Engagement for a client, we would have completed an extensive analysis that would showcase existing data centers that are already operation, their revenues, and they're competitive advantages as compared to that of this business.

6.0 Key Strategic Issues

6.1 Sustainable Operations

MDAI Solutions will have sustainable operations as a result of the following:

- Immense demand for AI data center solutions throughout Texas and the United States.
- A highly experienced Founder/CEO (Matthew Deutsch) who has extensive experience in the field of data center management.
- The operations of MDAI Solutions are highly scalable.
- The Company will generate substantial revenues even during challenging business climates.
- AI and ML is a rapidly evolving field, and the Company will remain at the forefront of this technology at all times.
- The Company can access capital as needed for operations and expansion purposes.

6.2 Basis of Growth

The Company will expand via the following methods:

- Expansion of the number of servers operated by the business until 100% capacity is reached.
- Development of additional data locations.
- Expansion of the types of cloud services offered.
- Acquire additional capital to expand operations.
- Potential acquisition of companies that operate in a similar capacity.

7.0 Marketing Plan

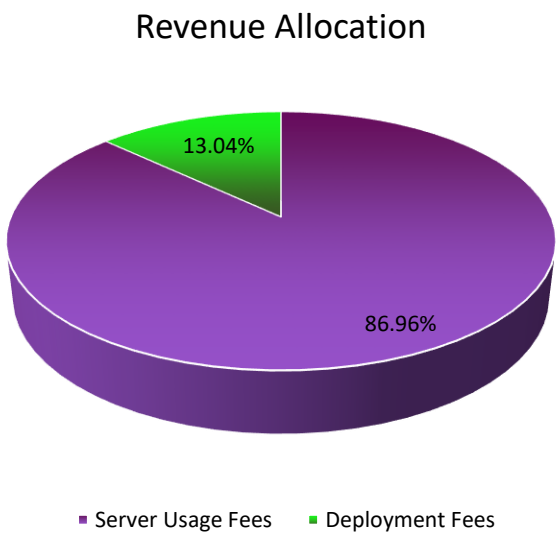
7.1 Marketing Objectives

- Establish extensive relationships with AI enterprises during the development period.
- Use multiple online sales channels to create brand name awareness for MDAI Solutions.
- Engage in direct outreach with major AI companies throughout the United States.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	**1**	**2**	**3**	**4**	**5**
Server Usage Fees	$34,650,000	$38,115,000	$41,926,500	$46,119,150	$50,731,065
Deployment Fees	$5,197,500	$5,717,250	$6,288,975	$6,917,873	$7,609,660
Total	**$39,847,500**	**$43,832,250**	**$48,215,475**	**$53,037,023**	**$58,340,725**

Gross Profit					
Year	1	2	3	4	5
Total	**$37,855,125**	**$41,640,638**	**$45,804,701**	**$50,385,171**	**$55,423,689**



7.3 Revenue Assumptions

Year 1

- First year revenue will reach $39.8 million.
- Gross profits will reach $37.8 million.

Year 2

- Through greater marketing efforts, revenue will reach $43.8 million.
- Gross profits will reach $41.6 million.
- Total income will increase by 10%.

Years 3-5

- By the fifth year of operation, total revenue will reach $58.3 million.

7.4 Marketing Strategies

The Company will use a number of marketing strategies that will bring the attention of the data center to technology enterprises of all sizes during the development. This will ensure that the business has at least 50% of its total capacity use when the business launches its operations two years from now. Once the capital has been secured, the business will develop an internal sales network. They will directly approach the demographics discussed earlier. This will allow for on boarding during the development phase so that they are fully up and running during the very first days of full scale operation.

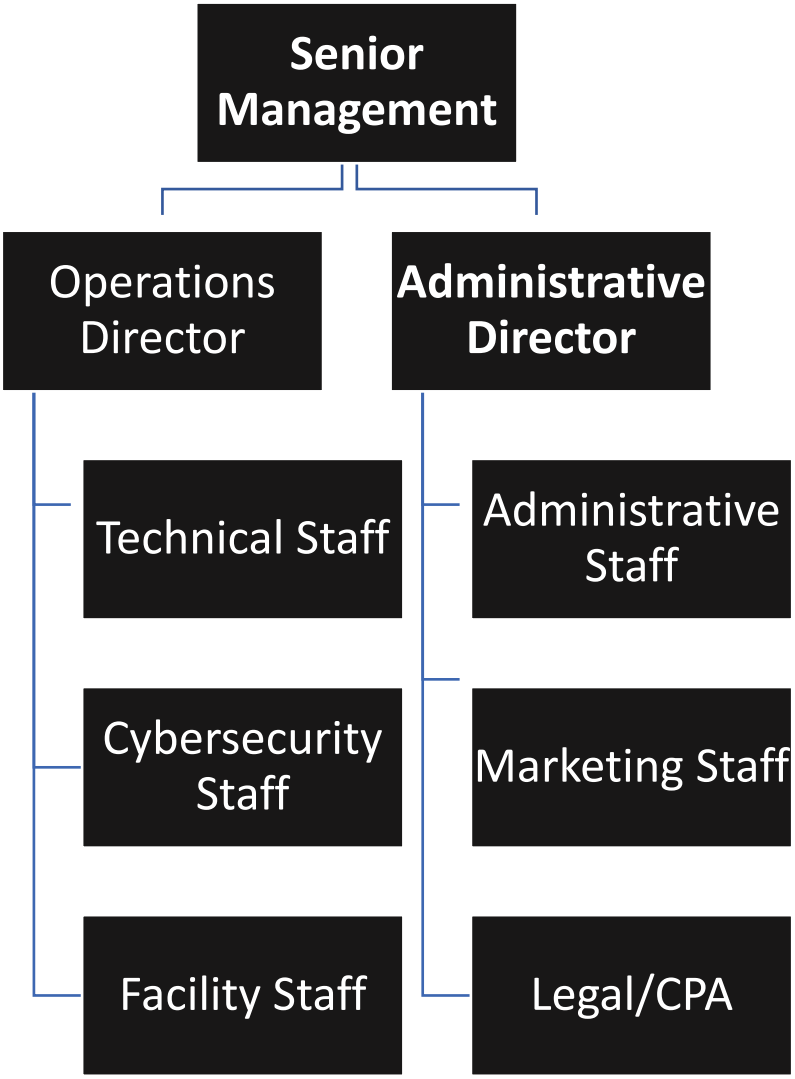
The business will maintain an expansive online presence through his proprietary website. This website will be developed during the development with images and content rich media that showcases the location, its security, its state-of-the-art AI driven solutions, as well as other pertinent information about the business. As the development reaches its final phase, information about the servers and cloud storage solutions that are offered will be thoroughly discussed. This will include an overview regarding pricing of the Company's services as well.

As this is not a consumer facing business, the Company will maintaining more moderate presence on all social media platforms. On LinkedIn, the business will specifically use targeted advertisements among chief technology officers at businesses of all sizes. This will allow for more seamless on boarding during the development period as well as life of business.

Given the scope and scale of the enterprise, there is the potential to work with government agencies in regards to their data center needs as well. The Company intends to bid on municipal, state, and federal contracts that will provide highly recurring reams of revenue. Given the level of security that is in place, the business will be able to meet the specific specifications that are required by multiple government agencies in regards to storing data offsite.

8.0 Organizational Plan

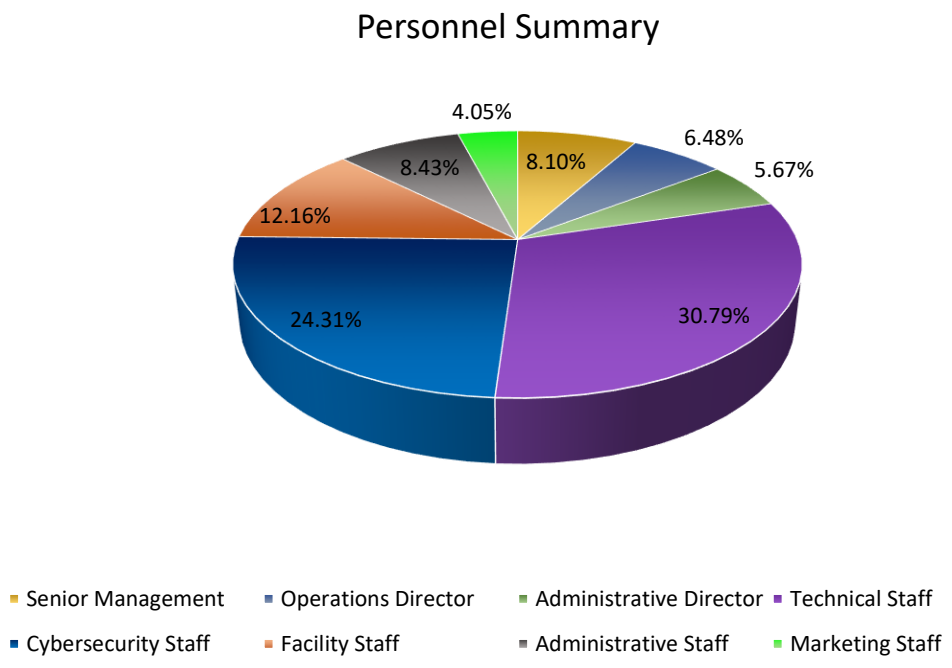
8.1 Organizational Hierarchy



8.2 Personnel Costs

Personnel Plan - Yearly					
Year	1	2	3	4	5
Senior Management	$500,000	$510,000	$520,200	$530,604	$541,216
Operations Director	$400,000	$408,000	$416,160	$424,483	$432,973
Administrative Director	$350,000	$357,000	$364,140	$371,423	$378,851
Technical Staff	$1,900,000	$1,938,000	$1,976,760	$2,016,295	$2,056,621
Cybersecurity Staff	$1,500,000	$1,530,000	$1,560,600	$1,591,812	$1,623,648
Facility Staff	$750,000	$765,000	$780,300	$795,906	$811,824
Administrative Staff	$520,000	$530,400	$541,008	$551,828	$562,865
Marketing Staff	$250,000	$255,000	$260,100	$265,302	$270,608
Total	**$6,170,000**	**$6,293,400**	**$6,419,268**	**$6,547,653**	**$6,678,606**

Numbers of Personnel (Year End Headcount)					
Year	1	2	3	4	5
Senior Management	2	2	2	2	2
Operations Director	2	2	2	2	2
Administrative Director	2	2	2	2	2
Technical Staff	20	20	20	20	20
Cybersecurity Staff	15	15	15	15	15
Facility Staff	10	10	10	10	10
Administrative Staff	8	8	8	8	8
Marketing Staff	5	5	5	5	5
Total	**64**	**64**	**64**	**64**	**64**



9.0 Financial Plan

9.1 Underlying Assumptions

- The business will have a compounded annual growth rate of 10%.
- MDAI Solutions will have a $20 million equity capitalization as well as securing an $80 million loan (carrying a 20-year term and an 8% interest rate).
- The busniess will reinvest 10% of its after-tax profit into expansion.

9.2 Financial Highlights

- Profitability starting in the first year.
- Immense demand will drive continued growth of MDAI Solutions.
- Recurring income from ongoing server and data center usage will create an immense valuation for the business.

9.3 Sensitivity Analysis

The Company's revenues are not sensitive to negative changes in the economy. The demand for sale of the art data center, posting, cloud, computing solutions, and related technology continues to grow on a year on your basis. Through its lien operating structure, the Company will be able to remain pricing competitive at all times as compared to other major data centers. The high recurring streams of revenue will further contribute to the economic stability of the business.

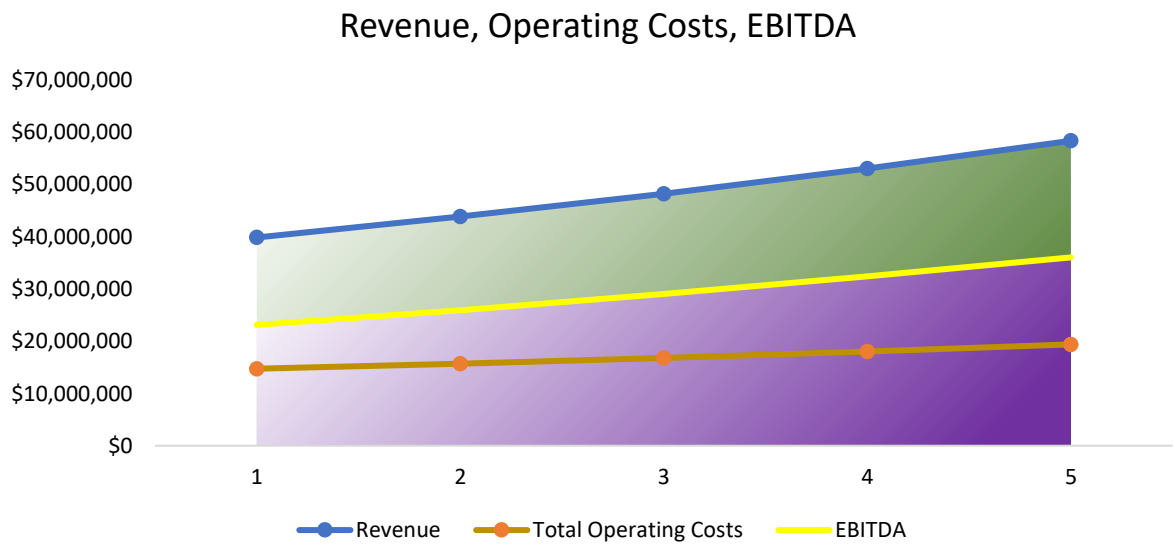
9.4 Source of Funds

Financing	
Equity	
Initial Capitalization	$20,000,000.00
Total Equity Financing	$20,000,000.00
Banks and Lenders	
Business Loan	$80,000,000.00
Total Debt Financing	$80,000,000.00
Total Financing	**$100,000,000.00**

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	$39,847,500	$43,832,250	$48,215,475	$53,037,023	$58,340,725
Cost of Revenue	$1,992,375	$2,191,613	$2,410,774	$2,651,851	$2,917,036
Gross Margin	95.00%	95.00%	95.00%	95.00%	95.00%
Gross Profit	$37,855,125	$41,640,638	$45,804,701	$50,385,171	$55,423,689
Expenses					
Payroll	$6,170,000	$6,293,400	$6,419,268	$6,547,653	$6,678,606
General and Administrative	$796,950	$876,645	$964,310	$1,060,740	$1,166,814
Business Development	$378,551	$416,406	$458,047	$503,852	$554,237
Professional Fees and Licenses	$250,000	$350,000	$490,000	$686,000	$960,400
Insurance Costs	$1,000,000	$1,050,000	$1,102,500	$1,157,625	$1,215,506
Marketing Costs	$1,195,425	$1,314,968	$1,446,464	$1,591,111	$1,750,222
Facility Costs	$4,383,225	$4,821,548	$5,303,702	$5,834,072	$6,417,480
Misc. Costs	$91,649	$100,814	$110,896	$121,985	$134,184
Payroll Taxes	$472,005	$481,445	$491,074	$500,895	$510,913
Total Operating Costs	**$14,737,806**	**$15,705,226**	**$16,786,261**	**$18,003,934**	**$19,388,363**
EBITDA	**$23,117,320**	**$25,935,412**	**$29,018,441**	**$32,381,237**	**$36,035,326**
Federal Income Tax	$3,619,607	$4,330,467	$5,109,035	$5,959,190	$6,883,999
State Income Tax	$723,921	$866,093	$1,021,807	$1,191,838	$1,376,800
Interest Expense	$6,338,892	$6,198,545	$6,046,550	$5,881,939	$5,703,665
Depreciation Expenses	$2,300,000	$2,415,000	$2,535,750	$2,662,538	$2,795,664
Net Profit	**$10,134,900**	**$12,125,307**	**$14,305,299**	**$16,685,732**	**$19,275,197**
Profit Margin	**25.43%**	**27.66%**	**29.67%**	**31.46%**	**33.04%**

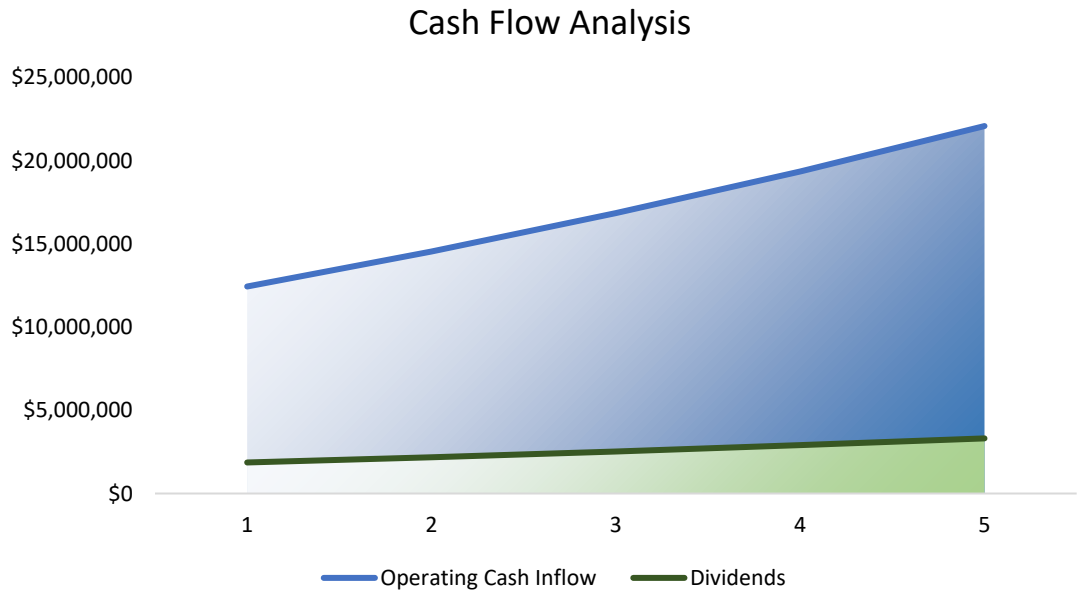


B) Common Size Income Statement

Profit and Loss (Common Size)					
Year	1	2	3	4	5
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Revenue	5.00%	5.00%	5.00%	5.00%	5.00%
Gross Profit	95.00%	95.00%	95.00%	95.00%	95.00%
Expenses					
Payroll	15.48%	14.36%	13.31%	12.35%	11.45%
General and Administrative	2.00%	2.00%	2.00%	2.00%	2.00%
Business Development	0.95%	0.95%	0.95%	0.95%	0.95%
Professional Fees and Licenses	0.63%	0.80%	1.02%	1.29%	1.65%
Insurance Costs	2.51%	2.40%	2.29%	2.18%	2.08%
Marketing Costs	3.00%	3.00%	3.00%	3.00%	3.00%
Facility Costs	11.00%	11.00%	11.00%	11.00%	11.00%
Misc. Costs	0.23%	0.23%	0.23%	0.23%	0.23%
Payroll Taxes	1.18%	1.10%	1.02%	0.94%	0.88%
Total Operating Costs	36.99%	35.83%	34.82%	33.95%	33.23%
EBITDA	58.01%	59.17%	60.18%	61.05%	61.77%
Federal Income Tax	9.08%	9.88%	10.60%	11.24%	11.80%
State Income Tax	1.82%	1.98%	2.12%	2.25%	2.36%
Interest Expense	15.91%	14.14%	12.54%	11.09%	9.78%
Depreciation Expenses	5.77%	5.51%	5.26%	5.02%	4.79%
Net Profit	25.43%	27.66%	29.67%	31.46%	33.04%

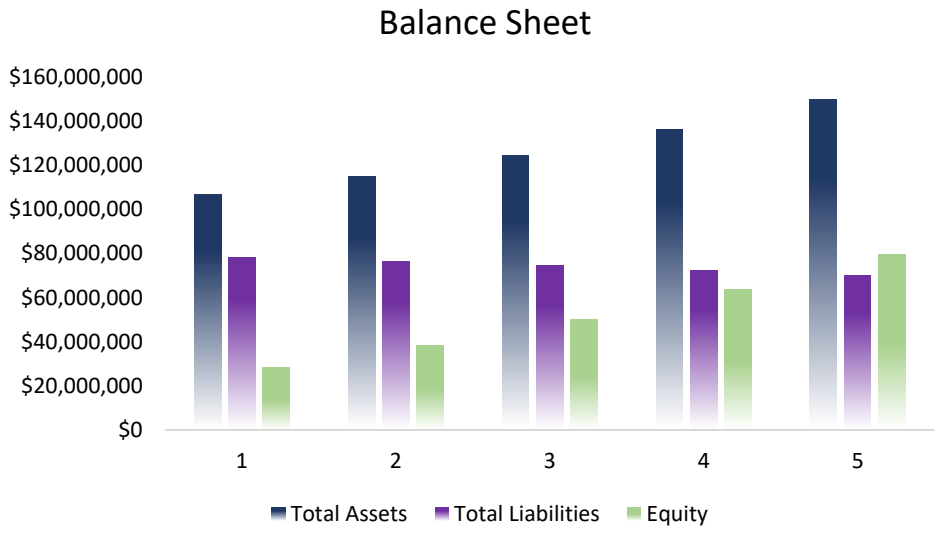
C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	$12,434,900	$14,540,307	$16,841,049	$19,348,270	$22,070,862
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$12,434,900**	**$14,540,307**	**$16,841,049**	**$19,348,270**	**$22,070,862**
Other Cash Inflows					
Equity Investment	$20,000,000	$0	$0	$0	$0
Increased Borrowings	$80,000,000	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$1,000	$1,050	$1,103	$1,158	$1,216
Total Other Cash Inflows	**$100,001,000**	**$1,050**	**$1,103**	**$1,158**	**$1,216**
Total Cash Inflow	**$112,435,900**	**$14,541,357**	**$16,842,151**	**$19,349,428**	**$22,072,077**
Cash Outflows					
Repayment of Principal	$1,690,933	$1,831,280	$1,983,275	$2,147,886	$2,326,159
A/P Decreases	$700	$735	$772	$810	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$90,000,000	$1,454,031	$1,684,105	$1,934,827	$2,207,086
Dividends	$1,865,235	$2,181,046	$2,526,157	$2,902,240	$3,310,629
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$93,556,868**	**$5,467,091**	**$6,194,309**	**$6,985,764**	**$7,844,726**
Net Cash Flow	**$18,879,032**	**$9,074,265**	**$10,647,842**	**$12,363,664**	**$14,227,352**
Cash Balance	**$18,879,032**	**$27,953,297**	**$38,601,139**	**$50,964,803**	**$65,192,155**



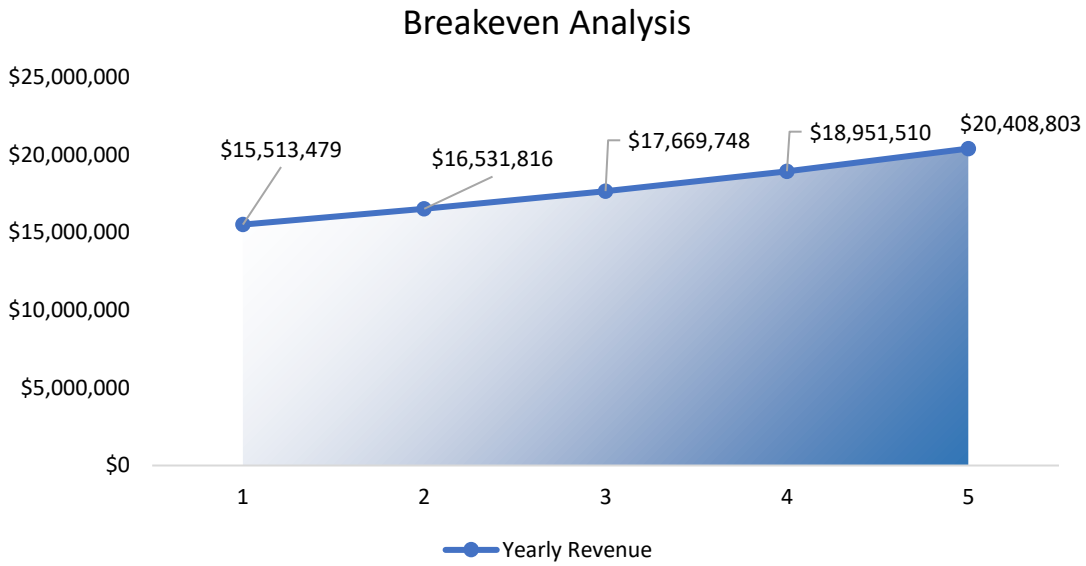
D) Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	$18,879,032	$27,953,297	$38,601,139	$50,964,803	$65,192,155
Fixed Assets	$90,000,000	$91,454,031	$93,138,136	$95,072,963	$97,280,049
Accumulated Depreciation	($2,300,000)	($4,715,000)	($7,250,750)	($9,913,288)	($12,708,952)
Total Assets	**$106,579,032**	**$114,692,328**	**$124,488,525**	**$136,124,478**	**$149,763,252**
Liabilities and Equity					
Accounts Payable	$300	$615	$946	$1,293	$1,658
Long Term Liabilities	$78,309,067	$76,477,787	$74,494,512	$72,346,627	$70,020,467
Other Liabilities	$0	$0	$0	$0	$0
Total Liabilities	**$78,309,367**	**$76,478,402**	**$74,495,458**	**$72,347,920**	**$70,022,125**
Equity	**$28,269,665**	**$38,213,925**	**$49,993,067**	**$63,776,559**	**$79,741,127**
Total Liabilities and Equity	**$106,579,032**	**$114,692,328**	**$124,488,525**	**$136,124,478**	**$149,763,252**



9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	$1,292,790	$1,377,651	$1,472,479	$1,579,292	$1,700,734
Yearly Revenue	$15,513,479	$16,531,816	$17,669,748	$18,951,510	$20,408,803



9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	10.0%	10.0%	10.0%	10.0%
Gross Margin	95.0%	95.0%	95.0%	95.0%	95.0%
Financials					
Profit Margin	25.43%	27.66%	29.67%	31.46%	33.04%
Assets to Liabilities	1.36	1.50	1.67	1.88	2.14
Equity to Liabilities	0.36	0.50	0.67	0.88	1.14
Assets to Equity	3.77	3.00	2.49	2.13	1.88
Liquidity					
Acid Test	0.24	0.37	0.52	0.70	0.93
Cash to Assets	0.18	0.24	0.31	0.37	0.44

Appendix A – SWOT Analysis

Strengths

- Strong demand for AI driven data center services throughout the United States.
- The Company will produce recurring income from its data center operations.
- MDAI Solutions will be able to produce revenue and profit in any economic climate.
- Limited competition, at this time, among companies that offer data center services directly within Texas on the same scope and scale of the business.

Weaknesses

- Major expenses related to utilities and the ongoing security of the business.
- Complex operations that may require that the Company pivot based on emerging technologies.

Opportunities

- Expansion of the number of locations operated by the business.
- Continued expansion of the types of services offered at the data center.
- Acquisition of companies that operate in a similar capacity that can be integrated into the MDAI Solutions ecosystem.

Threats

- Inflation could cause the energy costs of the business to increase.
- Competitors could implement more efficient AI/ML data center services.

Appendix B – Critical Risks

Development Risk – **Low**
The primary development risk faced is Management's ability secure the funding in this document. The layout, technology to be used, and location have all been sourced. As noted throughout this document, it will take approximately two years for the business to launch full scale operations.

Financing Risk – **Low/Moderate**
The financing risk is heavily baited by the fact that the Company will produce recurring revenue from providing data and services with a focused-on AI driven technologies. The vast majority the capital so this document will be used specifically for fixed asset purchases as well as real estate.

Marketing Risk **– Low**
As noted earlier, a significant portion of the Company marketing operations occur during the development. This will allow for rapid on boarding of clients even prior to full scale launch. The business will use the multiple marketing strategies discussed earlier to further drive interest in the Company' AI-driven data center operations.

Management Risk – **Low**
Matthew Deutsch is a highly experience entrepreneur that has extensive experience in the data center industry. He will be able to effectively conduct the development of the arcade will also managing the day-to-day operations of the business.

Valuation Risk – **Low**
The valuation risk is offset by:

- Recurring streams of revenue from data center services.
- A majority of invested capital will be used for real estate and technology equipment.
- Demand for AI data centers is increasing substantially.

Exit Risk - **Low**
There is an immense demand for data center businesses given the fact that they produce highly recurring streams revenue from their operations. If it is financially prudent to do so, the company will coordinate with an investment bank that will divest the business to a much larger technology focus enterprise. This event is not expected to occur for substantial period of time.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	**$3,162,500**	**$3,191,250**	**$3,220,000**	**$3,248,750**	**$3,277,500**	**$3,306,250**	**$3,335,000**
Cost of Revenue	$158,125	$159,563	$161,000	$162,438	$163,875	$165,313	$166,750
Gross Profit	$3,004,375	$3,031,688	$3,059,000	$3,086,313	$3,113,625	$3,140,938	$3,168,250
Expenses							
Payroll	$514,167	$514,167	$514,167	$514,167	$514,167	$514,167	$514,167
General and Administrative	$66,413	$66,413	$66,413	$66,413	$66,413	$66,413	$66,413
Business Development	$31,546	$31,546	$31,546	$31,546	$31,546	$31,546	$31,546
Professional Fees and Licenses	$20,833	$20,833	$20,833	$20,833	$20,833	$20,833	$20,833
Insurance Costs	$83,333	$83,333	$83,333	$83,333	$83,333	$83,333	$83,333
Marketing Costs	$99,619	$99,619	$99,619	$99,619	$99,619	$99,619	$99,619
Facility Costs	$365,269	$365,269	$365,269	$365,269	$365,269	$365,269	$365,269
Misc. Costs	$7,274	$7,340	$7,406	$7,472	$7,538	$7,604	$7,671
Payroll Taxes	$39,334	$39,334	$39,334	$39,334	$39,334	$39,334	$39,334
Total Operating Costs	$1,227,787	$1,227,853	$1,227,919	$1,227,985	$1,228,051	$1,228,117	$1,228,184
EBITDA	$1,776,588	$1,803,835	$1,831,081	$1,858,327	$1,885,574	$1,912,820	$1,940,066
Federal Income Tax	$287,270	$289,882	$292,493	$295,105	$297,717	$300,328	$302,940
State Income Tax	$57,454	$57,976	$58,499	$59,021	$59,543	$60,066	$60,588
Interest Expense	$533,333	$532,428	$531,516	$530,599	$529,675	$528,745	$527,809
Depreciation Expenses	$191,667	$191,667	$191,667	$191,667	$191,667	$191,667	$191,667
Net Profit	$706,864	$731,882	$756,906	$781,936	$806,972	$832,014	$857,063

Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	Year 1
Revenue	**$3,363,750**	**$3,392,500**	**$3,421,250**	**$3,450,000**	**$3,478,750**	**$39,847,500**
Cost of Revenue	$168,188	$169,625	$171,063	$172,500	$173,938	$1,992,375
Gross Profit	$3,195,563	$3,222,875	$3,250,188	$3,277,500	$3,304,813	$37,855,125
Expenses						
Payroll	$514,167	$514,167	$514,167	$514,167	$514,167	$6,170,000
General and Administrative	$66,413	$66,413	$66,413	$66,413	$66,413	$796,950
Business Development	$31,546	$31,546	$31,546	$31,546	$31,546	$378,551
Professional Fees and Licenses	$20,833	$20,833	$20,833	$20,833	$20,833	$250,000
Insurance Costs	$83,333	$83,333	$83,333	$83,333	$83,333	$1,000,000
Marketing Costs	$99,619	$99,619	$99,619	$99,619	$99,619	$1,195,425
Facility Costs	$365,269	$365,269	$365,269	$365,269	$365,269	$4,383,225
Misc. Costs	$7,737	$7,803	$7,869	$7,935	$8,001	$91,649
Payroll Taxes	$39,334	$39,334	$39,334	$39,334	$39,334	$472,005
Total Operating Costs	$1,228,250	$1,228,316	$1,228,382	$1,228,448	$1,228,514	$14,737,806
EBITDA	$1,967,313	$1,994,559	$2,021,806	$2,049,052	$2,076,298	$23,117,320
Federal Income Tax	$305,551	$308,163	$310,774	$313,386	$315,997	$3,619,607
State Income Tax	$61,110	$61,633	$62,155	$62,677	$63,199	$723,921
Interest Expense	$526,867	$525,918	$524,963	$524,002	$523,035	$6,338,892
Depreciation Expenses	$191,667	$191,667	$191,667	$191,667	$191,667	$2,300,000
Net Profit	$882,118	$907,179	$932,246	$957,320	$982,400	$10,134,900

Profit and Loss Statement (Second Year)					
		Year 2			
Quarter	Q1	Q2	Q3	Q4	Year 2
Revenue	$10,629,321	$10,848,482	$11,067,643	$11,286,804	$43,832,250
Cost of Revenue	$531,466	$542,424	$553,382	$564,340	$2,191,613
Gross Profit	**$10,097,855**	**$10,306,058**	**$10,514,261**	**$10,722,464**	**$41,640,638**
Expenses					
Payroll	$1,573,350	$1,573,350	$1,573,350	$1,573,350	$6,293,400
General and Administrative	$219,161	$219,161	$219,161	$219,161	$876,645
Business Development	$100,979	$103,061	$105,143	$107,225	$416,406
Professional Fees and Licenses	$84,875	$86,625	$88,375	$90,125	$350,000
Insurance Costs	$262,500	$262,500	$262,500	$262,500	$1,050,000
Marketing Costs	$318,880	$325,454	$332,029	$338,604	$1,314,968
Facility Costs	$1,169,225	$1,193,333	$1,217,441	$1,241,548	$4,821,548
Misc. Costs	$24,447	$24,952	$25,456	$25,960	$100,814
Payroll Taxes	$116,750	$119,158	$121,565	$123,972	$481,445
Total Operating Costs	**$3,870,168**	**$3,907,593**	**$3,945,019**	**$3,982,445**	**$15,705,226**
EBITDA	**$6,227,687**	**$6,398,464**	**$6,569,242**	**$6,740,019**	**$25,935,412**
Federal Income Tax	$1,050,138	$1,071,791	$1,093,443	$1,115,095	$4,330,467
State Income Tax	$210,028	$214,358	$218,689	$223,019	$866,093
Interest Expense	$1,563,233	$1,554,289	$1,545,165	$1,535,858	$6,198,545
Depreciation Expenses	$603,750	$603,750	$603,750	$603,750	$2,415,000
Net Profit	**$2,800,538**	**$2,954,277**	**$3,108,195**	**$3,262,297**	**$12,125,307**

Profit and Loss Statement (Third Year)					
		Year 3			
Quarter	Q1	Q2	Q3	Q4	Year 3
Revenue	$11,692,253	$11,933,330	$12,174,407	$12,415,485	$48,215,475
Cost of Revenue	$584,613	$596,667	$608,720	$620,774	$2,410,774
Gross Profit	**$11,107,640**	**$11,336,664**	**$11,565,687**	**$11,794,711**	**$45,804,701**
Expenses					
Payroll	$1,604,817	$1,604,817	$1,604,817	$1,604,817	$6,419,268
General and Administrative	$233,845	$238,667	$243,488	$248,310	$964,310
Business Development	$111,076	$113,367	$115,657	$117,947	$458,047
Professional Fees and Licenses	$118,825	$121,275	$123,725	$126,175	$490,000
Insurance Costs	$275,625	$275,625	$275,625	$275,625	$1,102,500
Marketing Costs	$350,768	$358,000	$365,232	$372,465	$1,446,464
Facility Costs	$1,325,926	$1,325,926	$1,325,926	$1,325,926	$5,303,702
Misc. Costs	$26,892	$27,447	$28,001	$28,556	$110,896
Payroll Taxes	$122,769	$122,769	$122,769	$122,769	$491,074
Total Operating Costs	**$4,170,542**	**$4,187,891**	**$4,205,239**	**$4,222,588**	**$16,786,261**
EBITDA	**$6,937,098**	**$7,148,773**	**$7,360,448**	**$7,572,123**	**$29,018,441**
Federal Income Tax	$1,238,941	$1,264,486	$1,290,031	$1,315,577	$5,109,035
State Income Tax	$247,788	$252,897	$258,006	$263,115	$1,021,807
Interest Expense	$1,526,363	$1,516,677	$1,506,795	$1,496,715	$6,046,550
Depreciation Expenses	$633,938	$633,938	$633,938	$633,938	$2,535,750
Net Profit	**$3,290,068**	**$3,480,775**	**$3,671,677**	**$3,862,778**	**$14,305,299**

Profit and Loss Statement (Fourth Year)					
		Year 4			
Quarter	Q1	Q2	Q3	Q4	Year 4
Revenue	$12,861,478	$13,126,663	$13,391,848	$13,657,033	$53,037,023
Cost of Revenue	$643,074	$656,333	$669,592	$682,852	$2,651,851
Gross Profit	**$12,218,404**	**$12,470,330**	**$12,722,256**	**$12,974,182**	**$50,385,171**
Expenses					
Payroll	$1,636,913	$1,636,913	$1,636,913	$1,636,913	$6,547,653
General and Administrative	$257,230	$262,533	$267,837	$273,141	$1,060,740
Business Development	$122,184	$124,703	$127,223	$129,742	$503,852
Professional Fees and Licenses	$166,355	$169,785	$173,215	$176,645	$686,000
Insurance Costs	$289,406	$289,406	$289,406	$289,406	$1,157,625
Marketing Costs	$385,844	$393,800	$401,755	$409,711	$1,591,111
Facility Costs	$1,458,518	$1,458,518	$1,458,518	$1,458,518	$5,834,072
Misc. Costs	$29,581	$30,191	$30,801	$31,411	$121,985
Payroll Taxes	$125,224	$125,224	$125,224	$125,224	$500,895
Total Operating Costs	**$4,471,256**	**$4,491,074**	**$4,510,893**	**$4,530,711**	**$18,003,934**
EBITDA	**$7,747,148**	**$7,979,256**	**$8,211,363**	**$8,443,470**	**$32,381,237**
Federal Income Tax	$1,445,104	$1,474,900	$1,504,696	$1,534,491	$5,959,190
State Income Tax	$289,021	$294,980	$300,939	$306,898	$1,191,838
Interest Expense	$1,486,432	$1,475,942	$1,465,241	$1,454,324	$5,881,939
Depreciation Expenses	$665,634	$665,634	$665,634	$665,634	$2,662,538
Net Profit	**$3,860,957**	**$4,067,800**	**$4,274,853**	**$4,482,122**	**$16,685,732**

Profit and Loss Statement (Fifth Year)					
		Year 5			
Quarter	Q1	Q2	Q3	Q4	Year 5
Revenue	$14,147,626	$14,439,329	$14,731,033	$15,022,737	$58,340,725
Cost of Revenue	$707,381	$721,966	$736,552	$751,137	$2,917,036
Gross Profit	**$13,440,244**	**$13,717,363**	**$13,994,481**	**$14,271,600**	**$55,423,689**
Expenses					
Payroll	$1,669,652	$1,669,652	$1,669,652	$1,669,652	$6,678,606
General and Administrative	$282,953	$288,787	$294,621	$300,455	$1,166,814
Business Development	$134,402	$137,174	$139,945	$142,716	$554,237
Professional Fees and Licenses	$232,897	$237,699	$242,501	$247,303	$960,400
Insurance Costs	$303,877	$303,877	$303,877	$303,877	$1,215,506
Marketing Costs	$424,429	$433,180	$441,931	$450,682	$1,750,222
Facility Costs	$1,604,370	$1,604,370	$1,604,370	$1,604,370	$6,417,480
Misc. Costs	$32,540	$33,210	$33,881	$34,552	$134,184
Payroll Taxes	$127,728	$127,728	$127,728	$127,728	$510,913
Total Operating Costs	**$4,812,847**	**$4,835,676**	**$4,858,505**	**$4,881,335**	**$19,388,363**
EBITDA	**$8,627,398**	**$8,881,687**	**$9,135,976**	**$9,390,265**	**$36,035,326**
Federal Income Tax	$1,669,370	$1,703,790	$1,738,210	$1,772,630	$6,883,999
State Income Tax	$333,874	$340,758	$347,642	$354,526	$1,376,800
Interest Expense	$1,443,187	$1,431,827	$1,420,237	$1,408,414	$5,703,665
Depreciation Expenses	$698,916	$698,916	$698,916	$698,916	$2,795,664
Net Profit	**$4,482,051**	**$4,706,396**	**$4,930,971**	**$5,155,779**	**$19,275,197**

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	$898,530	$923,548	$948,572	$973,602	$998,639	$1,023,681	$1,048,730	$1,073,784
Cash From Receivables	$0	$0	$0	$0	$0	$0	$0	$0
Operating Cash Inflow	$898,530	$923,548	$948,572	$973,602	$998,639	$1,023,681	$1,048,730	$1,073,784
Other Cash Inflows								
Equity Investment	$20,000,000	$0	$0	$0	$0	$0	$0	$0
Increased Borrowings	$80,000,000	$0	$0	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0	$0	$0	$0
A/P Increases	$83	$83	$83	$83	$83	$83	$83	$83
Total Other Cash Inflows	**$100,000,083**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**
Total Cash Inflow	**$100,898,614**	**$923,632**	**$948,656**	**$973,686**	**$998,722**	**$1,023,764**	**$1,048,813**	**$1,073,868**
Cash Outflows								
Repayment of Principal	$135,819	$136,724	$137,636	$138,553	$139,477	$140,407	$141,343	$142,285
A/P Decreases	$58	$58	$58	$58	$58	$58	$58	$58
A/R Increases	$0	$0	$0	$0	$0	$0	$0	$0
Asset Purchases	$90,000,000	$0	$0	$0	$0	$0	$0	$0
Dividends	$0	$0	$0	$0	$0	$0	$0	$0
Preferred Equity Payment	$0	$0	$0	$0	$0	$0	$0	$0
Total Cash Outflows	**$90,135,877**	**$136,783**	**$137,694**	**$138,612**	**$139,535**	**$140,465**	**$141,401**	**$142,343**
Net Cash Flow	**$10,762,737**	**$786,849**	**$810,962**	**$835,074**	**$859,187**	**$883,299**	**$907,412**	**$931,524**
Cash Balance	**$10,762,737**	**$11,549,586**	**$12,360,548**	**$13,195,622**	**$14,054,809**	**$14,938,108**	**$15,845,520**	**$16,777,044**

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	$1,098,846	$1,123,913	$1,148,987	$1,174,067	$12,434,900
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$1,098,846**	**$1,123,913**	**$1,148,987**	**$1,174,067**	**$12,434,900**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$20,000,000
Increased Borrowings	$0	$0	$0	$0	$80,000,000
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$83	$83	$83	$83	$1,000
Total Other Cash Inflows	$83	$83	$83	$83	$100,001,000
Total Cash Inflow	**$1,098,929**	**$1,123,996**	**$1,149,070**	**$1,174,150**	**$112,435,900**
Cash Outflows					
Repayment of Principal	$143,234	$144,189	$145,150	$146,117	$1,690,933
A/P Decreases	$58	$58	$58	$58	$700
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$0	$0	$0	$0	$90,000,000
Dividends	$0	$0	$0	$1,865,235	$1,865,235
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$143,292**	**$144,247**	**$145,208**	**$2,011,411**	**$93,556,868**
Net Cash Flow	**$955,637**	**$979,749**	**$1,003,862**	**-$837,261**	**$18,879,032**
Cash Balance	**$17,732,681**	**$18,712,430**	**$19,716,292**	**$18,879,032**	**$18,879,032**

Cash Flow Analysis (Second Year)					
		Year 2			
Quarter	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	$3,404,288	$3,558,027	$3,711,945	$3,866,047	$14,540,307
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$3,404,288**	**$3,558,027**	**$3,711,945**	**$3,866,047**	**$14,540,307**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$0
Increased Borrowings	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$255	$260	$265	$270	$1,050
Total Other Cash Inflows	**$255**	**$260**	**$265**	**$270**	**$1,050**
Total Cash Inflow	**$3,404,543**	**$3,558,286**	**$3,712,210**	**$3,866,317**	**$14,541,357**
Cash Outflows					
Repayment of Principal	$444,223	$453,167	$462,291	$471,599	$1,831,280
A/P Decreases	$178	$182	$186	$189	$735
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$727,015	$727,015	$0	$0	$1,454,031
Dividends	$0	$0	$0	$2,181,046	$2,181,046
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$1,171,417**	**$1,180,364**	**$462,477**	**$2,652,834**	**$5,467,091**
Net Cash Flow	**$2,233,126**	**$2,377,922**	**$3,249,734**	**$1,213,484**	**$9,074,265**
Cash Balance	**$21,112,158**	**$23,490,080**	**$26,739,813**	**$27,953,297**	**$27,953,297**

Cash Flow Analysis (Third Year)					
	Year 3				
Quarter	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	$3,924,006	$4,114,713	$4,305,615	$4,496,715	$16,841,049
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$3,924,006**	**$4,114,713**	**$4,305,615**	**$4,496,715**	**$16,841,049**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$0
Increased Borrowings	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$267	$273	$278	$284	$1,103
Total Other Cash Inflows	**$267**	**$273**	**$278**	**$284**	**$1,103**
Total Cash Inflow	**$3,924,273**	**$4,114,986**	**$4,305,893**	**$4,496,999**	**$16,842,151**
Cash Outflows					
Repayment of Principal	$481,094	$490,780	$500,661	$510,741	$1,983,275
A/P Decreases	$187	$191	$195	$199	$772
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$842,052	$842,052	$0	$0	$1,684,105
Dividends	$0	$0	$0	$2,526,157	$2,526,157
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$1,323,333**	**$1,333,023**	**$500,856**	**$3,037,097**	**$6,194,309**
Net Cash Flow	**$2,600,940**	**$2,781,962**	**$3,805,037**	**$1,459,902**	**$10,647,842**
Cash Balance	**$30,554,237**	**$33,336,200**	**$37,141,237**	**$38,601,139**	**$38,601,139**

Cash Flow Analysis (Fourth Year)					
	Year 4				
Quarter	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	$4,526,592	$4,733,434	$4,940,488	$5,147,757	$19,348,270
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$4,526,592**	**$4,733,434**	**$4,940,488**	**$5,147,757**	**$19,348,270**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$0
Increased Borrowings	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$281	$287	$292	$298	$1,158
Total Other Cash Inflows	**$281**	**$287**	**$292**	**$298**	**$1,158**
Total Cash Inflow	**$4,526,872**	**$4,733,721**	**$4,940,780**	**$5,148,055**	**$19,349,428**
Cash Outflows					
Repayment of Principal	$521,024	$531,514	$542,215	$553,132	$2,147,886
A/P Decreases	$197	$201	$205	$209	$810
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$967,413	$967,413	$0	$0	$1,934,827
Dividends	$0	$0	$0	$2,902,240	$2,902,240
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$1,488,634**	**$1,499,128**	**$542,420**	**$3,455,581**	**$6,985,764**
Net Cash Flow	**$3,038,238**	**$3,234,592**	**$4,398,360**	**$1,692,473**	**$12,363,664**
Cash Balance	**$41,639,378**	**$44,873,970**	**$49,272,330**	**$50,964,803**	**$50,964,803**

Cash Flow Analysis (Fifth Year)					
	Year 5				
Quarter	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	$5,180,967	$5,405,313	$5,629,887	$5,854,695	$22,070,862
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$5,180,967**	**$5,405,313**	**$5,629,887**	**$5,854,695**	**$22,070,862**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$0
Increased Borrowings	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$295	$301	$307	$313	$1,216
Total Other Cash Inflows	**$295**	**$301**	**$307**	**$313**	**$1,216**
Total Cash Inflow	**$5,181,261**	**$5,405,613**	**$5,630,194**	**$5,855,008**	**$22,072,077**
Cash Outflows					
Repayment of Principal	$564,269	$575,630	$587,219	$599,042	$2,326,159
A/P Decreases	$206	$211	$215	$219	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$551,772	$551,772	$551,772	$551,772	$2,207,086
Dividends	$0	$0	$0	$3,310,629	$3,310,629
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$1,116,247**	**$1,127,612**	**$1,139,205**	**$4,461,662**	**$7,844,726**
Net Cash Flow	**$4,065,015**	**$4,278,002**	**$4,490,989**	**$1,393,346**	**$14,227,352**
Cash Balance	**$55,029,818**	**$59,307,820**	**$63,798,808**	**$65,192,155**	**$65,192,155**