



Matt's
★ BURGERS, BITES & SHAKES ★



Table of Contents

| | |
|---|----|
| 1.0 Executive Summary | 4 |
| 2.0 The Financing | 7 |
| 2.1 Funds Required | 7 |
| 2.2 Management and Investor Equity | 7 |
| 2.3 Exit Strategies | 7 |
| 3.0 Operations | 8 |
| 4.0 Overview of the Organization..... | 9 |
| 4.1 Registered Name | 9 |
| 4.2 Commencement of Operations | 9 |
| 4.3 Mission Statement..... | 9 |
| 4.4 Vision Statement..... | 9 |
| 4.5 Organizational Objectives..... | 9 |
| 5.0 Market and Industry Analysis..... | 10 |
| 5.1 External Environmental Analysis | 10 |
| 5.2 Industry Analysis | 10 |
| 5.3 Customer Profile | 11 |
| 5.4 Competitive Analysis..... | 11 |
| 6.0 Key Strategic Issues | 12 |
| 6.1 Sustainable Operations..... | 12 |
| 6.2 Basis of Growth | 12 |
| 7.0 Marketing Plan..... | 13 |
| 7.1 Marketing Objectives..... | 13 |
| 7.2 Revenue Forecasts | 13 |
| 7.3 Revenue Assumptions..... | 13 |
| 7.4 Marketing Strategies | 14 |
| 8.0 Organizational Plan..... | 15 |
| 8.1 Organizational Hierarchy..... | 15 |
| 8.2 Personnel Costs..... | 16 |
| 9.0 Financial Plan..... | 17 |

| | |
|--|----|
| 9.1 Underlying Assumptions | 17 |
| 9.2 Financial Highlights..... | 17 |
| 9.3 Sensitivity Analysis | 17 |
| 9.4 Source of Funds | 17 |
| 9.5 Financial Proformas | 18 |
| A) Profit and Loss Statement..... | 18 |
| B) Common Size Income Statement..... | 19 |
| C) Cash Flow Analysis | 20 |
| D) Balance Sheet..... | 21 |
| E) Expanded Sensitivity Analysis..... | 22 |
| 9.6 Breakeven Analysis | 23 |
| 9.7 Business Ratios | 23 |
| 9.8 DSCR Analysis | 24 |
| Appendix A – SWOT Analysis..... | 25 |
| Appendix B – Critical Risks | 26 |
| Appendix C – Expanded Profit and Loss Statements | 27 |
| Appendix D – Expanded Cash Flow Analysis..... | 33 |

1.0 Executive Summary

The purpose of this business plan is to secure \$175,000 of capital for the development of a burger restaurant based in Madison, Wisconsin. Matt's Burgers, Bites & Shakes LLC ("the Company") was founded with the intention of providing a wide range premium burgers that will be enjoyed by the general public, especially among students in the area. The business will commence full-scale revenue generating operations in the fourth quarter of this year once the facility has been sourced and completed.

The business will generate substantial and highly predictable streams of revenue from the ongoing sales of burgers to the general public. The Founder has developed a number of proprietary recipes that will be coupled with a number of selected toppings. To complement the primary fare, the business will also sell a number of sides including French fries, chips, onion rings, as well as other classic American side dishes. The business will also provide a wide range of soft drinks, including fountain beverages, shakes, and bottled beverages.

To further drive sales, the Company will enroll among numerous online delivery application platforms, which are especially popular among young people and students within the greater Madison area.

The third section of this burger restaurant business plan will further discuss the operations of the business.

The Financing

As noted above, the founder is currently seeking a \$175,000 capital injection in order to commence operations. These funds will primarily be used for the following:

- Restaurant development in Madison
- Furniture, fixtures, and equipment
- Working capital
- Initial marketing operations

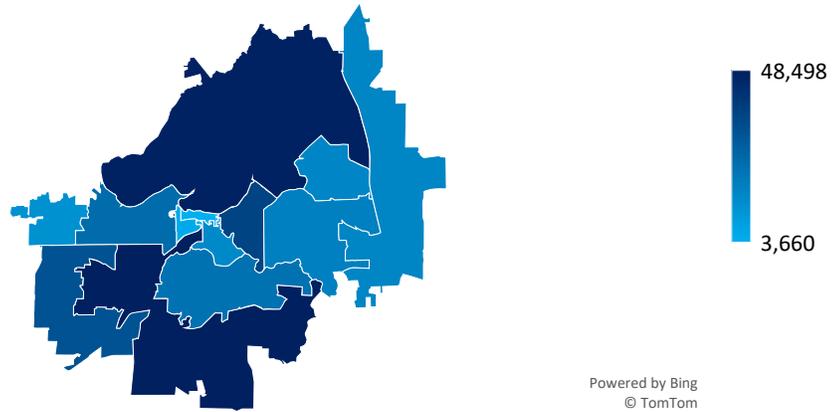
In the event that the Company intends to establish additional locations, Management may acquire a business loan to finance this growth. However, this burger restaurant business plan assumes that no additional capital will be required during the first five years of operation.

The Future

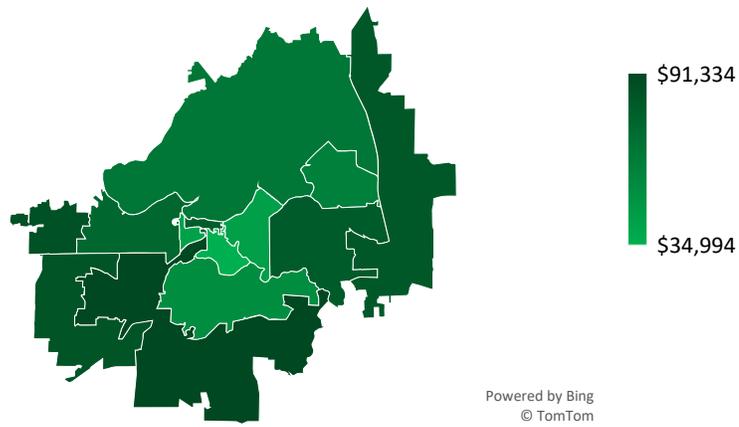
In order to have Matt's Burgers, Bites & Shakes operate as the preeminent burger restaurant in the Madison area, Management will continue to expand the scope of its marketing campaigns on a year-on-year basis. This will include ongoing expansions of the Company's online marketing operations with a focus on social media.

Market Overview

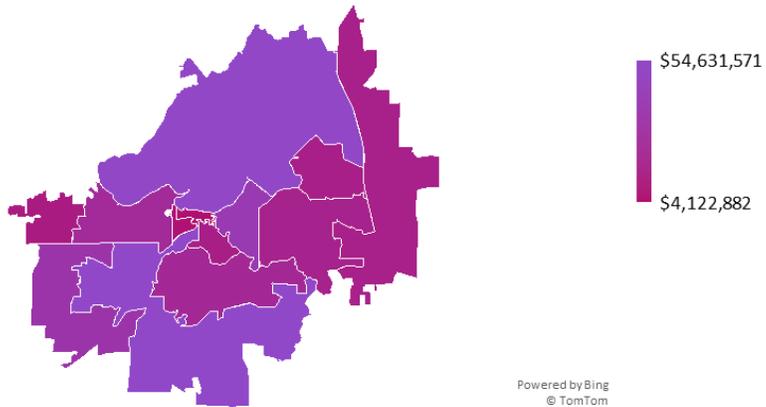
Target Market Area - Population



Target Market Area - Household Income



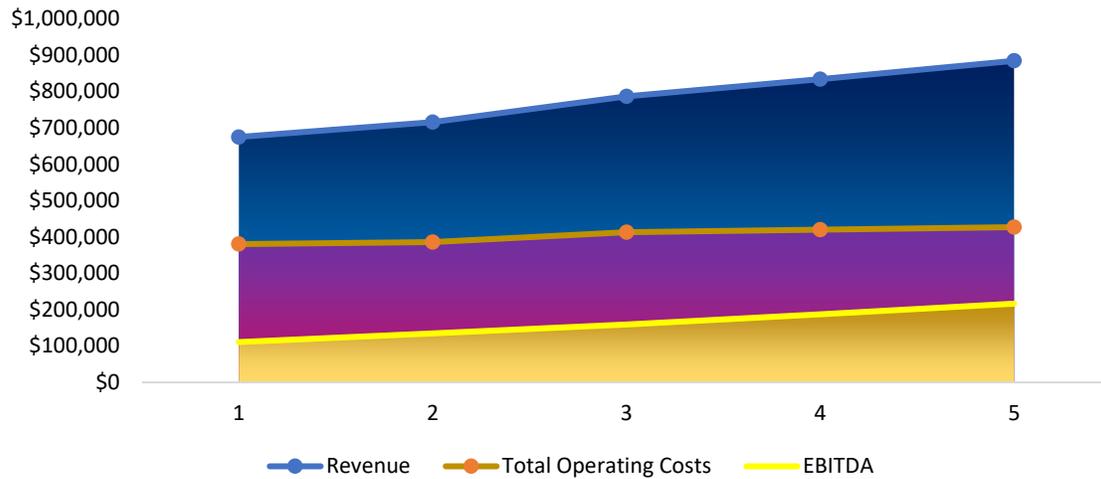
Target Market Area - Demand



Revenue Forecasts

| Proforma Profit and Loss | | | | | |
|--------------------------|------------------|------------------|------------------|------------------|------------------|
| Year | 1 | 2 | 3 | 4 | 5 |
| Revenue | \$674,730 | \$715,214 | \$786,735 | \$833,939 | \$883,976 |
| Cost of Revenue | \$183,677 | \$194,697 | \$214,167 | \$227,017 | \$240,638 |
| Gross Profit | \$491,054 | \$520,517 | \$572,568 | \$606,922 | \$643,338 |
| Total Operating Costs | \$380,152 | \$386,113 | \$413,311 | \$419,961 | \$426,830 |
| EBITDA | \$110,902 | \$134,404 | \$159,258 | \$186,961 | \$216,508 |

Revenue, Operating Costs, EBITDA



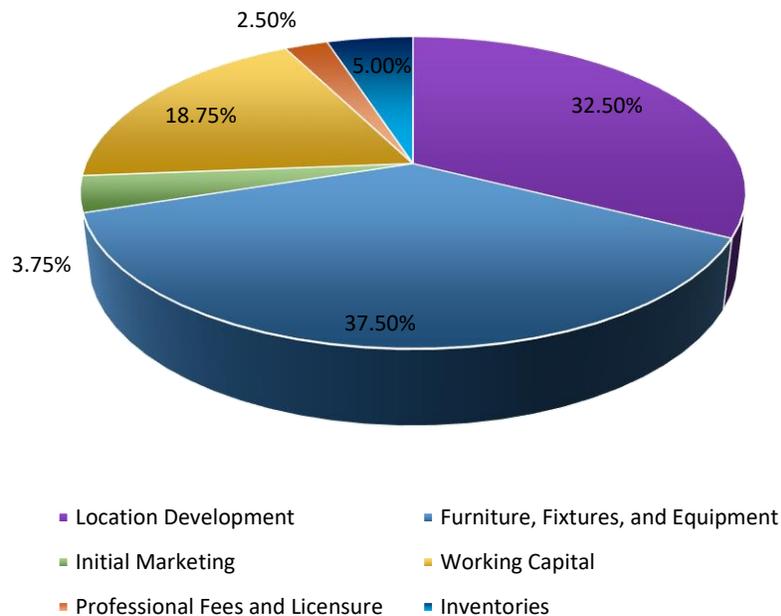
2.0 The Financing

2.1 Funds Required

The funding will be allocated toward the following:

| Use of Funds | |
|------------------------------------|------------------|
| Location Development | \$65,000 |
| Furniture, Fixtures, and Equipment | \$75,000 |
| Initial Marketing | \$7,500 |
| Working Capital | \$37,500 |
| Professional Fees and Licensure | \$5,000 |
| Inventories | \$10,000 |
| Total | \$200,000 |

Use of Funds Overview



2.2 Management and Investor Equity

The Founder is the 100% owner of Matt's Burgers, Bites & Shakes LLC.

2.3 Exit Strategies

It will be relatively easy and straightforward to sell this business to a third-party. Given the popularity of burgers, the Company could easily find an entrepreneur that is looking to get into this industry without having to develop their own business. Historically, restaurants specializing in classical American fare typically have a sales premium of three times EBITDA. The sale of this business would occur only once a formal valuation is completed.

3.0 Operations

As discussed in the executive summary, Matt's Burgers, Bites & Shakes will be actively involved with providing the general public with a wide range of premium burgers. The founder has developed a proprietary recipe that enhances the flavor of beef. In order to create a further differentiating factor, the business will also offer burgers that are produced from a number of popular game meats that are popular in Wisconsin.

In regards to beverages, this will include shakes, fountain drinks, and bottled beverages.

A more moderate aspect of the Company's operations will be from catering services. Moving forward, the Company intends to acquire a trailer that would allow for burgers to be produced directly at an event site. This would not only create significant additional revenue, but it will also increase the brand visibility of Matt's Burgers, Bites & Shakes throughout Madison.

4.0 Overview of the Organization

4.1 Registered Name

Matt's Burgers, Bites & Shakes LLC. The company is registered as a limited liability company in the State of Wisconsin.

4.2 Commencement of Operations

The Company intends to expense full scale revenue generating operations in the fourth quarter of this year.

4.3 Mission Statement

To provide the general public within an outstanding range of burgers inside at an affordable price.

4.4 Vision Statement

To become the preeminent burger restaurant in the greater Madison area.

4.5 Organizational Objectives

- Properly source a highly visible location that is near a major academic institution in Madison.
- Use high-end ingredients in order to provide an exceptional culinary experience to patrons.
- Use multiple forms of online marketing with a focus on social media to drive brand visibility.
- Established relationships with regional social media influencers that will serve as brand ambassadors.
- Adhere to all regulatory requirements regarding the sale of food and beverages to the general public in Wisconsin.
- Provide a stable, employment opportunities that rewards hard work and dedication to providing exceptional fare.

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

This section of the burger restaurant business final focus on the current economic climate, the customer profile, the industry, and the ongoing competition at the business will face.

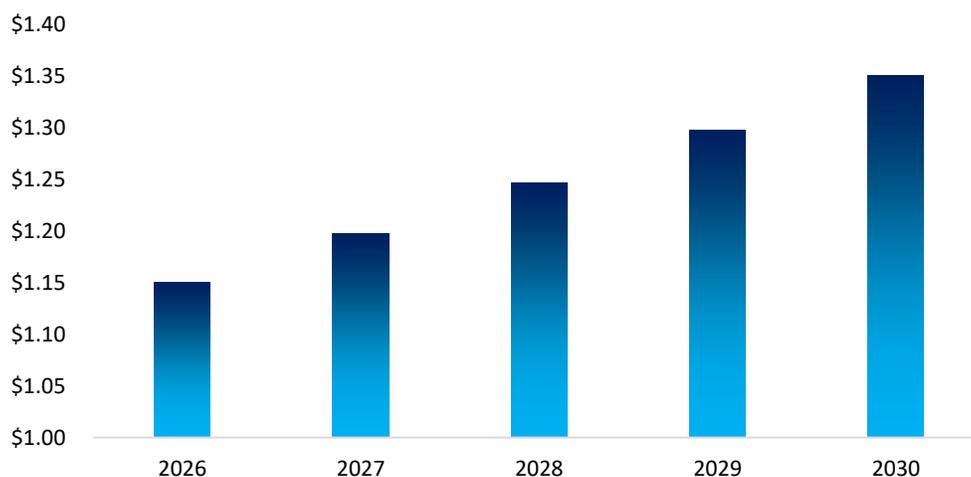
It is no secret that inflation has caused a significant number of economic issues within the United States. Over the past year, the price of many products and services have increased significantly. It should be noted that appropriate government agencies are taking the necessary measures in order to reduce inflation.

However, these matters will only have a moderate impact on the Company's ability to generate revenue. Burgers are low cost form of food and the business will benefit substantially from its location near a major university.

5.2 Industry Analysis

As of this year, there are 700,000 businesses their own and operate one or more restaurant locations. These businesses currently produce \$1.17 trillion a revenue while providing employment opportunities for 16 million people. Based on the current rate of inflation and consumer, spending growth, the compounded annual growth rate of the industry over the next five years is expected to rain near 4.3%.

Restaurant Industry Revenues (trillions)

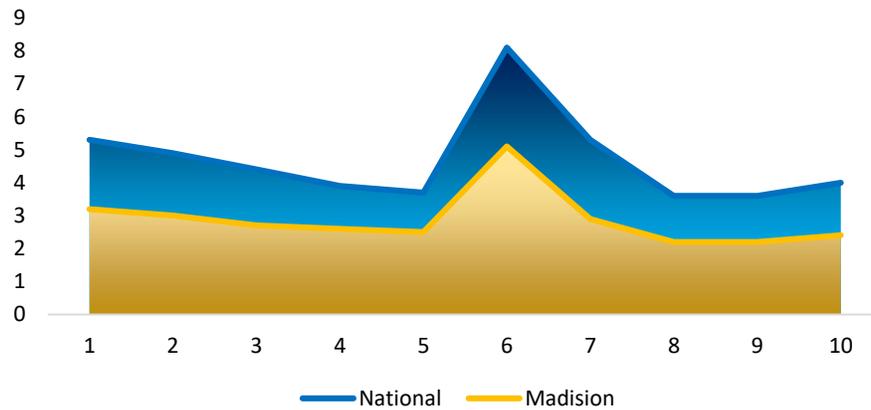


As it relates to trends, the business will capitalize on the substantial use of delivery application suites in order to ensure a substantial number of takeout orders.

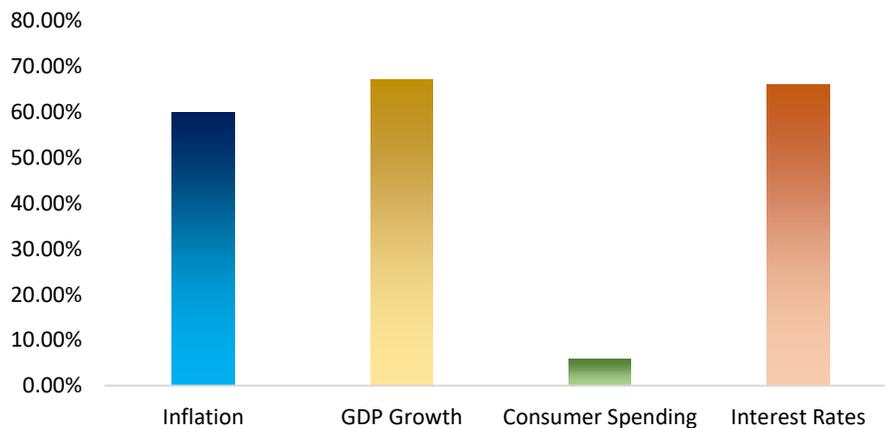
5.3 Customer Profile

As burgers are universally enjoyed, there is no average customer profile applicable for this business. Any individual that is seeking in affordable burger with a large number of accompanying sides is a potential customer for the business. Based on the population density of Madison, as well as its median household income, the target market value is estimated at \$343 million per year.

Unemployment (Local v National)



Regional Sensitivity



5.4 Competitive Analysis

The business will face only a moderate amount of competition as it establishes its operations in Madison. There are only a handful of restaurants to focus specifically on providing burgers to the general public. The Company will maintain a major differentiating factor given the large number of premium sides that are available in addition to burgers.

6.0 Key Strategic Issues

6.1 Sustainable Operations

Matt's Burgers, Bites & Shakes will have sustainable operations as a result of the following:

- The Company has already sourced purveyors that will cost effectively provide input inventories.
- The Company will face modest competition as a establishes its operations in Madison.
- A Founder that has extensive experience in the food and beverage industry.
- Take-away and delivery orders will drive substantial sales.
- The Company can provide catering services.

6.2 Basis of Growth

The Company will expand via the following methods:

- Potential development of additional Matt's Burgers, Bites & Shakes branded locations within other markets of Wisconsin.
- Continued expansion of the Company's online and traditional marketing campaigns.
- Integration of new menu items in order to drive repeat patronage.

7.0 Marketing Plan

7.1 Marketing Objectives

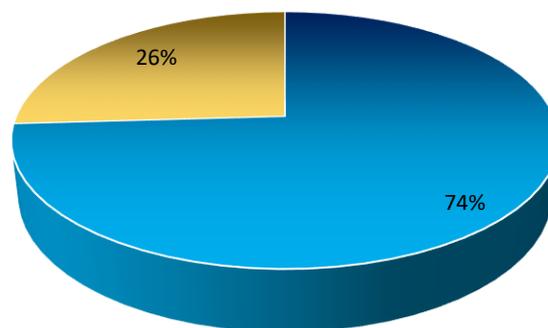
- Implement a wide-ranging pre-launch marketing campaign that specifically targets students and younger people within Madison.
- Established ongoing relationships with event planners that may have the business provide catering on site.
- Use and leverage multiple forms of online marketing to create significant brand visibility within the Madison market.

7.2 Revenue Forecasts

| Yearly Sales Forecast | | | | | |
|-----------------------|------------------|------------------|------------------|------------------|------------------|
| Year | 1 | 2 | 3 | 4 | 5 |
| Burger and Food Sales | \$499,800 | \$529,788 | \$582,767 | \$617,733 | \$654,797 |
| Beverage Sales | \$174,930 | \$185,426 | \$203,968 | \$216,206 | \$229,179 |
| Totals | \$674,730 | \$715,214 | \$786,735 | \$833,939 | \$883,976 |

| Gross Profit | | | | | |
|--------------|------------------|------------------|------------------|------------------|------------------|
| Year | 1 | 2 | 3 | 4 | 5 |
| Total | \$491,054 | \$520,517 | \$572,568 | \$606,922 | \$643,338 |

Revenue Generation



■ Burger and Food Sales ■ Beverage Sales

7.3 Revenue Assumptions

Year 1

- The Company will establish its burger restaurant location this year.
- Revenue will reach \$674,000.

Year 2

- The business will further expand its scope of marketing in Madison.
- Revenue will reach \$715,000.

Years 3-5

- In Year 5, the Company will achieve \$883,000 of revenue.
- Gross profits will reach \$643,000.

7.4 Marketing Strategies

Most importantly, Management is in the process of sourcing a highly visible retail location that will be used to house the Company's operations. As noted earlier, it is expected that this location will be strategically located near a major university in order to drive ongoing traffic. The Company is currently coordinating these efforts with a qualified commercial real estate broker.

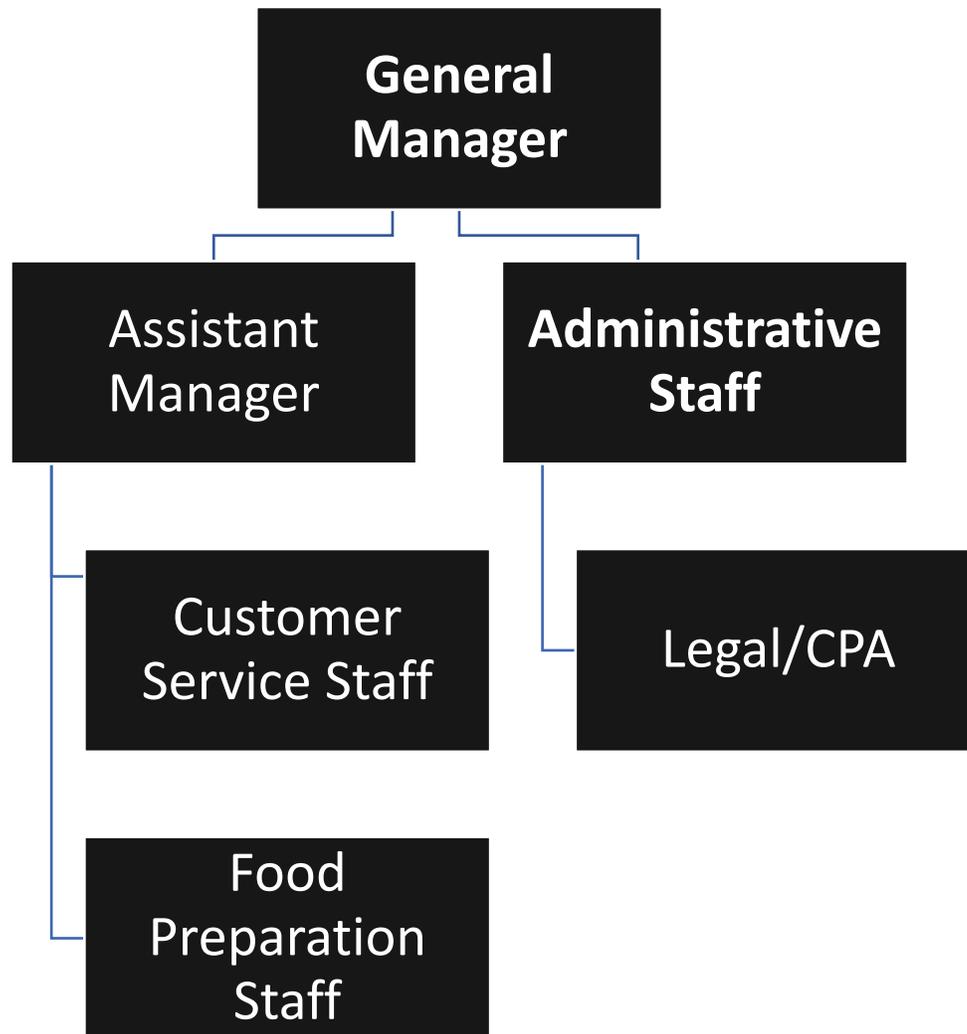
Prior to the launch of operations, the business will establish its online marketing apparatus. This will ensure that the business can be quickly found once full-scale operations commence in the fourth quarter of this year. The online platform will feature e-commerce functionality so that take away and delivery orders can be placed directly through the website while also guiding people towards popular delivery application suites.

The Company will use social media to a large extent in order to create regional brand visibility as well. The business will frequently announce promotions, deals, and new menu items across all social media platforms, including Instagram, Facebook, X, and TikTok.

As business establishes and expand its operations, the Company may use televised advertisement within the Madison area in order further drive engagement. This will also be complimented by the use of billboards among major highways throughout Madison.

8.0 Organizational Plan

8.1 Organizational Hierarchy

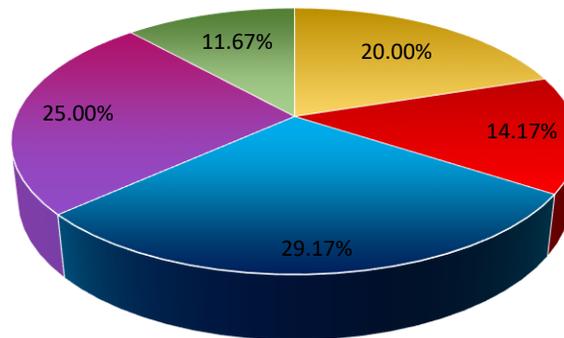


8.2 Personnel Costs

| Personnel Plan - Yearly | | | | | |
|-------------------------|------------------|------------------|------------------|------------------|------------------|
| Year | 1 | 2 | 3 | 4 | 5 |
| General Manager | \$60,000 | \$60,600 | \$61,206 | \$61,818 | \$62,436 |
| Assistant Manager | \$42,500 | \$42,925 | \$43,354 | \$43,788 | \$44,226 |
| Front of House Staff | \$70,000 | \$70,700 | \$89,259 | \$90,151 | \$91,053 |
| Kitchen Staff | \$75,000 | \$75,750 | \$76,508 | \$77,273 | \$78,045 |
| Administrative Staff | \$35,000 | \$35,350 | \$35,704 | \$36,061 | \$36,421 |
| Total | \$282,500 | \$285,325 | \$306,030 | \$309,090 | \$312,181 |

| Numbers of Personnel (Year End Headcount) | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|
| Year | 1 | 2 | 3 | 4 | 5 |
| General Manager | 1 | 1 | 1 | 1 | 1 |
| Assistant Manager | 1 | 1 | 1 | 1 | 1 |
| Front of House Staff | 4 | 4 | 5 | 5 | 5 |
| Kitchen Staff | 3 | 3 | 3 | 3 | 3 |
| Administrative Staff | 1 | 1 | 1 | 1 | 1 |
| Total | 10 | 10 | 11 | 11 | 11 |

Personnel Summary



- General Manager ■ Assistant Manager ■ Front of House Staff
- Kitchen Staff ■ Administrative Staff

9.0 Financial Plan

9.1 Underlying Assumptions

- The Company will acquire \$175,000 to launch operations.
- Matt's Burgers, Bites & Shakes will have a compounded annual growth rate of 7.2%.
- Business will not acquire any additional capital during the first five years of operation.

9.2 Financial Highlights

- Burger sales will produce contribution margins of 75%.
- Beverage sales will produce contribution margins of 80%.

9.3 Sensitivity Analysis

The Company's revenues may be impacted by a highly severe economic recession, although this is a modest risk for the company. Has been noted throughout this document, this restaurant will be a favorite among university students given its location. The Company will earn exceptional contribution margins on all sales which will further contribute to the economic stability of the business.

9.4 Source of Funds

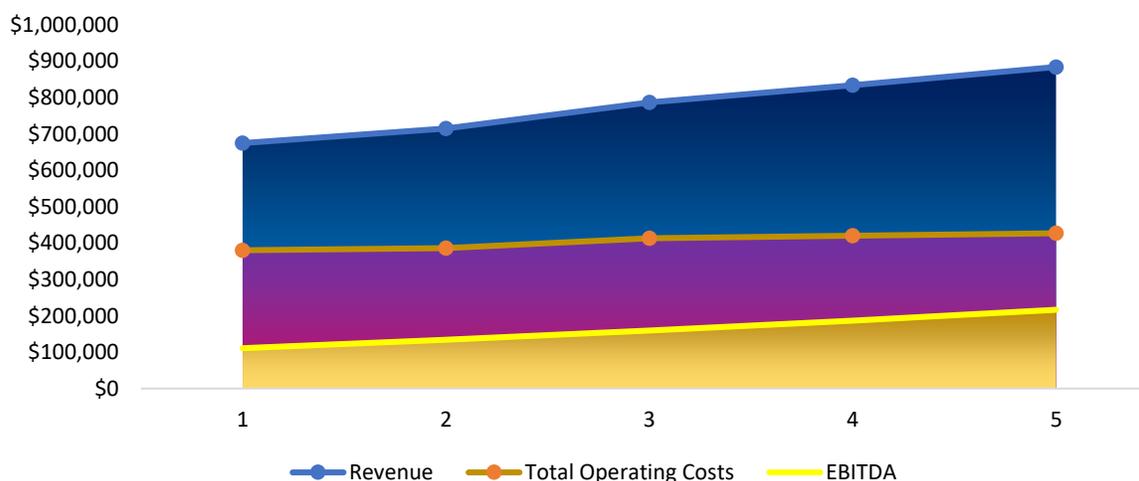
| Financing | |
|-------------------------------|---------------------|
| Equity | |
| Equity Capitalization | \$25,000.00 |
| Total Equity Financing | \$25,000.00 |
| Banks and Lenders | |
| Business Loan | \$175,000.00 |
| Total Debt Financing | \$175,000.00 |
| Total Financing | \$200,000.00 |

9.5 Financial Proformas

A) Profit and Loss Statement

| Proforma Profit and Loss | | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| Year | 1 | 2 | 3 | 4 | 5 |
| Revenue | \$674,730 | \$715,214 | \$786,735 | \$833,939 | \$883,976 |
| Cost of Revenue | \$183,677 | \$194,697 | \$214,167 | \$227,017 | \$240,638 |
| Gross Margin | 72.78% | 72.78% | 72.78% | 72.78% | 72.78% |
| Gross Profit | \$491,054 | \$520,517 | \$572,568 | \$606,922 | \$643,338 |
| Expenses | | | | | |
| Payroll | \$282,500 | \$285,325 | \$306,030 | \$309,090 | \$312,181 |
| Facility Costs | \$24,608 | \$24,854 | \$25,103 | \$25,354 | \$25,607 |
| General and Administrative | \$13,495 | \$14,304 | \$15,735 | \$16,679 | \$17,680 |
| Professional Fees and Licensure | \$3,500 | \$3,535 | \$3,570 | \$3,606 | \$3,642 |
| Insurance | \$4,750 | \$4,798 | \$4,845 | \$4,894 | \$4,943 |
| Marketing | \$23,413 | \$24,818 | \$27,300 | \$28,938 | \$30,674 |
| Maintenance | \$5,060 | \$5,364 | \$5,901 | \$6,255 | \$6,630 |
| Misc. Costs | \$1,215 | \$1,287 | \$1,416 | \$1,501 | \$1,591 |
| Payroll Taxes | \$21,611 | \$21,827 | \$23,411 | \$23,645 | \$23,882 |
| Total Operating Costs | \$380,152 | \$386,113 | \$413,311 | \$419,961 | \$426,830 |
| EBITDA | \$110,902 | \$134,404 | \$159,258 | \$186,961 | \$216,508 |
| Federal Income Tax | \$20,183 | \$26,223 | \$32,619 | \$39,748 | \$47,361 |
| State Income Tax | \$4,037 | \$5,245 | \$6,524 | \$7,950 | \$9,472 |
| Interest Expense | \$13,570 | \$12,581 | \$11,511 | \$10,351 | \$9,096 |
| Depreciation Expenses | \$16,600 | \$16,932 | \$17,271 | \$17,616 | \$17,968 |
| Net Profit | \$56,512 | \$73,424 | \$91,333 | \$111,296 | \$132,611 |
| Profit Margin | 8.38% | 10.27% | 11.61% | 13.35% | 15.00% |

Revenue, Operating Costs, EBITDA



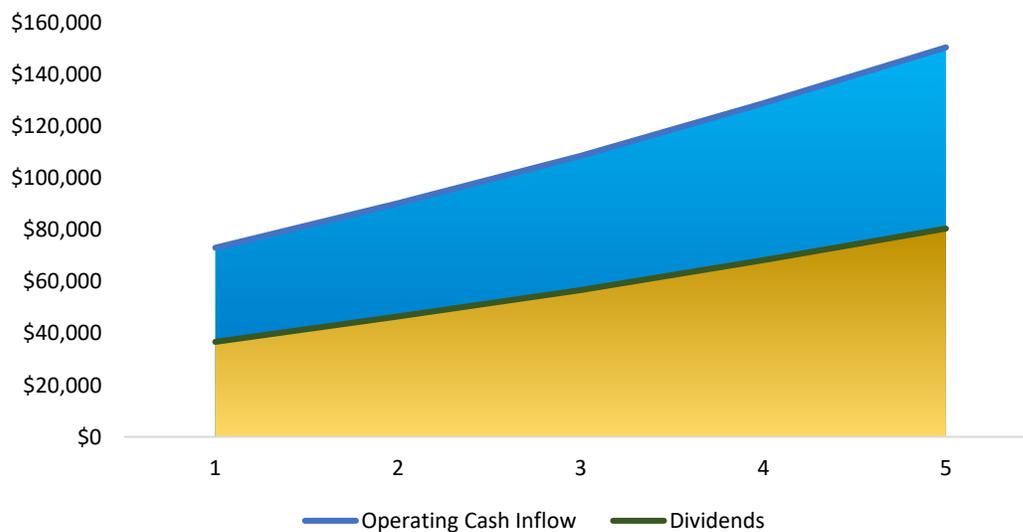
B) Common Size Income Statement

| 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 | 27.22% | 27.22% | 27.22% | 27.22% | 27.22% |
| Gross Profit | 72.78% | 72.78% | 72.78% | 72.78% | 72.78% |
| Expenses | | | | | |
| Payroll | 41.87% | 39.89% | 38.90% | 37.06% | 35.32% |
| Facility Costs | 3.65% | 3.48% | 3.19% | 3.04% | 2.90% |
| General and Administrative | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Professional Fees and Licensure | 0.52% | 0.49% | 0.45% | 0.43% | 0.41% |
| Insurance | 0.70% | 0.67% | 0.62% | 0.59% | 0.56% |
| Marketing | 3.47% | 3.47% | 3.47% | 3.47% | 3.47% |
| Maintenance | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% |
| Misc. Costs | 0.18% | 0.18% | 0.18% | 0.18% | 0.18% |
| Payroll Taxes | 3.20% | 3.05% | 2.98% | 2.84% | 2.70% |
| Total Operating Costs | 56.34% | 53.99% | 52.53% | 50.36% | 48.29% |
| EBITDA | 16.44% | 18.79% | 20.24% | 22.42% | 24.49% |
| Federal Income Tax | 2.99% | 3.67% | 4.15% | 4.77% | 5.36% |
| State Income Tax | 0.60% | 0.73% | 0.83% | 0.95% | 1.07% |
| Interest Expense | 2.01% | 1.76% | 1.46% | 1.24% | 1.03% |
| Depreciation Expenses | 2.46% | 2.37% | 2.20% | 2.11% | 2.03% |
| Net Profit | 8.38% | 10.27% | 11.61% | 13.35% | 15.00% |

C) Cash Flow Analysis

| Proforma Cash Flow Analysis - Yearly | | | | | |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Year | 1 | 2 | 3 | 4 | 5 |
| Cash From Operations | \$73,112 | \$90,356 | \$108,604 | \$128,912 | \$150,579 |
| Cash From Receivables | \$0 | \$0 | \$0 | \$0 | \$0 |
| Operating Cash Inflow | \$73,112 | \$90,356 | \$108,604 | \$128,912 | \$150,579 |
| Other Cash Inflows | | | | | |
| Equity Investment | \$25,000 | \$0 | \$0 | \$0 | \$0 |
| Increased Borrowings | \$175,000 | \$0 | \$0 | \$0 | \$0 |
| Sales of Business Assets | \$0 | \$0 | \$0 | \$0 | \$0 |
| A/P Increases | \$1,210 | \$1,271 | \$1,334 | \$1,401 | \$1,471 |
| Total Other Cash Inflows | \$201,210 | \$1,271 | \$1,334 | \$1,401 | \$1,471 |
| Total Cash Inflow | \$274,322 | \$91,626 | \$109,938 | \$130,312 | \$152,050 |
| Cash Outflows | | | | | |
| Repayment of Principal | \$11,909 | \$12,898 | \$13,968 | \$15,127 | \$16,383 |
| A/P Decreases | \$847 | \$889 | \$934 | \$981 | \$1,030 |
| A/R Increases | \$0 | \$0 | \$0 | \$0 | \$0 |
| Asset Purchases | \$150,000 | \$4,518 | \$5,430 | \$6,446 | \$7,529 |
| Dividends | \$36,722 | \$46,475 | \$56,782 | \$68,270 | \$80,518 |
| Preferred Equity Payment | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Cash Outflows | \$199,478 | \$64,780 | \$77,114 | \$90,824 | \$105,459 |
| Net Cash Flow | \$74,844 | \$26,847 | \$32,824 | \$39,488 | \$46,591 |
| Cash Balance | \$74,844 | \$101,691 | \$134,515 | \$174,003 | \$220,594 |

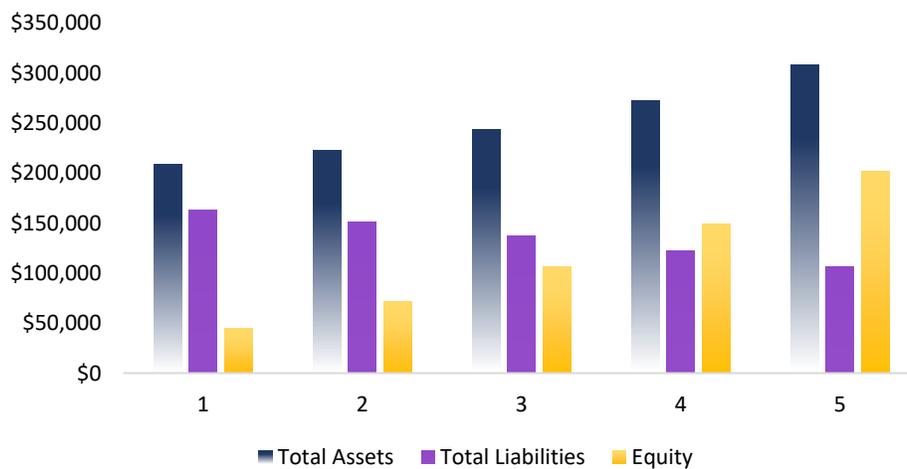
Cash Flow Analysis



D) Balance Sheet

| Proforma Balance Sheet - Yearly | | | | | |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Year | 1 | 2 | 3 | 4 | 5 |
| Assets | | | | | |
| Cash | \$74,844 | \$101,691 | \$134,515 | \$174,003 | \$220,594 |
| Fixed Assets | \$150,000 | \$154,518 | \$159,948 | \$166,394 | \$173,923 |
| Accumulated Depreciation | (\$16,600) | (\$33,532) | (\$50,803) | (\$68,419) | (\$86,387) |
| Total Assets | \$208,244 | \$222,677 | \$243,661 | \$271,978 | \$308,130 |
| Liabilities and Equity | | | | | |
| Accounts Payable | \$363 | \$744 | \$1,144 | \$1,565 | \$2,006 |
| Long Term Liabilities | \$163,091 | \$150,193 | \$136,225 | \$121,098 | \$104,715 |
| Other Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Liabilities | \$163,454 | \$150,937 | \$137,369 | \$122,662 | \$106,720 |
| Equity | \$44,790 | \$71,739 | \$106,291 | \$149,316 | \$201,409 |
| Total Liabilities and Equity | \$208,244 | \$222,677 | \$243,661 | \$271,978 | \$308,130 |

Balance Sheet



E) Expanded Sensitivity Analysis

| Sensitivity Analysis (20% Higher) | | | | | |
|--|-----------|-----------|-----------|-------------|-------------|
| Year | 1 | 2 | 3 | 4 | 5 |
| Revenue | \$809,676 | \$858,257 | \$944,082 | \$1,000,727 | \$1,060,771 |
| Cost of Revenue | \$220,412 | \$233,637 | \$257,000 | \$272,420 | \$288,765 |
| Gross Profit | \$589,264 | \$624,620 | \$687,082 | \$728,307 | \$772,005 |
| Total Operating Costs | \$380,152 | \$386,113 | \$413,311 | \$419,961 | \$426,830 |
| EBITDA | \$209,112 | \$238,507 | \$273,771 | \$308,346 | \$345,176 |

| Sensitivity Analysis (10% Higher) | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|
| Year | 1 | 2 | 3 | 4 | 5 |
| Revenue | \$742,203 | \$786,735 | \$865,409 | \$917,333 | \$972,373 |
| Cost of Revenue | \$202,044 | \$214,167 | \$235,583 | \$249,718 | \$264,702 |
| Gross Profit | \$540,159 | \$572,568 | \$629,825 | \$667,615 | \$707,672 |
| Total Operating Costs | \$380,152 | \$386,113 | \$413,311 | \$419,961 | \$426,830 |
| EBITDA | \$160,007 | \$186,456 | \$216,514 | \$247,653 | \$280,842 |

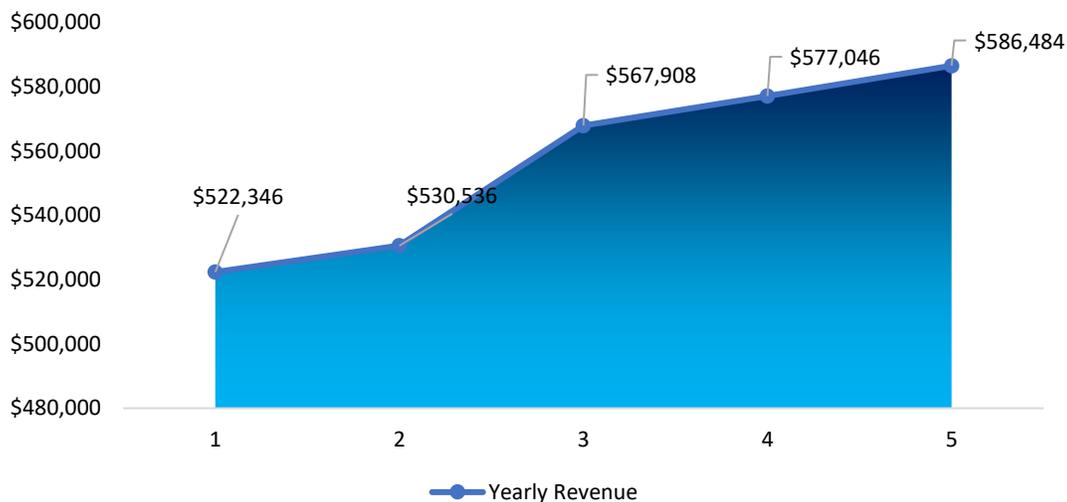
| Sensitivity Analysis (10% Lower) | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|
| Year | 1 | 2 | 3 | 4 | 5 |
| Revenue | \$607,257 | \$643,692 | \$708,062 | \$750,545 | \$795,578 |
| Cost of Revenue | \$165,309 | \$175,227 | \$192,750 | \$204,315 | \$216,574 |
| Gross Profit | \$441,948 | \$468,465 | \$515,312 | \$546,230 | \$579,004 |
| Total Operating Costs | \$380,152 | \$386,113 | \$413,311 | \$419,961 | \$426,830 |
| EBITDA | \$61,796 | \$82,352 | \$102,001 | \$126,269 | \$152,174 |

| Sensitivity Analysis (20% Lower) | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|
| Year | 1 | 2 | 3 | 4 | 5 |
| Revenue | \$539,784 | \$572,171 | \$629,388 | \$667,151 | \$707,181 |
| Cost of Revenue | \$146,941 | \$155,758 | \$171,333 | \$181,613 | \$192,510 |
| Gross Profit | \$392,843 | \$416,413 | \$458,055 | \$485,538 | \$514,670 |
| Total Operating Costs | \$380,152 | \$386,113 | \$413,311 | \$419,961 | \$426,830 |
| EBITDA | \$12,691 | \$30,301 | \$44,744 | \$65,577 | \$87,841 |

9.6 Breakeven Analysis

| Break Even Analysis | | | | | |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| Year | 1 | 2 | 3 | 4 | 5 |
| Monthly Revenue | \$43,529 | \$44,211 | \$47,326 | \$48,087 | \$48,874 |
| Yearly Revenue | \$522,346 | \$530,536 | \$567,908 | \$577,046 | \$586,484 |

Breakeven Analysis



9.7 Business Ratios

| Business Ratios - Yearly | | | | | |
|--------------------------|-------|--------|--------|--------|--------|
| Year | 1 | 2 | 3 | 4 | 5 |
| Revenue | | | | | |
| Sales Growth | 0.0% | 6.0% | 10.0% | 6.0% | 6.0% |
| Gross Margin | 72.8% | 72.8% | 72.8% | 72.8% | 72.8% |
| Financials | | | | | |
| Profit Margin | 8.38% | 10.27% | 11.61% | 13.35% | 15.00% |
| Assets to Liabilities | 1.27 | 1.48 | 1.77 | 2.22 | 2.89 |
| Equity to Liabilities | 0.27 | 0.48 | 0.77 | 1.22 | 1.89 |
| Assets to Equity | 4.65 | 3.10 | 2.29 | 1.82 | 1.53 |
| Liquidity | | | | | |
| Acid Test | 0.46 | 0.67 | 0.98 | 1.42 | 2.07 |
| Cash to Assets | 0.36 | 0.46 | 0.55 | 0.64 | 0.72 |

9.8 DSCR Analysis

| DSCR Analysis | | | | | |
|--------------------------|-----------|-----------|-----------|-----------|-----------|
| Year | 1 | 2 | 3 | 4 | 5 |
| Interest | \$13,570 | \$12,581 | \$11,511 | \$10,351 | \$9,096 |
| Principal | \$11,909 | \$12,898 | \$13,968 | \$15,127 | \$16,383 |
| Total Debt Service | \$25,479 | \$25,479 | \$25,479 | \$25,479 | \$25,479 |
| Base Case | | | | | |
| EBITDA | \$110,902 | \$134,404 | \$159,258 | \$186,961 | \$216,508 |
| DSCR | 4.35 | 5.28 | 6.25 | 7.34 | 8.50 |
| Optimistic Case | | | | | |
| EBITDA | \$209,112 | \$238,507 | \$273,771 | \$308,346 | \$345,176 |
| DSCR | 8.21 | 9.36 | 10.75 | 12.10 | 13.55 |
| Conservative Case | | | | | |
| EBITDA | \$12,691 | \$30,301 | \$44,744 | \$65,577 | \$87,841 |
| DSCR | 0.50 | 1.19 | 1.76 | 2.57 | 3.45 |

Appendix A – SWOT Analysis

Strengths

- Significant demand within Madison for burger restaurant locations.
- The business will be able to rapidly expand its operations through online marketing.
- Limited competition among burger restaurants that specialize in this type of fare.
- Substantial contribution margins on all revenue centers.

Weaknesses

- General operational complexities as this is a food and beverage business.
- Moderately high cost related to rental expenses.

Opportunities

- Potential development of additional burger locations throughout other economically viable markets.
- Continued expansion in the Company's online marketing operations.
- Expansion of catering operations.
- Integration of additional menu items such as hot dogs and chicken sandwiches.

Threats

- Ongoing issues with inflation can cost the price of beef to increase.
- Competition from substitutive restaurants in Madison.

Appendix B – Critical Risks

Development Risk – **Low**

Management has already sourced the potential location that will be used to house operations. The primary matter that needs to be addressed is securing the funding discussed in this document.

Financing Risk – **Moderate**

The \$175,000 discussed in this burger restaurant business plan will ensure that the business is able to properly establish its operations while reaching profitability. A significant portion of this capital will be used for tangible furniture, fixtures, and equipment.

Marketing Risk – **Low/Moderate**

The Company will continue to expand on the marketing strategies discussed in the seventh chapter of this burger restaurant business plan. A major focus on social media, search engine, optimization, and targeted marketing towards students will reduce these risks.

Management Risk – **Low**

The Founder has extensive experience operating food service, businesses and restaurants. He knows how to properly develop this business while ensuring that profitability will be reached in the first year of operation.

Valuation Risk – **Low**

The valuation risk is offset by:

- Substantial contributions on all burger and beverage sales.
- The operations of this business for highly scale and additional locations can be developed quickly

Exit Risk - **Low**

In the event that it is necessary to do so, this business could easily be sold for a significant price to earnings multiple. These efforts would be coordinated with a qualified business sales specialist once a formal valuation has been completed.

Appendix C – Expanded Profit and Loss Statements

| Profit and Loss Statement (First Year) | | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Months | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Revenue | \$54,000 | \$54,405 | \$54,810 | \$55,215 | \$55,620 | \$56,025 | \$56,430 |
| Cost of Revenue | \$14,700 | \$14,810 | \$14,921 | \$15,031 | \$15,141 | \$15,251 | \$15,362 |
| Gross Profit | \$39,300 | \$39,595 | \$39,890 | \$40,184 | \$40,479 | \$40,774 | \$41,069 |
| Expenses | | | | | | | |
| Payroll | \$23,542 | \$23,542 | \$23,542 | \$23,542 | \$23,542 | \$23,542 | \$23,542 |
| Facility Costs | \$2,051 | \$2,051 | \$2,051 | \$2,051 | \$2,051 | \$2,051 | \$2,051 |
| General and Administrative | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 |
| Professional Fees and Licensure | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 |
| Insurance | \$396 | \$396 | \$396 | \$396 | \$396 | \$396 | \$396 |
| Marketing | \$1,951 | \$1,951 | \$1,951 | \$1,951 | \$1,951 | \$1,951 | \$1,951 |
| Maintenance | \$422 | \$422 | \$422 | \$422 | \$422 | \$422 | \$422 |
| Misc. Costs | \$101 | \$101 | \$101 | \$101 | \$101 | \$101 | \$101 |
| Payroll Taxes | \$1,801 | \$1,801 | \$1,801 | \$1,801 | \$1,801 | \$1,801 | \$1,801 |
| Total Operating Costs | \$31,679 |
| EBITDA | \$7,621 | \$7,915 | \$8,210 | \$8,505 | \$8,800 | \$9,094 | \$9,389 |
| Federal Income Tax | \$1,615 | \$1,627 | \$1,640 | \$1,652 | \$1,664 | \$1,676 | \$1,688 |
| State Income Tax | \$323 | \$325 | \$328 | \$330 | \$333 | \$335 | \$338 |
| Interest Expense | \$1,167 | \$1,160 | \$1,154 | \$1,147 | \$1,141 | \$1,134 | \$1,128 |
| Depreciation Expenses | \$1,383 | \$1,383 | \$1,383 | \$1,383 | \$1,383 | \$1,383 | \$1,383 |
| Net Profit | \$3,132 | \$3,419 | \$3,706 | \$3,992 | \$4,279 | \$4,566 | \$4,853 |

Profit and Loss Statement (First Year Cont.)

| Month | 8 | 9 | 10 | 11 | 12 | Year 1 |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Revenue | \$56,835 | \$57,240 | \$57,645 | \$58,050 | \$58,455 | \$674,730 |
| Cost of Revenue | \$15,472 | \$15,582 | \$15,692 | \$15,803 | \$15,913 | \$183,677 |
| Gross Profit | \$41,363 | \$41,658 | \$41,953 | \$42,248 | \$42,542 | \$491,054 |
| Expenses | | | | | | |
| Payroll | \$23,542 | \$23,542 | \$23,542 | \$23,542 | \$23,542 | \$282,500 |
| Facility Costs | \$2,051 | \$2,051 | \$2,051 | \$2,051 | \$2,051 | \$24,608 |
| General and Administrative | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$13,495 |
| Professional Fees and Licensure | \$292 | \$292 | \$292 | \$292 | \$292 | \$3,500 |
| Insurance | \$396 | \$396 | \$396 | \$396 | \$396 | \$4,750 |
| Marketing | \$1,951 | \$1,951 | \$1,951 | \$1,951 | \$1,951 | \$23,413 |
| Maintenance | \$422 | \$422 | \$422 | \$422 | \$422 | \$5,060 |
| Misc. Costs | \$101 | \$101 | \$101 | \$101 | \$101 | \$1,215 |
| Payroll Taxes | \$1,801 | \$1,801 | \$1,801 | \$1,801 | \$1,801 | \$21,611 |
| Total Operating Costs | \$31,679 | \$31,679 | \$31,679 | \$31,679 | \$31,679 | \$380,152 |
| EBITDA | \$9,684 | \$9,979 | \$10,273 | \$10,568 | \$10,863 | \$110,902 |
| Federal Income Tax | \$1,700 | \$1,712 | \$1,724 | \$1,736 | \$1,749 | \$20,183 |
| State Income Tax | \$340 | \$342 | \$345 | \$347 | \$350 | \$4,037 |
| Interest Expense | \$1,121 | \$1,114 | \$1,108 | \$1,101 | \$1,094 | \$13,570 |
| Depreciation Expenses | \$1,383 | \$1,383 | \$1,383 | \$1,383 | \$1,383 | \$16,600 |
| Net Profit | \$5,139 | \$5,426 | \$5,713 | \$6,000 | \$6,287 | \$56,512 |

| Profit and Loss Statement (Second Year) | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| Quarter | Year 2 | | | | |
| | Q1 | Q2 | Q3 | Q4 | Year 2 |
| Revenue | \$173,439 | \$177,015 | \$180,591 | \$184,168 | \$715,214 |
| Cost of Revenue | \$47,214 | \$48,188 | \$49,161 | \$50,135 | \$194,697 |
| Gross Profit | \$126,225 | \$128,828 | \$131,430 | \$134,033 | \$520,517 |
| Expenses | | | | | |
| Payroll | \$71,331 | \$71,331 | \$71,331 | \$71,331 | \$285,325 |
| Facility Costs | \$6,214 | \$6,214 | \$6,214 | \$6,214 | \$24,854 |
| General and Administrative | \$3,469 | \$3,540 | \$3,612 | \$3,683 | \$14,304 |
| Professional Fees and Licensure | \$857 | \$875 | \$893 | \$910 | \$3,535 |
| Insurance | \$1,199 | \$1,199 | \$1,199 | \$1,199 | \$4,798 |
| Marketing | \$6,018 | \$6,142 | \$6,267 | \$6,391 | \$24,818 |
| Maintenance | \$1,341 | \$1,341 | \$1,341 | \$1,341 | \$5,364 |
| Misc. Costs | \$312 | \$319 | \$325 | \$332 | \$1,287 |
| Payroll Taxes | \$5,293 | \$5,402 | \$5,511 | \$5,621 | \$21,827 |
| Total Operating Costs | \$96,035 | \$96,364 | \$96,693 | \$97,021 | \$386,113 |
| EBITDA | \$30,190 | \$32,464 | \$34,738 | \$37,012 | \$134,404 |
| Federal Income Tax | \$6,359 | \$6,490 | \$6,621 | \$6,752 | \$26,223 |
| State Income Tax | \$1,272 | \$1,298 | \$1,324 | \$1,350 | \$5,245 |
| Interest Expense | \$3,241 | \$3,178 | \$3,114 | \$3,048 | \$12,581 |
| Depreciation Expenses | \$4,233 | \$4,233 | \$4,233 | \$4,233 | \$16,932 |
| Net Profit | \$15,086 | \$17,265 | \$19,446 | \$21,628 | \$73,424 |

Profit and Loss Statement (Third Year)

| Quarter | Year 3 | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| | Q1 | Q2 | Q3 | Q4 | Year 3 |
| Revenue | \$190,783 | \$194,717 | \$198,651 | \$202,584 | \$786,735 |
| Cost of Revenue | \$51,935 | \$53,006 | \$54,077 | \$55,148 | \$214,167 |
| Gross Profit | \$138,848 | \$141,711 | \$144,574 | \$147,436 | \$572,568 |
| Expenses | | | | | |
| Payroll | \$76,508 | \$76,508 | \$76,508 | \$76,508 | \$306,030 |
| Facility Costs | \$6,276 | \$6,276 | \$6,276 | \$6,276 | \$25,103 |
| General and Administrative | \$3,816 | \$3,894 | \$3,973 | \$4,052 | \$15,735 |
| Professional Fees and Licensure | \$866 | \$884 | \$902 | \$919 | \$3,570 |
| Insurance | \$1,211 | \$1,211 | \$1,211 | \$1,211 | \$4,845 |
| Marketing | \$6,620 | \$6,757 | \$6,893 | \$7,030 | \$27,300 |
| Maintenance | \$1,475 | \$1,475 | \$1,475 | \$1,475 | \$5,901 |
| Misc. Costs | \$343 | \$350 | \$358 | \$365 | \$1,416 |
| Payroll Taxes | \$5,853 | \$5,853 | \$5,853 | \$5,853 | \$23,411 |
| Total Operating Costs | \$102,968 | \$103,208 | \$103,448 | \$103,688 | \$413,311 |
| EBITDA | \$35,880 | \$38,503 | \$41,126 | \$43,749 | \$159,258 |
| Federal Income Tax | \$7,910 | \$8,073 | \$8,236 | \$8,399 | \$32,619 |
| State Income Tax | \$1,582 | \$1,615 | \$1,647 | \$1,680 | \$6,524 |
| Interest Expense | \$2,981 | \$2,913 | \$2,844 | \$2,773 | \$11,511 |
| Depreciation Expenses | \$4,318 | \$4,318 | \$4,318 | \$4,318 | \$17,271 |
| Net Profit | \$19,089 | \$21,584 | \$24,081 | \$26,579 | \$91,333 |

Profit and Loss Statement (Fourth Year)

| Quarter | Year 4 | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| | Q1 | Q2 | Q3 | Q4 | Year 4 |
| Revenue | \$202,230 | \$206,400 | \$210,570 | \$214,739 | \$833,939 |
| Cost of Revenue | \$55,052 | \$56,187 | \$57,322 | \$58,457 | \$227,017 |
| Gross Profit | \$147,179 | \$150,213 | \$153,248 | \$156,283 | \$606,922 |
| Expenses | | | | | |
| Payroll | \$77,273 | \$77,273 | \$77,273 | \$77,273 | \$309,090 |
| Facility Costs | \$6,338 | \$6,338 | \$6,338 | \$6,338 | \$25,354 |
| General and Administrative | \$4,045 | \$4,128 | \$4,211 | \$4,295 | \$16,679 |
| Professional Fees and Licensure | \$874 | \$892 | \$911 | \$929 | \$3,606 |
| Insurance | \$1,223 | \$1,223 | \$1,223 | \$1,223 | \$4,894 |
| Marketing | \$7,017 | \$7,162 | \$7,307 | \$7,451 | \$28,938 |
| Maintenance | \$1,564 | \$1,564 | \$1,564 | \$1,564 | \$6,255 |
| Misc. Costs | \$364 | \$372 | \$379 | \$387 | \$1,501 |
| Payroll Taxes | \$5,911 | \$5,911 | \$5,911 | \$5,911 | \$23,645 |
| Total Operating Costs | \$104,610 | \$104,864 | \$105,117 | \$105,371 | \$419,961 |
| EBITDA | \$42,569 | \$45,350 | \$48,131 | \$50,912 | \$186,961 |
| Federal Income Tax | \$9,639 | \$9,838 | \$10,036 | \$10,235 | \$39,748 |
| State Income Tax | \$1,928 | \$1,968 | \$2,007 | \$2,047 | \$7,950 |
| Interest Expense | \$2,700 | \$2,626 | \$2,551 | \$2,474 | \$10,351 |
| Depreciation Expenses | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$17,616 |
| Net Profit | \$23,898 | \$26,514 | \$29,132 | \$31,751 | \$111,296 |

Profit and Loss Statement (Fifth Year)

| Quarter | Year 5 | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| | Q1 | Q2 | Q3 | Q4 | Year 5 |
| Revenue | \$214,364 | \$218,784 | \$223,204 | \$227,624 | \$883,976 |
| Cost of Revenue | \$58,355 | \$59,558 | \$60,761 | \$61,964 | \$240,638 |
| Gross Profit | \$156,009 | \$159,226 | \$162,443 | \$165,659 | \$643,338 |
| Expenses | | | | | |
| Payroll | \$78,045 | \$78,045 | \$78,045 | \$78,045 | \$312,181 |
| Facility Costs | \$6,402 | \$6,402 | \$6,402 | \$6,402 | \$25,607 |
| General and Administrative | \$4,287 | \$4,376 | \$4,464 | \$4,552 | \$17,680 |
| Professional Fees and Licensure | \$883 | \$901 | \$920 | \$938 | \$3,642 |
| Insurance | \$1,236 | \$1,236 | \$1,236 | \$1,236 | \$4,943 |
| Marketing | \$7,438 | \$7,592 | \$7,745 | \$7,899 | \$30,674 |
| Maintenance | \$1,657 | \$1,657 | \$1,657 | \$1,657 | \$6,630 |
| Misc. Costs | \$386 | \$394 | \$402 | \$410 | \$1,591 |
| Payroll Taxes | \$5,970 | \$5,970 | \$5,970 | \$5,970 | \$23,882 |
| Total Operating Costs | \$106,306 | \$106,573 | \$106,841 | \$107,109 | \$426,830 |
| EBITDA | \$49,704 | \$52,653 | \$55,601 | \$58,550 | \$216,508 |
| Federal Income Tax | \$11,485 | \$11,722 | \$11,959 | \$12,195 | \$47,361 |
| State Income Tax | \$2,297 | \$2,344 | \$2,392 | \$2,439 | \$9,472 |
| Interest Expense | \$2,396 | \$2,316 | \$2,234 | \$2,151 | \$9,096 |
| Depreciation Expenses | \$4,492 | \$4,492 | \$4,492 | \$4,492 | \$17,968 |
| Net Profit | \$29,034 | \$31,779 | \$34,525 | \$37,273 | \$132,611 |

Appendix D – Expanded Cash Flow Analysis

| Cash Flow Analysis (First Year) | | | | | | | | |
|---------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Month | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Cash From Operations | \$4,516 | \$4,802 | \$5,089 | \$5,376 | \$5,662 | \$5,949 | \$6,236 | \$6,523 |
| Cash From Receivables | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Operating Cash Inflow | \$4,516 | \$4,802 | \$5,089 | \$5,376 | \$5,662 | \$5,949 | \$6,236 | \$6,523 |
| Other Cash Inflows | | | | | | | | |
| Equity Investment | \$25,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Increased Borrowings | \$175,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales of Business Assets | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| A/P Increases | \$101 | \$101 | \$101 | \$101 | \$101 | \$101 | \$101 | \$101 |
| Total Other Cash Inflows | \$200,101 | \$101 |
| Total Cash Inflow | \$204,616 | \$4,903 | \$5,190 | \$5,476 | \$5,763 | \$6,050 | \$6,337 | \$6,624 |
| Cash Outflows | | | | | | | | |
| Repayment of Principal | \$957 | \$963 | \$969 | \$976 | \$982 | \$989 | \$995 | \$1,002 |
| A/P Decreases | \$71 | \$71 | \$71 | \$71 | \$71 | \$71 | \$71 | \$71 |
| A/R Increases | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Asset Purchases | \$150,000 | \$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 | \$151,027 | \$1,034 | \$1,040 | \$1,046 | \$1,053 | \$1,059 | \$1,066 | \$1,073 |
| Net Cash Flow | \$53,589 | \$3,870 | \$4,150 | \$4,430 | \$4,710 | \$4,990 | \$5,271 | \$5,551 |
| Cash Balance | \$53,589 | \$57,459 | \$61,609 | \$66,039 | \$70,749 | \$75,739 | \$81,010 | \$86,561 |

| Cash Flow Analysis (First Year Cont.) | | | | | |
|--|-----------------|-----------------|------------------|------------------|------------------|
| Month | 9 | 10 | 11 | 12 | Year 1 |
| Cash From Operations | \$6,810 | \$7,097 | \$7,384 | \$7,671 | \$73,112 |
| Cash From Receivables | \$0 | \$0 | \$0 | \$0 | \$0 |
| Operating Cash Inflow | \$6,810 | \$7,097 | \$7,384 | \$7,671 | \$73,112 |
| Other Cash Inflows | | | | | |
| Equity Investment | \$0 | \$0 | \$0 | \$0 | \$25,000 |
| Increased Borrowings | \$0 | \$0 | \$0 | \$0 | \$175,000 |
| Sales of Business Assets | \$0 | \$0 | \$0 | \$0 | \$0 |
| A/P Increases | \$101 | \$101 | \$101 | \$101 | \$1,210 |
| Total Other Cash Inflows | \$101 | \$101 | \$101 | \$101 | \$201,210 |
| Total Cash Inflow | \$6,910 | \$7,197 | \$7,484 | \$7,771 | \$274,322 |
| Cash Outflows | | | | | |
| Repayment of Principal | \$1,009 | \$1,016 | \$1,022 | \$1,029 | \$11,909 |
| A/P Decreases | \$71 | \$71 | \$71 | \$71 | \$847 |
| A/R Increases | \$0 | \$0 | \$0 | \$0 | \$0 |
| Asset Purchases | \$0 | \$0 | \$0 | \$0 | \$150,000 |
| Dividends | \$0 | \$0 | \$0 | \$36,722 | \$36,722 |
| Preferred Equity Payment | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Cash Outflows | \$1,079 | \$1,086 | \$1,093 | \$37,822 | \$199,478 |
| Net Cash Flow | \$5,831 | \$6,111 | \$6,391 | -\$30,050 | \$74,844 |
| Cash Balance | \$92,392 | \$98,503 | \$104,894 | \$74,844 | \$74,844 |

| Cash Flow Analysis (Second Year) | | | | | |
|---|-----------------|------------------|------------------|------------------|------------------|
| Quarter | Year 2 | | | | |
| | Q1 | Q2 | Q3 | Q4 | Year 2 |
| Cash From Operations | \$19,319 | \$21,498 | \$23,679 | \$25,861 | \$90,356 |
| Cash From Receivables | \$0 | \$0 | \$0 | \$0 | \$0 |
| Operating Cash Inflow | \$19,319 | \$21,498 | \$23,679 | \$25,861 | \$90,356 |
| 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 | \$308 | \$314 | \$321 | \$327 | \$1,271 |
| Total Other Cash Inflows | \$308 | \$314 | \$321 | \$327 | \$1,271 |
| Total Cash Inflow | \$19,627 | \$21,812 | \$23,999 | \$26,188 | \$91,626 |
| Cash Outflows | | | | | |
| Repayment of Principal | \$3,129 | \$3,192 | \$3,256 | \$3,321 | \$12,898 |
| A/P Decreases | \$216 | \$220 | \$225 | \$229 | \$889 |
| A/R Increases | \$0 | \$0 | \$0 | \$0 | \$0 |
| Asset Purchases | \$4,518 | \$0 | \$0 | \$0 | \$4,518 |
| Dividends | \$0 | \$0 | \$0 | \$46,475 | \$46,475 |
| Preferred Equity Payment | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Cash Outflows | \$7,862 | \$3,412 | \$3,480 | \$50,025 | \$64,780 |
| Net Cash Flow | \$11,765 | \$18,401 | \$20,519 | -\$23,838 | \$26,847 |
| Cash Balance | \$86,609 | \$105,009 | \$125,528 | \$101,691 | \$101,691 |

| Cash Flow Analysis (Third Year) | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| Quarter | Year 3 | | | | |
| | Q1 | Q2 | Q3 | Q4 | Year 3 |
| Cash From Operations | \$23,407 | \$25,902 | \$28,399 | \$30,897 | \$108,604 |
| Cash From Receivables | \$0 | \$0 | \$0 | \$0 | \$0 |
| Operating Cash Inflow | \$23,407 | \$25,902 | \$28,399 | \$30,897 | \$108,604 |
| 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 | \$324 | \$330 | \$337 | \$344 | \$1,334 |
| Total Other Cash Inflows | \$324 | \$330 | \$337 | \$344 | \$1,334 |
| Total Cash Inflow | \$23,730 | \$26,232 | \$28,735 | \$31,240 | \$109,938 |
| Cash Outflows | | | | | |
| Repayment of Principal | \$3,388 | \$3,457 | \$3,526 | \$3,597 | \$13,968 |
| A/P Decreases | \$226 | \$231 | \$236 | \$240 | \$934 |
| A/R Increases | \$0 | \$0 | \$0 | \$0 | \$0 |
| Asset Purchases | \$5,430 | \$0 | \$0 | \$0 | \$5,430 |
| Dividends | \$0 | \$0 | \$0 | \$56,782 | \$56,782 |
| Preferred Equity Payment | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Cash Outflows | \$9,045 | \$3,688 | \$3,762 | \$60,619 | \$77,114 |
| Net Cash Flow | \$14,685 | \$22,545 | \$24,974 | -\$29,379 | \$32,824 |
| Cash Balance | \$116,376 | \$138,921 | \$163,894 | \$134,515 | \$134,515 |

| Cash Flow Analysis (Fourth Year) | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| Quarter | Year 4 | | | | |
| | Q1 | Q2 | Q3 | Q4 | Year 4 |
| Cash From Operations | \$28,302 | \$30,918 | \$33,536 | \$36,155 | \$128,912 |
| Cash From Receivables | \$0 | \$0 | \$0 | \$0 | \$0 |
| Operating Cash Inflow | \$28,302 | \$30,918 | \$33,536 | \$36,155 | \$128,912 |
| 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 | \$340 | \$347 | \$354 | \$361 | \$1,401 |
| Total Other Cash Inflows | \$340 | \$347 | \$354 | \$361 | \$1,401 |
| Total Cash Inflow | \$28,642 | \$31,265 | \$33,890 | \$36,516 | \$130,312 |
| Cash Outflows | | | | | |
| Repayment of Principal | \$3,670 | \$3,743 | \$3,819 | \$3,896 | \$15,127 |
| A/P Decreases | \$238 | \$243 | \$248 | \$252 | \$981 |
| A/R Increases | \$0 | \$0 | \$0 | \$0 | \$0 |
| Asset Purchases | \$6,446 | \$0 | \$0 | \$0 | \$6,446 |
| Dividends | \$0 | \$0 | \$0 | \$68,270 | \$68,270 |
| Preferred Equity Payment | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Cash Outflows | \$10,353 | \$3,986 | \$4,066 | \$72,419 | \$90,824 |
| Net Cash Flow | \$18,289 | \$27,279 | \$29,823 | -\$35,902 | \$39,488 |
| Cash Balance | \$152,804 | \$180,083 | \$209,906 | \$174,003 | \$174,003 |

| Cash Flow Analysis (Fifth Year) | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| | Year 5 | | | | |
| Quarter | Q1 | Q2 | Q3 | Q4 | Year 5 |
| Cash From Operations | \$33,526 | \$36,271 | \$39,017 | \$41,765 | \$150,579 |
| Cash From Receivables | \$0 | \$0 | \$0 | \$0 | \$0 |
| Operating Cash Inflow | \$33,526 | \$36,271 | \$39,017 | \$41,765 | \$150,579 |
| 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 | \$357 | \$364 | \$371 | \$379 | \$1,471 |
| Total Other Cash Inflows | \$357 | \$364 | \$371 | \$379 | \$1,471 |
| Total Cash Inflow | \$33,883 | \$36,635 | \$39,388 | \$42,144 | \$152,050 |
| Cash Outflows | | | | | |
| Repayment of Principal | \$3,974 | \$4,054 | \$4,136 | \$4,219 | \$16,383 |
| A/P Decreases | \$250 | \$255 | \$260 | \$265 | \$1,030 |
| A/R Increases | \$0 | \$0 | \$0 | \$0 | \$0 |
| Asset Purchases | \$7,529 | \$0 | \$0 | \$0 | \$7,529 |
| Dividends | \$0 | \$0 | \$0 | \$80,518 | \$80,518 |
| Preferred Equity Payment | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Cash Outflows | \$11,753 | \$4,309 | \$4,396 | \$85,002 | \$105,459 |
| Net Cash Flow | \$22,130 | \$32,326 | \$34,993 | -\$42,858 | \$46,591 |
| Cash Balance | \$196,134 | \$228,460 | \$263,452 | \$220,594 | \$220,594 |