

# **XYZ Suites - XYZ Business Plan**



**March 2015**

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## 1. EXECUTIVE SUMMARY

XYZ Hotel Group will construct, develop, and operate a XYZ Suites at 123 XYZ Road in XYZ, XYZ, which will be a 5-story, 118 unit hotel and extended stay facility constructed on a 3-acre lot; it will be an XYZ hotel and carry the XYZ Suites brand. The hotel will be owned and managed by XYZ Hotel Group. The Company has already identified XYZ Architects to construct the hotel. XYZ Hotel Group will be leasing the land from an entity that owns 5 restaurants in the area including the XYZ and XYZ, and will be able to refer guests to the hotel.

The hotel will have a ground coverage area of approximately 23,000-24,000 square feet on a 6-acre lot of land. The design of the lobby will be modern and use high ceilings, travertine tile flooring, and glass exteriors to maximize sunlight and brightness within the building. There will be a U-shaped driveway leading into the building. There will be an indoor swimming pool, picnic area, miniature golf area, bike rentals. All guests will have daily passes to XYZ Fitness, which will be across the street. There will be a shuttle to stores and the airport.

The hotel will consist of the following:

- 60 approx. 400 sq. ft. studio suites
- 40 approx. 600 sq. ft. 2-bed suites
- 12 approx. 800 sq. ft. Jacuzzi suites
- 6 approx. 900 sq. ft. penthouse suites

As well as relying on the franchisor to market the property, XYZ Hotel Group will launch an aggressive marketing campaign and ongoing marketing efforts will include: signage, affiliate marketing (car rentals, wedding planners, taxi drivers), internet marketing (SEO, PPC, article marketing, online directories), print advertising (local publications), and public relations

In 2014, U.S. hotel and motel industry revenue jumped 1.4%, as consumer confidence and spending spike, raising revenue to \$155.1 billion. Consequently, industry revenue is forecast to increase at an average annual rate of 3.0% to about \$179.4 billion in the five years to 2019.

XYZ Hotel Group is currently seeking to raise \$9,500,000 in financing, which it has assumed will consist of \$2.5 million in equity financing and \$7 million in debt financing.

## **2. COMPANY OVERVIEW**

### **2.1. MISSION STATEMENT**

XYZ Hotel Group will construct and operate a 118 unit hotel and extended stay facility at 123 XYZ Road in XYZ, XYZ, which will be an XYZ hotel and carry the XYZ Suites brand.

### **2.2. COMPANY DESCRIPTION**

XYZ Hotel Group (or “XYZ”) will construct, develop, and operate XYZ Suites in XYZ (herein also referred to as “XYZ”), which will be a 5-story 118 unit hotel and extended stay living facility located at 123 XYZ Road in XYZ, XYZ. The hotel will be owned and managed by XYZ Hotel Group. The Company will rent hotel rooms to short-term guests and extended stay living units to longer-term guests. The building will be constructed on a 3-acre lot at that location. The owner of the land that the Company will be leasing from happens to own 5 restaurants in the area including the XYZ and XYZ, and will be able to refer guests from these restaurants. The Company is led by an experienced board of director and executive management team.

### **2.3 INDUSTRY BACKGROUND<sup>1</sup>**

The Hotels and Motels industry has experienced robust growth over the five years to 2015. As per capita disposable income and consumer confidence increased, all forms of travel accommodation experienced an increase in demand, as consumers increased spending on luxuries such as travel. Since destination hotels and motels rely heavily on domestic and foreign tourists, the increase in domestic and international travel over the five-year period has substantially contributed to the industry’s bottom line. The infusion of tourist dollars is expected to continue into 2015, benefiting hotels and motels and enabling them to increase room rates, which will cause revenue to grow 3.5% in 2015 alone.

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<sup>1</sup> “Hotels & Motels in the U.S.”; January 2015; IBISWorld

The industry is particularly sensitive to macroeconomic factors, geopolitical instability and actual or threatened terrorism, all of which negatively affects people's tendency to travel. However, as the economy has improved over the five-year period, in line with incomes, corporate profit, employment and consumer confidence, so have travel rates and, consequently, demand for hotels and motels has risen. The broader tourism sector has reestablished itself as one of the economy's fastest-growing sectors, and industries with exposure to tourism, such as the Hotels and Motels industry, have fared particularly well over the past five years, thanks to marked increases in consumer spending and travel.

Technological innovations have increased labor productivity, lowered labor costs and enhanced customer service within the Hotels and Motels industry over the past five years. The industry has especially benefited from the widespread proliferation of the internet, which enables operators to gather information, manage reservations and remotely purchase supplies, thereby lowering overall costs. The information gathered by operators using internet technology also allows them to send better-targeted promotions via e-mail, text message or social media. The internet has allowed major hotel chains to better and more frequently communicate with members of guest rewards programs, which helps them attract and retain frequent travelers as customers. Also, most operators now allocate a portion of their unsold rooms to websites such as Lastminute.com and Priceline.com, which increases their occupancy rates and generates additional revenue. Bookings made through online travel agents accounted for 14.9% of all hotel bookings in 2014, according to research company TravelClick, compared with 23.8% of bookings made directly through a hotel's dedicated website (latest available data).

Major operators, such as Starwood Hotels and Resorts Worldwide, have also formed real estate investment trusts to raise funds. Additionally, major operators have restructured operations away from direct hotel property ownership over the past five years to solely provide specialist services in hotel management. While overall revenue from hotel management is lower, such services have provided an opportunity to generate higher profit margins due to the elimination of many property-related costs. Nevertheless, the industry is still largely property based. Therefore, owners are subject to changes in general property value cycles and economic conditions, as well as to any localized imbalances in hotel room demand and supply influences.

## **2.4. CAPITAL REQUIREMENTS**

XYZ is currently seeking to raise \$9,500,000 in financing. The Company has assumed that it will raise \$2.5 million in equity financing and \$7 million in debt financing. The financing is assumed to include an estimated \$4.5 million for exterior construction, \$1.5 million for interior design and construction, \$1,255,000 for room furniture, \$997,600 for conference hall construction, \$500,000 for pool construction and the remaining \$748,000 will be available for working capital, which will cover all G&A expenses including rent. The Company has assumed that 2,000,000 will come in the form of an equity investment, which will be used as the down payment (of approximately 23%) on the property; it has been assumed that \$6,200,000 will come in the form of long-term debt financing with a 6% interest rate and 15 year payback.

## **2.5. REVENUE MODEL & GROWTH STRATEGY**

The Company will derive revenues from the rental of hotel rooms and extended stay units. The Company will execute the following growth strategy:

### **Ramp-up Phase:**

- Plan the design and construction of the building
- Execute the plans by constructing the building.
- Complete construction on time and under budget.

### **Start-up Phase:**

- Establish well-run operations
- Establish a low vacancy and high occupancy rate for the hotel and extended stay living facility.
- Implement a robust marketing campaign utilizing print advertising, internet marketing, affiliate marketing, public relations, and signage.
- Execute all the necessary planning and actions to operate the business of the hotel and extended stay units on an efficient basis.
- Establish a record of high customer satisfaction and excellent customer reviews.

### **Growth Phase:**

- Increase the occupancy rates of the 118 units
- Maximize operational efficiency
- Maximize customer service levels and customer satisfaction
- Minimize operating costs.

## 3. THE PROPERTY

### 3.1 PROPERTY DESIGN & LAYOUT

The Company will construct and operate a 5-story hotel with a ground coverage area of approximately 23,000-24,000 square feet on a 6-acre lot of land. The design of the lobby will be modern, yet elegant, and use high ceilings, travertine tile flooring, and glass exteriors to maximize sunlight and brightness within the building. There will be a U-shaped driveway leading into the building.

There will be an indoor swimming pool, picnic area, miniature golf area, and bike rental station. All guests will have daily passes to L.A. Fitness, which will be across the street. There will be a shuttle to stores and the airport.

The Company has already identified XYZ Architects to construct the hotel.

### 3.2. UNIT DESCRIPTIONS & FEATURES

#### 3.2.1. STUDIOS

The Company will feature 60 approximately 400 sq. ft. studio suites, which will be primarily for individuals and couples on vacation or business travel.



#### 3.2.2. 2-BED SUITES

The Company will feature approximately 40 600 sq. ft. 2-bed suites, and a couch, and will be primarily for groups of 2 or 3 that need an adequately sized room.



#### 3.2.3. LUXURY JACUZZI SUITES

The Company will feature 12 800 sq. ft. luxury Jacuzzi suites, which will include 1 king sized beds, a master bathroom, and 2 couches. These suites will typically be used by couples that want a nice room, attending a wedding, or travelling for personal reasons, as well as individual business travelers that want a nice room.



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### 3.2.4. PENTHOUSE SUITES

There will be feature 6 900 sq. ft. penthouse suites, which will be considered the deluxe suites and will be the wedding suites, which will be available for brides and grooms, parents of brides and grooms, other important wedding guests, and any guests that would simply like a deluxe and luxurious suite.



### 3.3. THE LOCATION

The building will be located at 123 XYZ Road, XYZ, XYZ and will be constructed on a 3-acre lot at that location. The owner of the land that the Company will be leasing from happens to own 5 restaurants in the area including the XYZ and XYZ, and will be able to refer guests at these restaurants.

There are 4 universities in the vicinity:

- University of XYZ
- Central XYZ State University
- University of XYZ
- University of XYZ

There are 2 shopping malls in the area:

- XYZ Mall
- Shops at XYZ

The following are 20 restaurants in the area:

- |       |       |
|-------|-------|
| ▪ XYZ | ▪ XYZ |

### **3.4. PRICING STRATEGY**

The pricing for the hotel and extended stay units will be priced at \$119 - \$229 per night for hotel stay with 10-25% discounts for extended stay guests. The pricing has been based upon the average rates of hotels and extended stay living facilities in the area. The Company will be offering slightly larger than average units and will offer Studio Plus, 2-bed suites, luxury Jacuzzi suites, and deluxe/wedding suites. Although the Company will uniquely offer a comprehensive range of amenities, the Company will price its units in line with the average rental rates per square foot of competing properties in the area.

## 4. THE MARKET

### 4.1. U.S. HOTEL & MOTEL MARKET ANALYSIS<sup>2</sup>

The Hotels and Motels industry is experiencing a recovery following declines sustained during the recession. The industry is highly susceptible to changes in the global economic environment, as exemplified by an 8.8% drop in revenue in 2009 caused by decreases in travel spending, reduced corporate profit and subdued consumer spending. The industry began to recover in 2010 as the economy improved and domestic and international travel rates increased. As a result, the Hotels and Motels industry has outperformed the broader economy over the past five years, driven by a combination of high demand from leisure and business travelers and international tourists. Over the five years to 2014, IBISWorld expects industry revenue to grow at an average annual rate of 4.4%. In 2014, industry revenue jumped 1.4%, as consumer confidence and spending spike, raising revenue to \$155.1 billion.

Over the five years to 2019, IBISWorld forecasts that the industry will continue to expand, with particularly strong growth in the extended-stay hotels, boutique hotels, spa and health retreats and resorts segments. As demand picks up, the number of industry employees is anticipated to rise at an annualized rate of 3.3% to 1.8 million workers over the five-year period. Industry players are also expected to continue expanding abroad into emerging economies such as Asia, Eastern Europe and South America. These foreign markets will



somewhat detract from domestic investment, as they offer higher growth prospects. Consequently, industry revenue is forecast to increase at an average annual rate of 3.0% to about \$179.4 billion in the five years to 2019.

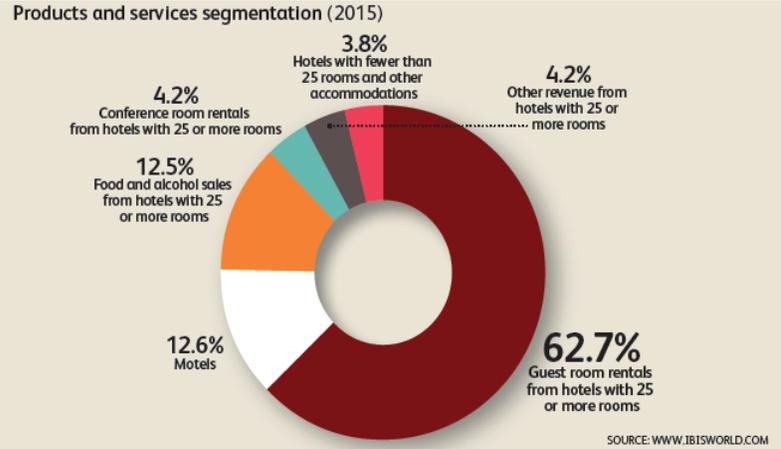
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<sup>2</sup> "Hotels & Motels in the U.S."; January 2015; IBISWorld

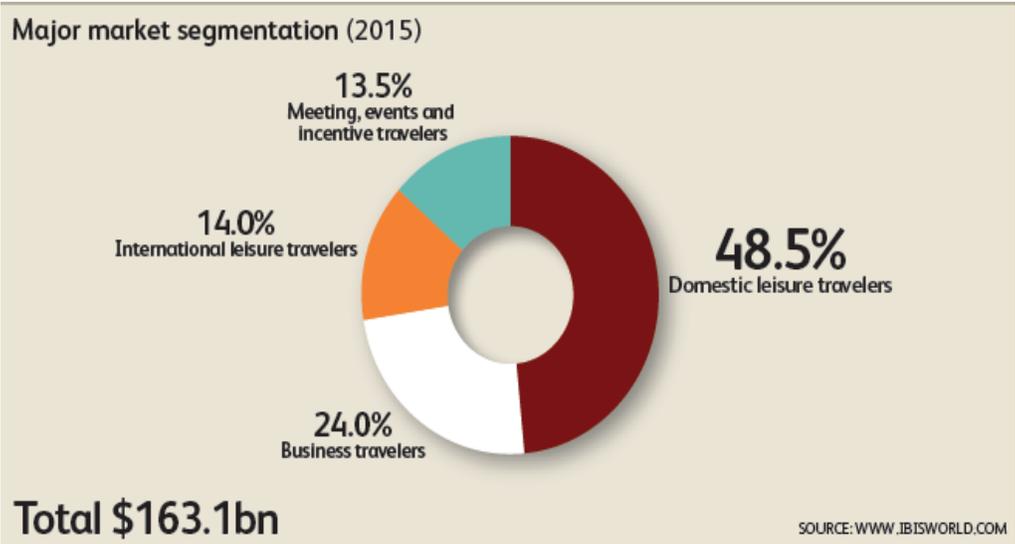
Over the next five years, the industry will benefit from improvements in the domestic and global economy as unemployment rates decline and consumers begin to spend more freely, particularly on recreational activities such as vacations and traveling. Consumer spending is expected to increase over the five years to 2019 at an average annual rate of 2.6%. Business spending is also forecast to increase in line with rising corporate profit, which will contribute to growth in demand for hotels and motels from the all-important corporate sector. Corporate profit is projected to rise 2.9% per year on average over the next five years, reaching \$2.5 trillion, which is a historic high for corporate profit in the United States.

With consumers enjoying larger incomes and businesses replenishing their budgets, travel spending is projected to increase over the next five years. In 2015, international arrivals are anticipated to rise 3.7%, while domestic travel is expected to grow 4.2% in the same year. IBISWorld expects that these rates will remain steady over the next five years, with international arrivals and domestic travel growing at annualized rates of 3.5% and 3.2%, respectively. With a greater amount of tourists needing accommodation, hotels and motels are expected to benefit from an influx of tourist dollars and more business travel.

Overall, sales from hotels account for 87.4% of industry revenue and 82.0% of industry employment, though they account for only 44.0% of industry establishments. Hotels that consist of 25 or more rooms provide 83.6% of industry revenue (with 62.7% of industry revenue coming from guest room rentals, 12.5% coming from food and alcohol sales, 4.2% coming from conference and meeting rooms and 4.2% coming from other charges), while hotels that offer fewer than 25 rooms only constitute 3.8% of industry revenue. Motels provide about 12.6% of industry revenue. The relative proportion of revenue from each of these segments has been relatively stable over the past five years, although motels experienced some growth at the expense of higher-priced hotels during the recession.



Demand for hotel and motel accommodation is derived from both the domestic and international visitor market. More than 80.0% of spending on hotels and motels in the United States is by domestic travelers, with about 3 out of every 4 trips taken for the purpose of leisure according to the U.S. Travel Association. The most common purposes for leisure travel by US domestic travelers are visiting relatives, shopping, visiting friends, fine dining and visiting beaches. IBISWorld estimates that business travelers account for about 37.5% of spending on tourist accommodation. In 2012 (the latest available data), US residents made 460 million person trips for business purposes. International visitors to the United States account for about 18.0% of total visitor expenditure in the United States. This includes spending on both leisure trips and business travel. Major visitor origin countries include Canada and Mexico, and major overseas visitor origin countries include the United Kingdom, Japan and Germany.



## 4.2. XYZ, XYZ DEMOGRAPHIC STATS<sup>3</sup>

The following are demographic stats for XYZ County and XYZ:

People QuickFacts	XYZ County	XYZ
Population, 2014 estimate	897,985	3,596,677
Population, 2013 estimate	898,848	3,599,341
Population, 2010 (April 1) estimates base	894,029	3,574,096
Population, percent change - April 1, 2010 to July 1, 2014	0.40%	0.60%
Population, percent change - April 1, 2010 to July 1, 2013	0.50%	0.70%
Population, 2010	894,014	3,574,097
Persons under 5 years, percent, 2013	5.50%	5.30%
Persons under 18 years, percent, 2013	21.90%	21.80%
Persons 65 years and over, percent, 2013	15.40%	15.20%
Female persons, percent, 2013	51.50%	51.20%
White alone, percent, 2013 (a)	77.30%	81.60%
Black or African American alone, percent, 2013 (a)	15.00%	11.30%
American Indian and Alaska Native alone, percent, 2013 (a)	0.50%	0.50%
Asian alone, percent, 2013 (a)	4.80%	4.30%
Native Hawaiian and Other Pacific Islander alone, percent, 2013 (a)	0.10%	0.10%
Two or More Races, percent, 2013	2.20%	2.10%
Hispanic or Latino, percent, 2013 (b)	16.60%	14.70%
White alone, not Hispanic or Latino, percent, 2013	64.20%	69.60%
Housing units, 2013	373,608	1,487,982
Homeownership rate, 2009-2013	65.50%	67.80%
Housing units in multi-unit structures, percent, 2009-2013	38.40%	34.40%
Median value of owner-occupied housing units, 2009-2013	\$241,500	\$278,900
Households, 2009-2013	347,874	1,355,849
Persons per household, 2009-2013	2.49	2.55
Per capita money income in past 12 months (2013 dollars), 2009-2013	\$34,698	\$37,892
4	\$64,967	\$69,461
Persons below poverty level, percent, 2009-2013	11.60%	10.20%

<sup>3</sup> "XYZ County QuickFacts"; U.S. Census Bureau; 2015

## 4.3. PROFILE OF DIRECT COMPETITORS

### 4.3.1. HILTON GARDEN INN AT XYZ NORTH XYZ AIRPORT

The Hilton Garden Inn at XYZ North XYZ Airport at 123 XYZ Drive, XYZ, XYZ 01234 and features the following:

- Complimentary WiFi and business center
- Complimentary fitness center and indoor pool
- Garden Grille & Bar and Pavilion Pantry
- Flexible meeting space accommodating up to 300 people
- 24-hour complimentary shuttle service to XYZ International Airport (BDL)

The hotel is conveniently located in the quiet area of XYZ. It is minutes from many historical and cultural sites, Six Flags XYZ, and several shopping sites. The hotel is situated only six miles from the XYZ International Airport hotel and provides 24-hour complimentary shuttle service, making airline travel worry-free.

Hilton Worldwide  
Holdings Inc.  
Market share: 13.9 %  
Industry Brand Names  
Hilton  
Hilton Garden Inn  
Doubletree  
Embassy Suites  
Hampton  
Homewood Suites by  
Hilton  
Conrad  
Hilton Grand Vacations

Hilton Worldwide (formerly Hilton Hotels Corporation) is a McLean, VA-based lodging company that owns, manages or franchises about 4,000 hotels with approximately 660,000 rooms worldwide. About 77.5% of Hilton's rooms are based in the United States, a percentage that has declined over the past five years as the company's focus has shifted to emerging markets where hotel rates are growing quickly. As of 2014, about 60.0% of the company's 200,000-room development pipeline is located outside the United States. Hilton employs 152,000 people worldwide at its managed, owned, leased and corporate locations, while another 162,000 individuals work in the company's franchised locations.



Hilton has undergone a series of ownership changes over the past five years. The company was purchased by Blackstone Group, a private equity firm, in 2007 for \$26.0 billion. Blackstone took Hilton public in late 2013, listing the company on the New York Stock Exchange and using the proceeds to pay down the substantial debt the group had taken on during the initial purchase of Hilton. During its ownership tenure, Blackstone increased the chain's room count by about one-third. This expansion was mainly achieved through franchised and managed hotels, which require limited capital investment.



Hilton owns 10 hotel brands, from luxury hotels to budget chains such as Hilton, Hilton Garden Inn, Doubletree, Embassy Suites, Hampton, Homewood Suites by Hilton and Conrad. It also has a timeshare operation that trades under the name Hilton Grand Vacations. The majority of Hilton brands operate under franchise agreements with independent operators and companies, with only the company's flagship properties being managed by Hilton's corporation. According to a variety of industry sources, Hilton currently commands a RevPAR premium over its closest rivals of between 5.0% and 10.0%.

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**4.3.2. XYZ INTERNATIONAL, INC. (XYZ INN & SUITES – XYZ, RESIDENCE INN – XYZ, COURTYARD INN – XYZ, FAIRFIELD INN & SUITES – XYZ, COURTYARD INN – XYZ)**

There are 5 Marriotts within the surrounding area: XYZ Inn & Suites at XYZ Airport (1 XYZ Drive, XYZ, XYZ 01234), Residence Inn XYZ (100 XYZ Lane, XYZ, XYZ 01234), and Courtyard Inn - XYZ (123 XYZ Road, XYZ, XYZ 01234), XYZ Inn & Suites – XYZ (123 XYZ Dr., XYZ, XYZ 01234, and Courtyard Inn – XYZ (123 XYZ Street, XYZ, XYZ 01234).



The **XYZ Inn & Suites** is an interior corridor, modern, and stylish hotel. The guest rooms are elegantly decorated in Marriott's new Green Tea design and boast both standard guest rooms and spacious suites....some with fireplaces, spa tubs and kitchenettes. The hotel is equipped with free wired and wireless WiFi, LCD televisions, refrigerators and microwaves. The 24-hour business center allows guests the flexibility in their work environment. The hotel offers a hot breakfast buffet, complimentary fitness room, and a new indoor pool. The hotel also offers a complimentary airport shuttle.

The **Residence Inn XYZ** is quietly nestled away on a tree lined residential street. The suites are 50% larger than an average hotel room. Each of the suites is equipped with a full stainless steel oven range, microwave, and refrigerator. The guests can enjoy a free full hot breakfast buffet every morning which includes eggs, potatoes, sausage, bagels, muffins, and make waffles. On Monday through Thursday, there is an "evening social", which includes soda, wine, beer and dinner.



The **Courtyard XYZ** Hotel is located six miles from XYZ International Airport. This suburban hotel in XYZ, XYZ features luxurious Marriott bedding, inviting spaces to work or relax in, and free high-speed Internet access. A highlight of the XYZ, XYZ hotel is The XYZ – Eat. Drink. The hotel offers refreshing breakfast choices in the morning and a variety of dinner options. The Bistro even has evening cocktail service, perfect for a quick meeting or relaxing with friends after a long day. The hotel is near XYZ University, XYZ and XYZ and offers two meeting rooms with 1,270 sq. ft. of space. The location is near the University of XYZ and XYZ Field, which makes it a good choice for students and parents. The Courtyard Hotel in XYZ, XYZ strives to enhance our guests' enjoyment and relaxation, no matter their reason for travel.



**Marriott International Inc.**  
 Market share: 13.7 %  
**Industry Brand Names**  
 Courtyard  
 TownePlace Suites  
 Fairfield Inn  
 Marriott  
 JW Marriott  
 The Ritz-Carlton  
 SpringHill Suites  
 Renaissance  
 Residence Inn

Marriott International Inc. is a lodging company based in Bethesda, MD, with over 3,900 properties globally in 74 countries. The company is the second-largest hotel operator in the United States, trailing only Hilton Worldwide in terms of number of rooms. About 78.5% of Marriott's rooms are based in the United States. Marriott operates and franchises its hotels under various brands including Marriott, The Ritz-Carlton, Renaissance, Courtyard, TownePlace Suites and Bulgari. It also develops and operates vacation ownership resorts under the Marriott Vacation Club, Horizons, The

Ritz-Carlton Club and Grand Residences brands, while also running Marriott Executive Apartments. As of 2014, the company employs about 123,000 people worldwide.

Marriott's operations extend over most segments of the accommodation market, including luxury, full-service and limited service, to suit a variety of travelers and budgets. While such diversity typically provides some insulation from economic downturns, many of the company's hotels were forced to severely cut room rates to remain competitive and maintain a positive cash flow during the recession.

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### 4.3.3. HOLIDAY INN EXPRESS & SUITES AT XYZ AIRPORT

There is the Holiday Inn Express & Suites at XYZ International Airport at 123 XYZ Street, XYZ, XYZ 01234. The Holiday Inn Express® Hotel & Suites XYZ Airport offers a good location near the XYZ International Airport. The hotel's amenities include a 24-hour airport shuttle, to help you catch your flight. The facilities feature a Business Center with copy and print services, as well as computer access; and thanks to the free Internet access we provide throughout the hotel, you will always stay connected. We are also conveniently located near the XYZ corporate offices of XYZ, XYZ, XYZ, XYZ, XYZ, and XYZ. Besides offering a complimentary airport shuttle to the XYZ International Airport, the hotel's amenities include an indoor pool, as well as a fitness center, so you can keep up with your workout routine. There is also an Express Start Breakfast Bar for each morning.

InterContinental  
Hotels Group PLC  
Market share: 8.5%  
Industry Brand Names  
InterContinental  
Crowne Plaza  
Hotel Indigo  
Holiday Inn  
Holiday Inn Express  
Staybridge Suites  
Candlewood Suites

InterContinental Hotels Group PLC (XYZ) a United Kingdom-based company and one of the biggest hotel chains in the world, measured by total number of rooms. XYZ owns, manages and franchises more than 4,600 hotels across 100 countries under nine brands, including Holiday Inn, Crowne Plaza and InterContinental. XYZ divides its hotels into segments based on their ownership and management structures: hotels are either franchised, managed or owned. Consistent with XYZ's low-asset business model, the majority of the company's hotels operate under a franchise agreement or are managed by XYZ on behalf of the owner. Due to the low capital investment and minimal wage costs required for franchising, the company's franchise business is its most profitable segment. According to the company, XYZ's network of hotels earned \$21.6 billion in 2013, rising 2.0% in 2012 (latest available data).



XYZ's portfolio of brands covers a wide range of key consumer segments active in the Hotels and Motels industry. High-end luxury travelers visiting major cities are catered to by XYZ's five-star InterContinental locations, while its Holiday Inn brand accommodates 333 midmarket consumers traveling for business or leisure. XYZ's most recent project, Hotel Indigo, is a boutique hotel concept with 50 locations that targets travelers with a preference for edgy art and design. During the recession, RevPAR for all of XYZ's brands drastically dropped, with some hotels experiencing RevPAR declines of more than 20.0%. However, RevPAR for all of XYZ's brands has rebounded strongly since the depths of 2009. For example, in 2013, RevPAR of XYZ-managed InterContinental hotels in the Americas grew by 13.9% and by 3.2% at its franchised locations.

#### 4.3.4. SHERATON XYZ HOTEL AT XYZ AIRPORT (STARWOOD HOTELS & RESORTS)

The Sheraton XYZ Hotel at XYZ Airport is located at 123 XYZ International Airport, XYZ, XYZ 01234. The hotel offers secure, garage parking, complimentary and safety deposit boxes are always available. Our on-site business center, in-house audiovisual services, and concierge services provide guests with added convenience. ATM/sundry/gift shops are also available at the airport. The health and fitness area is located on the mezzanine level and features an indoor pool and fitness center that includes cardiovascular machines, weights, and sauna. Club guests also have special access to the Club Lounge. A relaxing, upscale space, the Club Lounge offers complimentary breakfast, afternoon hors d'oeuvres and a variety of beverage options. A copier/fax/printer and complimentary office supplies are available as well. Fees on certain facilities/services apply.



Starwood is a White Plains, NY-based lodging company. Starwood only operates in the luxury and upscale hotel segments. Its brands include St. Regis, the Luxury Collection, Sheraton, Westin, Le Meridien, W, Four Points by Sheraton, aloft and Element. It also owns timeshare operation, Starwood Vacation Ownership Inc. Starwood owns, operates and franchises over 1,000 hotels in about 100 countries, with a total of 346,800 rooms. The company's strategy has been to move from a cyclical real estate business to become a leading global lifestyle brand company. Its brands are leaders among upscale and luxury development hotels. Despite being only the seventh-ranked hotel chain in terms of number of rooms, Starwood brings in more revenue per room than any competitor due to its focus on luxury accommodation models.

**starwood**  
Hotels and  
Resorts

Estimated market share: 4.9%

Over the five years to 2014, US network sales are expected to grow at an average annual rate of 6.6% to about \$7.0 billion. Domestic sales have increased over the past five years through strong RevPAR growth and higher occupancy rates, as represented by an increase from 63.8% in 2009 to 72.5% in 2013 in North America (latest available data). As corporate profit has continued to rise, sales from business travelers, which account for the majority of the company's sales, has led the recovery.

#### 4.3.5. BAYMONT INN & SUITES - XYZ (WYNDHAM WORLDWIDE CORPORATION)

There is the Baymont Inn & Suites at 123 XYZ Street at XYZ, XYZ 01234. The hotel combines home-style comfort and amenities for work and play. Located off Interstate 91, the hotel is minutes from XYZ International Airport, XYZ, XYZ, XYZ Auction and attractions like Six Flags XYZ and the XYZ Museum.



The hotel has an exercise facility, offers free continental breakfast, and allows guest to catch up on the latest news with a free newspaper. The hotel allows guests to stay connected with free Wi-Fi Internet access and relax at the end of the day with a refreshing swim in our heated indoor pool. The hotel also offers ample large-vehicle parking and meeting rooms for your business or social events. The hotel has handicapped-accessible rooms and suites are also available and kids 17 and under stay free with an adult at our hotel in East XYZ.

Wyndham Worldwide 1Corporation, which is based in New York but operates globally, is one of the largest franchised-hotel operators in the United States. In 2006, parent company Cendant Corporation split into discrete companies operating in specific industries and its hotel operation was renamed Wyndham Wor ldwide. In the United States, Wyndham has about 5,700 properties with a total of 444,000 rooms. In 2013, Wyndham derived 75.0% of its revenue in the United States and 25.0% internationally (latest available data). Wyndham Worldwide's brands include Amerihost Inn, Days Inn, Knights Inn, Ramada, RCI, Fairfield Communities, Super 8 Motels, Travelodge, Villager, Howard Johnson and Wingate Inns. Its two largest brands are Super 8 and Days Inn, which have about 2,000 locations each.



Wyndham's brands mainly cater to the economy and midscale markets. It is also involved in the timeshare market via its RCI and Fairfield Communities brands. Wyndham earns one of the lowest RevPARs in the industry due to the budget-focused nature of its lodgings. Over the five years to 2014, US network sales are expected to grow 3.8% per year on average fall to \$5.7 billion.

#### **4.4. COMPETITIVE ANALYSIS**

In 2014, the four largest operators in the industry (Hilton Worldwide, Marriott International, InterContinental Hotels Group and Starwood Hotels and Resorts) account for an estimated 41.0% of industry revenue, providing this industry with a medium level of concentration. Although industry concentration is medium, it is increasing as hotel buyouts and mergers become more frequent and operators join franchise and chain operators. The market share of the top four players has increased over the five years since 2009. Major companies in the hotel sector are also increasingly seeking to operate on globally. Operators with major international hotel companies are expected to continue to merge.

Although the biggest players account for an increasing share of the industry, their expansion has been achieved through franchising. The franchise business model of the large hotel groups means they can grow with limited capital outlays and lower risk. The day-to-day running of the hotel is left to the franchisee that pays an annual marketing fee and royalties for access to the hotels brand and marketing support. According to the US Census, about 45.0% of establishments have nine or fewer employees, while 90.0% have fewer than 50 employees. There are, however, a significant number of larger establishments. Given the diversity of accommodation styles and standards, the industry has a large number of small and midsize operators, but only a small number of larger franchised or managed chain operators.

## **5. MARKETING PLAN**

### **5.1. MARKETING OVERVIEW**

As well as relying on the franchisor to market the property along with its long list of properties, the Company will launch an aggressive marketing campaign and ongoing marketing efforts will include:

- Signage
- Affiliate Marketing (Car Rentals, Wedding Planners, Taxi Drivers)
- Internet marketing (SEO, PPC, article marketing, online directories)
- Print Advertising (Local publications)
- Public Relations

### **5.2. BRANDING STRATEGY**

The branding strategy will focus on presenting the hotel as a modern, luxurious, and family-oriented; yet, affordable hotel and extended stay facility in XYZ, XYZ. The Company will rely on XYZ, as the franchisor, to continue to market and brand the Company in the manner that they have been.

### **5.3. SIGNAGE**

The Company will feature prominent signage visible to drive-by traffic that will reflect the Company's branding strategy of a premier provider of senior care and living. The Company will also have signage that displays the mapping and directory of the building to prospective customers, residents, and guests.

### **5.4. AFFILIATE MARKETING**

The Company will rely on affiliate marketing as an important way to spread awareness of the hotel throughout the community. The Company's owners know the owners of five major restaurants in the area and will network continually with the many restaurant owners in the area, as well as the owners of retail establishments, car rental locations, wedding planners, taxi drivers, and leisure destinations to bolster brand awareness of the Company and encourage referrals from businesses in the area.

## **5.5. INTERNET MARKETING**

The Company will develop a high quality website and establish a strong internet presence that features the hotel to potential guests.

The online marketing campaign will include:

- Engaging a search engine optimization firm to ensure that the Company is constantly ranked high upon keyword searches such as XYZ hotel, XYZ extended stay, XYZ hotel, XYZ extended stay and other related keywords on Google, Yahoo, Bing, and other popular search engines
- Being featured on hotel and extended stay online directories and websites like *Hotels.com*, *TripAdvisor.com*, *Expedia.com*, and *HotelGuides.com*.
- Being featured in major online directories such as *Superpages.com*, *Yellowpages.com* and other directories.
- Pay-per-click marketing on Google Adwords and Bing
- Online article marketing about the Company and its services

## **5.6. PUBLIC RELATIONS**

The Company will work with public relations professionals in order to garner press in local newspapers and publications, as well as radio and television news and featured spots. The Company's online article marketing will also augment the Company's online presence and reputation.

## **5.7. PRINT ADVERTISING**

The Company will advertise in local publications such the *XYZ Journal*, *XYZNow* & *XTZNow.com* and *The XYZ*.

## **5.8. OUTDOOR ADVERTISING**

The Company will advertise on billboards on XYZ highway, as well as XYZ Blvd. in order to attract drive-by travelers and additional personal and business travelers

## **6. OPERATIONAL PLAN**

### **6.1. OPERATIONAL OVERVIEW**

#### **6.1.1. HOURS OF OPERATION**

The hours of operation may change depending on volume. Initial open hours will be typical business hours of 8am to 6 pm on Monday through Sunday for the onsite services. Some medical staff will be on the facility 24 hours a day.

#### **6.1.2. LEGAL STRUCTURE**

The hotel is owned by XYZ Hotel Group, which is an LLC registered in state of XYZ as of 2014.

#### **6.1.3. OPERATIONAL GROWTH PLAN**

The Company's operational growth plan covers facility construction and business operation. During the construction process, the Company's staff will be limited to necessary personnel for interacting with the construction company hired to build the facility. Once construction reaches a specific milestone, the necessary staff for operating the business of senior care will be hired.

### **6.2. EQUIPMENT & SUPPLIES**

The Company will obtain all of the equipment and supplies that it will need for the facility and will initially acquire the necessary equipment for the following needs:

- Room Equipment
- Room Supplies
- Cleaning Supplies
- Office supplies
- Laundry equipment

Also, the kitchen will be equipped with a full range of equipment including a freezer, refrigerator, commercial stove, and commercial oven.

### **6.3. INVENTORY CONTROL**

The Company will maintain an inventory of items necessary for the operation of the hotel. The Company will commit to following its inventory management strategies and processes for its inventory of cleaning supplies (laundry detergent, cleansers, trash bags), soap, shampoo, towels, bed sheets, bed comforters, and pillows. The Company will also monitor the inventory of equipment such as televisions, remote controls, irons, ironing boards. Inventory control will adhere to a high standard of record keeping, accounting, and safekeeping of all materials.

### **6.4. COMPUTER HARDWARE & SOFTWARE**

Computer hardware and software are necessary tools for operating a successful senior living facility. A specialist will be hired to update and maintain the necessary hardware and software. The Company will acquire the necessary computer hardware and software systems for office functions such as cost and inventory accounting, financial analysis and reporting, and performance management.

### **6.5. LEGAL & INSURANCE**

The Company will obtain the required liability and property insurance coverage to manage the risks that are associated with this type of business operation, and assure operations to be within the guidelines of the state' regulations of insurance.

The hotel will retain the services of a local attorney to handle all legal matters related to the launch and operation of the business. This will include establishing the Company structure and obtaining Employer Identification Numbers (EINs).

### **6.6. ACCOUNTING**

The Company will outsource CPA responsibilities to an outside accounting firm. A staff bookkeeper will maintain the company's managerial accounting function. The in-house bookkeeper will monitor and report income and expenses.

### **6.7. CUSTOMER SERVICE**

All staff that interacts with guests will keep the branding strategy in mind as they provide services to customers. This will entail recognized techniques for making residents and guests supremely comfortable. The facilities will be designed with guest comfort and luxury in mind.

## **6.8. CLEANING & MAINTENANCE**

Cleaning and maintenance will be handled by the full-time maids and janitorial staff charged with ensuring utmost cleanliness throughout the entire premise.

## **6.9. PARKING**

Guest parking will be available on the subterranean floors that have both stair and elevator access to the common areas.

## **7. MANAGEMENT & STAFF**

### **7.1. EXECUTIVE MANAGEMENT**

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#### **7.1.1. JOHN DOE, MANAGING DIRECTOR**

REMOVED BIO

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#### **7.1.2. JOHN DOE, MANAGING DIRECTOR**

REMOVED BIO

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### **7.1.3. JOHN DOE, MANAGING DIRECTOR**

REMOVED BIO

## **7.2. STAFFING**

The Company's management team will hire and manage all operational staff, which will include administrative staff, maids, janitorial staff, reception desk, and sales team.

## 8. FINANCING & GROWTH STRATEGY

### 8.1. FINANCING STRATEGY

The Company estimates that it will require \$9,500,000 for capital expenditures and working capital as detailed below. The Company estimates that it will raise \$2.5 million in the form of equity investment and the additional \$7 million will be financed by the bank, which will be fully collateralized by the property.

<b>Sources of Funds</b>	
<b>Equity Proceeds</b>	<b>2,500,000</b>
<b>Debt Proceeds</b>	<b>7,000,000</b>
<b>Total Sources of Funds</b>	<b>\$9,500,000</b>
<b>Uses of Funds:</b>	
<b>Construction - Exterior</b>	<b>4,500,000</b>
<b>Construction - Interior</b>	<b>1,500,000</b>
<b>Construction - Conference Hall</b>	<b>997,600</b>
<b>Construction - Pool &amp; Spa</b>	<b>500,000</b>
<b>Furniture</b>	<b>1,255,000</b>
<b>Total Capital cost</b>	<b>8,752,600</b>
<b>Working capital</b>	
<b>G&amp;A Expenses</b>	<b>748,000</b>
<b>Total Working Capital</b>	<b>748,000</b>

### 8.2. FINANCING STRATEGY

The Company will focus its financing strategy on securing debt and equity financing. This investment will enable the Company to build out its operational infrastructure and commence marketing and operations. It is expected that the Company will be able to support its operations and grow perpetually based upon this financing and internally generated cash flows for the remainder of the forecast period.

### **8.3. RISK ANALYSIS**

The Company is a start-up entity and will be managed by a professional executive and operational management team. The risks associated with this venture are related to market conditions, economic conditions, credit risk, construction risk, and operational management risk; though, the management believes that these future uncertainties fall within the low risk segment of the investment spectrum.

Management believes that the demand for a hotel and extended stay facility in XYZ, XYZ will serve to buoy its business in the foreseeable future. While there can be no guarantees that the Company will be able to effectively manage the business risks associated with the economic cycle, management is very confident that it will be able to effectively sustain and grow revenues through a comprehensive and carefully executed marketing plan and well planned out and executed operational growth strategy.

## 9. FINANCIAL PLAN

### 9.1. REVENUE MODEL

Table 2 XYZ Suites XYZ Sales Forecast					
	Year 1	Year 2	Year 3	Year 4	Year 5
# Unit Days Rented	30,177	35,835	39,081	40,162	40,162
Conference Hall - Weddings - 1x/week	10,400	10,400	10,400	10,400	10,400
Conference Hall - Conferences - 1x/week	20,800	20,800	20,800	20,800	20,800
Hotel Revenues	3,772,150	4,479,410	4,885,128	5,020,245	5,020,245
Wedding Revenues	1,144,000	1,144,000	1,144,000	1,144,000	1,144,000
Conference Hall Revenues	1,040,000	1,040,000	1,040,000	1,040,000	1,040,000
<b>Total revenues</b>	<b>\$5,956,150</b>	<b>\$6,663,410</b>	<b>\$7,069,128</b>	<b>\$7,204,245</b>	<b>\$7,204,245</b>
Cost of Sales - Hotel	724,253	860,047	937,945	963,887	963,887
Cost of Sales - Weddings	494,000	494,000	494,000	494,000	494,000
Cost of Sales - Conferences	291,200	291,200	291,200	291,200	291,200
<b>Total cost of sales</b>	<b>\$1,509,453</b>	<b>\$1,645,247</b>	<b>\$1,723,145</b>	<b>\$1,749,087</b>	<b>\$1,749,087</b>
<b>Gross margin</b>	<b>\$4,446,697</b>	<b>\$5,018,163</b>	<b>\$5,345,983</b>	<b>\$5,455,158</b>	<b>\$5,455,158</b>

## 9.2. EXPENSE ASSUMPTIONS

### 9.2.1. GENERAL & ADMINISTRATIVE EXPENSES

Table 3 XYZ Suites XYZ General & Administrative Expenses					
	Year 1	Year 2	Year 3	Year 4	Year 5
Wages & salaries	\$454,466	\$471,597	\$485,745	\$500,318	\$515,327
Payroll expense	63,625	66,024	68,004	70,044	72,146
Benefits	45,447	47,160	48,575	50,032	51,533
Professional Fees	72,000	93,600	112,320	129,168	142,085
Liability insurance	60,720	66,634	70,691	72,042	72,042
Rent	300,000	302,250	304,517	306,801	309,102
Supplies	37,500	58,500	70,200	80,730	88,803
Telephone & communications	24,000	31,200	37,440	43,056	47,362
Utilities/Internet	180,000	207,000	248,400	285,660	314,226
Repairs & maintenance	30,000	18,000	21,600	24,840	27,324
Travel	72,000	93,600	112,320	129,168	142,085
Meals & entertainment	24,000	31,200	37,440	43,056	47,362
Automobile expense	30,000	39,000	46,800	53,820	59,202
<b>Total general &amp; administrative expenses</b>	<b>\$1,393,757</b>	<b>\$1,525,765</b>	<b>\$1,664,052</b>	<b>\$1,788,735</b>	<b>\$1,888,598</b>

### 9.2.2. MARKETING EXPENSES

Table 4 XYZ Suites XYZ Marketing Expenses					
	Year 1	Year 2	Year 3	Year 4	Year 5
Internet marketing	\$84,000	\$109,200	\$131,040	\$150,696	\$165,766
Print advertising	\$72,000	\$93,600	\$112,320	\$129,168	\$142,085
Public relations	\$30,000	\$30,225	\$30,452	\$30,680	\$30,910
Outdoor advertising	\$75,000	\$117,000	\$140,400	\$161,460	\$177,606
<b>Total marketing expenses</b>	<b>\$261,000</b>	<b>\$350,025</b>	<b>\$414,212</b>	<b>\$472,004</b>	<b>\$516,367</b>

### 9.2.3. STAFF HEADCOUNT & SALARIES

Table 5 XYZ Suites XYZ Staff Headcount (Year-End Totals)					
	Year 1	Year 2	Year 3	Year 4	Year 5
President / CEO	1.0	1.0	1.0	1.0	1.0
General Manager	1.0	1.0	1.0	1.0	1.0
Assistant Manager	1.0	1.0	1.0	1.0	1.0
Operations Manager	1.0	1.0	1.0	1.0	1.0
Front Desk	3.0	3.0	3.0	3.0	3.0
Housekeeping Staff	4.0	4.0	4.0	4.0	4.0
Breakfast Staff	2.0	2.0	2.0	2.0	2.0
Laundry Staff	2.0	2.0	2.0	2.0	2.0
Maintenance Staff	2.0	2.0	2.0	2.0	2.0
Bar/Lounge Staff	3.0	3.0	3.0	3.0	3.0
Financial Manager	1.0	1.0	1.0	1.0	1.0
Accountant	2.0	2.0	2.0	2.0	2.0
<b>Total Headcount</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>

Table 6 XYZ Suites XYZ Staff Salaries					
	Year 1	Year 2	Year 3	Year 4	Year 5
President / CEO	-	-	-	-	-
General Manager	55,000	56,650	58,350	60,100	61,903
Assistant Manager	35,000	36,050	37,132	38,245	39,393
Operations Manager	40,000	40,300	41,509	42,754	44,037
Front Desk	30,000	30,900	31,827	32,782	33,765
Housekeeping Staff	16,500	16,995	17,505	18,030	18,571
Breakfast Staff	16,500	16,995	17,505	18,030	18,571
Laundry Staff	16,500	16,995	17,505	18,030	18,571
Maintenance Staff	16,500	16,995	17,505	18,030	18,571
Bar Lounge Staff	16,500	16,995	17,505	18,030	18,571
Financial Manager	42,000	43,260	44,558	45,895	47,271
Accountant	40,618	41,836	43,091	44,384	45,715

## 9.3. PRO-FORMA FINANCIAL STATEMENT SUMMARIES

### 9.3.1. PRO-FORMA INCOME STATEMENT

Schedule 1 XYZ Suites XYZ Projected Income Statement					
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Revenues</b>	<b>\$5,956,150</b>	<b>\$6,663,410</b>	<b>\$7,069,128</b>	<b>\$7,204,245</b>	<b>\$7,204,245</b>
Marketing expense	261,000	350,025	414,212	472,004	516,367
General & administrative	1,393,757	1,525,765	1,664,052	1,788,735	1,888,598
<b>Net operating income</b>	<b>\$2,791,940</b>	<b>\$3,492,398</b>	<b>\$3,681,931</b>	<b>\$3,666,423</b>	<b>\$3,566,560</b>
Depreciation	1,250,657	1,250,657	1,250,657	1,250,657	1,250,657
Interest earned	173,091	271,267	436,296	614,357	797,533
Income before taxes	1,033,701	1,877,298	2,281,531	2,498,957	2,642,888
Income taxes	258,425	469,325	570,383	624,739	660,722
<b>Net income</b>	<b>\$775,276</b>	<b>\$1,407,974</b>	<b>\$1,711,148</b>	<b>\$1,874,217</b>	<b>\$1,982,166</b>

### 9.3.2. PRO-FORMA STATEMENT OF CASH FLOWS

Schedule 2 XYZ Suites XYZ Projected Statements of Cash Flows					
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Cash flows from operations</b>					
Net Income:	\$775,276	\$1,407,974	\$1,711,148	\$1,874,217	\$1,982,166
Depreciation	1,250,657	1,250,657	1,250,657	1,250,657	1,250,657
Increase (decrease) in accrued liabilities	23,701	-15,579	244	251	258
Increase (decrease) in accrued taxes	82,563	50,010	21,192	8,379	9,255
Increase (decrease) in accounts payable	46,711	5,552	6,797	5,848	4,514
(Increase) decrease in accounts receivable	(53,170)	34,098	(871)	(69)	-
<b>Net cash flows from operations</b>	<b>\$2,125,738</b>	<b>\$2,732,712</b>	<b>\$2,989,167</b>	<b>\$3,139,283</b>	<b>\$3,246,851</b>
<b>Cash flows from investing activities:</b>					
Capital expenditures	7,255,000	0	0	0	0
Prepaid expenses	3,823	71,740	567	571	575
<b>Net cash flows from investing</b>	<b>\$7,258,823</b>	<b>\$71,740</b>	<b>\$567</b>	<b>\$571</b>	<b>\$575</b>
<b>Cash flows from financing:</b>	0	0	0	0	0
Proceeds from issuance of debt	7,000,000	0	0	0	0
Proceeds from sale of stock	2,500,000	0	0	0	0
Notes payable	-1,427,776	-474,356	-524,027	-578,900	-639,518
<b>Net cash flows from financing</b>	<b>8,072,224</b>	<b>-474,356</b>	<b>-524,027</b>	<b>-578,900</b>	<b>-639,518</b>
<b>Net increase (decrease) in cash</b>	<b>2,939,140</b>	<b>2,186,616</b>	<b>2,464,573</b>	<b>2,559,812</b>	<b>2,606,757</b>
<b>Beginning cash balance</b>	<b>-</b>	<b>2,939,140</b>	<b>5,125,756</b>	<b>7,590,329</b>	<b>10,150,141</b>
<b>Ending cash balance</b>	<b>\$2,939,140</b>	<b>\$5,125,756</b>	<b>\$7,590,329</b>	<b>\$10,150,141</b>	<b>\$12,756,899</b>

### 9.3.3. PRO-FORMA BALANCE SHEET

Schedule 3 XYZ Suites XYZ Projected Balance Sheet					
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Assets:</b>					
<b>Current assets</b>					
Cash and marketable items	\$2,939,140	\$5,125,756	\$7,590,329	\$10,150,141	\$12,756,899
Accounts receivable	53,170	19,072	19,942	20,012	20,012
Prepaid expenses	3,823	75,563	76,129	76,700	77,275
<b>Total current assets</b>	<b>2,996,132</b>	<b>5,220,390</b>	<b>7,686,401</b>	<b>10,246,853</b>	<b>12,854,186</b>
<b>Net non-current assets:</b>	<b>6,004,343</b>	<b>4,753,686</b>	<b>3,503,029</b>	<b>2,252,371</b>	<b>1,001,714</b>
<b>Total assets</b>	<b>9,000,475</b>	<b>9,974,076</b>	<b>11,189,429</b>	<b>12,499,225</b>	<b>13,855,900</b>
<b>Liabilities &amp; Shareholders' Equity</b>					
<b>Long-term debt:</b>	<b>\$5,572,224</b>	<b>\$5,097,868</b>	<b>\$4,573,841</b>	<b>\$3,994,941</b>	<b>\$3,355,423</b>
<b>Current liabilities</b>					
Accounts payable	46,711	52,263	59,060	64,908	69,422
Accrued liabilities	23,701	8,122	8,366	8,617	8,875
Accrued taxes	82,563	132,573	153,765	162,144	171,399
<b>Total current liabilities</b>	<b>152,975</b>	<b>192,958</b>	<b>221,191</b>	<b>235,669</b>	<b>249,696</b>
<b>Total liabilities</b>	<b>5,725,199</b>	<b>5,290,826</b>	<b>4,795,032</b>	<b>4,230,610</b>	<b>3,605,119</b>
<b>Shareholders' equity</b>					
Common stock	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Retained earnings	775,276	2,183,249	3,894,397	5,768,615	7,750,781
<b>Total shareholders' equity</b>	<b>3,275,276</b>	<b>4,683,249</b>	<b>6,394,397</b>	<b>8,268,615</b>	<b>10,250,781</b>
<b>Total liabilities and equity</b>	<b>9,000,475</b>	<b>9,974,076</b>	<b>11,189,429</b>	<b>12,499,225</b>	<b>13,855,900</b>