



DEUTSCH
— EVENTS GROUP —



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1.0 Executive Summary

The purpose of this business plan is to secure \$5 million from the development of a private event venue based in Austin, Texas. Deutsch Events Group LLC (“the Company”) was founded this year by Matthew Deutsch with the intention of providing an exceptional location for personal events, corporate events, and conferences. The business intends to acquire a 10-acre parcel of land that will have the 10,000 square foot facilities. Full scale revenue generating operations will commence in the second quarter of next year once the buildout is complete.

Operations

The first revenue center for the business will come from the ongoing hosting of personal events which will encompass weddings, anniversaries, and other celebrations as well as corporate events. The facilities will have the ability to provide an exceptional and memorable experience for up to 300 people at any given time. The Company will charge \$8,000 per event for using the location.

A substantial amount of revenue will come from onsite catering as well as bar service. Although guests will be free to have their own catering completed at the location by a third-party, it is expected that the vast majority of people will use the business’ in internal catering services. As a relates to alcohol sales, this will solely be provided by Deutsch Events Group. The business will hire properly licensed bartenders for each event.

The third section of this event venue business plan will further document operations.

The Financing

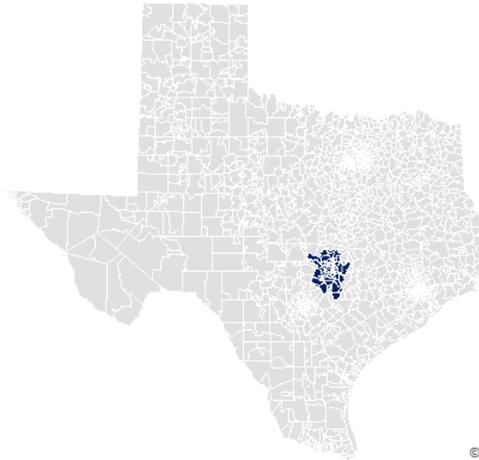
As noted above, the Company is aggregately seeking \$5 million a capital. Of this funding, \$1 million is expected to come from investors while \$4 million will be secured through bank financing. These funds were used for land acquisition, building development, furniture, fixtures, equipment, as well as working capital. The Company could secure ongoing rounds of additional capital in order to further fuel the growth of the business. A working capital line of credit could easily be secured based on the accounts receivables that the business will have among guests that will be hosting events in the future. This document assumes that no further capital will be sought outside of the funding discussed in this document.

The Future

Management’s goal is to make Deutsch Events Group into the preeminent event venue within the greater Austin metropolitan area. To that end, the Company will take a broad-based approach with marketing in order to properly position the business as a premium venue. This will include publications across multiple publications as well as an expensive online presence.

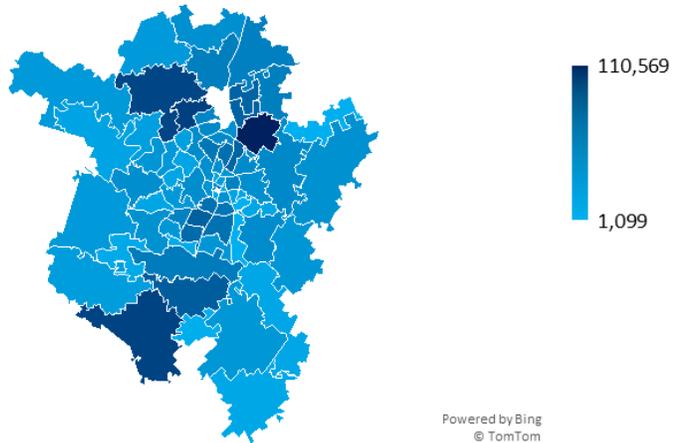
Market Overview

Target Market Area



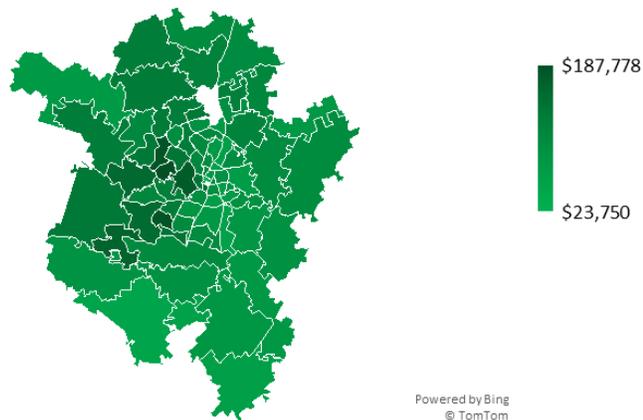
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Target Market Area Population



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Target Market Area Household Income

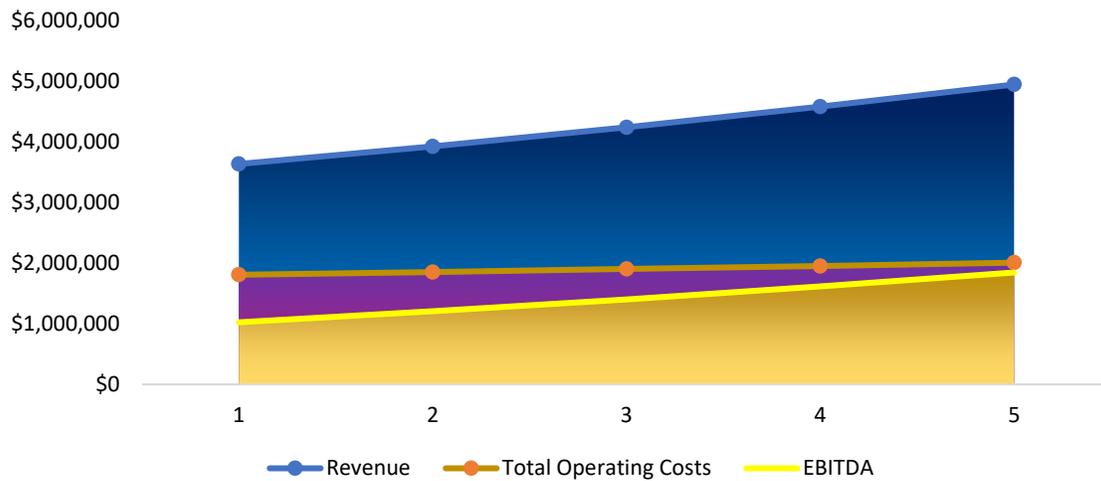


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Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$3,636,000	\$3,926,880	\$4,241,030	\$4,580,313	\$4,946,738
Cost of Revenue	\$802,800	\$867,024	\$936,386	\$1,011,297	\$1,092,201
Gross Profit	\$2,833,200	\$3,059,856	\$3,304,644	\$3,569,016	\$3,854,537
Total Operating Costs	\$1,808,684	\$1,854,386	\$1,902,754	\$1,953,992	\$2,008,320
EBITDA	\$1,024,517	\$1,205,470	\$1,401,890	\$1,615,024	\$1,846,217

Revenue, Operating Costs, EBITDA



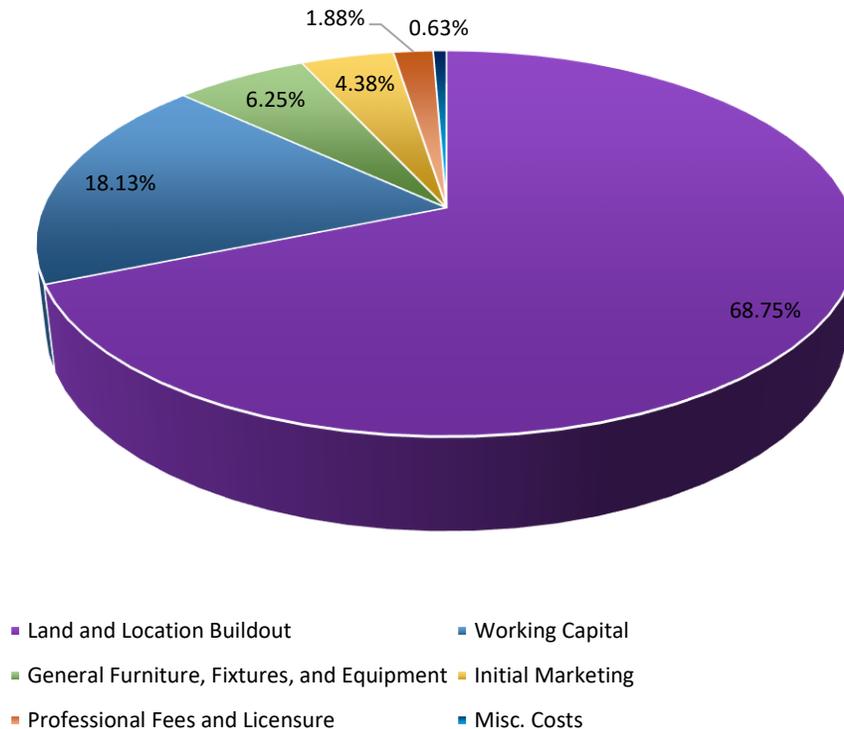
2.0 The Financing

2.1 Funds Required

The \$5 million a capital will be allocated as follows:

Use of Funds	
Land and Location Buildout	\$2,750,000
Working Capital	\$725,000
General Furniture, Fixtures, and Equipment	\$250,000
Initial Marketing	\$175,000
Professional Fees and Licensure	\$75,000
Misc. Costs	\$25,000
Total	\$4,000,000

Use of Funds Overview



2.2 Management and Investor Equity

This is to be discussed during negotiation with an investor

2.3 Exit Strategies

The sale of this business would be relatively straightforward given that there is an immense demand for establish event venues that have established premium brand name. In the event that is financially prudent to do so, the Company will coordinate the sale of the business to

a third-party with a qualified business broker that specializes in event venue entities. Historically, these businesses typically have a sales premium of four times the prior years, EBITDA plus the value of any owned real estate. Based on this, Deutsch Events Group could have a valuation of up to \$10.5 million by the fifth year of operation. It is not expected that the business would be sold within the next ten years.

Proforma Valuation					
Year	1	2	3	4	5
EBITDA	\$1,024,517	\$1,205,470	\$1,401,890	\$1,615,024	\$1,846,217
Price to Earnings Multiple	4	4	4	4	4
Asset Value	\$3,000,000	\$3,034,845	\$3,077,354	\$3,128,177	\$3,188,016
Proforma Valuation	\$7,098,066	\$7,856,726	\$8,684,915	\$9,588,271	\$10,572,886

Return On Investment					
Year	1	2	3	4	5
Yearly ROI	102.45%	120.55%	140.19%	161.50%	184.62%
Cumulative ROI	102.45%	223.00%	363.19%	524.69%	709.31%

3.0 Operations

As discussed in the executive summary, Deutsch Events Group has been designed to provide an outstanding and memorable experience for event hosts throughout the greater Austin metropolitan area. The first revenue center for the business will come from the ongoing site fees that will be charged as a flat rate for hosting an event at the facilities. This will be a flat rate of \$8,000, which will increase yearly in order to keep pace with inflation. The Company will only host one event per day so that clients have access to the entirety of the facilities.

The highest profit margin center for the business will come from on-site catering as well as sales of alcohol. The Company will employ an executive chef as well as substantial kitchen support staff so that customize menus can be provided for each host. The Company expects that it will generate \$150 to \$200.per guest for catered meal service. The Company will also provide full bar service, including use of licensed bartenders that are employed by Deutsch Events Group. The Company will be able to provide open bar service as well as cash bar service based on the preferences of the client.

A major component of the Company's growth will come from the ongoing hosting of conferences and expositions for businesses within Austin. As these events are typically held during the course of the week, the business will be able to maximize its return on investment as the space will be used during the weekdays as well. Personal events will primarily be reserved for weekends.

4.0 Overview of the Organization

4.1 Registered Name

Deutsch Events Group LLC. The Company is registered as a limited liability company in the state of Texas.

4.2 Commencement of Operations

The Company will commence operations next year once to build out of the facilities are complete completed.

4.3 Mission Statement

To provide an exceptional experience for hosting their guests.

4.4 Vision Statement

To become the preeminent event venue within the Austin metropolitan area.

4.5 Organizational Objectives

- During the development period, implement numerous marketing campaigns that will drive extensive interest in the venue.
- Maintain fiscally sound operations of the business is able to remain profitable, even during economic recession.
- Conduct extensive direct outreach with event planners that will recommend that their clients use the Company's facilities.
- Maintain strong relationships with corporate event specialistd that will have their clients host expositions, trade shows, and product launches at the location.
- Adhere to all laws regarding the preparation of food as well as the sales of alcohol.
- Use multiple online marketing platforms that will promote use of the facility for weddings.
- Continue expand the scope of the Company's market reach so that the business is considered one of the premier event venues in Austin.

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

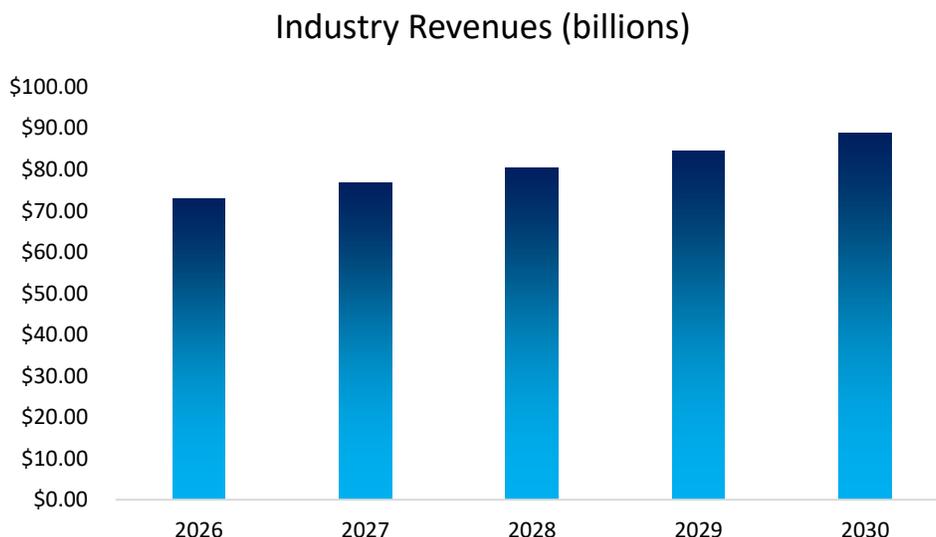
This section of the event venue business plan will focus on the current economic climate, the event venue industry, the demographics, and the ongoing competition that the business will face.

Inflation has taken centerstage in regards to issues with the US economy. As a result of evolving trade policies, as well as adjustments in federal physical policy, there has been a marked increase in the rate of inflation within the country. It should be noted that the Federal Reserve as well as the United States Treasury are taking appropriate measures in order to ensure that the inflation rate declines while also providing support to ensure that the unemployment rate remains low.

It should be noted that Austin is a very wealthy area that has a significant population density. As such, even during challenging economic climate his business will be able to remain profitable and cash flow positive. As it relates to inflation, this area has historically fared very well.

5.2 Industry Analysis

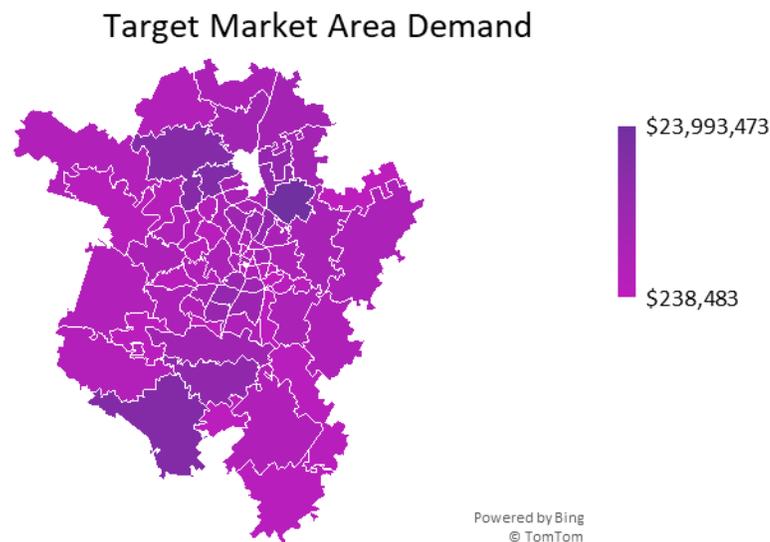
As of this year, there are 25,000 that operate event venues in banquet facilities throughout the United States. These Company’s aggregately produce \$73 billion a year of revenue or providing jobs for 200,000 people.



The growth of this industry has been higher than that of the US economy as a whole as consumers want more extra extravagant weddings and private events. The average cost of a wedding in United States now exceeds \$30,000. The Company will be able to capitalize on this trend throughout the life of the business.

5.3 Customer Profile

The demographics that we use Deutsch Events Group for their personal in corporate events are admittedly quite large. Any person that is getting married or any business that is seeking to host a business function is a potential client of the Company. As it relates to individuals, these this group will typically have a household income exceeding \$100,000 and will have a budget of \$40,000 to \$60,000 for their private event. For corporations, these businesses will typically have revenues in excess of \$1 million and will have a similar budget range for their corporate function.



5.4 Competitive Analysis

As Austin is a wealthy area, there will be significant competition among more established event venues. The business will maintain a major differentiating factor through the immaculate campus that will have Deutsch Events Group's facilities. Additionally, the Company seeking to provide end-to-end solutions for events which will include catering as well as bar service.

6.0 Key Strategic Issues

6.1 Sustainable Operations

Deutsch Events Group will have sustainable operations as a result of the following:

- Substantial revenues from each engagement hosted at Deutsch Events Group.
- The Company's ability to provide catering and bar service will provide a significant competitive advantage.
- Limited competition among venues that operate at the same scale as Deutsch Events Group.
- The Company can easily scale operations by providing unique services that will complement the primary service architecture.

6.2 Basis of Growth

The Company will expand via the following methods:

- Continued expansion of the Company's marketed campaigns with a major focus on direct outreach with event planners and wedding planners.
- Potential establishment of additional occasions in economically viable markets of Texas.
- Expansion of operations to include entertainment arrangement.

7.0 Marketing Plan

7.1 Marketing Objectives

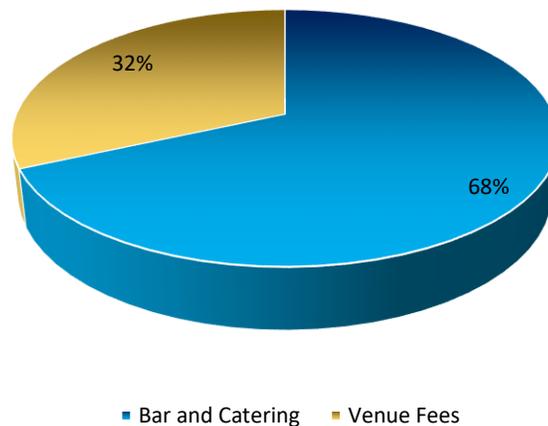
- Engage in numerous marketing strategies that will properly position the operations of Deutsch Events Group.
- Conduct direct outreach with event and wedding planners.
- Use multiple traditional forms of marketing to create visibility.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	1	2	3	4	5
Bar and Catering	\$2,484,000	\$2,682,720	\$2,897,338	\$3,129,125	\$3,379,455
Venue Fees	\$1,152,000	\$1,244,160	\$1,343,693	\$1,451,188	\$1,567,283
Total	\$3,636,000	\$3,926,880	\$4,241,030	\$4,580,313	\$4,946,738

Gross Profit					
Year	1	2	3	4	5
Total	\$2,833,200	\$3,059,856	\$3,304,644	\$3,569,016	\$3,854,537

Revenue Generation



7.3 Revenue Assumptions

Year 1

- The business will launch its operations next year.
- Revenue will reach \$3.6 million.

Year 2

- Management will further expand the scope of marketing.
- Revenue will reach \$3.9 million.

Years 3-5

- By Year 5, the Company will operate at maximum capacity.
- Revenue will reach \$4.9 million.

7.4 Marketing Strategies

The Company will use a number of marketing strategies that will ensure that the business is able to attract a wide range of clients throughout the greater Austin area. Most importantly, Management intends to conduct extensive direct outreach with event planners, and wedding planners that operate within this market. During the development period, the business will showcase the immaculate campus, facilities, and its ability to provide catering service on site. This will familiarize event planners with the Company's operations prior to launch the business.

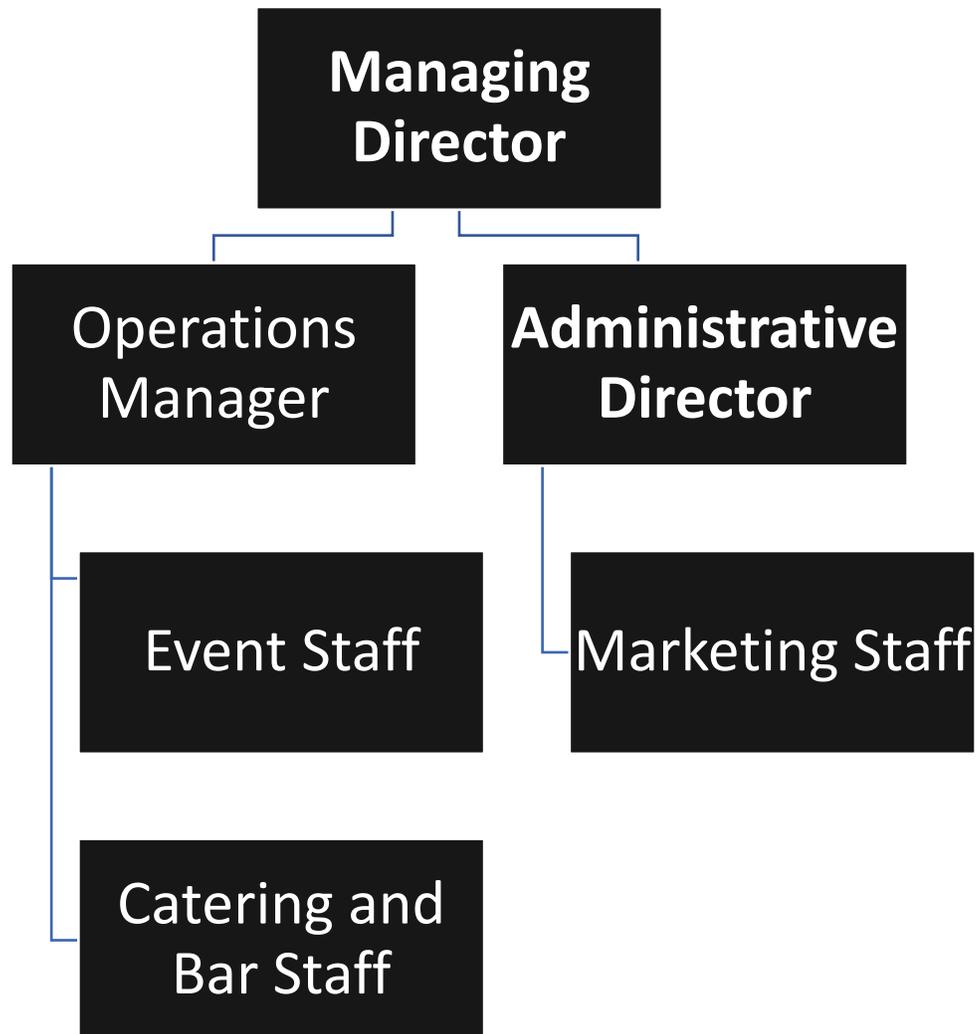
The Company's website will be an exceptional and interactive platform that showcases each aspect of operations. This will include video walk-through of the facilities as well as the campus. In order to drive traffic to the platform, the Company will use extensive search engine optimization so that when searches for venues in the target market are completed, the business can be quickly found. It will be principally accomplished the ongoing use of written content at discuss is not only the operations of Deutsch Events Group, but also issues that surround planning an event as well.

The Company will maintain an expensive presence on social media to complement is proprietary website. Profiles will be maintained on all social media pages and ongoing images and videos of events that are held at location will be uploaded to these platforms with client permission.

The Company will also maintain extensive relationship relationships with wedding planners in the target market as this will be a highly predictable stream of revenue for the Company. Similar to working with general event planners and corporate event specialists, extensive brochures at feature visually stunning visual will be distributed to these professionals within Austin.

8.0 Organizational Plan

8.1 Organizational Hierarchy

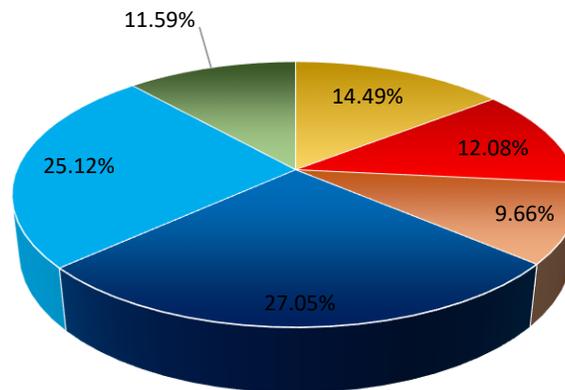


8.2 Personnel Costs

Personnel Plan - Yearly					
Year	1	2	3	4	5
CEO	\$150,000	\$151,500	\$153,015	\$154,545	\$156,091
Operations Director	\$125,000	\$126,250	\$127,513	\$128,788	\$130,076
Administrative Director	\$100,000	\$101,000	\$102,010	\$103,030	\$104,060
Events Staff	\$280,000	\$282,800	\$285,628	\$288,484	\$291,369
Catering and Bar Staff	\$260,000	\$262,600	\$265,226	\$267,878	\$270,557
Marketing Staff	\$120,000	\$121,200	\$122,412	\$123,636	\$124,872
Total	\$1,035,000	\$1,045,350	\$1,055,804	\$1,066,362	\$1,077,025

Numbers of Personnel (Year End Headcount)					
Year	1	2	3	4	5
CEO	1	1	1	1	1
Operations Director	1	1	1	1	1
Administrative Director	1	1	1	1	1
Events Staff	7	7	7	7	7
Catering and Bar Staff	8	8	8	8	8
Marketing Staff	2	2	2	2	2
Total	20	20	20	20	20

Personnel Summary



- CEO
- Operations Director
- Administrative Director
- Events Staff
- Catering and Bar Staff
- Marketing Staff

9.0 Financial Plan

9.1 Underlying Assumptions

- The Company will acquire \$1 million of equity capital.
- Deutsch Events Group will receive a \$4 million business loan.
- The Company will achieve a compounded annual growth rate of 8%.

9.2 Financial Highlights

- For each event, site fees will produce contribution margins of approximately 95%.
- Catering and bar service will produce contribution margins of 70% aggregately.

9.3 Sensitivity Analysis

In the event of an extremely severe economic recession, the demand for premium events may decline. However, the Company is operating within the greater Austin Metropolitan area, which has a far greater degree of economic staying power as discussed earlier. This substantial contribution margins from all services rendered will ensure that the business is able to remain profitable while servicing it's underlying financial obligations.

9.4 Source of Funds

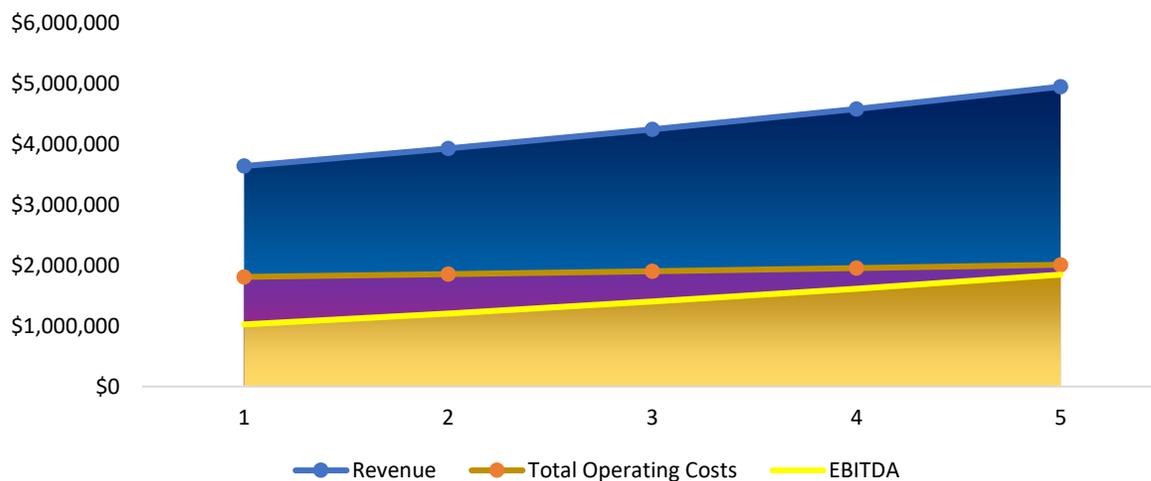
Financing	
Equity	
Equity Capitalization	\$1,000,000.00
Total Equity Financing	\$1,000,000.00
Banks and Lenders	
Business Loan	\$4,000,000.00
Total Debt Financing	\$4,000,000.00
Total Financing	\$5,000,000.00

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$3,636,000	\$3,926,880	\$4,241,030	\$4,580,313	\$4,946,738
Cost of Revenue	\$802,800	\$867,024	\$936,386	\$1,011,297	\$1,092,201
Gross Margin	77.92%	77.92%	77.92%	77.92%	77.92%
Gross Profit	\$2,833,200	\$3,059,856	\$3,304,644	\$3,569,016	\$3,854,537
Expenses					
Payroll	\$1,035,000	\$1,045,350	\$1,055,804	\$1,066,362	\$1,077,025
Facility Costs	\$175,000	\$176,750	\$178,518	\$180,303	\$182,106
General and Administrative	\$109,080	\$117,806	\$127,231	\$137,409	\$148,402
Professional Fees and Licensure	\$50,000	\$50,500	\$51,005	\$51,515	\$52,030
Insurance	\$75,000	\$75,750	\$76,508	\$77,273	\$78,045
Marketing	\$145,440	\$157,075	\$169,641	\$183,213	\$197,870
Maintenance	\$112,716	\$121,733	\$131,472	\$141,990	\$153,349
Misc. Costs	\$27,270	\$29,452	\$31,808	\$34,352	\$37,101
Payroll Taxes	\$79,178	\$79,969	\$80,769	\$81,577	\$82,392
Total Operating Costs	\$1,808,684	\$1,854,386	\$1,902,754	\$1,953,992	\$2,008,320
EBITDA	\$1,024,517	\$1,205,470	\$1,401,890	\$1,615,024	\$1,846,217
Federal Income Tax	\$151,893	\$198,636	\$249,388	\$304,474	\$364,243
State Income Tax	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$316,945	\$309,927	\$302,327	\$294,097	\$285,183
Depreciation Expenses	\$100,000	\$101,000	\$102,010	\$103,030	\$104,060
Net Profit	\$455,679	\$595,907	\$748,165	\$913,422	\$1,092,730
Profit Margin	12.53%	15.18%	17.64%	19.94%	22.09%

Revenue, Operating Costs, EBITDA



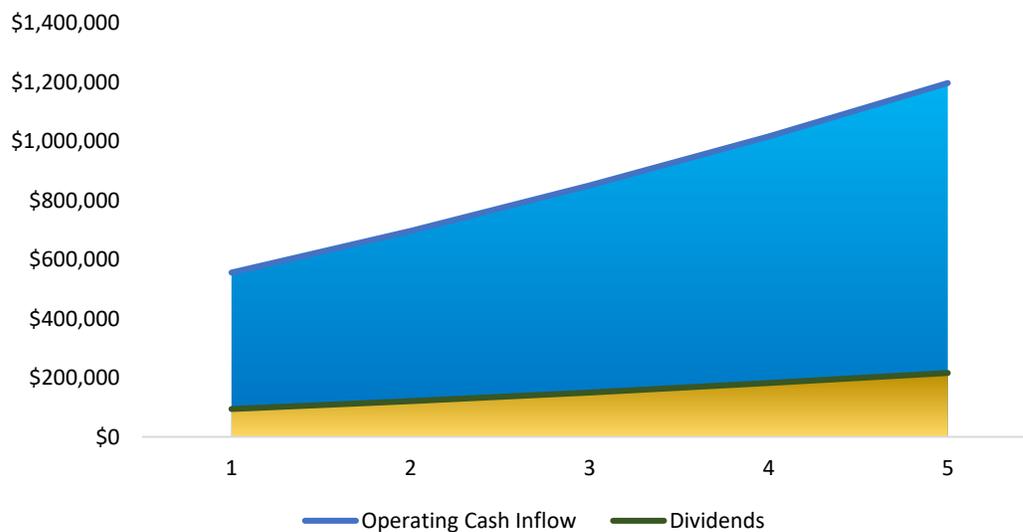
B) Common Size Income Statement

Proforma 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	22.08%	22.08%	22.08%	22.08%	22.08%
Gross Profit	77.92%	77.92%	77.92%	77.92%	77.92%
Expenses					
Payroll	28.47%	26.62%	24.89%	23.28%	21.77%
Facility Costs	4.81%	4.50%	4.21%	3.94%	3.68%
General and Administrative	3.00%	3.00%	3.00%	3.00%	3.00%
Professional Fees and Licensure	1.38%	1.29%	1.20%	1.12%	1.05%
Insurance	2.06%	1.93%	1.80%	1.69%	1.58%
Marketing	4.00%	4.00%	4.00%	4.00%	4.00%
Maintenance	3.10%	3.10%	3.10%	3.10%	3.10%
Misc. Costs	0.75%	0.75%	0.75%	0.75%	0.75%
Payroll Taxes	2.18%	2.04%	1.90%	1.78%	1.67%
Total Operating Costs	49.74%	47.22%	44.87%	42.66%	40.60%
EBITDA	28.18%	30.70%	33.06%	35.26%	37.32%
Federal Income Tax	4.18%	5.06%	5.88%	6.65%	7.36%
State Income Tax	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Expense	8.72%	7.89%	7.13%	6.42%	5.77%
Depreciation Expenses	2.75%	2.57%	2.41%	2.25%	2.10%
Net Profit	12.53%	15.18%	17.64%	19.94%	22.09%

C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	\$555,679	\$696,907	\$850,175	\$1,016,453	\$1,196,791
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$555,679	\$696,907	\$850,175	\$1,016,453	\$1,196,791
Other Cash Inflows					
Equity Investment	\$1,000,000	\$0	\$0	\$0	\$0
Increased Borrowings	\$4,000,000	\$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	\$5,001,000	\$1,050	\$1,103	\$1,158	\$1,216
Total Cash Inflow	\$5,556,679	\$697,957	\$851,277	\$1,017,610	\$1,198,006
Cash Outflows					
Repayment of Principal	\$84,547	\$91,564	\$99,164	\$107,394	\$116,308
A/P Decreases	\$700	\$735	\$772	\$810	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$3,000,000	\$34,845	\$42,509	\$50,823	\$59,840
Dividends	\$94,226	\$121,069	\$150,202	\$181,812	\$216,097
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$3,179,473	\$248,213	\$292,646	\$340,839	\$393,095
Net Cash Flow	\$2,377,206	\$449,744	\$558,631	\$676,771	\$804,911
Cash Balance	\$2,377,206	\$2,826,950	\$3,385,581	\$4,062,352	\$4,867,263

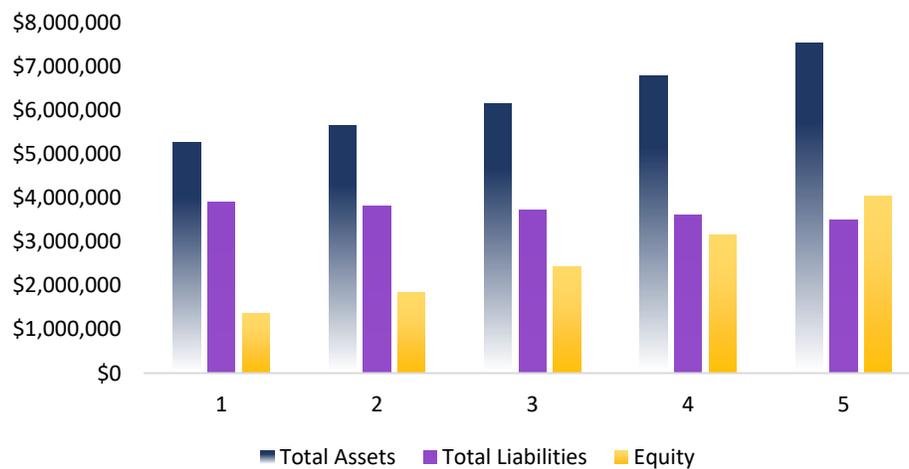
Cash Flow Analysis



D) Balance Sheet

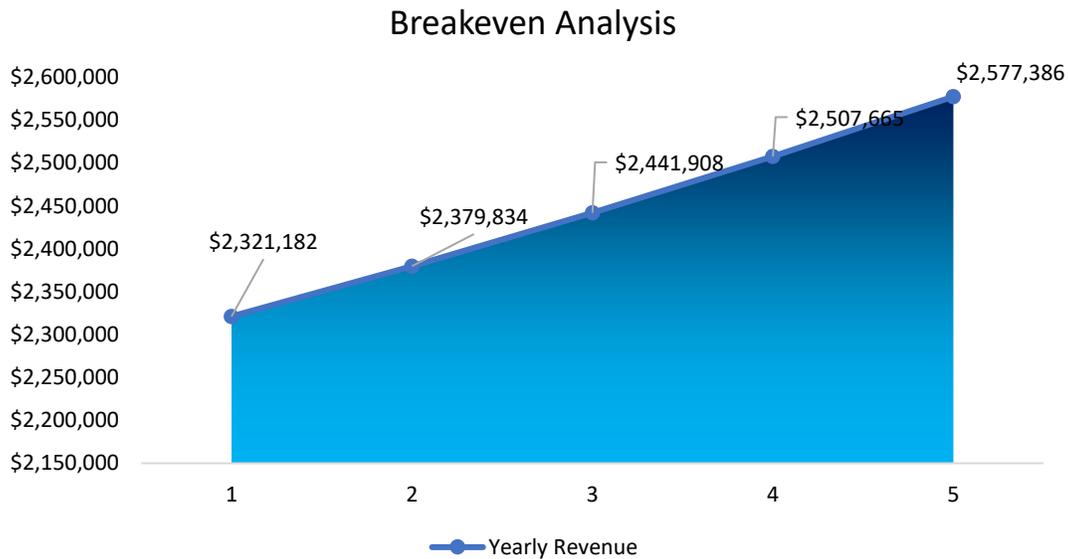
Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	\$2,377,206	\$2,826,950	\$3,385,581	\$4,062,352	\$4,867,263
Fixed Assets	\$3,000,000	\$3,034,845	\$3,077,354	\$3,128,177	\$3,188,016
Accumulated Depreciation	(\$100,000)	(\$201,000)	(\$303,010)	(\$406,040)	(\$510,101)
Total Assets	\$5,277,206	\$5,660,795	\$6,159,925	\$6,784,489	\$7,545,179
Liabilities and Equity					
Accounts Payable	\$300	\$615	\$946	\$1,293	\$1,658
Long Term Liabilities	\$3,915,453	\$3,823,889	\$3,724,726	\$3,617,331	\$3,501,023
Other Liabilities	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$3,915,753	\$3,824,504	\$3,725,671	\$3,618,624	\$3,502,681
Equity	\$1,361,452	\$1,836,291	\$2,434,253	\$3,165,864	\$4,042,498
Total Liabilities and Equity	\$5,277,206	\$5,660,795	\$6,159,925	\$6,784,489	\$7,545,179

Balance Sheet



9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	\$193,432	\$198,320	\$203,492	\$208,972	\$214,782
Yearly Revenue	\$2,321,182	\$2,379,834	\$2,441,908	\$2,507,665	\$2,577,386



9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	8.0%	8.0%	8.0%	8.0%
Gross Margin	77.9%	77.9%	77.9%	77.9%	77.9%
Financials					
Profit Margin	12.53%	15.18%	17.64%	19.94%	22.09%
Assets to Liabilities	1.35	1.48	1.65	1.87	2.15
Equity to Liabilities	0.35	0.48	0.65	0.87	1.15
Assets to Equity	3.88	3.08	2.53	2.14	1.87
Liquidity					
Acid Test	0.61	0.74	0.91	1.12	1.39
Cash to Assets	0.45	0.50	0.55	0.60	0.65

Appendix A – SWOT Analysis

Strengths

- The Company is providing an end-to-end solution for people seeking to host personal and corporate events in Austin.
- An experienced CEO, Matthew Deutsch, that will be able to develop Deutsch Events Group into the preeminent event venue in Austin.
- Multiple high margin revenue centers.
- The Company’s marketing and branding campaigns will position the business properly within this market.

Weaknesses

- Operational complexities given the scope in scale of the business’ operations.
- Moderately high cost related to facility, maintenance, and utilities given the size of the facility.

Opportunities

- Expansion of operations to include event entertainment arrangement services.
- Continued to expansion of the Company’s relationship relationships maintained with event planners, wedding planners, and corporate event specialist.
- Integration of overnight hospitality services, which is feasible given the 10-acre parcel of land.

Threats

- An extremely severe economic recession could impact demand for event hosting in Austin.
- Ongoing competition for more established event venues within the market.

Appendix B – Critical Risks

Development Risk – **Low**

The primary matter that needs to be addressed is securing the funding so in this document. Matthew Deutsch has already sourced the parcel of land that will be used to house the Company's operations.

Financing Risk – **Low**

A significant portion of the funding sought in this document will be used specifically for the acquisition of land as well as the development of real estate. The risk related to this funding are abated through the multiple revenue sources discussed.

Marketing Risk – **Low**

The Company will continue to use and expand upon the multiple marketing strategies outlined earlier with immense focus on direct outreach with event and planners in corporate event specialists within Austin.

Management Risk – **Low**

Matthew Deutsch is an experienced hospitality entrepreneur that will be able to effectively bring the operations of this business to profitability.

Valuation Risk – **Low**

The valuation risk is offset by:

- The underlying real estate will appreciate during the time it is held.
- The Company is operating in a very wealthy market that has significant staying power as outlined in the fifth section of the business plan.
- The Company could easily integrate additional event focus services into its offerings.

Exit Risk - **Low**

The sale of this business would be relatively straightforward, and any hospitality group would be able to acquire this business for their portfolio. The sale of this business is not expected to occur for a significant period of time unless it is financially prudent to do so. As needed earlier, qualified business sales professionals will be retained to help manage the sale.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	\$297,500	\$298,500	\$299,500	\$300,500	\$301,500	\$302,500	\$303,500
Cost of Revenue	\$65,250	\$65,550	\$65,850	\$66,150	\$66,450	\$66,750	\$67,050
Gross Profit	\$232,250	\$232,950	\$233,650	\$234,350	\$235,050	\$235,750	\$236,450
Expenses							
Payroll	\$86,250	\$86,250	\$86,250	\$86,250	\$86,250	\$86,250	\$86,250
Facility Costs	\$14,583	\$14,583	\$14,583	\$14,583	\$14,583	\$14,583	\$14,583
General and Administrative	\$9,090	\$9,090	\$9,090	\$9,090	\$9,090	\$9,090	\$9,090
Professional Fees and Licensure	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167
Insurance	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250
Marketing	\$12,120	\$12,120	\$12,120	\$12,120	\$12,120	\$12,120	\$12,120
Maintenance	\$9,393	\$9,393	\$9,393	\$9,393	\$9,393	\$9,393	\$9,393
Misc. Costs	\$2,273	\$2,273	\$2,273	\$2,273	\$2,273	\$2,273	\$2,273
Payroll Taxes	\$6,598	\$6,598	\$6,598	\$6,598	\$6,598	\$6,598	\$6,598
Total Operating Costs	\$150,724						
EBITDA	\$81,526	\$82,226	\$82,926	\$83,626	\$84,326	\$85,026	\$85,726
Federal Income Tax	\$12,428	\$12,470	\$12,512	\$12,553	\$12,595	\$12,637	\$12,679
State Income Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$26,667	\$26,621	\$26,576	\$26,530	\$26,484	\$26,437	\$26,390
Depreciation Expenses	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333
Net Profit	\$34,098	\$34,802	\$35,506	\$36,210	\$36,914	\$37,619	\$38,324

Profit and Loss Statement (First Year Cont.)

Month	8	9	10	11	12	Year 1
Revenue	\$304,500	\$305,500	\$306,500	\$307,500	\$308,500	\$3,636,000
Cost of Revenue	\$67,350	\$67,650	\$67,950	\$68,250	\$68,550	\$802,800
Gross Profit	\$237,150	\$237,850	\$238,550	\$239,250	\$239,950	\$2,833,200
Expenses						
Payroll	\$86,250	\$86,250	\$86,250	\$86,250	\$86,250	\$1,035,000
Facility Costs	\$14,583	\$14,583	\$14,583	\$14,583	\$14,583	\$175,000
General and Administrative	\$9,090	\$9,090	\$9,090	\$9,090	\$9,090	\$109,080
Professional Fees and Licensure	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$50,000
Insurance	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$75,000
Marketing	\$12,120	\$12,120	\$12,120	\$12,120	\$12,120	\$145,440
Maintenance	\$9,393	\$9,393	\$9,393	\$9,393	\$9,393	\$112,716
Misc. Costs	\$2,273	\$2,273	\$2,273	\$2,273	\$2,273	\$27,270
Payroll Taxes	\$6,598	\$6,598	\$6,598	\$6,598	\$6,598	\$79,178
Total Operating Costs	\$150,724	\$150,724	\$150,724	\$150,724	\$150,724	\$1,808,684
EBITDA	\$86,426	\$87,126	\$87,826	\$88,526	\$89,226	\$1,024,517
Federal Income Tax	\$12,720	\$12,762	\$12,804	\$12,846	\$12,888	\$151,893
State Income Tax	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$26,343	\$26,296	\$26,248	\$26,200	\$26,152	\$316,945
Depreciation Expenses	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$100,000
Net Profit	\$39,029	\$39,735	\$40,441	\$41,147	\$41,854	\$455,679

Profit and Loss Statement (Second Year)

Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Revenue	\$952,268	\$971,903	\$991,537	\$1,011,172	\$3,926,880
Cost of Revenue	\$210,253	\$214,588	\$218,924	\$223,259	\$867,024
Gross Profit	\$742,015	\$757,314	\$772,614	\$787,913	\$3,059,856
Expenses					
Payroll	\$261,338	\$261,338	\$261,338	\$261,338	\$1,045,350
Facility Costs	\$44,188	\$44,188	\$44,188	\$44,188	\$176,750
General and Administrative	\$28,568	\$29,157	\$29,746	\$30,335	\$117,806
Professional Fees and Licensure	\$12,246	\$12,499	\$12,751	\$13,004	\$50,500
Insurance	\$18,938	\$18,938	\$18,938	\$18,938	\$75,750
Marketing	\$38,091	\$38,876	\$39,661	\$40,447	\$157,075
Maintenance	\$30,433	\$30,433	\$30,433	\$30,433	\$121,733
Misc. Costs	\$7,142	\$7,289	\$7,437	\$7,584	\$29,452
Payroll Taxes	\$19,393	\$19,792	\$20,192	\$20,592	\$79,969
Total Operating Costs	\$460,335	\$462,509	\$464,683	\$466,857	\$1,854,386
EBITDA	\$281,680	\$294,805	\$307,930	\$321,055	\$1,205,470
Federal Income Tax	\$48,169	\$49,162	\$50,156	\$51,149	\$198,636
State Income Tax	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$78,162	\$77,714	\$77,258	\$76,793	\$309,927
Depreciation Expenses	\$25,250	\$25,250	\$25,250	\$25,250	\$101,000
Net Profit	\$130,099	\$142,678	\$155,266	\$167,864	\$595,907

Profit and Loss Statement (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Revenue	\$1,028,450	\$1,049,655	\$1,070,860	\$1,092,065	\$4,241,030
Cost of Revenue	\$227,074	\$231,756	\$236,437	\$241,119	\$936,386
Gross Profit	\$801,376	\$817,900	\$834,423	\$850,946	\$3,304,644
Expenses					
Payroll	\$263,951	\$263,951	\$263,951	\$263,951	\$1,055,804
Facility Costs	\$44,629	\$44,629	\$44,629	\$44,629	\$178,518
General and Administrative	\$30,853	\$31,490	\$32,126	\$32,762	\$127,231
Professional Fees and Licensure	\$12,369	\$12,624	\$12,879	\$13,134	\$51,005
Insurance	\$19,127	\$19,127	\$19,127	\$19,127	\$76,508
Marketing	\$41,138	\$41,986	\$42,834	\$43,683	\$169,641
Maintenance	\$32,868	\$32,868	\$32,868	\$32,868	\$131,472
Misc. Costs	\$7,713	\$7,872	\$8,031	\$8,190	\$31,808
Payroll Taxes	\$20,192	\$20,192	\$20,192	\$20,192	\$80,769
Total Operating Costs	\$472,841	\$474,739	\$476,638	\$478,536	\$1,902,754
EBITDA	\$328,535	\$343,160	\$357,785	\$372,410	\$1,401,890
Federal Income Tax	\$60,477	\$61,724	\$62,971	\$64,217	\$249,388
State Income Tax	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$76,318	\$75,834	\$75,340	\$74,836	\$302,327
Depreciation Expenses	\$25,503	\$25,503	\$25,503	\$25,503	\$102,010
Net Profit	\$166,238	\$180,100	\$193,972	\$207,854	\$748,165

Profit and Loss Statement (Fourth Year)					
Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Revenue	\$1,110,726	\$1,133,627	\$1,156,529	\$1,179,431	\$4,580,313
Cost of Revenue	\$245,239	\$250,296	\$255,352	\$260,409	\$1,011,297
Gross Profit	\$865,486	\$883,331	\$901,177	\$919,022	\$3,569,016
Expenses					
Payroll	\$266,590	\$266,590	\$266,590	\$266,590	\$1,066,362
Facility Costs	\$45,076	\$45,076	\$45,076	\$45,076	\$180,303
General and Administrative	\$33,322	\$34,009	\$34,696	\$35,383	\$137,409
Professional Fees and Licensure	\$12,492	\$12,750	\$13,008	\$13,265	\$51,515
Insurance	\$19,318	\$19,318	\$19,318	\$19,318	\$77,273
Marketing	\$44,429	\$45,345	\$46,261	\$47,177	\$183,213
Maintenance	\$35,497	\$35,497	\$35,497	\$35,497	\$141,990
Misc. Costs	\$8,330	\$8,502	\$8,674	\$8,846	\$34,352
Payroll Taxes	\$20,394	\$20,394	\$20,394	\$20,394	\$81,577
Total Operating Costs	\$485,449	\$487,482	\$489,514	\$491,547	\$1,953,992
EBITDA	\$380,037	\$395,850	\$411,662	\$427,475	\$1,615,024
Federal Income Tax	\$73,835	\$75,357	\$76,880	\$78,402	\$304,474
State Income Tax	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$74,322	\$73,797	\$73,262	\$72,716	\$294,097
Depreciation Expenses	\$25,758	\$25,758	\$25,758	\$25,758	\$103,030
Net Profit	\$206,123	\$220,938	\$235,763	\$250,599	\$913,422

Profit and Loss Statement (Fifth Year)					
Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
Revenue	\$1,199,584	\$1,224,318	\$1,249,051	\$1,273,785	\$4,946,738
Cost of Revenue	\$264,859	\$270,320	\$275,781	\$281,242	\$1,092,201
Gross Profit	\$934,725	\$953,998	\$973,271	\$992,543	\$3,854,537
Expenses					
Payroll	\$269,256	\$269,256	\$269,256	\$269,256	\$1,077,025
Facility Costs	\$45,526	\$45,526	\$45,526	\$45,526	\$182,106
General and Administrative	\$35,988	\$36,730	\$37,472	\$38,214	\$148,402
Professional Fees and Licensure	\$12,617	\$12,877	\$13,138	\$13,398	\$52,030
Insurance	\$19,511	\$19,511	\$19,511	\$19,511	\$78,045
Marketing	\$47,983	\$48,973	\$49,962	\$50,951	\$197,870
Maintenance	\$38,337	\$38,337	\$38,337	\$38,337	\$153,349
Misc. Costs	\$8,997	\$9,182	\$9,368	\$9,553	\$37,101
Payroll Taxes	\$20,598	\$20,598	\$20,598	\$20,598	\$82,392
Total Operating Costs	\$498,814	\$500,991	\$503,168	\$505,345	\$2,008,320
EBITDA	\$435,911	\$453,007	\$470,102	\$487,198	\$1,846,217
Federal Income Tax	\$88,329	\$90,150	\$91,971	\$93,793	\$364,243
State Income Tax	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$72,159	\$71,591	\$71,012	\$70,421	\$285,183
Depreciation Expenses	\$26,015	\$26,015	\$26,015	\$26,015	\$104,060
Net Profit	\$249,407	\$265,250	\$281,104	\$296,969	\$1,092,730

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	\$42,432	\$43,135	\$43,839	\$44,543	\$45,248	\$45,952	\$46,657	\$47,363
Cash From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$42,432	\$43,135	\$43,839	\$44,543	\$45,248	\$45,952	\$46,657	\$47,363
Other Cash Inflows								
Equity Investment	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$4,000,000	\$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	\$5,000,083	\$83						
Total Cash Inflow	\$5,042,515	\$43,219	\$43,922	\$44,626	\$45,331	\$46,036	\$46,741	\$47,446
Cash Outflows								
Repayment of Principal	\$6,791	\$6,836	\$6,882	\$6,928	\$6,974	\$7,020	\$7,067	\$7,114
A/P Decreases	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
A/R Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$3,000,000	\$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	\$3,006,849	\$6,895	\$6,940	\$6,986	\$7,032	\$7,079	\$7,125	\$7,173
Net Cash Flow	\$2,035,666	\$36,324	\$36,982	\$37,640	\$38,299	\$38,957	\$39,615	\$40,273
Cash Balance	\$2,035,666	\$2,071,990	\$2,108,972	\$2,146,612	\$2,184,911	\$2,223,868	\$2,263,483	\$2,303,757

Cash Flow Analysis (First Year Cont.)

Month	9	10	11	12	Year 1
Cash From Operations	\$48,068	\$48,774	\$49,481	\$50,187	\$555,679
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$48,068	\$48,774	\$49,481	\$50,187	\$555,679
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$1,000,000
Increased Borrowings	\$0	\$0	\$0	\$0	\$4,000,000
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	\$5,001,000
Total Cash Inflow	\$48,152	\$48,858	\$49,564	\$50,270	\$5,556,679
Cash Outflows					
Repayment of Principal	\$7,162	\$7,209	\$7,257	\$7,306	\$84,547
A/P Decreases	\$58	\$58	\$58	\$58	\$700
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$0	\$0	\$0	\$0	\$3,000,000
Dividends	\$0	\$0	\$0	\$94,226	\$94,226
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$7,220	\$7,268	\$7,316	\$101,591	\$3,179,473
Net Cash Flow	\$40,932	\$41,590	\$42,248	-\$51,320	\$2,377,206
Cash Balance	\$2,344,688	\$2,386,278	\$2,428,526	\$2,377,206	\$2,377,206

Cash Flow Analysis (Second Year)

Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	\$155,349	\$167,928	\$180,516	\$193,114	\$696,907
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$155,349	\$167,928	\$180,516	\$193,114	\$696,907
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	\$155,603	\$168,188	\$180,782	\$193,384	\$697,957
Cash Outflows					
Repayment of Principal	\$22,211	\$22,658	\$23,115	\$23,580	\$91,564
A/P Decreases	\$178	\$182	\$186	\$189	\$735
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$34,845	\$0	\$0	\$0	\$34,845
Dividends	\$0	\$0	\$0	\$121,069	\$121,069
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$57,235	\$22,840	\$23,300	\$144,838	\$248,213
Net Cash Flow	\$98,369	\$145,348	\$157,481	\$48,546	\$449,744
Cash Balance	\$2,475,575	\$2,620,922	\$2,778,404	\$2,826,950	\$2,826,950

Cash Flow Analysis (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	\$191,741	\$205,603	\$219,475	\$233,357	\$850,175
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$191,741	\$205,603	\$219,475	\$233,357	\$850,175
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	\$192,008	\$205,876	\$219,753	\$233,640	\$851,277
Cash Outflows					
Repayment of Principal	\$24,055	\$24,539	\$25,033	\$25,537	\$99,164
A/P Decreases	\$187	\$191	\$195	\$199	\$772
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$42,509	\$0	\$0	\$0	\$42,509
Dividends	\$0	\$0	\$0	\$150,202	\$150,202
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$66,751	\$24,730	\$25,228	\$175,938	\$292,646
Net Cash Flow	\$125,257	\$181,146	\$194,525	\$57,702	\$558,631
Cash Balance	\$2,952,207	\$3,133,353	\$3,327,878	\$3,385,581	\$3,385,581

Cash Flow Analysis (Fourth Year)

Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	\$231,880	\$246,695	\$261,520	\$276,357	\$1,016,453
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$231,880	\$246,695	\$261,520	\$276,357	\$1,016,453
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	\$232,161	\$246,982	\$261,813	\$276,655	\$1,017,610
Cash Outflows					
Repayment of Principal	\$26,051	\$26,576	\$27,111	\$27,657	\$107,394
A/P Decreases	\$197	\$201	\$205	\$209	\$810
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$50,823	\$0	\$0	\$0	\$50,823
Dividends	\$0	\$0	\$0	\$181,812	\$181,812
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$77,070	\$26,776	\$27,315	\$209,677	\$340,839
Net Cash Flow	\$155,091	\$220,205	\$234,497	\$66,978	\$676,771
Cash Balance	\$3,540,671	\$3,760,877	\$3,995,374	\$4,062,352	\$4,062,352

Cash Flow Analysis (Fifth Year)

Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	\$275,422	\$291,265	\$307,119	\$322,984	\$1,196,791
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$275,422	\$291,265	\$307,119	\$322,984	\$1,196,791
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	\$275,717	\$291,566	\$307,426	\$323,297	\$1,198,006
Cash Outflows					
Repayment of Principal	\$28,213	\$28,781	\$29,361	\$29,952	\$116,308
A/P Decreases	\$206	\$211	\$215	\$219	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$59,840	\$0	\$0	\$0	\$59,840
Dividends	\$0	\$0	\$0	\$216,097	\$216,097
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$88,259	\$28,992	\$29,576	\$246,268	\$393,095
Net Cash Flow	\$187,458	\$262,574	\$277,850	\$77,030	\$804,911
Cash Balance	\$4,249,810	\$4,512,384	\$4,790,234	\$4,867,263	\$4,867,263