MSN Real Estate

Nathan Koach & Shawn Menashe

May 21, 1998

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1.0 Executive Summary

MSN Real Estate (MSN) is an Oregon-based real estate company that will offer benchmarked rental units for the Eugene, Oregon community. MSN's units will balance safety, cutting edge features, and a positive atmosphere for all tenants. These rentals will be provided with unmatched levels of customer service and attention. Sales are projected to be $430,000 in year one growing to $600,000 in year three.

The Market

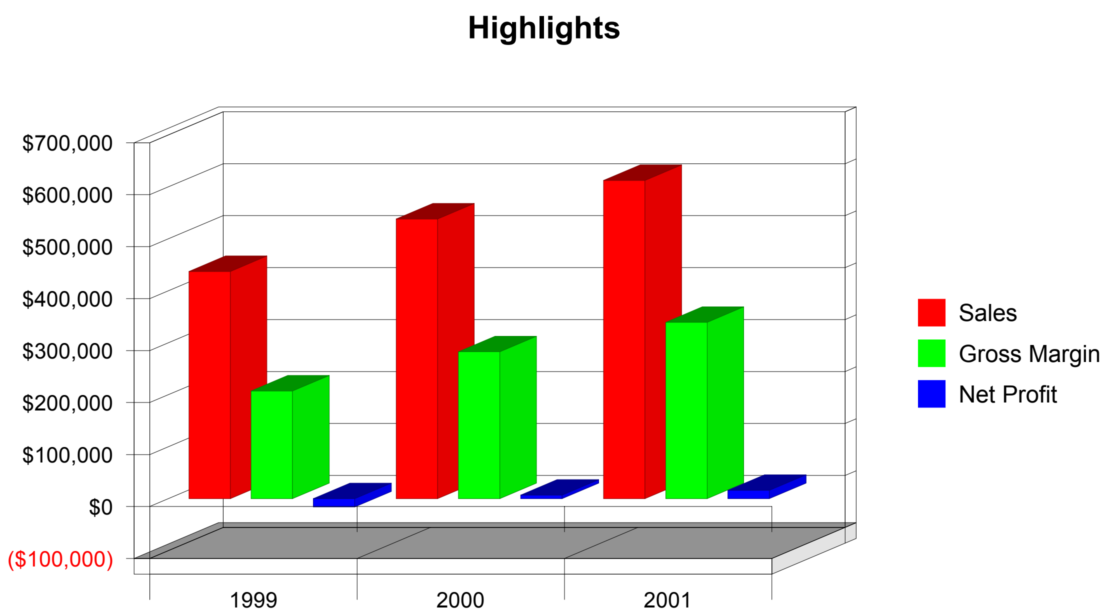
MSN will target three distinct customer segments. The largest segment that they will service is University of Oregon students. This segment is growing at 7% a year with 18,000 prospective customers. This segment is especially attractive since most of the local rental properties that are geared toward students are run down, poor quality units. The second market segment is local professionals who are increasing at 4% and have 12,000 potential members. The last segment is faculty and staff of the University. This section has a 5% growth rate and 6,000 potential customers.

Strategy

MSN will initially focus their efforts on buying and developing existing properties. Once the properties are purchased, each unit will be hard wired with Internet access, state-of-the-art amenities will be installed, and safety measures will be implemented ensuring a cutting edge, safe environment. This course of action will be initially pursued as a way to efficiently utilize capital and establish a reputation within the community. Future projects may include custom build outs.

Management Team

MSN will be led by Shawn Menashe and Nathan Koach. Shawn has a bachelors degree in Economics and received his MBA from the University of Oregon. Following school, Shawn went to work for one of the largest property management companies in the area. After seven years with [name omitted], Shawn had risen up to Vice President of Operations. It was his time at [name omitted] that provided Shawn with valuable industry insight and experience. Nathan brings different skills sets to the company, coming from a customer service background. At the young age of 21, Nathan had already completed his undergraduate degree and went to work for Voice Stream Wireless. After six years at Voice Stream, Nathan had been promoted to the Director of Customer Service for the Salem, Oregon center. In this position Nathan managed Voice Stream's 200 person customer service department. This experience provided Nathan with incredible customer attention skills that he will leverage for MSN.



1.1 Objectives

1. Sales of $430,000 in 1999 and $600,000 by the year 2001.
2. Gross margin higher than 50%.
3. Net profit/sales to be positive by the second year.
4. Have a crime rate of 0.

1.2 Mission

MSN Real Estate provides high-quality, comfortable rental units in Eugene and other areas of Oregon. MSN's apartment units offer state-of-the-art living conditions reflective of the rapid advancements in technology and a growing need for quality housing. Our company is dedicated to a hassle free living environment in which our tenants can enjoy all of the benefits of safe, attractive, and inviting units. Unlike many other realty companies that are solely concerned with turning profits, our primary objective at MSN is to maintain the highest level of customer satisfaction that is achievable. Tenant safety, happiness, and comfort are our main goals. MSN maintains competitive market prices, while working toward expanding the number of units owned, and increasing total profits earned. Within the company we will strive to work as a cohesive, harmonious unit focused on exemplifying our mission. Just as customer satisfaction is an intricate part of MSN's success, so is employee satisfaction. That is why the founders of MSN Real Estate believe that employee satisfaction will make the company a success and will be the key to their longevity.

Initial focus will be to buy and develop existing apartment complexes. We will modify and remodel the acquired real estate so as to meet MSN standards and increase long-term assets and income. Housing units will predominantly be located in the University neighborhood targeting both students and professionals. MSN fosters the ideals of the importance of tenant needs along with healthy and understanding relationships and a professional commitment to satisfaction.

1.3 Keys to Success

1. Safe, quality housing that provides state-of-the-art amenities at competitive prices.
2. Maintaining open communication between MSN and its customers in order to ensure the highest level of customer satisfaction and long lasting reputation within the community.
3. To continue to expand the number of units owned and maintained, while also increasing the level of profits for both MSN and its investors.

2.0 Company Summary

MSN Real Estate is an enterprise that is involved in numerous aspects of the industry. Primary experience and expertise is in the development of high-quality, lower cost living for students and professionals seeking the most up-to-date technologically advanced living environment. An area of intense training and attention is the importance of strong customer service.

The first property purchased by the company is a 40-unit apartment building on the corner of Hilyard and 14th in Eugene. It is relatively close to the University, so will be easily rented to capacity nine months out of the year. For the remaining three months, the price of rent will be reduced and we will aim to remain at 60% capacity.

2.1 Company Ownership

MSN Real Estate will be created as a Limited Liability Corporation based out of Portland, Oregon. It will be owned by its principal investors, Shawn Menashe and Nathan Koach. Shawn Menashe is the acting CEO and holds a 40% stake in the company. Nathan Koach is the acting CFO and holds a 40% share of the company as well. The other 20% is held by silent investors.

2.2 Start-up Summary

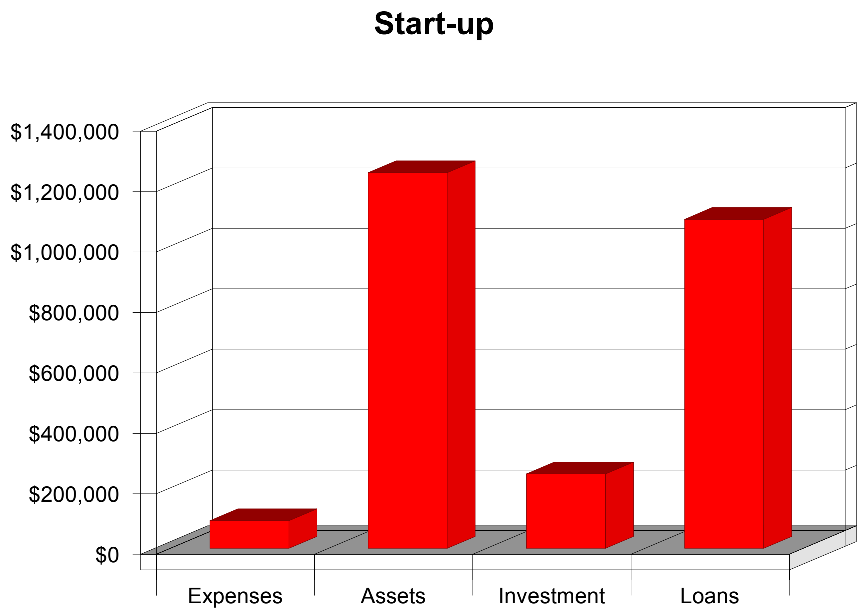
The total start-up expenses (including legal, stationery, architect, brochures, consultants, insurance, rent, construction, expensed equipment, and other) come to $91,560. Start-up assets required include $12,000 in short-term assets (truck, cell phone, etc.), and $36,000 in initial cash to handle the architect and contractor fees prior to opening. Additional cash is needed to pay all zoning fees and governmental regulations.

Long-term assets of $120,000 and long-term liabilities of $1,080,000 are anticipated.

The details are included in the following table and chart.

Table: Start-up

Start-up	
Requirements	
Start-up Expenses	
Legal	$6,400
Architect Fees	$3,000
Stationery etc.	$270
Brochures	$275
Consultants	$2,550
Insurance	$1,315
Rent	$1,400
Construction	$75,000
Expensed equipment	$600
Other	$750
Total Start-up Expenses	$91,560
Start-up Assets Needed	
Cash Balance on Starting Date	$1,111,330
Other Current Assets	$12,000
Total Current Assets	$1,123,330
Long-term Assets	$120,000
Total Assets	$1,243,330
Total Requirements	$1,334,890
Funding	
Investment	
Menashe	$23,000
Koach	$23,000
Silent Partners	$200,000
Total Investment	$246,000
Current Liabilities	
Accounts Payable	$3,890
Current Borrowing	$5,000
Other Current Liabilities	$0
Current Liabilities	$8,890
Long-term Liabilities	$1,080,000
Total Liabilities	$1,088,890
Loss at Start-up	($91,560)
Total Capital	$154,440
Total Capital and Liabilities	$1,243,330



2.3 Company Locations and Facilities

MSN headquarters will be established in A-quality office space in the downtown area of Portland, Oregon. This will be the heart of our company, with satellite locations in Beaverton and Eugene, Oregon. We are also installing an in-house Internet server and 24-hour answering service so that all customer or business communications are dealt with in an expedient and fluid manner. Within any living development with more than 32 units a representative of the company will be located.

The company is currently in the final stages of purchasing its first building, a 40-unit apartment building on the corner of Hilyard and 14th in Eugene. The price of this building is $1.2 million. The company will make a down payment $120,000 and spend an additional $75,000 on renovation. This building houses mostly 2-bedroom units with average per unit price of $775 per month.

In Year 2 the company will purchase its second facility. It is currently in discussions with the owners of a 20-unit apartment building in downtown Portland, OR. It is difficult to predict changes in the building values over the long term, but it is estimated that we will be able to purchase this building for $570,000.

3.0 Services

MSN offers on-site security guards who patrol the grounds during evenings, nights, and early mornings. We also offer an on-site repair service. There will always be an open line of communication between the renters and the management via an MSN Web page and a 24-hour, call-in answering service.

3.1 Competitive Comparison

MSN's competitive advantage is as follows:

1. We offer a higher level of quality in our units than the average unit on campus. This allows for those residents who do not want their living situations to inhibit their studies, comfort or enjoyment of campus life.
2. Each unit will be fully wired to the Internet via available modem jacks and/or ethernet access. If the residents desire to have the best Internet access, we will give them that option.
3. Our marketing and advertising costs will be low due to simple marketing strategies. However, the owner's expertise in visual layout and communications will help create a unique and aesthetic product for the customer.
4. The main competition MSN will encounter will be average lower cost apartment units.

3.2 Sales Literature

MSN will have brochures available at all offices. These will give the customer a general outline of our units and will explain the benefits of our units. We will also have a monthly newsletter that we will send out to our clients. This newsletter will inform the clients as to the growth and outreach of MSN. It will also contain some human interest stories about our complexes and the residents.

Will also advertise in the local newspapers including *The Daily Emerald*, *The Register-Guard*, and *The Oregonian*. Our marketing strategies are simple but aim to reach a large amount of people. The layout of our publications and advertisements will have a sophisticated and contemporary look without being overly formatted.

3.3 Fulfillment

1. MSN's key fulfillment will be provided by management's dedication to a higher quality product. This is achieved through the solid network of contractors, and cutting edge architects who are all dedicated to helping MSN. We are hard workers who have a solid backing from our developers.
2. We will maintain a pool of professionals in which to pull from for our needed services. This will help us develop a rapport with our contractors as well maintaining our high expectations.

3.4 Technology

MSN real estate will have the most up-to-date technology provided both to the customers and to the subcontractors and other clients.

1. Ethernet ports and/or modem jacks will be installed in each unit developed by MSN.
2. Access to a 24-hour copy/fax center located on the premises.
3. Each unit will contain an emergency panic alert that will automatically go through to the manager and the local police department.

3.5 Future Services

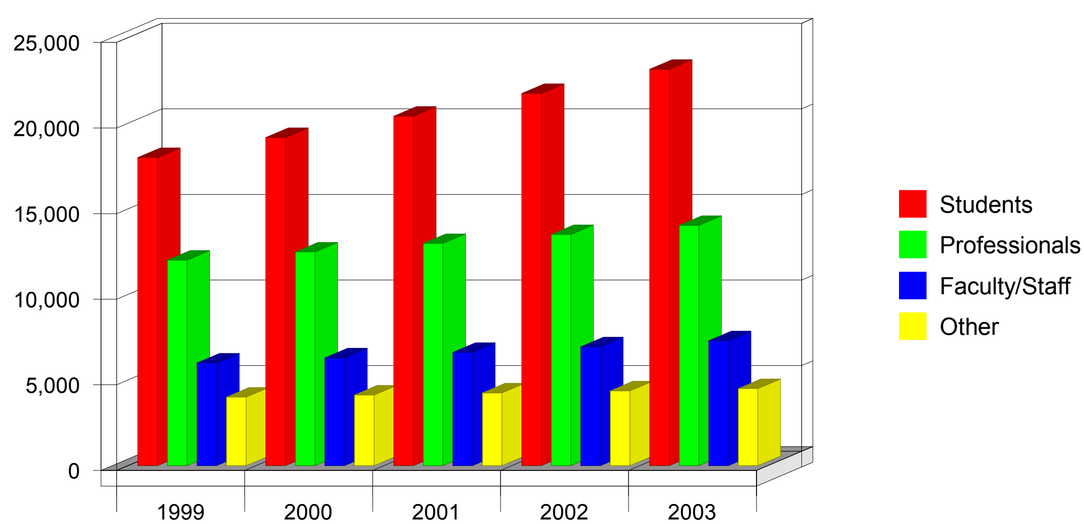
In the future, MSN will look to give each department within the company the opportunity to become a more independent entity. This will make expansion efforts more efficient, and will provide specialists in their departments the chance to become more focused in their field.

We are in the process of conducting surveys in order to determine the best possible markets for MSN expansion.

4.0 Market Analysis Summary

MSN Real Estate's main consumer base will be primarily students at the University of Oregon who will benefit from the apartment's unparalleled level of quality, location, and technological amenities. We will also be marketing to local area professionals and recent graduates, along with faculty and staff at the University. These customers will be looking for safe, high-quality environments that can foster the type of atmosphere needed for scholastic and professional success.

Market Analysis (Bar)



4.1 Market Segmentation

1. MSN's largest market segment in the Eugene area will be students of the local universities. These students will be the most likely to desire the technological amenities that our company offers. We expect this to be the largest growing segment with a growth rate of about 7%.
2. Local professionals are another large segment. They will be attracted to the units because of the same technological needs, but will also be attracted to the comfortable, well maintained living environment. MSN offers units that provide a quality "hub" between college graduation and home ownership. We expect this segment to grow at a rate of about 4% with a more frequent turn over.
3. Local university faculty and staff represent the third and smallest identifiable segment, but contain the second highest growth rate. Proximity and quality will entice this segment which we expect to grow at a rate of 5%.

Market Analysis (Pie)

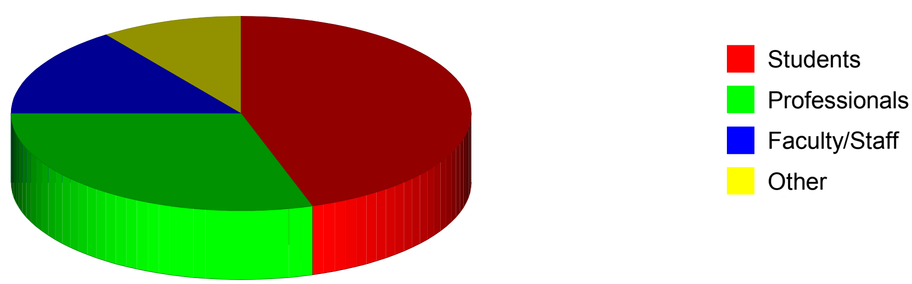


Table: Market Analysis

Market Analysis Potential Customers	Growth	1999	2000	2001	2002	2003	CAGR
Students	7%	18,000	19,170	20,416	21,743	23,156	6.50%
Professionals	4%	12,000	12,480	12,979	13,498	14,038	4.00%
Faculty/Staff	5%	6,000	6,300	6,615	6,946	7,293	5.00%
Other	3%	4,000	4,120	4,244	4,371	4,502	3.00%
Total	5.20%	40,000	42,070	44,254	46,558	48,989	5.20%

4.2 Target Market Segment Strategy

We believe that our unparalleled level of quality and technological amenities put MSN into a niche of its own. This will be the focal point of all our marketing and advertising efforts. These segments are also easily reached through local newspapers and publications, as well frequent open house displays.

It is essential for MSN patrons to understand that their needs are our priority.

4.2.1 Market Needs

Each of our targets need the quality, convenience, service, safety, comfort and technological amenities that can only be found at our living complexes.

1. The student segment needs a quiet safe atmosphere that fosters a quality learning environment. They also need the convenience of location and on-site amenities.
2. The professional segment needs a living environment that separates them from the noisy, dirty inconvenience of average apartment living. Most professionals are on their way to home ownership or movement to a larger city, so they need housing that will let them feel like they are getting the quality that they need.
3. The faculty/staff segment also has similar needs. They need to feel separation from the noise and unkept conditions of most near-campus housing. Along with the students, they also need a place to feel safe and one that fosters convenience.

4.2.2 Market Trends

This industry is constantly evolving and leaving many inflexible companies stagnant. One of the major trends is the need to adapt to technological advancements as well as maintaining the overall appearance and condition of the complexes.

Another important trend is adapting to higher density housing in smaller areas due to urban growth boundaries, etc. MSN is dedicated to following these trends while maintaining the level of comfortable livability that sets us apart from our competitors.

4.2.3 Market Growth

The market for high quality, reasonably priced apartment units has been growing at a rate of 6.7% since 1996. Oregon's rental rates have remained even, averaging $697, or $.79 per square foot, during the fourth quarter of 1997. The Oregon market is experiencing rapid employment growth that is fueling demand for apartments, but not many new units are emerging. Not only is MSN pioneering this particular niche of affordable quality living, but it is capitalizing on the strength of the current economic growth in Oregon.

5.0 Strategy and Implementation Summary

MSN will focus on the three previously mentioned market segments: university students, local area professionals and university faculty and staff.

Our target customer is usually looking for higher end living facilities that foster a safe, enjoyable, and convenient environment. They are technology savvy and have a desire to have access to the technological amenities that we provide.

5.1 Competitive Edge

We start with a critical competitive edge: there are very few apartment units that offer the same level of quality and technological amenities as MSN properties. We also have a very high regard for customer service; something that is unparalleled in this industry. MSN believes it is essential that the customer feels he/she is being treated with the utmost care and urgency. All staff and personnel go through a training program that teaches many of the skills needed for successful client relations and customer service.

5.2 Marketing Strategy

Marketing in a highly competitive housing industry depends on the recognition of excellence, as well as a point of difference to display our units in an individualized light. MSN will build a reputation upon these components.

We will develop and provide a living environment of unmatched proportion. It starts with the commitment to customer satisfaction and fulfilling their demands. Our commitment to quality and comfort includes safety and 24-hour customer service. The aspect of our living developments that differentiate MSN from all other real estate companies is our focus on maintaining the most advanced technological innovations on the market for our tenants.

5.2.1 Positioning Statement

For people who desire high-quality living with all the technological amenities available, only MSN real estate properties will be able to fulfill their needs and desires at an affordable price. Unlike most other property management companies, MSN is committed to guaranteeing customers full satisfaction, with 24-hour on-staff service, live answering service, and a website that handles all complaints instantly.

5.2.2 Pricing Strategy

MSN's pricing will be at the top of what the market will bear. We are competing with large firms who have similar complexes. Our prices will be competitive with these larger firms while maintaining the high level of quality and expert management.

Prices are based on average unit value of $400 and average monthly sales of about $56,000. MSN, however, must try to follow market pricing trends in order to maintain a competitive advantage.

5.2.3 Promotion Strategy

MSN's most successful promotion will come in the form of word of mouth. Since we will own real estate, we will be highly visible to the public. Since our complexes will be in the upper echelon of quality and livability, word will spread through the community about our unique appeal.

Along with word of mouth, our most consistent form of promotion will come from ads in local publications, specifically, *The Oregonian*, *The Daily Emerald* and *The Register-Guard*, as well as smaller magazines and circulations. We will also be personally promoting our product within the community.

5.2.4 Distribution Strategy

We will focus on providing high-quality living in convenient locations with a wide customer base. It is also important that we remain at the upper echelon in the quality range when compared to competitors. We can only do this by organizing and implementing a sound plan that will assume responsibility for the functionality and appearance of MSN properties. We will have an updated Web site for anyone interested in the properties.

5.2.5 Marketing Programs

Our most important marketing program is customer word of mouth. The only way to truly know the quality of our units is through experience; hence we must maintain the highest level of customer satisfaction. Rewards will be given to clients or customers that refer new clientele to the company. We confidently believe that the high level of quality that MSN will provide can attract a strong demand for our units.

Another incentive that we will use is the early move-in bonus program. Anyone that signs their lease before June 15th will receive a free month as well as two parking spaces. This will encourage people to try and beat the rush of people who move in later. It will also give the appearance of increased demand.

5.3 Sales Strategy

Sales in our business is based upon providing customers with a living concept fitting of their needs. We must be in touch with the needs and desires of our clientele in order to best attract a consistent flow of incoming residents.

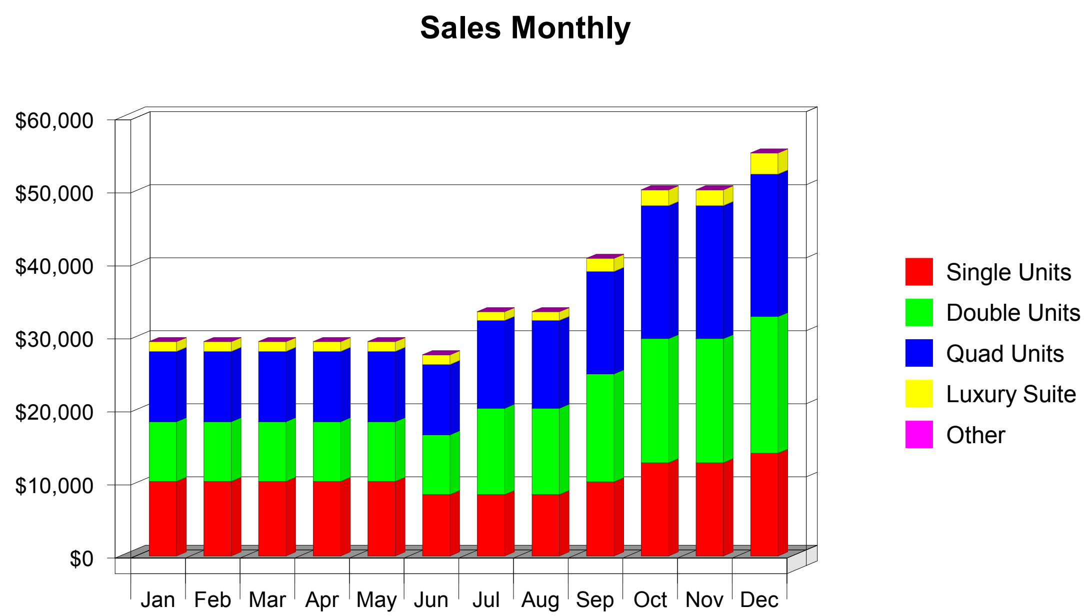
5.3.1 Sales Forecast

The following table and chart gives the forecasted earnings for MSN Real Estate apartment rental units. We perceive a gradual increase in the total number of units over the next year. As time goes on, the monthly per-unit rental price will slowly ascend, coupled by the decline in cost over time, producing an increased per-unit profit.

From our opening in January to June, we expect that all units will be completely rented out. In the summer months we anticipate fewer student tenants, so we have planned on a rent lowering process to entice renters to stay. Also, we will only rent on yearly leases to ensure that all rented units remain filled year round. With the estimated profits from the previous months the annex will be completed in September, adding 14 more units to the total of 54.

Table: Sales Forecast

Sales Forecast			
Unit Sales	1999	2000	2001
Single Units	311	350	394
Double Units	174	212	242
Quad Units	129	154	168
Luxury Suite	29	54	60
Other	0	0	0
Total Unit Sales	643	770	864
Unit Prices	1999	2000	2001
Single Units	$404.98	$410.00	$420.00
Double Units	$806.78	$816.00	$828.00
Quad Units	$1,174.42	$1,200.00	$1,220.00
Luxury Suite	$674.14	$689.00	$699.00
Other	$0.00	$0.00	$0.00
Sales			
Single Units	$125,950	$143,500	$165,480
Double Units	$140,380	$172,992	$200,376
Quad Units	$151,500	$184,800	$204,960
Luxury Suite	$19,550	$37,206	$41,940
Other	$0	$0	$0
Total Sales	$437,380	$538,498	$612,756
Direct Unit Costs	1999	2000	2001
Single Units	$260.00	$225.00	$214.00
Double Units	$428.00	$400.00	$378.00
Quad Units	$511.00	$498.00	$478.00
Luxury Suite	$302.00	$287.00	$284.00
Other	$0.00	$0.00	$0.00
Direct Cost of Sales	1999	2000	2001
Single Units	$80,860	$78,750	$84,316
Double Units	$74,472	$84,800	$91,476
Quad Units	$65,919	$76,692	$80,304
Luxury Suite	$8,758	$15,498	$17,040
Other	$0	$0	$0
Subtotal Direct Cost of Sales	$230,009	$255,740	$273,136



5.3.2 Sales Programs

Our sale program will include sales awards for length of lease agreements, maintaining a full capacity status, and customer service awards for those who best exemplify MSN's commitment to customers. We will also award existing customers for referring new clientele to the company.

5.4 Strategic Alliances

We depend on our alliance with Rumex contracting services to develop our housing units, as well as Richards Architecture to assist in the layout and design of our units. Familian Northwest also is a key factor in our development process for their continuous fair sales program when we need building supplies.

5.5 Milestones

The accompanying table lists our company's milestones, including dates, management responsibility, and budgets. This table indicates our expectations from the company as well as outlining our plan for start up. The table shows the anticipated divisions that are to occur within the company as it grows, as well as an increase in units owned.

This is an initial assessment, and MSN will continually adjust in order to sustain our business in all the different departments.

Table: Milestones

Milestones Milestone	Start Date	End Date	Budget	Manager	Department
Complete incorporation	1/30/98	7/30/98	$12,000	Shawn Menashe (CEO)	Admin/Management
Financially Organized Institution	2/28/98	2/28/00	$2,500	Nathan Koach (CFO)	Finance
Brokerage Unified	4/1/99	4/00/00	$10,000	Joe Nash	Brokerage
Expansion (UNITS)	8/24/98	4/24/99	$150,000	Shawn Menashe	Development
Earnings ($200,000)	1/31/99	12/31/99	$1,000	Nathan Koach	Finance
Acquisition (Bought C&R Reality)	7/30/98	7/30/99	$500,000	Shawn Menashe	Brokerage
Other	1/1/98	1/1/98	$5,000	MSN	Administration
Totals			$680,500		

6.0 Management Summary

The initial management team depends on the founders themselves, with back-up assistance from the property management department of MSN Real Estate. As we continue to grow, we will establish satellite offices in all of our living developments. It will also be necessary to take on additional help in the marketing and R & D sectors as growth continues.

6.1 Organizational Structure

MSN Real Estate depends on an organized division of responsibilities in order to run an efficient, diversified enterprise. Main decisions and responsibilities will be divided between the two top partners. They will focus on maintaining high quality and a cohesive business entity. Top division managers will be given specific responsibilities such as marketing, finance, strategic management, or research and development.

6.2 Management Team

MSN Real Estate is completely departmentalized. The main departments are finance, marketing, management, and research and development. Nate Koach, co-owner of the company, assumes the responsibilities of the CFO, while his counterpart, Shawn Menashe, will be responsible for the duties of CEO. The company will make all decisions in accordance with the company mission. Employees are delegated tasks based upon their specialty.

Every six months, the two top partners will assess the results of these tasks, and the personality of the employee involved, to determine promotion and/or salary issues.

6.3 Management Team Gaps

The present team requires business development and administrative support. Most of the partners have been working in business environments where this kind of support was provided to them as part of a larger organization.

MSN will turn to Dynamic Public Relations to help create business development programs, such as speaking opportunities and magazine article insertions, as well as forums and seminars that are important to our ongoing development.

Regarding administration, we need a strong finance manager to guard cash flow. Our partners are not accustomed to the worries of cash flow, but they have the sense to listen to reason and deal with constraints if the finance manager provides the proper information.

6.4 Personnel Plan

The following table summarizes our personnel expenditures for the first three years, with compensation increasing from less than $100K the first year to about $150K in the third. The founding partners will take limited compensation for the first three years until earnings are substantiated and growth is assured. We believe this plan is a compromise between fairness and expedience and meets the commitment of our mission statement. The detailed monthly personnel plan for the first year is included in the appendices.

Table: Personnel

Personnel Plan	1999	2000	2001
Nathan Koach CFO	$15,600	$20,000	$25,000
Shawn Menashe CEO	$15,600	$20,000	$25,000
Denise Richards (Admin. Mgr.)	$9,600	$10,000	$12,000
Joe Nash (Brokerage Manager)	$11,700	$14,000	$17,000
Head Contractor (Develop. Mgr.)	$14,100	$15,000	$17,000
Other	$24,000	$26,000	$32,000
Total People	18	24	32
Total Payroll	$90,600	$105,000	$128,000

7.0 Financial Plan

We want to finance growth mainly through cash flow. We recognize that this means we will have to grow more slowly than we might like.

The most important factor in our case is collection days. We can't push our clients hard on collection days. Therefore, we need to develop a permanent system of receivables financing, using one of the established financial companies in that business.

7.1 Important Assumptions

MSN's plan depends on the assumptions that are made in the following table. These are annual and monthly assumptions that show the consistent growth of the company. Since we operate on a monthly collection basis, we are assuming that the majority of the collections will be timely and in full.

Some of the underlying assumptions are:

1. We assume a healthy growth trend in the local real estate market, along with a continued strong local economy.
2. We assume that we stay in line with the continuing advances in technology and housing.

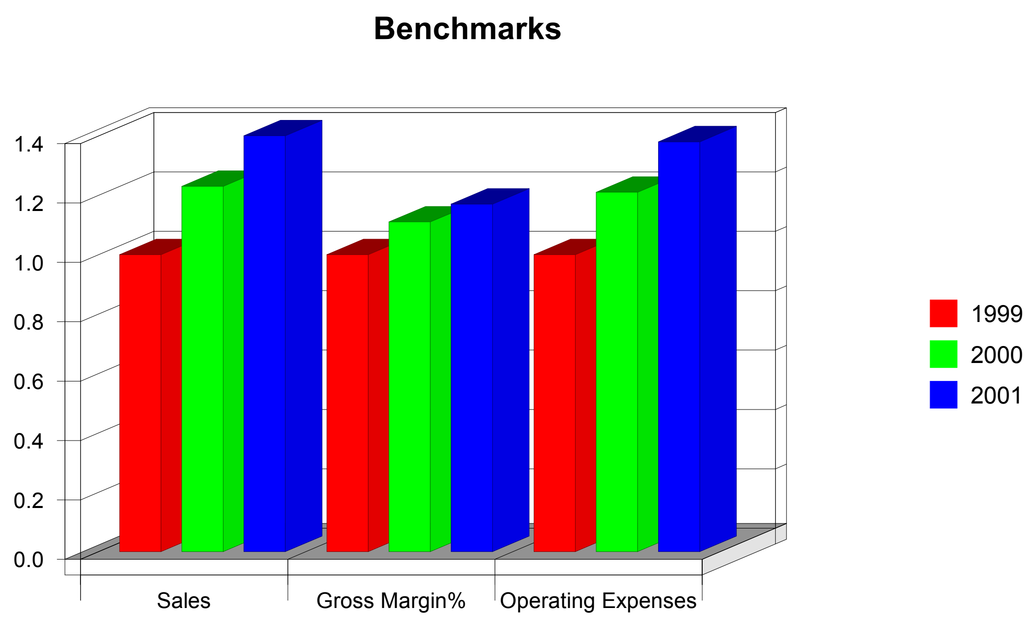
Table: General Assumptions

General Assumptions			
	1999	2000	2001
Plan Month	1	2	3
Current Interest Rate	8.00%	8.00%	8.00%
Long-term Interest Rate	6.00%	6.00%	6.00%
Tax Rate	25.00%	25.00%	25.00%
Other	0.00%	0.00%	0.00%
Calculated Totals			
Payroll Expense	$90,600	$105,000	$128,000
New Accounts Payable	$412,337	$485,390	$542,258

7.2 Key Financial Indicators

The following chart indicates our key financial indicators for the first three years. MSN foresees growth in both unit rentals as well as increasing the percentage of growth margin.

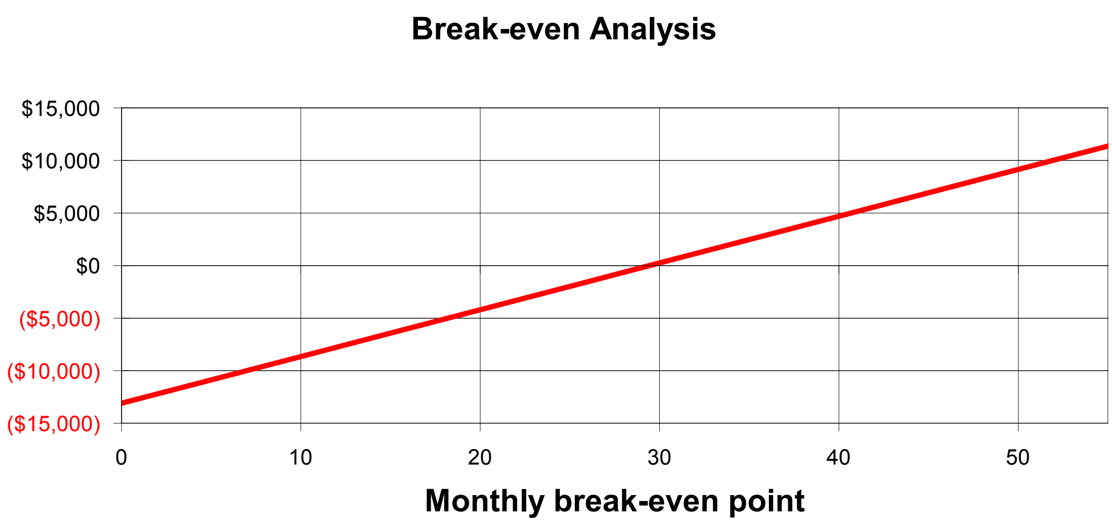
MSN's cash flow depends on the monthly collection from the renters. We allow for a 25-day grace period, after which unpaid accounts will inhibit our cash flow. However, since we collect on a monthly basis, cash flow should maintain at a steady level.



7.3 Break-even Analysis

The following table and chart summarize our break-even analysis. With fixed costs of $12,000 per month and a variable per-unit cost of $375, we will need to rent out 29 units at $820 per unit, to cover our monthly costs. MSN's first housing complex will consist of 40 units. According to the calculations, we will break-even within our first year of operation.

The break-even assumes that all units will be occupied and that all rent will be paid in a timely manner. This assumption is probably unrealistic; therefore our initial break-even per unit will most likely be higher.



Break-even point = where line intersects with 0

Table: Break-even Analysis

Break-even Analysis:	
Monthly Units Break-even	29
Monthly Revenue Break-even	$24,139
Assumptions:	
Average Per-Unit Revenue	$820.00
Average Per-Unit Variable Cost	$375.00
Estimated Monthly Fixed Cost	$13,100

7.4 Projected Profit and Loss

The projected profit and loss for MSN is shown on the following table. Sales are increasing from about $440,000 in 1999 to over $600,000 after the third year. We show a net profit in 2000. We are projecting a gross margin of about 48% for the first year. This is an aggressive projection that will help our efforts to keep total cost of sales low while increasing gross margin. We will also have very low marketing costs, due to the public exposure to the units, and good word of mouth around the university area.

The planned projections are included in the attached Profit and Loss Table.

Table: Profit and Loss

Pro Forma Profit and Loss	1999	2000	2001
Sales	$437,380	$538,498	$612,756
Direct Cost of Sales	$230,009	$255,740	$273,136
Production Payroll	$0	$0	$0
Other	$0	$0	$0
	------------	------------	------------
Total Cost of Sales	$230,009	$255,740	$273,136
Gross Margin	$207,371	$282,758	$339,620
Gross Margin %	47.41%	52.51%	55.42%
Expenses:			
Payroll	$90,600	$105,000	$128,000
Sales and Marketing and Other Expenses	$13,800	$14,000	$17,700
Depreciation	$12,221	$13,000	$19,333
Leased Equipment	$2,400	$2,600	$2,800
Utilities	$7,200	$8,200	$8,500
Insurance	$14,400	$15,500	$1,600
Maintenance	$0	$12,000	$15,000
Rent	$3,000	$4,000	$5,000
Payroll Taxes	$13,590	$15,750	$19,200
Other	$0	$0	$0
	------------	------------	------------
Total Operating Expenses	$157,211	$190,050	$217,133
Profit Before Interest and Taxes	$50,160	$92,708	$122,487
Interest Expense	$66,014	$83,294	$100,922
Taxes Incurred	$0	$2,354	$5,391
Net Profit	($15,854)	$7,061	$16,174
Net Profit/Sales	-3.62%	1.31%	2.64%
Include Negative Taxes	FALSE	TRUE	TRUE

7.5 Projected Cash Flow

The following cash flow projections are a key part of MSN's early success. The monthly cash flow is shown in the illustration, with one bar representing the cash flow per month, and the other the monthly balance. The annual cash flow figures are included here and the more important detailed monthly numbers are included in the appendices.

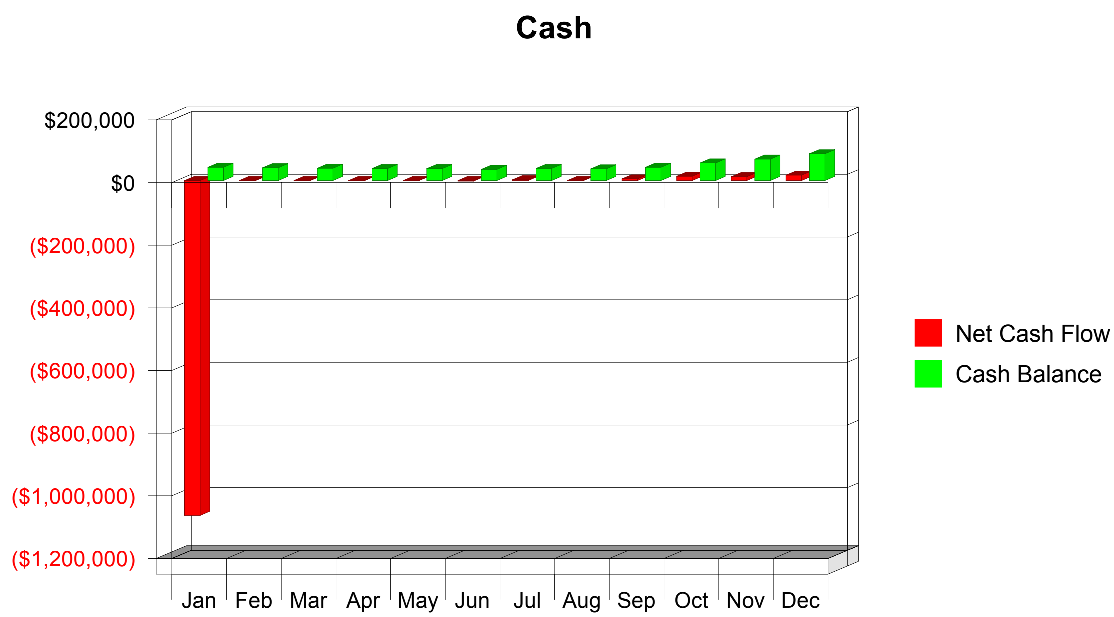


Table: Cash Flow

Pro Forma Cash Flow	1999	2000	2001
Cash Received			
Cash from Operations:			
Cash Sales	$437,380	$538,498	$612,756
Cash from Receivables	$0	$0	$0
Subtotal Cash from Operations	$437,380	$538,498	$612,756
Additional Cash Received			
Non Operating (Other) Income	$0	$0	$0
Sales Tax, VAT, HST/GST Received	$0	$0	$0
New Current Borrowing	$8,400	$15,000	$12,000
New Other Liabilities (interest-free)	$1,802	$2,500	$2,000
New Long-term Liabilities	$4,500	$513,000	$2,500
Sales of Other Current Assets	$0	$0	$0
Sales of Long-term Assets	$0	$0	$0
New Investment Received	$5,862	$6,000	$4,000
Subtotal Cash Received	$457,944	$1,074,998	$633,256
Expenditures	1999	2000	2001
Expenditures from Operations:			
Cash Spending	$28,677	$33,047	$34,991
Payment of Accounts Payable	$386,726	$480,894	$540,259
Subtotal Spent on Operations	$415,403	$513,941	$575,250
Additional Cash Spent			
Non Operating (Other) Expense	$0	$0	$0
Sales Tax, VAT, HST/GST Paid Out	$0	$0	$0
Principal Repayment of Current Borrowing	$0	$0	$0
Other Liabilities Principal Repayment	$650	$0	$0
Long-term Liabilities Principal Repayment	($12,127)	($14,470)	($21,646)
Purchase Other Current Assets	$0	$0	$0
Purchase Long-term Assets	$1,080,000	$570,000	$0
Dividends	$0	$0	$0
Subtotal Cash Spent	$1,483,926	$1,069,471	$553,604
Net Cash Flow	($1,025,982)	$5,527	$79,652
Cash Balance	$85,348	$90,875	$170,526

7.6 Projected Balance Sheet

The balance sheet in the following table shows varying but managed net worth, and a sufficiently healthy financial position. The monthly estimates are included in the appendices and are a good indicator of MSN's annual value.

Table: Balance Sheet

Pro Forma Balance Sheet			
Assets			
Current Assets	1999	2000	2001
Cash	$85,348	$90,875	$170,526
Other Current Assets	$12,000	$12,000	$12,000
Total Current Assets	$97,348	$102,875	$182,526
Long-term Assets			
Long-term Assets	$1,200,000	$1,770,000	$1,770,000
Accumulated Depreciation	$12,221	$25,221	$44,554
Total Long-term Assets	$1,187,779	$1,744,779	$1,725,446
Total Assets	$1,285,127	$1,847,654	$1,907,972
Liabilities and Capital			
	1999	2000	2001
Accounts Payable	$29,501	$33,997	$35,996
Current Borrowing	$13,400	$28,400	$40,400
Other Current Liabilities	$1,152	$3,652	$5,652
Subtotal Current Liabilities	$44,053	$66,049	$82,048
Long-term Liabilities	$1,096,627	$1,624,097	$1,648,242
Total Liabilities	$1,140,679	$1,690,145	$1,730,290
Paid-in Capital	$251,862	$257,862	$261,862
Retained Earnings	($91,560)	($107,414)	($100,354)
Earnings	($15,854)	$7,061	$16,174
Total Capital	$144,448	$157,508	$177,682
Total Liabilities and Capital	$1,285,127	$1,847,654	$1,907,972
Net Worth	$144,448	$157,508	$177,682

7.7 Business Ratios

The business ratios for the years of this plan are shown below. They point out MSN's liquidity, debt, performance and some other important aspects. We expect to generate acceptable ratios for our profitability and return. Industry profile ratios based on the Standard Industrial Classification (SIC) Index code 6531, Real Estate Agents and Managers, are shown for comparison.

Table: Ratios

Ratio Analysis	1999	2000	2001	Industry Profile
Sales Growth	0.00%	23.12%	13.79%	3.60%
Percent of Total Assets				
Accounts Receivable	0.00%	0.00%	0.00%	6.90%
Inventory	0.00%	0.00%	0.00%	0.50%
Other Current Assets	0.93%	0.65%	0.63%	49.90%
Total Current Assets	7.57%	5.57%	9.57%	57.30%
Long-term Assets	92.43%	94.43%	90.43%	42.70%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	0.09%	0.20%	0.30%	28.50%
Long-term Liabilities	85.33%	87.90%	86.39%	27.20%
Total Liabilities	85.33%	87.90%	86.39%	55.70%
Net Worth	14.67%	12.10%	13.61%	44.30%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	47.41%	52.51%	55.42%	100.00%
Selling, General & Administrative Expenses	37.21%	36.81%	37.08%	67.40%
Advertising Expenses	0.00%	0.00%	0.00%	3.60%
Profit Before Interest and Taxes	11.47%	17.22%	19.99%	3.90%
Main Ratios				
Current	2.21	1.56	2.22	1.87
Quick	2.21	1.56	2.22	1.11
Total Debt to Total Assets	88.76%	91.48%	90.69%	55.70%
Pre-tax Return on Net Worth	-10.98%	5.98%	12.14%	1.70%
Pre-tax Return on Assets	-1.23%	0.51%	1.13%	3.80%
Business Vitality Profile	1999	2000	2001	Industry
Sales per Employee	$24,299	$22,437	$19,149	$105,908
Survival Rate				68.50%
Additional Ratios	1999	2000	2001	
Net Profit Margin	-3.62%	1.31%	2.64%	n.a
Return on Equity	-10.98%	4.48%	9.10%	n.a
Activity Ratios				
Accounts Receivable Turnover	0.00	0.00	0.00	n.a
Collection Days	0	0	0	n.a
Inventory Turnover	0.00	0.00	0.00	n.a
Accounts Payable Turnover	13.98	14.28	15.06	n.a
Payment Days	17	286	283	
Total Asset Turnover	0.34	0.29	0.32	n.a
Debt Ratios				
Debt to Net Worth	7.90	10.73	9.74	n.a
Current Liab. to Liab.	0.04	0.04	0.05	n.a
Liquidity Ratios				
Net Working Capital	$53,295	$36,826	$100,478	n.a
Interest Coverage	0.76	1.11	1.21	n.a
Additional Ratios				
Assets to Sales	2.94	3.43	3.11	n.a
Current Debt/Total Assets	3%	4%	4%	n.a
Acid Test	2.21	1.56	2.22	n.a
Sales/Net Worth	3.03	3.42	3.45	n.a
Dividend Payout	0.00	0.00	0.00	n.a

Appendix

Appendix Table: Sales Forecast

Sales Forecast

Unit Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Single Units	24	24	24	24	24	24	24	24	29	29	29	32
Double Units	10	10	10	10	10	10	16	16	20	20	20	22
Quad Units	8	8	8	8	8	8	12	12	14	14	14	15
Luxury Suite	2	2	2	2	2	2	2	2	3	3	3	4
Other	0	0	0	0	0	0	0	0	0	0	0	0
Total Unit Sales	44	44	44	44	44	44	54	54	66	66	66	73

Unit Prices	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Single Units	$425.00	$425.00	$425.00	$425.00	$425.00	$350.00	$350.00	$350.00	$350.00	$440.00	$440.00	$440.00
Double Units	$820.00	$820.00	$820.00	$820.00	$820.00	$820.00	$740.00	$740.00	$740.00	$850.00	$850.00	$850.00
Quad Units	$1,200.00	$1,200.00	$1,200.00	$1,200.00	$1,200.00	$1,200.00	$1,000.00	$1,000.00	$1,000.00	$1,300.00	$1,300.00	$1,300.00
Luxury Suite	$675.00	$675.00	$675.00	$675.00	$675.00	$675.00	$600.00	$600.00	$600.00	$725.00	$725.00	$725.00
Other	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Sales												
Single Units	$10,200	$10,200	$10,200	$10,200	$10,200	$8,400	$8,400	$8,400	$10,150	$12,760	$12,760	$14,080
Double Units	$8,200	$8,200	$8,200	$8,200	$8,200	$8,200	$11,840	$11,840	$14,800	$17,000	$17,000	$18,700
Quad Units	$9,600	$9,600	$9,600	$9,600	$9,600	$9,600	$12,000	$12,000	$14,000	$18,200	$18,200	$19,500
Luxury Suite	$1,350	$1,350	$1,350	$1,350	$1,350	$1,350	$1,200	$1,200	$1,800	$2,175	$2,175	$2,900
Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Sales	$29,350	$29,350	$29,350	$29,350	$29,350	$27,550	$33,440	$33,440	$40,750	$50,135	$50,135	$55,180

Direct Unit Costs	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Single Units	$260.00	$260.00	$260.00	$260.00	$260.00	$260.00	$260.00	$260.00	$260.00	$260.00	$260.00	$260.00
Double Units	$428.00	$428.00	$428.00	$428.00	$428.00	$428.00	$428.00	$428.00	$428.00	$428.00	$428.00	$428.00
Quad Units	$511.00	$511.00	$511.00	$511.00	$511.00	$511.00	$511.00	$511.00	$511.00	$511.00	$511.00	$511.00
Luxury Suite	$302.00	$302.00	$302.00	$302.00	$302.00	$302.00	$302.00	$302.00	$302.00	$302.00	$302.00	$302.00
Other	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Direct Cost of Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Single Units	$6,240	$6,240	$6,240	$6,240	$6,240	$6,240	$6,240	$6,240	$7,540	$7,540	$7,540	$8,320
Double Units	$4,280	$4,280	$4,280	$4,280	$4,280	$4,280	$6,848	$6,848	$8,560	$8,560	$8,560	$9,416
Quad Units	$4,088	$4,088	$4,088	$4,088	$4,088	$4,088	$6,132	$6,132	$7,154	$7,154	$7,154	$7,665
Luxury Suite	$604	$604	$604	$604	$604	$604	$604	$604	$906	$906	$906	$1,208
Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Direct Cost of Sales	$15,212	$15,212	$15,212	$15,212	$15,212	$15,212	$19,824	$19,824	$24,160	$24,160	$24,160	$26,609

Appendix Table: Personnel

Personnel Plan

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Nathan Koach CFO	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,400	$1,400	$1,400	$1,400	$1,400	$1,400
Shawn Menashe CEO	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,400	$1,400	$1,400	$1,400	$1,400	$1,400
Denise Richards (Admin. Mgr.)	$800	$800	$800	$800	$800	$800	$800	$800	$800	$800	$800	$800
Joe Nash (Brokerage Manager)	$950	$950	$950	$950	$950	$950	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
Head Contractor (Develop. Mgr.)	$1,150	$1,150	$1,150	$1,150	$1,150	$1,150	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200
Other	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000
Total People	18	18	18	18	18	18	18	18	18	18	18	18
Total Payroll	$7,300	$7,300	$7,300	$7,300	$7,300	$7,300	$7,800	$7,800	$7,800	$7,800	$7,800	$7,800

Appendix Table: General Assumptions

General Assumptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Plan Month	1	2	3	4	5	6	7	8	9	10	11	12
Current Interest Rate	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Long-term Interest Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Calculated Totals												
Payroll Expense	$7,300	$7,300	$7,300	$7,300	$7,300	$7,300	$7,800	$7,800	$7,800	$7,800	$7,800	$7,800
New Accounts Payable	$30,712	$30,722	$30,733	$30,743	$30,753	$30,811	$35,343	$35,120	$39,003	$38,783	$38,752	$40,861

Appendix Table: Profit and Loss

Pro Forma Profit and Loss

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales		$29,350	$29,350	$29,350	$29,350	$29,350	$27,550	$33,440	$33,440	$40,750	$50,135	$50,135	$55,180
Direct Cost of Sales		$15,212	$15,212	$15,212	$15,212	$15,212	$15,212	$19,824	$19,824	$24,160	$24,160	$24,160	$26,609
Production Payroll		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
		------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------
Total Cost of Sales		$15,212	$15,212	$15,212	$15,212	$15,212	$15,212	$19,824	$19,824	$24,160	$24,160	$24,160	$26,609
Gross Margin		$14,138	$14,138	$14,138	$14,138	$14,138	$12,338	$13,616	$13,616	$16,590	$25,975	$25,975	$28,571
Gross Margin %		48.17%	48.17%	48.17%	48.17%	48.17%	44.78%	40.72%	40.72%	40.71%	51.81%	51.81%	51.78%
Expenses:													
Payroll		$7,300	$7,300	$7,300	$7,300	$7,300	$7,300	$7,800	$7,800	$7,800	$7,800	$7,800	$7,800
Sales and Marketing and Other Expenses		$1,350	$1,350	$1,350	$1,350	$1,350	$1,350	$1,150	$900	$950	$950	$900	$850
Depreciation		$0	$1,111	$1,111	$1,111	$1,111	$1,111	$1,111	$1,111	$1,111	$1,111	$1,111	$1,111
Leased Equipment		$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200
Utilities		$600	$600	$600	$600	$600	$600	$600	$600	$600	$600	$600	$600
Insurance		$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200
Maintenance		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Rent		$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250
Payroll Taxes	15%	$1,095	$1,095	$1,095	$1,095	$1,095	$1,095	$1,170	$1,170	$1,170	$1,170	$1,170	$1,170
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
		------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------
Total Operating Expenses		$11,995	$13,106	$13,106	$13,106	$13,106	$13,106	$13,481	$13,231	$13,281	$13,281	$13,231	$13,181
Profit Before Interest and Taxes		$2,143	$1,032	$1,032	$1,032	$1,032	($768)	$135	$385	$3,309	$12,694	$12,744	$15,390
Interest Expense		$5,440	$5,451	$5,461	$5,472	$5,483	$5,496	$5,505	$5,514	$5,523	$5,540	$5,556	$5,572
Taxes Incurred		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Profit		($3,297)	($4,419)	($4,429)	($4,440)	($4,451)	($6,264)	($5,370)	($5,129)	($2,214)	$7,154	$7,188	$9,818
Net Profit/Sales		-11.23%	-15.06%	-15.09%	-15.13%	-15.17%	-22.74%	-16.06%	-15.34%	-5.43%	14.27%	14.34%	17.79%
Include Negative Taxes													

Appendix

Appendix Table: Cash Flow

Pro Forma Cash Flow		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash Received													
Cash from Operations:													
Cash Sales		$29,350	$29,350	$29,350	$29,350	$29,350	$27,550	$33,440	$33,440	$40,750	$50,135	$50,135	$55,180
Cash from Receivables		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Cash from Operations		$29,350	$29,350	$29,350	$29,350	$29,350	$27,550	$33,440	$33,440	$40,750	$50,135	$50,135	$55,180
Additional Cash Received													
Non Operating (Other) Income		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sales Tax, VAT, HST/GST Received	0.00%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
New Current Borrowing		$1,000	$800	$800	$800	$800	$1,200	$500	$500	$500	$500	$500	$500
New Other Liabilities (interest-free)		$200	$0	$0	$200	$200	$200	$200	$200	$200	$202	$0	$200
New Long-term Liabilities		$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,500	$1,500	$1,500
Sales of Other Current Assets		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sales of Long-term Assets		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
New Investment Received		$100	$150	$150	$150	$1,000	$1,000	$1,011	$1,001	$100	$100	$1,000	$100
Subtotal Cash Received		$30,650	$30,300	$30,300	$30,500	$31,350	$29,950	$35,151	$35,141	$41,550	$52,437	$53,135	$57,480
Expenditures		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Expenditures from Operations:													
Cash Spending		$1,935	$1,935	$1,936	$1,936	$1,937	$1,893	$2,357	$2,338	$2,850	$3,086	$3,084	$3,391
Payment of Accounts Payable		$17,770	$30,718	$30,728	$30,739	$30,749	$31,196	$31,305	$35,280	$34,548	$36,731	$38,774	$38,187
Subtotal Spent on Operations		$19,704	$32,653	$32,664	$32,675	$32,686	$33,088	$33,662	$37,619	$37,399	$39,817	$41,858	$41,578
Additional Cash Spent													
Non Operating (Other) Expense		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sales Tax, VAT, HST/GST Paid Out		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Principal Repayment of Current Borrowing		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Liabilities Principal Repayment		$0	$200	$200	$0	$0	$0	$0	$0	$0	$0	$250	$0
Long-term Liabilities Principal Repayment		$0	($1,075)	($1,081)	($1,086)	($1,091)	($1,097)	($1,102)	($1,108)	($1,113)	($1,119)	($1,125)	($1,130)
Purchase Other Current Assets		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Purchase Long-term Assets		$1,080,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Dividends		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Cash Spent		$1,099,704	$31,778	$31,784	$31,589	$31,594	$31,992	$32,559	$36,511	$36,285	$38,699	$40,983	$40,448
Net Cash Flow		($1,069,054)	($1,478)	($1,484)	($1,089)	($244)	($2,042)	$2,592	($1,370)	$5,265	$13,738	$12,152	$17,032
Cash Balance		$42,276	$40,797	$39,314	$38,225	$37,981	$35,939	$38,530	$37,161	$42,425	$56,164	$68,316	$85,348

Appendix Table: Balance Sheet

Pro Forma Balance Sheet

Assets													
Current Assets	Starting Balances	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash	$1,111,330	$42,276	$40,797	$39,314	$38,225	$37,981	$35,939	$38,530	$37,161	$42,425	$56,164	$68,316	$85,348
Other Current Assets	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000
Total Current Assets	$1,123,330	$54,276	$52,797	$51,314	$50,225	$49,981	$47,939	$50,530	$49,161	$54,425	$68,164	$80,316	$97,348
Long-term Assets													
Long-term Assets	$120,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000
Accumulated Depreciation	$0	$0	$1,111	$2,222	$3,333	$4,444	$5,555	$6,666	$7,777	$8,888	$9,999	$11,110	$12,221
Total Long-term Assets	$120,000	$1,200,000	$1,198,889	$1,197,778	$1,196,667	$1,195,556	$1,194,445	$1,193,334	$1,192,223	$1,191,112	$1,190,001	$1,188,890	$1,187,779
Total Assets	$1,243,330	$1,254,276	$1,251,686	$1,249,092	$1,246,892	$1,245,537	$1,242,384	$1,243,864	$1,241,384	$1,245,537	$1,258,165	$1,269,206	$1,285,127

Liabilities and Capital													
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Accounts Payable	$3,890	$16,833	$16,837	$16,841	$16,846	$16,850	$16,465	$20,503	$20,342	$24,797	$26,849	$26,827	$29,501
Current Borrowing	$5,000	$6,000	$6,800	$7,600	$8,400	$9,200	$10,400	$10,900	$11,400	$11,900	$12,400	$12,900	$13,400
Other Current Liabilities	$0	$200	$0	($200)	$0	$200	$400	$600	$800	$1,000	$1,202	$952	$1,152
Subtotal Current Liabilities	$8,890	$23,033	$23,637	$24,241	$25,246	$26,250	$27,265	$32,003	$32,542	$37,697	$40,451	$40,679	$44,053
Long-term Liabilities	$1,080,000	$1,080,000	$1,081,075	$1,082,156	$1,083,242	$1,084,333	$1,085,430	$1,086,532	$1,087,640	$1,088,753	$1,091,372	$1,093,997	$1,096,627
Total Liabilities	$1,088,890	$1,103,033	$1,104,712	$1,106,397	$1,108,487	$1,110,583	$1,112,695	$1,118,535	$1,120,182	$1,126,450	$1,131,823	$1,134,676	$1,140,679
Paid-in Capital	$246,000	$246,100	$246,250	$246,400	$246,550	$247,550	$248,550	$249,561	$250,562	$250,662	$250,762	$251,762	$251,862
Retained Earnings	($91,560)	($91,560)	($91,560)	($91,560)	($91,560)	($91,560)	($91,560)	($91,560)	($91,560)	($91,560)	($91,560)	($91,560)	($91,560)
Earnings	$0	($3,297)	($7,716)	($12,145)	($16,585)	($21,036)	($27,301)	($32,671)	($37,800)	($40,014)	($32,860)	($25,672)	($15,854)
Total Capital	$154,440	$151,243	$146,974	$142,695	$138,405	$134,954	$129,689	$125,330	$121,202	$119,088	$126,342	$134,530	$144,448
Total Liabilities and Capital	$1,243,330	$1,254,276	$1,251,686	$1,249,092	$1,246,892	$1,245,537	$1,242,384	$1,243,864	$1,241,384	$1,245,537	$1,258,165	$1,269,206	$1,285,127
Net Worth	$154,440	$151,243	$146,974	$142,695	$138,405	$134,954	$129,689	$125,330	$121,202	$119,088	$126,342	$134,530	$144,448