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EXECUTIVE SUMMARY

Welcome to “The Royal Club, Inc.” Our mission is to provide a variety of excellent services to the elite business community of South Florida.

Our company will be chartered under an S Corporation structure. There will be four shareholders, each one holding an equal stake of ownership. The licenses and permits needed to establish the business, are the certificate of occupation, liquor license, and food certification.

The Royal Club’s main objective is to capture the business of the elite corporations worldwide; mainly those located in south Florida. Our type of business is categorized under the standard industry code SIC # 7997.

STATEMENT OF PURPOSE

The enterprise will be financed with a combination of personal capital from the stockholders and a loan. The loan will be granted either by a financial institution or by individual investors. These funds will be utilized to cover the expenses and operating budgets. Our start up budget includes the following items: personnel, legal professional fees, occupancy, license/permits, equipment, insurance, supplies, advertising/promotions, salaries/wages, accounting fees, income, and utilities.

Each shareholder will contribute \$25,000. We realize that \$100,000 would not be sufficient to establish our company. The remainder of the capital will be obtained through a line of credit from Eastern National Bank for which we will pay 10.5% APR or a loan from an individual investor. The loan’s collateral will be the personal asset of each of the shareholder.

The Royal Club’s target market plays a crucial role on its location. We will establish our headquarters in Coral Gables, Florida. This city contains a big percentage of the corporate clientele we are aiming to attract. Coral Gables is also very central; we will be located just minutes away from downtown Miami, Miami International Airport, and The Doral Corporate area. Our premises will have easy accessibility from the major highways, such as the Palmetto and Dolphin Expressway. In the future, we will be expanding by opening two locations, one in the Brickell area, and the other in The Doral area.

Parking facilities for our clients will be provided at the building where the club will be located. The cost of parking will be included in the membership fee. The building will also provide storage facilities, which will be located in the basement. We will have janitors that will be responsible for the general cleaning of our premises. Our own staff will provide some of the minor cleaning activities when needed.

We have chosen to invest in this type of business after thorough analysis of its profitability potential. We arrived at the conclusion that this is almost an unexplored market with a high degree of demand, and very low competition.

Our target for the grand opening is November 1st 1998. There will be a cocktail reception on Friday, November 6, 1998. Many leaders of South Florida's corporations as well as, high government officials will be invited to the celebration. We choose this time of the year with the aim to capitalize in the seasonal boost on the economy at the end of the year. We already have a contract to rent our premises for a Thanksgiving corporate reception. We also have launched a massive marketing campaign to promote our memberships as Christmas gifts. This program will generate approximately \$300,000.00 in revenue, in memberships alone. Another main reason to open our club at this time of the year is to sell our special events services. We have already booked fourteen Christmas parties for the first and second weeks in the month of December. This will generate approximately \$7,000.00 in sales. In addition we will begin the promotion of our meetings and cocktail services that month.

THE ORGANIZATIONAL PLAN

Description of the Business

At The Royal Club, we offer a new and distinct service. We have a variety of features focused to cater the elite corporations in South Florida. Our services include ultimate meeting accommodations in large conference rooms equipped with audiovisual aides, presentation boards and state of the art video-conferencing equipment. We will also provide our customers with an office-copy room. The copy-room will be adjacent to the conference rooms and will have four personal computers. These computers will be fully equipped with the latest software, and the customers will have access to the Internet and PC Anywhere. This software will enable our customers to track their businesses located in any city in the world. The Internet will help our customers keep track of the stockmarkets all over the world, and satisfy all their information needs.

This room will also have two photocopy machines, two fax machines, and working area, etc. There will be concierge secretary in staff, to assist our customers in any need may have. This person will provide secretarial, translating, and dictating services to our customers.

Our establishment will offer the comfort of ten mini-salons, and two large ones to provide better service. These salons will be furnished with top-notch furniture. The small salons will have one sofa, two corner tables, one coffee table and one love seat. The large salons will have two sofas, four corner tables, two coffee tables, and two love seats. In these salons our clients will be able to relax, enjoy a beverage, listen to stereo music, watch television read current magazines and newspapers. The main objective of these salons is to provide club members a place where they can have informal meetings or get together with other members. This will be a place where they can enjoy a drink after work, for example. We will have a fully equipped bar with an inventory of approximately 1200 bottles composed of a worldwide selection of the finest liquors, and wines.

PRODUTCS & SERVICES

General Services Included in the Membership

Access to the bar, which will be located in one of the corners of the establishment. It will open at 4:00 PM until closing time. There will be 2 employees working it the bar section, one of them will work as a bar tender and cashier and the other one will work as a waiter. As the business grows, we are planning to hire additional waiters based on future demand. Being that our main objective is to pamper our clients, we must make sure that our staff will be sufficient enough to cover their needs. In addition to the alcoholic beverages, we are planning to serve snacks to accompany the drinks. Also, there will be fresh coffee available and tea, free of charge. The snacks will be mostly crackers and salty snacks, which will be placed in small crystal bowls on top of the tables and the bar area. About 30% of our sales will come from the sales of alcoholic beverages and from other special events.

Rental of Premises for Special Events

Another one of the main services that will be offered is the rental of the premises for special celebrations and cocktails with a variety of catering services. This feature will be targeted to both, private and governmental organizations. Our salons will have top-notch decorations in order to display a very elegant and professional

atmosphere toward our clients. We will also offer the possibility of removable walls that will allow us to accommodate the events based on the number of guests attending. Our facilities for this system will give us the flexibility to modify the size of the room as needed. It will enable us make full use of the space available in the establishment.

Without any wall adjustments, we will have a sitting capacity for 200 persons and after removing the walls and adding furniture as needed. It will increase to a sitting capacity of 400 persons. The extra tables and chairs when needed will obtain from our catering service supplier. The supplier will be contracted for special celebrations to provide our clients with the services we do not continually offer as food. The catering company will also supply the necessary tables and chairs as mentioned before, table clothing, silverware, plates, and glasses, and mainly the labor necessary to cater our clients. Such as cleaning staff, and kitchen staff. The food will be prepared and served by the catering company. The food will not be prepared in our premises. Each plate will cost between \$15 to \$20 dollars depending on the menu and we will have a 100% markup per plate.

Contract Terms

The rental of the premises will be reserved in advance on a contractual basis. At the time of the reservation a 50% deposit will be required from the total bill. This deposit will be partially refundable depending on how we have compromised financial resources with the catering supplier. Full payment will be required at least one week before the event. At that time we will also require the number of guest attending the event and a decision of menu to be served.

We will market these services to corporations and organizations on the South Florida area. Most of the event will be business cocktails, birthdays for executive, Christmas parties etc. About 5% of our revenue will come from this feature, and at the same time our bar sales will be boosted through this service as well.

Business Meetings Services

Being that The Royal Club will be strategically located in the business district of Coral Gables, and that we will be only 15 minutes away from Miami International Airport, downtown, bricked avenue and the airport business area. Our great location will give us a competitive advantage for this feature. It will enable us to offer the rental of

our premises for business meetings. As mentioned before will have the flexibility to adjust the size of the rooms, and this can also be done for mainly our meetings that will be conducted.

We will have two fully equipped and exclusively decorated conference rooms. Each of these rooms will have a large conference table with a sitting capacity for 20 persons, a state of the art video conferencing - system and a PC with a projector. Our secretarial support will assist our clients during their meetings, with copies, fax services, data processing, courier service hiring, and concierge services.

These services will be mostly marketed to client with no corporate location in South Florida, such as companies in other states or outside of the United States Our marketing manager will travel to Latin America, Europe and also to other regions of the United States to promote this service. We will also launch a campaign with different chambers of commerce across the US and Latin America by inviting their dignitaries to our club.

Also, our Video conferencing equipment will enable our clients to conduct meetings with other parties anywhere in the world. This feature will have an additional cost. The rental of our meeting facilities will also be on a contractual basis. The structure of the contract will be similar to that mentioned before for special event rentals. Catering services will also be available for this feature, if required, for meetings that will be conducted at breakfast or lunch. This segment will generate approximately 5% of our total revenues.

MANAGEMENT AND PERSONNEL

The Royal Club Inc.'s management and organizational structure will initially are in 3 management divisions; a Vice-president who will be in charge of multiple functions will head each division. This is in charge of multiple functions. This structure will be implemented on the initial stages and modified as conditions and growth required it. The divisions and its functions will be as follows.

Administration Structure

Operations Vice-president: Gerardo XXXXXXXXX

Mr. XXXXXXXX as the operations Vice-president will be in charge of the daily logistics of the company. Mr. XXXXXXXX duties and responsibilities will include scheduling the staff, ordering and management of alcohol beverages inventory, managing the bookings, payments, and coordination of the special event services, arranging, coordinating, and business meeting services. Mr. XXXXXXXX expertise is in the management and finance fields. All floor employees will report directly to him. Hence him along with the CEO, Mr. Hernan XXXXXXXX will be in charge of the human resources functions as well as all human resources functions as hiring, training, and terminating employees. Also responsible for employees' benefits, insurance and contracts. In the future when the company grows, a club manager will be hired. Who will report directly to Mr. XXXXXXXX? When new clubs open up, those managers will report to Mr. XXXXXXXX. Mr. XXXXXXXX will be on site to make sure that the operations will run smoothly.

Marketing and sales Vice-president: XXXXXXXX Miguel

Mr. Miguel will be responsible for the promotion, advertising, and sales. His major duties will include: negotiation with the media, coordinating and preparing the advertising of marketing campaigns, public relations, press releases, marketing research. His other major functions will be selling our memberships, special event services and business meeting services. The selling duties will share along with the CEO, Mr. Hernan XXXXXXXX, who will also be responsible in a great proportion in the selling functions.

Mr. Miguel will be traveling to Latin America and the Caribbean to promote our club in those regions. As the company grows most of these functions will be redistributed into three other persons. An additional sales representative will be hired for our local members, a sales representative for Latin America and a marketing support assistant. All these employees will report directly to Mr. Miguel. Mr. Miguel's fields of expertise are marketing and International Business.

Finance and Accounting Vice-president: Mauricio XXXXXXXX

As the finance and accounting Vice-president Mr. XXXXXXXX will be in charge of internal accounting, financial statement preparation and budgeting, financial analysis, project evaluation analysis, contract cost, and tax preparation. His major duties will include general ledger management, general entries, monthly financial statements and reports, preparation and monitoring of budgets, contracts, profitability analysis, capital resources, acquisitions, loans, investments, etc.

In the future, The Royal Club will hire a junior accountant and a financial analyst. They will be responsible of the duties described above and they will report directly to Mr. XXXXXXXX. His strongest qualification is an extensive experience in Accepting.

CEO and Chairman of the Board: Hernan XXXXXXXX

As CEO and Chairman of the Board, Mr. XXXXXXXX will be the head of the company. The three Vice-presidents will report directly to him. Besides coordinating and managing all the operations and functions, he will assist the Vice-presidents in their specific areas. He will assist the Operations VP in the HRS functions, the VP of Marketing in the sales functions and the VP of Finance in Accounting and Finance Analysis.

Mr. XXXXXXXX's strongest field is in the finance field and hospitality management area. He will have an administrative assistant helping him in copying with payroll functions and employees' benefits.

CLERICAL STRUCTURE

The Employment Process

The Royal Club Inc. will be characterized by a flat organization structure. Customers and customer service will be at the top of the organization. Employee satisfactions would be next in hierarchy, and not last but more as the basis of our strategy is shareholders' wealth maximization. One of the main factors required for our enterprise to be successful is to have trained and a happy human resources. If we have a well-prepared and satisfied work force, consequently these employees will provide excellent service to our clients.

Our work force structure will be divided as follows:

Administrative Assistant

A classified ad will be published in The Miami Herald to advertise this open position. The basic qualifications this individual most have are bilingual capabilities, executive secretarial experience for at least four years, college student preferred, and computer literacy. The person must be organized, detailed oriented and with the ambition to grow within the company. This person will receive a customer service training plus an overall review of the operations of our firm and his/ her responsibilities. This

person's initial major responsibilities will include, assist the CEO and the other three Vice-presidents in secretarial duties. Once the company grows each Vice-president will have its own assistant. However, at the beginning this person will provide secretarial support to the administrative body. This person will report directly to the CEO, even do she/he will assist the other managers. This person will be backed-up by the receptionist and the client's secretary who will assist him/her.

Customer's Secretary-Concierge

This individual will be hired through a classifieds advertisement. The basic qualifications this individual must have are: bilingual, strong customer service orientation, executive secretarial experience, computer literate, and knowledge of all office equipment, must be very organized, detailed oriented, and mostly posses a very pleasant and helpful personality. This person's major responsibility will be to assist the client in all their secretarial needs. In addition, this person will serve as a backup for the administrative assistant. An intensive training in the customer service and hospitality management will be provided to this person. This individual will report directly to the Operations-Manager-Vice-President.

Receptionist

This person will also be hired through classifieds advertisement ad in The Miami Herald. The basic qualifications will require bilingual, strong customer service experience, and secretarial skills. The receptionist's duties will be answering the phone switchboard, taking messages, and hosting clients as they arrive. He/she will receive strong customer service training, and will report to the operations manager vice-president.

Bartender-Waiter

The basic qualifications needed to fill this position are complete and thorough knowledge of alcoholic beverage preparation. Must have a Bartender Certificate, and strong customer service skills. The responsibilities will consist of preparing and serving drinks, servicing the counter and the customers. Bartenders will receive training in customer service and they will report to the Operations Manager Vice-President.

Kitchen Employee

Hired through the Miami Herald advertisement. The basic qualifications needed, will be simple experience in a similar job. Responsibilities will consist of basic kitchen maintenance, and assist the catering company employees during special events. This person will report to the operations manager.

Monthly Payroll Expenses Table

Administrative Salaries	\$8,333.00	40% of payroll exp.
Clerical Salaries	\$8,500.00	40% of total exp.
Payroll Taxes	\$2,525.00	13% of total exp.
Health Insurance	\$1,380.00	7% of total exp.
Total Monthly Payroll	\$20,738.00	100%

Employment Benefits

In addition to the benefits required by law, we will offer other benefits as an incentive to our employees. Our full time administrative and clerical workers will be entitled to the following fringe benefits.

Health Insurance

During the initial stages our firm will offer health insurance to all full time employees after the probation period. The probation period will be 90 days after the hiring date. The program will consist of an HMO plan and it will only be offered to our employees exclusively. This means, we will not pay for health insurance coverage for our employees' spouses or children. However, when our company expands this policy might change to include them. The company will contribute 90% of the insurance policy cost and the employee will only contribute 10% of the policy's cost. The company will contribute \$184 and the employee will contribute \$20 giving us a total of \$204.00.

Vacations

All full time employees will be entitled to a five- day paid vacation per working year. After two years of working for the company, employees will be entitled to ten day paid vacation per working year.

Education

If a manager considers that one of our employees will enhance its productivity and contribution to our firm by acquiring additional skills, we will offer this benefit. Employees will take the required courses we feel are necessary and must pass them with a satisfactory grade (A, B)

Conclusion

The Royal Club will implement a strategic human resources process. We will link the employment process to the strategic goals of our company to obtain maximum performance. Employees will be professionally trained, and promoted when the company expands. So, they can grow along with the company.

Legal Structure

Our company will be chartered as an “S” Corporation under the name of Royal Club Inc. The board of director will be structured in the following order:

President: Hernan XXXXXXXXX

Secretary: Jorge Miguel

Treasurer: Mauricio XXXXXXXXX

Legal Agent: Gerardo XXXXXXXXX

Attached, find a copy of the Articles of Incorporation.

Required Licenses for Operation

License: City of Coral Gables Occupational License for Membership Org.	<u>Cost</u> \$300.00	<u>Term</u> Yearly
Miami Dade-County Certificate of Occupancy	\$50.00 Initial Cost \$30.00 Yearly	Yearly
Miami Dade-County Occupational License	\$117.00 Initial Cost \$230.00 Yearly	Yearly
Alcoholic Beverages State of Florida License. Minimum of 200 seats for hard liquor license	\$30,000.00 to \$50,000.00	

LOCATION

The Royal Club will be structured in a way that we can accommodate our members without any type of space restrictions. It will consist of 14,600 square feet of space available for all activities. The facilities will provide every single element that an executive might need to handle their business in the best way possible. There will be conference rooms, private offices, salons, which will be used for special events in combination with the bar area that will be use as a resting and recreation area for executives.

The location of The Royal Club is very important. Our members should have easy access to our location. The city of Coral Gables is located in the center of the major corporate districts of Miami Dade-County. At the north we have the Airport corporate area and the Doral area. From the east we will have Brickell –Avenue. This section is probably the biggest business district. Several of the major highways and expressway will have immediate access to our location, so it will not be difficult for our clients to visit us.

Parking availability will be provided by the building and there will be parking spaces available for approximately 45 cars.

Lease Terms

Sublease

Without the written consent of the landlord, The Royal Club as tenants will not be authorized to lease or sublease the premises to any other part. If the company decides to sublease the premises we will have to submit a written request to the landlord to obtain proper authorization.

Expansion Clause

If our company wants to acquire additional space for an expansion of our regular line of business, we will be entitled to do it as long as the space is available. There will be no problem to do so as far as we obtain the approval from the landlord. The landlord should always notify the tenant when the space becomes available if the space is in use by another tenant.

Repair and Service Contracts

Our company agrees that in the terms of the contract we accept that the landlord is not responsible for any repair that is to be done in the premises. Unless specified in the contract that the landlord will take care of any repair work. In the case of the Royal Club, the Landlord will have the locale in excellent conditions before the company moves in. Our company will then be in charge of any repair work.

Relocation Clause

In case the landlord decides to sell the premises to one or several purchasers. They will have the right to do so at any moment they decide. The Royal Club as a tenant will be in the obligation to pay rent and any other amounts to the purchaser or purchasers. It will be strictly the decision of the new landlord to renew our contract at the end of the term.

Maintenance

As specified in the contract there will be standard maintenance services, which will be offered by the landlord, such as general or daily services. The basic cleaning of all offices. Maintenance of the rest rooms on a daily basis so they can be presentable for our customers. Elevator maintenance and make sure they function without any problem. All these services will have a good effect on our premises and it will help in the overall appearance of the business.

METHODS OF COLLECTING PAYMENT

As a form of payment for our services and products, The Royal Club will accept cash, personal and company checks, and credit cards. Checks and credit card modification will be done through a vendor called Electronic Merchant System. This system will allow us to accept our clients' personal or company checks without the risk of fraud. The equipment and service of this system is as follows:

- Credit Card and Check Reader Machine.....\$895.00
- Credit Card Verification (monthly).....\$10.00
- Check Verification (monthly).....\$10.00
- Total of Transactions (credit cards and checks).....\$1.93%

The total of transactions for credit cards and checks is an average fee processed through the system. Calculated by Visa, Master Card, America Express and Checks. We forecast that 85% of our sales will be collected either via check or credit card. We have allocated a budget for this expense.

METHODS OF RECORD KEEPING

Book keeping and Accounting functions, will be handled by our internal accounting department, initially we will have an accountant on site, he will be the vice-president of Finance and Accounting. When business grows he will hire a junior accountant, a financial analyst, and a clerk. This

Individuals will be in charge of the daily book keeping and accounting activities. Financial Statements will be prepared on a monthly basis. We will not need to prepare Interim Financial Statements since our company will be privately held. A CPA firm will audit monthly Financial Statements.

The audits are aimed to obtain a reasonable assurance about whether our financial statements are free of material misstatement. The audits will include, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audits will also include assessing the accounting principles used and significant estimates made by our management, as well as evaluating the overall financial statement presentation.

INSURANCE

We will purchase our insurance coverage through “The Insurance Workshop Inc.” This is an insurance agency specialized in commercial policies, although they also sell residential and automobile insurance. This company will provide us with the following coverage:

- Medical and Dental Insurance for all employees.
- General Liability Coverage
- Property Insurance
- Workers Compensation

MEDICAL AND DENTAL INSURANCE

This coverage will be provided by the “The Principal Financial Group” We will purchase a group plan which will cover all administrative and clerical staff, under an HMO program. The coverage will be provided to employees only. Spouses and family members will be excluded from the coverage. The cost of the policy will be distributed by a 10% contribution by the employee and 90%, by The Royal Club. Total Cost of Health Insurance per employee will be \$204.00 on a monthly basis. \$20.00 Will contributes by the employee and \$184.00 by the company

PROPERTY INSURANCE

The London Companies (Sphere Drake) will provide this coverage. Our companies' assets contents will be protected up to 80% of actual cash value. Our business income will be protected up to 84%. In this policy we will have a \$1000.00 deductible plus a 2% limitation for wind and hail.

LIABILITY INSURANCE

United National Insurance Company will provide this coverage. We will have general liability coverage up to \$2,000,000.00. Our services and complete operations will be included on the above item. Personal and advertising injury liability will be covered up to \$1,000,000 each occurrence up to 1,000,000. Liquor liability up to \$2,000,000. This excludes assault and battery. The deductible will be \$2,500.00 bodily and property damage per claim.

WORKERS COMPENSATION

This insurance policy will be provided by "The Florida Retail Federation" There will be a limitation of \$1,000.00 for each accident, or for each disease, This policy will have a limitation of \$500,000.

SECURITY

The building will provide security services where The Royal Club will be located. The club will be locate at the 9th floor of the building and will enjoy 24-hour monitoring provided by the landlord. The cost of security will be included in the monthly rent payment and it will be approximately 6% of the total payment. Our door will be locked at close of business and only the most trusted individuals (besides administration) will have keys. Valuable objects such as documents, cash, jewelry, can be place in the safe box, Our property insurance coverage contains protection up to 80% of cash value and theft of property is included.

MARKETING PLAN

Target Market and Demographics:

As a business service club, we believe that we will obtain a unique niche in the corporate market of Miami Dade County. Our target market will consist of the elite executive body of the major corporations of South Florida. As prospects we have analyzed a total of 286 top firms of which 156, are non- manufacturers and 136 are manufacturers. The total labor force (according to 1997 statistics) in Miami-Dade County is 947,579. Demographic data published by the Beacon Council, shows that 9.3% of this labor force of these companies work at an administrative and/or executive level. In other word, we have approximately 88,184 potential prospects for memberships. Our objective for the first year is to gain a market share of 4% to 5% of these prospects. We will attempt to sell approximately 3,000 memberships. The following year, our aim is to increase the market share to approximately 7% to 8%; approximately 6,000 to 7,000 memberships. Most of these clients will be top executives in the following areas: Commercial and Investment Banking, Telecommunications, Travel Industry, Retailers, Health Service Organizations, Textiles-Apparel manufacturers, Printing-Publishing Companies, Food Processing, etc. We will also market our services to multinational companies. Due to its strategic location, Miami is considered the business capital of Latin America. We will capitalize in this advantageous geographical position by offering membership accounts to the major corporation of that region. In addition to our private sector market, our goal is to also capture clients from the higher administrative levels of the local government. This might constitute an additional increment in the number of members.

Demographic Tables

<u>Area and Population</u>	<u>Executive Admits. Managerial Occupation</u>	<u>Professional Specialty Occupation</u>	<u>Other Occupations</u>
Fisher Island 217	50.00%	13.3%	36.70%
Bricked Av. 33,331	26.60%	22.50%	67.80%

Coral Gables 34,846	15.80%	16.40%	53.10%
Bricked AV_9,877	25.80%	21.1%	75.30%
Total 2,092,539	12.6%	12.1%	75.30%

Resources used for Market Research:

Our marketing research was obtained on mainly from secondary data. The business and economic conditions of the South Florida area were assessed using data published by the beacon council through the Miami Business Profile. 1998 edition. This publication gave us updated and detailed information of the local economic and market conditions. We were able to pin point vital data such as the classification of the local firms by industry, company size, yearly sales figures, etc. This data gave us the base to develop our target market projections. With these figures we launched an aggressive marketing and advertising campaign to achieve our sales forecast. The Miami Business Profile was also a very useful tool to understand local economic conditions and trends.

Demographic figures were also obtained from the 1990 US Census Data and the Miami Herald Marketing Department. Population characteristics segregating by marital status, occupational status, and occupation were carefully analyzed.

We were able to appraise the Leisure Industry environment through a thorough study of the Standard & Poor's industry surveys. We complemented this research with an analysis conducted on the McGraw & Hill industry summary. These publications gave us a detailed overview of the current industry trends. Significant data as consumer disposable income gross private domestic investment, personal consumption expenditures, and other economic indicators to our enterprise.

Primary data was collected administrating surveys and holding focal groups in main corporations of South Florida. The objective of these

surveys was to find out if our respondents found our services appealing to our findings. Once we open up for business we will continuously monitor our customer satisfaction by conducting random surveys from different customers.

In order to develop our financial strategy, we used the Robert Morris Financial Ratios Guide. We will use this information as a benchmark to monitor our macroeconomic and financial health performance.

Competition Analysis

Our enterprise enjoys basically no direct competition in the South Florida Area. Our competitors are mainly of an indirect nature. The main ones are airline clubs, five star hotels with convention facilities, and some temporary office rental companies. However none of these competitors offers the variety of services we do under the same roof. For example The American Airlines Admirals Club at the Miami International Airport offers business meetings facilities, bar, and a relaxing yet sophisticated atmosphere but it's focused to business travelers only. Our club is targeted to all business individuals including travelers as well.

Five star hotels as The Hyatt , The Doral Resort, The Biltmore, The Grand Bay, The Intercontinental will also be indirect competitors. They offer the business meetings and convention facilities for corporate clients. They also offer catering services for special events and celebrations, however fail to offer the status of belonging to an exclusive club. In addition they do not offer some of our features as secretarial support.

Other social clubs as The Coral Gables Country Club, The Archie de One Club, The Banker's club The Big Five Club, offer the same level of exclusivity as The Royal Club. Yet these clubs are focused on catering social events only, missing the corporate market potential. The Royal Club will exceed the competition by focusing on excellent and superior member services. We will provide a combination of all the services they offer plus our very own features.

Competition Analysis Chart

Services Offered	Royal Club	Admirals Club	HQ Business Centers	Banker's Club	Biscayne Bay Yacht Club
Direct Competition		NO	NO	NO	NO
Indirect Competition		YES	YES	YES	YES
Corporate Discounts on Memberships	YES	NO	NO	NO	NO
Special Social Events Services	YES	NO	NO	YES	YES
Business Corporate Meetings	YES	YES	YES	NO	NO
Bar and Relaxing Atmosphere	YES	YES	NO	YES	YES
Cater Local Market	YES	NO	YES	YES	YES
Cater International Markets	YES	YES	YES	NO	NO

PROMOTION

Our slogan will be “Special Place for Special People”. This legend will appear in our memberships cards, it will also be displayed in all our advertisements, stationery, T-shirts, etc. We want to transmit the message that all of our clients will be treated as “royalty” in a very exclusive or special place just for them. We will launch a marketing campaign consisting of our potential clients, and direct mailing. We will publish advertising in the Daily Business Review, a publication targeted to the corporate sector of the area. Also the Miami Herald Business Section, the Real Yellow Pages, and the Internet. In addition we will send a mailing directed to the key corporations and individuals of the business community. The most important feature of our campaign will be our personal visits to major corporations in the region. These visits will consist of

presentations proposing our services to key executives of our potential customers. Before visiting our client we will develop a network of contacts in the major firms that we have as prospects. We will develop those contacts through other clients, suppliers, friends, relatives, and we will use the one we have. Once we find out who is the decision-maker at the specific department, then we will send him/her a sales letter Other marketing tools will be utilized in the future as giving away high quality T-shirts displaying our logo and a legend: “ I belong to the Royal Club”. We will keep a database containing our client’s birthdays. This will enable us congratulate them with postcards, emphasizing our personalized oriented service.

Promotion Vehicle Table

<u>Promotion Vehicle</u>	<u>Publicity Cost, Circulation and Designing Cost.</u>	<u>Summary of Contract</u>
<u>The Miami Herald Business Monday</u>	\$117.70 Weekly circulation \$333.00 Design Cost.	A business card size ad will appear every Monday in the business section. The contract is to be renewed every week.
<u>Daily Business Review</u>	\$5,460.00 Publication \$333.00 Design for a 26 week circulation	A 2.5” size ad will be published on a daily basis. Contract for 26 weeks.
<u>Yellow Pages</u>	Publication \$500.00. Design cost \$333.00 Yearly circulation.	It will appear under the category. “Membership Clubs” Yearly contract

<u>WEB Site</u>	Publication \$200.00 for URL registration. \$40 per month for hosting \$35.00 yearly renewal of registration. Design \$400.00 Permanent circulation	A full colored WEB page will appear under www.royalc.com . Yearly contract. There is a \$40 fee to have the WEB page linked to the major search engines (yahoo, Infoseek, altavista)
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Pricing

The Royal Club will use a “Prestige Pricing” structure. The prices will be competitive enough to attract new accounts but also high enough to cover costs and provide a high profit margin. As previously mentioned we will emphasize on prestige pricing to attract those customers willing to pay a higher price for that quality or status.

The Royal Club will offer a composition of three different price levels. These price differentials will depend on the three different types of memberships. As follows we will have our official price list:

Corporate Membership \$320.00 (New Annual)

Corporate clients will receive a 20% discount based on the assumption that memberships will be sold in bulk to corporations.

Individual Membership \$200.00 (Annual Renewal)

Life Time Membership \$2,950.00

(Corporate & individual)

These membership fees include access to the club facilities, conference rooms, office equipment such as audio-visual aids, presentation boards, and personal computers equipped with software such as PC anywhere which enables all business memberships to track their company’s operations from the club premises. The fees also include access and equipment such as photocopiers, fax machines, calculators, secretarial/dictating services, courier service, and translation services. Private surroundings are where

members may relax, are included in the membership fees, where members can enjoy complementary drinks, coffee or tea, listen to stereo music, watch television, read current magazines and news, plus CNN world news.

The catering services will not be included in the membership fees and will be provided by “Brock & Comp” at a reasonable cost to our customers.

Attached we have included the price list provided by Brock & Company Catering Services. Next to each item we have listed the cost per unit and the price per unit. As it can be observed we have an exquisite variety of gourmet menus. We will also offer a finger food menu, cold fork buffet, and cocktail menu.

Timing of Market Entry: After careful review and analysis, we have decided to open up our club towards the end of the year. The main reason for pursuing this strategy is to capitalize on the economic boost of the end of the year. Historical data shows that consumer spending on leisure products and services increases substantially during this time of the year. In our specific case we have designed an aggressive marketing campaign aiming to exploit the potential demand for memberships as Holiday gifts. Our sales pitch to promote the memberships to corporations will be “ What can be better to reward to reward your hard working executives than a membership to a exclusive place as The Royal Club”

During this period, we will also have the opportunity of taking advantage of the Thanksgiving, Christmas, Hanukah, and new years celebrations. We are forecasting to sell fourteen contracts for special events in the month of December. This will give us the opportunity to introduce our club to the business community hence it will be an ideal way to begin gaining market share.

Location

From a marketing perspective, for our type of business, the city of Coral Gables it's a prime location. This area of Miami Dade County it's considered one of the most prosperous and exclusive areas of the corporate community. A great portion of our potential clients will be located in Coral Gables. Including banks, law firms, insurance companies, and investments firms, advertising agencies and travel industry firms. In addition, this area and its surroundings (Coconut Grove, Gables by the Sea, and Coco Plum)

It's the home of a great portion of the upper class wealthy individuals of Miami Dade County. It is demonstrated by demographic information that 1,795 households in this area have a yearly income of \$150,000 or more. This fact is to our advantage since we will be neighbors to most of our clients. As mentioned in the organizational plan, Coral Gables is very centrally located. We are approximately 15 to 20 minutes away from major business districts as the Doral area, Brickell avenue area, and Downtown Miami. Location is one of the most important aspects of a marketing strategy, and the reason why we placed a great emphasis on this issue. We know that this is a very expensive area for commercial leases, but the benefits of doing so, will indeed exceed the costs.

We believe that a detail-marketing plan is the first step towards promoting a successful service. We have carefully evaluated our company, its marketing objectives, its resources, and its major strengths, weaknesses, opportunities and threats. We have also examined our potential competitors, strategies, barriers and ways to get a competitive advantage. Another component we researched is the external environment that relates to the economic, legal, cultural and social aspects.

Industry Trend.

After a careful analysis of the leisure industry we discovered that the purchase of leisure items is 100% cyclical. Consumers need to feel that that they had an increase in their disposable income before they can increase their spending. That is the reason why The Royal Club will open its door by the end of the year, so we can take advantage

of a cycle when spending increases. Industry statistics show that leisure spending will increase an average of 6% during 1998. The rate of increase in consumer spending has been relatively low during 1998 compared to 1990. The reason for the slow growth in spending is mostly because of economic conditions such as the problems in Asia. The Royal Club will take advantage as the economic conditions improve to increase our revenues.

The Royal Club is counting with many important factors that will be the key for a successful business. We have a strong management team with the ability to implement the right marketing strategy. Our top manager will also be prepared to exploit the competitive advantages of the market. The success of our business will consist in doing the right business strategy and offering a service that will not compare to any other in the industry.

THE ROYAL CLUB INC.

SUMMARY OF SIGNIFICANT ASSUMPTIONS

DECEMBER 31,1999,2000 AND 2001

Summary of Significant Forecast Assumptions and Accounting Policies

Note # 1.

The following forecasts present to the best management's knowledge a summary of the company's expected financial position, results of operations and cash flow for the forecasted periods. Accordingly, the consolidated statements of operations include allocation of expenses which are material in amount. Such expenses include allocations for corporate overhead, payroll facilities, and loan payment, administration overhead which, were allocated using a proportional cost method allocation. This method considers the proportion to which revenue from services is compared to total revenue and uses that same proportion to allocate cost of services to total cost. Cost of goods sold was calculated on a cost per unit of sale basis.

Nature of the Business

The Royal Club Inc. will be incorporated and will start doing business on Nov. 1st 1998. The club provides membership and rental of the premises to members and nonmembers. The company will be located at 550 Biltmore Way Suit#910 Coral Gables.

Assets and Cash Equivalents

Note # 2

The company considers all highly liquid investments purchased with maturity of three months or less, at the date of purchase to be cash equivalents. All cash and cash equivalents including interest-bearing deposits will be handled by one financial institution.

Inventory: The company will implement the lower the cost of market method, first in, first outs, with all its alcoholic beverages inventory. The company will forecast to purchase 20,000 bottles of alcoholic beverages during the first year of operations and sell about the same quantity. In the second year, the inventory level will increase approximately 6%. Further more in the third year the level will increase an additional 6%. This is based on the assumption that the demand for our business will grow at a rate of 6% per year. The company considers the sale of alcoholic beverages to be correlated with the membership sales.

Property and Equipment: Property and equipment will be recorded at cost. Depreciation will be provided over estimated useful lives of the respective assets on a straight-line basis. Leasehold improvements will be amortized on a straight over periods not exceeding the respective terms of the leases. At the time of retirement assets will be disposed and related accumulated depreciation will be removed from the account. The proceeds from the disposition will be recognized as a gain or a loss. The company considers 5 years, an average useful life for its property and equipment.

Prepaid Expenses and other Assets: Under this category the company will have the insurance policies and security deposits for the lease. Total cost will be paid at the beginning of the year and this cost will be amortized at a period of 12 months.

Income Taxes: As stipulated under the SFAS No. 109, the company will implement the deferred tax assets /deferred tax liability method approach to the financial accounting and reporting of income taxes. This method will allow us to estimate the future tax cash flow consequences of existing temporary differences. More over, if enacted future tax rates are different from current taxes, the future tax rates are different from current taxes, and the future tax rates are used in determining the amount of the asset or liability. The future enacted rate is the rate at which the deferred tax accounts will be realized or settled.

Liabilities & Stockholders Equity Payroll Taxes:

Note 3

This represents the tax liability due each January of the following year. The company will satisfy deposit requirements on a quarterly basis. Liabilities will drastically be reduced after the first year operations due to the retirement of the loan after the first twelve months.

Common Stock:

The company estimates that after at upon filling Articles of Incorporation the State of Florida will authorize to \$100,000.00 in common stock at one dollar par value. The company will issue \$25,000.00 in stocks to each stockholder.

Paid-in Capital:

There will be no additional paid-in capital, since the initial contribution by each stockholder will be \$1.00 per share. No additional contributions will be made by the shareholders.

Revenue & Cost:

Note 4

The company will obtain its revenue from future sources:

- Revenues from Membership Individuals 17%
- Revenues from Corporate Memberships 40%
- Revenues from Lifetime Memberships 16%
- Revenues from Catering Services. 3%
- Revenues from Rental of Premises for Special al Events & Business Meetings. 5%
- Revenues from sales of alcoholic beverages. 19%

Please refer to the Revenue Projections Statement for a detailed explanation of revenue projections.

- Cost of Sales :
 - Cost of Sales of Services & Memberships:

Calculated using the following method:

Revenue from Services as a % of Total Revenue = A percentage

This same percentage is applied to calculate the % and dollar amount correspondent to cost of sales for services when compared to total cost.

- Cost of Sales of Products:

Calculated on a per drink basis the alcoholic beverages, which is the product we will sell.

NOTE 5:

Variable Selling Expenses

Advertising Expenses:

This amount will fluctuate according to how the company considers its needs of promotion to boost sales.

Salary Expenses

This amount might change according to the demand of the work force.

Fixed Administrative Expenses

All other expenses besides the ones mentioned above are fixed expenses.

Tax Planning

Income taxes will be paid on a quarterly basis.

START UP & OPERATIONS BUDGET

This budget includes both the start-up one time expenses and the funds necessary to cover the operations expenses for the first quarter.

Personell Expenses

For 3 moths)

Clerical

1 Receptionist Salary	\$	4,000.00
2 Bartenders	\$	7,000.00
1 Kitchen / cleaning emp.	\$	4,500.00
2 Secretaries	\$	10,000.00
TOTAL	\$	25,500.00

Administration

1 General Manager	\$	7,000.00
1 Accountant & Finace Manager	\$	6,000.00
1 Sales & Marketing Manager	\$	6,000.00
1 Operations Manager & Floor Supervisor	\$	6,000.00
TOTAL	\$	25,000.00

NET PERSONELL EXPENSES \$ 50,500.00

Other Personell Expenses ??

Federal Income Tax	9.20%	\$	4,646.00
Social Security Tax	6.50%	\$	3,282.50
Medicaire Tax	1.50%	\$	757.50
Workmen's Compensation	0.40%	\$	202.00
TOTAL		\$	8,888.00

GROSS TOTAL PERSONELL EXPENSES \$ 59,388.00 (3 Months)

OPERATIONS EXPENSES

Rent??	\$	-
Insurance Fire & Liability ???	\$	3,750.00
Office Supplies (Incl. Printing Sup.)	\$	3,000.00
Advertising Agency Services??	\$	-
Advertising Daily Business Review	\$	3,094.00
Advertising Miami Herald	\$	2,200.00
Advertising Yellow Pages	\$	1,500.00
Advertising Web Page	\$	695.00
Utilities Telephone Service ?	\$	-
Utilities FPL ?	\$	-
Utilities Long Distance Service?	\$	-
Internet Access Network ?	\$	60.00
Legal Expenses ?	\$	-
Income Taxes?	\$	-
Loan Payment ?? (Principal & Interest)	\$	-
TOTAL	\$	14,299.00 (3 Months)

OFFICE EQUIPMENT & FURNITURE

19 Television Sets	\$	6,200.00
2 Video Conference Systems	\$	50,000.00
2 VCR's	\$	320.00
1 Telephone System?	\$	-
28 Telephone Sets	\$	1,820.00
4 Fax Machines	\$	780.00
3 Photocopier Machines	\$	4,830.00
12 PCs , fully equipped	\$	13,200.00
2 Projectors	\$	224.00
1 Cash Register	\$	350.00
1 Safe Box	\$	450.00
11 Floor Lamps	\$	1,230.00
11 Corner Tables	\$	3,248.00
29 Coffee Tables	\$	1,276.00
7 Desks	\$	1,246.00

17 Chairs		\$	4,606.00	
18 Sofas		\$	5,280.00	
33 Love Seats		\$	3,451.00	
20 Paintings		\$	450.00	
3 Microwave Ovens		\$	360.00	
1 Refrigerator		\$	1,199.00	
300 Bottles of Liquor		\$	7,144.00	
250 Glasses		\$	700.00	
Bar & Kitchen Supplies		\$	1,800.00	
TOTAL		\$	110,164.00	(One Time Expense)
SALES TAX ??	6.50%	\$	7,160.66	
GRAND TOTAL		\$	183,851.00	

**REVENUE & COST PROJECTIONS ON ALCOHOL
BEVERAGES INVENTORY
MONTH:
OCTOBER 2000**

Average # of drinking visitors per month	Average Consumption Avg. 4 Drinks/cust.	Alcoholic Beverages	Average # of drinks per Cust. per beverage	Inventory units (bootles, cases) sold	Avg. Price Per Drink	Forecasted Revenue
2,994	11,976.51	Whiskey (Shots)	3,952.25	87.8	\$ 6.00	\$ 23,713.49
2,994	11,976.51	Vodka (Shots)	1,077.89	23.95	\$ 6.00	\$ 6,467.32
2,994	11,976.51	Rum (Shots)	1,317.42	29.28	\$ 6.00	\$ 7,904.50
2,994	11,976.51	Other liquor (Shots)	2,395.30	53.23	\$ 6.00	\$ 14,371.81
2,994	11,976.51	Wine (Glasses)	479.06	79.84	\$ 6.00	\$ 2,874.36
2,994	11,976.51	Champagne(Glasses)	359.30	39.9	\$ 6.00	\$ 2,155.77
2,994	11,976.51	Beer (Case)	2,395.30	2395.302128	\$ 6.00	\$ 14,371.81

2994.12766	11976.51064	2709.4	\$	TOTAL
Possible drinkers	Total # of drinks	Total # of bottles	71,859.06	

Alcoholic Beverages	Average Cost per Bottle or Case	Avg. Possible Units (Shots, Glasses, Case) 2 % Waste	Average Cost per Unit	Allowance Cost (Ice, Juice, Soda)	Total Cost Per Drink	Average # of drinks per Cust.	Forecasted Cost
Whiskey (Shots)	\$ 12.14	45	\$ 0.27	\$ 0.60	\$ 0.87	3952.248511	\$ 3,437.58

Vodka (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	1077.885957	\$ 961.47
Rum (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	1317.41617	\$ 1,175.14
Other liquor (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	2395.302128	\$ 2,136.61
Wine (Glasses)	\$ 13.14	6	\$ 2.19	\$ -	\$ 2.19	479.0604255	\$ 1,049.14
Champagne(Glasses)	\$ 13.14	9	\$ 1.46	\$ -	\$ 1.46	359.2953191	\$ 524.57
Beer (Case)	\$ 13.14	1	\$ 13.14	\$ -	\$ 13.14	2395.302128	\$ 31,474.27

Total Forecasted Revenue or Month:	\$ 71,859.06	TOTAL	\$ 40,758.78
Total Forecasted cost of goods sold for Month:	\$ 40,758.78		
Total Forecasted Profit for Month:	\$ 31,100.28		

**REVENUE & COST PROJECTIONS ON ALCOHOL
BEVERAGES INVENTORY
MONTH:
SEPTEMBER 2000**

Average # of drinking visitors per month	Average Consumption Avg. 4 Drinks/cust.	Alcoholic Beverages	Average # of drinks per Cust. per beverage	Inventory units (bottles, cases) sold	Avg. Price Per Drink	Forecasted Revenue
2,213	8,851	Whiskey (Shots)	3,009.48	66.9	\$ 6.00	\$ 18,056.86
2,213	8,851	Vodka (Shots)	1,062.17	23.60	\$ 6.00	\$ 6,373.01
2,213	8,851	Rum (Shots)	885.14	19.67	\$ 6.00	\$ 5,310.84
2,213	8,851	Other liquor (Shots)	1,593.25	35.41	\$ 6.00	\$ 9,559.52
2,213	8,851	Wine (Glasses)	973.65	162.28	\$ 6.00	\$ 5,841.93
2,213	8,851	Champagne(Glasses)	442.57	49.2	\$ 6.00	\$ 2,655.42
2,213	8,851	Beer (Case)	885.14	885.1404255	\$ 6.00	\$ 5,310.84

2213 Possible drinkers	8851 Total # drinks	1242.1 Total # of bottles	\$ 53,108.43	TOTAL
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Alcoholic Beverages	Average Cost per Bottle or Case	Avg. Possible Units (Shots, Glasses, Case) 2 % Waste	Average Cost per Unit	Allowance Cost (Ice, Juice, Soda)	Total Cost Per Drink	Average # of drinks per Cust.	Forecasted Cost
Whiskey (Shots)	\$ 12.14	45	\$ 0.27	\$ 0.60	\$ 0.87	3,009	\$ 2,617.58

Vodka (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	1,062	\$ 947.45
Rum (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	885	\$ 789.55
Other liquor (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	1,593	\$ 1,421.18
Wine (Glasses)	\$ 13.14	6	\$ 2.19	\$ -	\$ 2.19	974	\$ 2,132.30
Champagne(Glasses)	\$ 13.14	9	\$ 1.46	\$ -	\$ 1.46	443	\$ 646.15
Beer (Case)	\$ 13.14	1	\$ 13.14	\$ -	\$ 13.14	885	\$ 11,630.75

Total Forecasted Revenue for Month:	\$ 53,108.43	TOTAL	\$ 20,184.96
Total Forecasted cost of goods sold for Month:	\$ 20,184.96		
Total Forecasted Profit for Month:	\$ 32,923.47		

**REVENUE & COST PROJECTIONS ON ALCOHOL
BEVERAGES INVENTORY
MONTH: AUGUST
2000**

Average # of drinking visitors per month	Average Consumption Avg. 4 Drinks/cust.	Alcoholic Beverages	Average # of drinks per Cust. per beverage	Inventory units (bottles, cases) sold	Avg. Price Per Drink	Forecasted Revenue
2,018	8,070	Whiskey (Shots)	2,824.54	62.8	\$ 6.00	\$ 16,947.27
2,018	8,070	Vodka (Shots)	645.61	14.35	\$ 6.00	\$ 3,873.66
2,018	8,070	Rum (Shots)	807.01	17.93	\$ 6.00	\$ 4,842.08
2,018	8,070	Other liquor (Shots)	1,371.92	30.49	\$ 6.00	\$ 8,231.53
2,018	8,070	Wine (Glasses)	645.61	107.60	\$ 6.00	\$ 3,873.66
2,018	8,070	Champagne(Glasses)	403.51	44.8	\$ 6.00	\$ 2,421.04
2,018	8,070	Beer (Case)	1,371.92	1371.921702	\$ 6.00	\$ 8,231.53

2018	8070	1649.9	\$	TOTAL
Possible drinkers	Total # drinks	Total # of bottles	48,420.77	

Alcoholic Beverages	Average Cost per Bottle or Case	Avg. Possible Units (Shots, Glasses, Case) 2 % Waste	Average Cost per Unit	Allowance Cost (Ice, Juice, Soda)	Total Cost Per Drink	Average # of drinks per Cust.	Forecasted Cost
Whiskey (Shots)	\$ 12.14	45	\$ 0.27	\$ 0.60	\$ 0.87	2,825	\$ 2,456.73
Vodka (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	646	\$ 575.88

Rum (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	807	\$ 719.86
Other liquor (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	1,372	\$ 1,223.75
Wine (Glasses)	\$ 13.14	6	\$ 2.19	\$ -	\$ 2.19	646	\$ 1,413.89
Champagne(Glasses)	\$ 13.14	9	\$ 1.46	\$ -	\$ 1.46	404	\$ 589.12
Beer (Case)	\$ 13.14	1	\$ 13.14	\$ -	\$ 13.14	1,372	\$ 18,027.05

Total Forecasted Revenue for Month:	\$ 48,420.77	TOTAL	\$ 25,006.28
Total Forecasted cost of goods sold for Month:	\$ 25,006.28		
Total Forecasted Profit for Month:	\$ 23,414.49		

**REVENUE & COST PROJECTIONS ON ALCOHOL
BEVERAGES INVENTORY
MONTH: JULY 2000**

Average # of drinking visitors per month	Average Consumption Avg. 4 Drinks/cust.	Alcoholic Beverages	Average # of drinks per Cust. per beverage	Inventory units (bottles, cases) sold	Avg. Price Per Drink	Forecasted Revenue
1,933	7,733.11	Whiskey (Shots)	2,551.93	56.7	\$ 6.00	\$ 15,311.55
1,933	7,733.11	Vodka (Shots)	695.98	15.47	\$ 6.00	\$ 4,175.88
1,933	7,733.11	Rum (Shots)	927.97	20.62	\$ 6.00	\$ 5,567.84
1,933	7,733.11	Other liquor (Shots)	1,314.63	29.21	\$ 6.00	\$ 7,887.77
1,933	7,733.11	Wine (Glasses)	695.98	116.00	\$ 6.00	\$ 4,175.88
1,933	7,733.11	Champagne(Glasses)	386.66	43.0	\$ 6.00	\$ 2,319.93
1,933	7,733.11	Beer (Case)	1,159.97	1159.965957	\$ 6.00	\$ 6,959.80
	1933 Possible drinkers		7733.106383 Total # drinks	1440.9 Total # of bottles	\$ 46,398.64	TOTAL

Alcoholic Beverages	Average Cost per Bottle or Case	Avg. Possible Units (Shots, Glasses, Case) 2 % Waste	Average Cost per Unit	Allowance Cost (Ice, Juice, Soda)	Total Cost Per Drink	Average # of drinks per Cust.	Forecasted Cost
Whiskey (Shots)	\$ 12.14	45	\$ 0.27	\$ 0.60	\$ 0.87	2,552	\$ 2,219.61
Vodka (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	696	\$ 620.81

Rum (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	928	\$ 827.75
Other liquor (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	1,315	\$ 1,172.65
Wine (Glasses)	\$ 13.14	6	\$ 2.19	\$ -	\$ 2.19	696	\$ 1,524.20
Champagne(Glasses)	\$ 13.14	9	\$ 1.46	\$ -	\$ 1.46	387	\$ 564.52
Beer (Case)	\$ 13.14	1	\$ 13.14	\$ -	\$ 13.14	1,160	\$ 15,241.95

Total Forecasted Revenue	\$	TOTAL	\$
for Month:	46,398.64		22,171.49
Total Forecasted cost of goods sold for Month:	\$		
	<u>22,171.49</u>		
Total Forecasted Profit for	\$		
Month:	24,227.15		

**REVENUE & COST PROJECTIONS ON ALCOHOL
BEVERAGES INVENTORY
MONTH: JUNE
2000**

Average # of drinking visitors per month	Average Consumption Avg. 4 Drinks/cust.	Alcoholic Beverages	Average # of drinks per Cust. per beverage	Inventory units (bottles, cases) sold	Avg. Price Per Drink	Forecasted Revenue
1,854	7418	Whiskey (Shots)	2819	62.6	\$ 6.00	\$ 16,911.97
1,854	7418	Vodka (Shots)	964	21.43	\$ 6.00	\$ 5,785.67
1,854	7418	Rum (Shots)	816	18.13	\$ 6.00	\$ 4,895.57
1,854	7418	Other liquor (Shots)	1113	24.73	\$ 6.00	\$ 6,675.78
1,854	7418	Wine (Glasses)	668	111.26	\$ 6.00	\$ 4,005.47
1,854	7418	Champagne(Glasses)	593	65.9	\$ 6.00	\$ 3,560.42
1,854	7418	Beer (Case)	445	445.0519149	\$ 6.00	\$ 2,670.31

1854	7418	749.2	\$	TOTAL
Possible drinkers	Total # drinks	Total # of bottles	44,505.19	

Alcoholic Beverages	Average Cost per Bottle or Case	Avg. Possible Units (Shots, Glasses, Case) 2 % Waste	Average Cost per Unit	Allowance Cost (Ice, Juice, Soda)	Total Cost Per Drink	Average # of drinks per Cust.	Forecasted Cost
Whiskey (Shots)	\$ 12.14	45	\$ 0.27	\$ 0.60	\$ 0.87	2818.662128	\$ 2,451.61
Vodka (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	964.2791489	\$ 860.14

Rum (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	815.9285106	\$ 727.81
Other liquor (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	1112.629787	\$ 992.47
Wine (Glasses)	\$ 13.14	6	\$ 2.19	\$ -	\$ 2.19	667.5778723	\$ 1,462.00
Champagne(Glasses)	\$ 13.14	9	\$ 1.46	\$ -	\$ 1.46	593.4025532	\$ 866.37
Beer (Case)	\$ 13.14	1	\$ 13.14	\$ -	\$ 13.14	445.0519149	\$ 5,847.98

Total Forecasted Revenue	\$	TOTAL	\$
for Month:	44,505.19		13,208.37
Total Forecasted cost of goods sold for Month:	\$		
	<u>13,208.37</u>		
Total Forecasted Profit for	\$		
Month:	31,296.83		

**REVENUE & COST PROJECTIONS ON ALCOHOL
BEVERAGES INVENTORY
MONTH: MAY 2000**

Average # of drinking visitors per month	Average Consumption Avg. 4 Drinks/cust.	Alcoholic Beverages	Average # of drinks per Cust. per beverage	Inventory units (bottles, cases) sold	Avg. Price Per Drink	Forecasted Revenue
1,920.26	7,681.02	Whiskey (Shots)	2,688.36	59.7	\$ 6.00	\$ 16,130.14
1,920.26	7,681.02	Vodka (Shots)	537.67	11.95	\$ 6.00	\$ 3,226.03
1,920.26	7,681.02	Rum (Shots)	921.72	20.48	\$ 6.00	\$ 5,530.34
1,920.26	7,681.02	Other liquor (Shots)	1,228.96	27.31	\$ 6.00	\$ 7,373.78
1,920.26	7,681.02	Wine (Glasses)	844.91	140.82	\$ 6.00	\$ 5,069.47
1,920.26	7,681.02	Champagne(Glasses)	691.29	76.8	\$ 6.00	\$ 4,147.75
1,920.26	7,681.02	Beer (Case)	768.10	768.1021277	\$ 6.00	\$ 4,608.61
	1920 Possible drinkers		7681 Total # drinks	1105.2 Total # of bottles	\$ 46,086.13	TOTAL

Alcoholic Beverages	Average Cost per Bottle or Case	Avg. Possible Units (Shots, Glasses, Case) 2 % Waste	Average Cost per Unit	Allowance Cost (Ice, Juice, Soda)	Total Cost Per Drink	Average # of drinks per Cust.	Forecasted Cost
Whiskey (Shots)	\$ 12.14	45	\$ 0.27	\$ 0.60	\$ 0.87	2,688	\$ 2,338.27
Vodka (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	538	\$ 479.60

Rum (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	922	\$ 822.18
Other liquor (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	1,229	\$ 1,096.24
Wine (Glasses)	\$ 13.14	6	\$ 2.19	\$ -	\$ 2.19	845	\$ 1,850.36
Champagne(Glasses)	\$ 13.14	9	\$ 1.46	\$ -	\$ 1.46	691	\$ 1,009.29
Beer (Case)	\$ 13.14	1	\$ 13.14	\$ -	\$ 13.14	768	\$ 10,092.86

Total Forecasted Revenue	\$	TOTAL	\$
for Month:	46,086.13		17,688.79
Total Forecasted cost of goods sold for Month:	\$		
	<u>17,688.79</u>		
Total Forecasted Profit for	\$		
Month:	28,397.33		

**REVENUE & COST PROJECTIONS ON ALCOHOL
BEVERAGES INVENTORY
MONTH: APRIL
2000**

Average # of drinking visitors per month	Average Consumption Avg. 4 Drinks/cust.	Alcoholic Beverages	Average # of drinks per Cust.	Inventory units (bottles, cases) sold	Avg. Price Per Drink	Forecasted Revenue
2,097	8,389	Whiskey (Shots)	2,936.07	65.2	\$ 6.00	\$ 17,616.41
2,097	8,389	Vodka (Shots)	335.55	7.46	\$ 6.00	\$ 2,013.30
2,097	8,389	Rum (Shots)	1,006.65	22.37	\$ 6.00	\$ 6,039.91
2,097	8,389	Other liquor (Shots)	1,258.31	27.96	\$ 6.00	\$ 7,549.89
2,097	8,389	Wine (Glasses)	419.44	69.91	\$ 6.00	\$ 2,516.63
2,097	8,389	Champagne(Glasses)	1,174.43	130.5	\$ 6.00	\$ 7,046.56
2,097	8,389	Beer (Case)	1,258.31	1258.314894	\$ 6.00	\$ 7,549.89

	2,097.19		8,388.77	1581.7		
	Possible drinkers		Total # of drinks	Total # of bottles	\$	TOTAL
					50,332.60	

Alcoholic Beverages	Average Cost per Bottle or Case	Avg. Possible Units (Shots, Glasses, Case) 2 % Waste	Average Cost per Unit	Allowance Cost (Ice, Juice, Soda)	Total Cost Per Drink	Average # of drinks per Cust.	Forecasted Cost
Whiskey (Shots)	\$ 12.14	45	\$ 0.27	\$ 0.60	\$ 0.87	2936	\$ 2,553.73
Vodka (Shots)	\$	45	\$	\$	\$	336	\$

	13.14		0.29	0.60	0.89		299.31
Rum (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	1007	\$ 897.93
Other liquor (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	1258	\$ 1,122.42
Wine (Glasses)	\$ 13.14	6	\$ 2.19	\$ -	\$ 2.19	419	\$ 918.57
Champagne(Glasses)	\$ 13.14	9	\$ 1.46	\$ -	\$ 1.46	1174	\$ 1,714.66
Beer (Case)	\$ 13.14	1	\$ 13.14	\$ -	\$ 13.14	1258	\$ 16,534.26

Total Forecasted Revenue	\$	TOTAL	\$
for Month:	50,332.60		24,040.88
Total Forecasted cost of goods sold for Month:	\$		
	<u>24,040.88</u>		
Total Forecasted Profit for	\$		
Month:	26,291.72		

**REVENUE & COST PROJECTIONS ON ALCOHOL
BEVERAGES INVENTORY
MONTH: MARCH
2000**

Average # of drinking visitors per month	Average Consumption Avg. 4 Drinks/cust.	Alcoholic Beverages	Average # of drinks per Cust. per beverage	Inventory units (bottles, cases) sold	Avg. Price Per Drink	Forecasted Revenue
2,040.51	8162	Whiskey (Shots)	3020	67.1	\$ 5.00	\$ 15,099.78
2,040.51	8162	Vodka (Shots)	408	9.07	\$ 5.00	\$ 2,040.51
2,040.51	8162	Rum (Shots)	1224	27.21	\$ 5.00	\$ 6,121.53
2,040.51	8162	Other liquor (Shots)	1347	29.93	\$ 5.00	\$ 6,733.69
2,040.51	8162	Wine (Glasses)	326	54.41	\$ 5.00	\$ 1,632.41
2,040.51	8162	Champagne(Glasses)	326	36.3	\$ 5.00	\$ 1,632.41
2,040.51	8162	Beer (Case)	1510	1509.977872	\$ 5.00	\$ 7,549.89

2,040.51 Possible drinkers	8,162.04 Total # drinks	1,733.98 Total # of bottles	\$ 40,810.21	TOTAL
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Alcoholic Beverages	Average Cost per Bottle or Case	Avg. Possible Units (Shots, Glasses, Case) 2 % Waste	Average Cost per Unit	Allowance Cost (Ice, Juice, Soda)	Total Cost Per Drink	Average # of drinks per Cust.	Forecasted Cost
Whiskey (Shots)	\$ 12.14	45	\$ 0.27	\$ 0.60	\$ 0.87	3,020	\$ 2,626.69
Vodka (Shots)	\$	45	\$	\$	\$		\$

	13.14		0.29	0.60	0.89	408	364.03
Rum (Shots)	\$	45	\$	\$	\$		\$
	13.14		0.29	0.60	0.89	1,224	1,092.08
Other liquor (Shots)	\$	45	\$	\$	\$		\$
	13.14		0.29	0.60	0.89	1,347	1,201.29
Wine (Glasses)	\$	6	\$	\$	\$		\$
	13.14		2.19	-	2.19	326	714.99
Champagne(Glasses)	\$	9	\$	\$	\$		\$
	13.14		1.46	-	1.46	326	476.66
Beer (Case)	\$	1	\$	\$	\$		\$
	13.14		13.14	-	13.14	1,510	19,841.11

Total Forecasted Revenue		\$		TOTAL	\$
for Month:		40,810.21			26,316.86
Total Forecasted cost of goods sold for Month:		\$			
		<u>26,316.86</u>			
Total Forecasted Profit for		\$			
Month:		14,493.36			

**REVENUE & COST PROJECTIONS ON ALCOHOL
BEVERAGES INVENTORY
MONTH:
FEBRUARY 2000**

Average # of drinking visitors per month	Average Consumption Avg. 4 Drinks/cust.	Alcoholic Beverages	Average # of drinks per Cust. per beverage	Inventory units (bottles, cases) sold	Avg. Price Per Drink	Forecasted Revenue
1802	7209	Whiskey (Shots)	613	13.6	\$ 6.00	\$ 3,676.69
1802	7209	Vodka (Shots)	1081	24.03	\$ 6.00	\$ 6,488.27
1802	7209	Rum (Shots)	1009	22.43	\$ 6.00	\$ 6,055.72
1802	7209	Other liquor (Shots)	360	8.01	\$ 6.00	\$ 2,162.76
1802	7209	Wine (Glasses)	2667	444.57	\$ 6.00	\$ 16,004.41
1802	7209	Champagne(Glasses)	1190	132.2	\$ 6.00	\$ 7,137.10
1802	7209	Beer (Case)	288	288.3676596	\$ 6.00	\$ 1,730.21

1,802.30	7,209.19	933.2			
Possible drinkers	Total # of drinks	Total # of bottles	\$	TOTAL	
			43,255.15		

Alcoholic Beverages	Average Cost per Bottle or Case	Avg. Possible Units (Shots, Glasses, Case) 2 % Waste	Average Cost per Unit	Allowance Cost (Ice, Juice, Soda)	Total Cost Per Drink	Average # of drinks per Cust.	Forecasted Cost
Whiskey (Shots)	\$ 12.14	45	\$ 0.27	\$ 0.60	\$ 0.87	613	\$ 532.98
Vodka (Shots)	\$	45	\$	\$	\$		\$

	13.14		0.29	0.60	0.89	1,081	964.59
Rum (Shots)	\$	45	\$	\$	\$		\$
	13.14		0.29	0.60	0.89	1,009	900.28
Other liquor (Shots)	\$	45	\$	\$	\$		\$
	13.14		0.29	0.60	0.89	360	321.53
Wine (Glasses)	\$	6	\$	\$	\$		\$
	13.14		2.19	-	2.19	2,667	5,841.61
Champagne(Glasses)	\$	9	\$	\$	\$		\$
	13.14		1.46	-	1.46	1,190	1,736.69
Beer (Case)	\$	1	\$	\$	\$		\$
	13.14		13.14	-	13.14	288	3,789.15

Total Forecasted Revenue		\$		TOTAL	\$
for Month:		43,255.15			14,086.84
Total Forecasted cost of goods sold for Month:		\$			
		<u>14,086.84</u>			
Total Forecasted Profit for		\$			
Month:		29,168.31			

**REVENUE & COST PROJECTIONS ON ALCOHOL
BEVERAGES INVENTORY
MONTH: JANUARY
2000**

Average # of drinking visitors per month	Average Consumption Avg. 4 Drinks/cust.	Alcoholic Beverages	Average # of drinks per Cust. per beverage	Inventory units (bottles, cases) sold	Avg. Price Per Drink	Forecasted Revenue
2,097	8,389	Whiskey (Shots)	629.16	14	\$ 6.00	\$ 3,774.94
2,097	8,389	Vodka (Shots)	3,019.96	67	\$ 6.00	\$ 18,119.73
2,097	8,389	Rum (Shots)	1,384	31	\$ 6.00	\$ 8,304.88
2,097	8,389	Other liquor (Shots)	1,174	26	\$ 6.00	\$ 7,046.56
2,097	8,389	Wine (Glasses)	419	70	\$ 6.00	\$ 2,516.63
2,097	8,389	Champagne(Glasses)	336	37	\$ 6.00	\$ 2,013.30
2,097	8,389	Beer (Case)	1,426.09	1426	\$ 6.00	\$ 8,556.54

2097
Possible drinkers

8,388.77
Total # drinks

1,671.23
Total # bottles

\$ 50,332.60

TOTAL

Alcoholic Beverages	Average Cost per Bottle or Case	Avg. Possible Units (Shots, Glasses, Case) 2 % Waste	Average Cost per Unit	Allowance Cost (Ice, Juice, Soda)	Total Cost Per Drink	Average # of drinks per Cust.	Forecasted Cost
Whiskey (Shots)	\$ 12.14	45	\$ 0.27	\$ 0.60	\$ 0.87	629	\$ 547.23
Vodka (Shots)	\$	45	\$	\$	\$		\$

	13.14		0.29	0.60	0.89	3,020	2,693.80
Rum (Shots)	\$	45	\$	\$	\$		\$
	13.14		0.29	0.60	0.89	1,384	1,234.66
Other liquor (Shots)	\$	45	\$	\$	\$		\$
	13.14		0.29	0.60	0.89	1,174	1,047.59
Wine (Glasses)	\$	6	\$	\$	\$		\$
	13.14		2.19	-	2.19	419	918.57
Champagne(Glasses)	\$	9	\$	\$	\$		\$
	13.14		1.46	-	1.46	336	489.90
Beer (Case)	\$	1	\$	\$	\$		\$
	13.14		13.14	-	13.14	1,426	18,738.83

Total Forecasted Revenue		\$		TOTAL	\$
for Month:		50,332.60			25,670.57
Total Forecasted cost of goods sold for Month:		\$			
		<u>25,670.57</u>			
Total Forecasted Profit for		\$			
Month:		24,662.02			

**REVENUE & COST PROJECTIONS ON ALCOHOL
BEVERAGES INVENTORY
MONTH:
DECEMBER 1999**

Average # of drinking visitors per month	Average Consumption Avg. 4 Drinks/cust.	Alcoholic Beverages	Average # of drinks per Cust. per beverage	Inventory units (bottles, cases) sold	Avg. Price Per Drink	Forecasted Revenue
5,431	21,726	Whiskey (Shots)	3,041.59	67.6	\$ 6.00	\$ 18,249.52
5,431	21,726	Vodka (Shots)	1,086.28	24.14	\$ 6.00	\$ 6,517.69
5,431	21,726	Rum (Shots)	3,041.59	67.59	\$ 6.00	\$ 18,249.52
5,431	21,726	Other liquor (Shots)	3,801.98	84.49	\$ 6.00	\$ 22,811.90
5,431	21,726	Wine (Glasses)	869.02	144.8374468	\$ 6.00	\$ 5,214.15
5,431	21,726	Champagne(Glasses)	8,038.48	893.2	\$ 6.00	\$ 48,230.87
5,431	21,726	Beer (Case)	1,846.68	1846.677447	\$ 6.00	\$ 11,080.06

5431
Possible drinkers

21,725.62
Total # of drinks

3,128.49
Total # bottles

\$ 130,353.70

TOTAL

Alcoholic Beverages	Average Cost per Bottle or Case	Avg. Possible Units (Shots, Glasses, Case) 2 % Waste	Average Cost per Unit	Allowance Cost (Ice, Juice, Soda)	Total Cost Per Drink	Average # of drinks per Cust.	Forecasted Cost
Whiskey (Shots)	\$ 12.14	45	\$ 0.27	\$ 0.60	\$ 0.87	3041.586383	\$ 2,645.50
Vodka (Shots)	\$	45	\$	\$	\$	1086.280851	\$

	13.14		0.29	0.60	0.89		968.96
Rum (Shots)	\$	45	\$	\$	\$	3041.586383	\$
	13.14		0.29	0.60	0.89		2,713.10
Other liquor (Shots)	\$	45	\$	\$	\$	3801.982979	\$
	13.14		0.29	0.60	0.89		3,391.37
Wine (Glasses)	\$	6	\$	\$	\$	869.0246809	\$
	13.14		2.19	-	2.19		1,903.16
Champagne(Glasses)	\$	9	\$	\$	\$	8038.478298	\$
	13.14		1.46	-	1.46		11,736.18
Beer (Case)	\$	1	\$	\$	\$	1846.677447	\$
	13.14		13.14	-	13.14		24,265.34

Total Forecasted Revenue		\$	TOTAL	\$
for Month:	130,353.70			47,623.61
Total Forecasted cost of goods sold for Month:		\$		
	<u>47,623.61</u>			
Total Forecasted Profit for		\$		
Month:	82,730.09			

**REVENUE & COST PROJECTIONS ON ALCOHOL
BEVERAGES INVENTORY
MONTH:
NOVEMBER 1999**

Average # of drinking visitors per month	Average Consumption Avg. 4 Drinks/cust.	Alcoholic Beverages	Average # of drinks per Cust. per beverage	Inventory units (bottles, cases) sold	Avg. Price Per Drink	Forecasted Revenue
1,433	5,732	Whiskey (Shots)	917.19	20.4	\$ 6.00	\$ 5,503.13
1,433	5,732	Vodka (Shots)	458.59	10.19	\$ 6.00	\$ 2,751.56
1,433	5,732	Rum (Shots)	458.59	10.19	\$ 6.00	\$ 2,751.56
1,433	5,732	Other liquor (Shots)	917.19	20.38	\$ 6.00	\$ 5,503.13
1,433	5,732	Wine (Glasses)	974.51	162.4	\$ 6.00	\$ 5,847.07
1,433	5,732	Champagne(Glasses)	974.51	108.28	\$ 6.00	\$ 5,847.07
1,433	5,732	Beer (Case)	1,031.84	1031.84	\$ 6.00	\$ 6,191.02

1433	5,732.43	1,364	\$	TOTAL
Possible drinkers	Total # drinks	Total # bottles	\$ 34,394.55	

Alcoholic Beverages	Average Cost per Bottle or Case	Avg. Possible Units (Shots, Glasses, Case) 2 % Waste	Average Cost per Unit	Allowance Cost (Ice, Juice, Soda)	Total Cost Per Drink	Average # of drinks per Cust.	Forecasted Cost
Whiskey (Shots)	\$ 12.14	45	\$ 0.27	\$ 0.60	\$ 0.87	917.19	\$ 797.75
Vodka (Shots)	\$	45	\$	\$	\$		\$

	13.14		0.29	0.60	0.89	458.59	409.07
Rum (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	458.59	\$ 409.07
Other liquor (Shots)	\$ 13.14	45	\$ 0.29	\$ 0.60	\$ 0.89	917.19	\$ 818.13
Wine (Glasses)	\$ 13.14	6	\$ 2.19	\$ -	\$ 2.19	974.51	\$ 2,134.18
Champagne(Glasses)	\$ 13.14	9	\$ 1.46	\$ -	\$ 1.46	974.51	\$ 1,422.79
Beer (Case)	\$ 13.14	1	\$ 13.14	\$ -	\$ 13.14	1,031.84	\$ 13,558.33

\$ Average Cost per bottle
13.00

Total Forecasted Revenue for Month:	\$ 34,394.55	TOTAL	\$ 19,549.32
Total Forecasted Cost of Goods sold:	<u>\$ 19,549.32</u>		
Total Forecasted Profit for Month:	\$ 14,845.24		

YEARLY INVENTORY FOR ALCOHOLIC BEVERAGES

FOR YEAR ENDED - OCT. 2000

<u>BEG. INV</u>	<u>PURCHASES</u>	<u>PURCH. IN \$</u>	<u>BALANCE</u>	<u>INV. IN \$\$</u>	<u>BOTTLES SOLD</u>	<u>BOTTLES SOLD \$</u>	<u>END. BAL.</u>	<u>QUARTER</u>
454	7,000	\$ 91,000.00	7,454	\$ 96,902.00	6,163	\$ 80,124.17	1,291 \$ 16,777.83	1 NOV, DEC,
1,291	5,000	\$ 65,000.00	6,291	\$ 81,777.83	4,249	\$ 55,235.94	2,042 \$ 26,541.88	2 JAN FEB, MAR,
2,042	1,400	\$ 18,200.00	3,442	\$ 44,741.88	3,295	\$ 42,839.16	146 \$ 1,902.73	3 APR MAY, JUN,
146	5,500	\$ 71,500.00	5,646	\$ 73,402.73	5,601	\$ 72,818.10	45 \$ 584.62	4 JUL AUG, SEP, OCT
1290.6	1782	\$ 23,166.00	3,073	\$ 39,943.83	3,128	\$ 40,670.36	(56) \$ (726.53)	
60	1940	\$ 25,220.00	2,000	\$ 26,000.00	1,671	\$ 21,725.97	329 \$ 4,274.03	
430	570	\$ 7,410.00	1,000	\$ 13,000.00	877	\$ 11,401.00	123 \$ 1,599.00	FEB
123	1877	\$ 24,401.00	2,000	\$ 26,000.00	1,629	\$ 21,177.00	371 \$ 4,823.00	MAR
371	1629	\$ 21,177.00	2,000	\$ 26,000.00	1,486	\$ 19,318.00	514 \$ 6,682.00	APR
514	986	\$ 12,818.00	1,500	\$ 19,500.00	1,038	\$ 13,494.00	462 \$ 6,006.00	MAY
462	538	\$ 6,994.00	1,000	\$ 13,000.00	704	\$ 9,152.00	296 \$ 3,848.00	JUN
296	1204	\$ 15,652.00	1,500	\$ 19,500.00	1,354	\$ 17,602.00	146 \$ 1,898.00	JUL
146	1854	\$ 24,102.00	2,000	\$ 26,000.00	1,550	\$ 20,150.00	450 \$ 5,850.00	AUG
450	1050	\$ 13,650.00	1,500	\$ 19,500.00	1,167	\$ 15,171.00	333 \$ 4,329.00	SEP
Total:	333	\$ 34,671.00	3,000	\$ 39,000.00	2,546	\$ 33,098.00	454 \$ 5,902.00	OCT
	34997	\$454,961.00			36,460	\$473,976.71		

**THE ROYAL
CLUB INC.
REVENUE PROJECTIONS (QUARTERLY) FOR
YEAR ENDED OCT. 2000**

<u>Revenue from Membership Individuals</u>	FIRST QUARTER Y (NOV- JAN)	FEBRUAR Y	MARCH	APRIL	SECOND QUARTER (FEB- APR)	MAY	JUNE	JULY	THIRD QUARTER (MAY- JUL)	AUGUST	SEPTEMB ER	OCT
Memberships to be sold	121	36	41	58	144	67	76	84	241	83	89	
Price	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00
Total Revenue	\$ 48,511	\$ 14,400	\$ 16,400	\$ 23,200	\$ 57,447	\$ 26,800	\$ 30,400	\$ 33,600	\$ 96,596	\$ 33,200	\$ 35,600	\$

**Revenue from Corporate
Memberships**

Memberships to be sold		203	225	220	689	175	161	172	540	188	201	
Price	\$ 320.00	\$ 320.00	\$ 320.00	\$ 320.00	\$ 400.00	\$ 320.00	\$ 320.00	\$ 320.00	\$ 400.00	\$ 320.00	\$ 320.00	\$ 320.00
Total Revenue	\$ 375,489	\$ 64,960	\$ 72,000	\$ 70,400	\$ 275,745	\$ 56,000	\$ 51,520	\$ 55,040	\$ 216,170	\$ 60,160	\$ 64,320	\$

**Revenue from Lifetime
Membership**

Memberships to be sold		9	3	5	4	13	6	7	5	19	5	6
Price	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950
Total Revenue	\$ 25,106	\$ 8,850	\$ 14,750	\$ 11,800	\$ 37,660	\$ 17,700	\$ 20,650	\$ 14,750	\$ 56,489	\$ 14,750	\$ 17,700	\$

Revenue from Catering Services and Special Events

Catering Services to be sold		7	9	8		11	9	7		6	9	
Revenue from Catering Svcs (AVR.OF 20 MEMBERS PER PARTY, BY \$25 PER PLATE)	29	\$ 3,500	\$ 4,500	\$ 4,000	26	\$ 12,766	\$ 5,500	\$ 4,500	29	\$ 14,362	\$ 3,000	\$ 4,500

Revenue from Beverages:

Active members visiting per quarter (90%).	1,173	218	244	254	761	223	220	235	721	248	266	3
Average visits per active members per quarter	8	8	8	8	8	8	8	8	8	8	8	
Total Possible visits per quarter from active members (Drinkers 90%).		1,742	1,951	2,030	6,089	1,786	1,757	1,879	5,768	1,987	2,131	2,
Guests attending per special event (Drinkers 90%)		140	180	160	511	220	180	140	574	120	180	2
Total possible drinking visitors per quarter from all sources (90% from total)		1,694	1,918	1,971	5,940	1,805	1,743	1,817	5,708	1,896	2,080	2,
Average # drinks per drinking visitor per visit	4	4	4	4	4	4	4	4	4	4	4	
Average # drinks for all drinking visitors per quarter		6,777	7,672	7,885	23,760	7,220	6,972	7,269	22,832	7,586	8,320	11
Average price per drink	6	6	6	6	6	6	6	6	6	6	6	
Forecasted Revenue from Liquor Sales	\$ 215,081	\$ 40,660	\$ 46,034	\$ 47,313	\$ 142,560	\$ 43,321	\$ 41,835	\$ 43,615	\$ 136,990	\$ 45,516	\$ 49,922	\$

Revenue from Rental Premises for Business Meetings

Number of rentals	28	7	9	9	25	12	10	13	35	16	15
Revenue from Rental Services	\$ 12,600	\$ 3,150	\$ 4,050	\$ 4,050	\$ 11,250	\$ 5,400	\$ 4,500	\$ 5,850	\$ 15,750	\$ 7,200	\$ 6,750

TOTAL REVENUE FROM MEMBERSHIPS:	\$ 449,106	\$ 88,210	\$ 103,150	\$ 105,400	\$ 370,851	\$ 100,500	\$ 102,570	\$ 103,390	\$ 369,255	\$ 108,110	\$ 117,620	\$ 1
TOTAL REVENUE FROM SERVICES:	\$ 26,962	\$ 6,650	\$ 8,550	\$ 8,050	\$ 24,016	\$ 10,900	\$ 9,000	\$ 9,350	\$ 30,112	\$ 10,200	\$ 11,250	\$
TOTAL REVENUE FROM BEVERAGES:	\$ 215,081	\$ 40,660	\$ 46,034	\$ 47,313	\$ 142,560	\$ 43,321	\$ 41,835	\$ 43,615	\$ 136,990	\$ 45,516	\$ 49,922	\$
GRAND TOTAL REVENUES:	\$ 691,149	\$ 135,520	\$ 157,734	\$ 160,763	\$ 537,427	\$ 154,721	\$ 153,405	\$ 156,355	\$ 536,357	\$ 163,826	\$ 178,792	\$ 2

TOTAL MEMBERSHIPS SOLD IN THE SECOND YEAR:

**ROYAL CLUB
INC.
INCOME STATEMENT (QUATERLY)
FOR THE YEAR ENDED OCT, 2000**

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
	(NOV-JAN)	(FEB-APR)	(MAY-JUL)	(AUG-OCT)
Revenues:				
From Memberships	\$ 449,106.38	\$ 370,851.06	\$ 369,255.32	\$ 460,159.57
From Services	\$ 26,961.70	\$ 24,015.96	\$ 30,111.70	\$ 35,961.70
From Beverages	\$ 215,080.85	\$ 142,560.00	\$ 136,989.96	\$ 173,388.26
Total Revenues	\$ 691,148.94	\$ 537,427.02	\$ 536,356.98	\$ 669,509.53
Cost of Sales:				
From Services	\$ 10,462.84	\$ 11,485.53	\$ 13,929.43	\$ 13,702.03
From Beverages	\$ 92,843.51	\$ 64,444.58	\$ 53,068.65	\$ 85,950.02
Total Cost of Sales	\$ 103,306.35	\$ 75,930.10	\$ 66,998.07	\$ 99,652.05
Gross Profit	\$ 587,842.59	\$ 461,496.92	\$ 469,358.91	\$ 569,857.48
Operating Expenses:				
Administrative Salaries	\$ 24,999.00	\$ 24,999.00	\$ 24,999.00	\$ 24,999.00
Personnel Wages	\$	\$	\$	\$

Payroll Taxes	25,508.04	25,508.04	25,508.04	25,508.04
	\$	\$	\$	\$
Depreciation Expense	7,576.05	7,576.05	7,576.06	7,576.06
	\$	\$	\$	\$
Rent	3,550.09	3,550.09	3,550.09	3,550.09
	\$	\$	\$	\$
Bad debt Expense	120,930.99	120,930.99	120,930.99	120,930.99
	\$	\$	\$	\$
Office Supplies (Incl. Printing Sup.)	1,795.52	1,226.90	1,276.29	1,583.28
	\$	\$	\$	\$
Advertising Agency Services	3,750.00	3,750.00	3,750.00	3,750.00
	\$	\$	\$	\$
Advertising Daily Business Review	3,000.00	3,000.00	3,000.00	3,000.00
	\$	\$	\$	\$
Advertising Miami Herald	2,730.00	2,730.00	2,730.00	2,730.00
	\$	\$	\$	\$
Advertising Yellow Pages	1,412.40	1,412.40	1,412.40	1,412.40
	\$	\$	\$	\$
Advertising Web Page	1,500.00	1,500.00	1,500.00	1,500.00
	\$	\$	\$	\$
Utilities Telephone Service	120.00	120.00	120.00	120.00
	\$	\$	\$	\$
Utilities Long Distance Service	446.88	446.88	446.88	446.88
	\$	\$	\$	\$
Merchant Credit Card Charges	2,593.53	1,772.19	1,843.53	2,286.95
	\$	\$	\$	\$
Internet Access Network	10,969.44	7,514.56	7,814.64	9,679.86
	\$	\$	\$	\$
Accounting & Legal	59.97	59.97	59.97	59.97
	\$	\$	\$	\$
Medical & Dental Insurance	420.00	420.00	420.00	420.00
	\$	\$	\$	\$
Liability & Property Insurance	919.98	919.98	919.98	919.98
	\$	\$	\$	\$
Workers Comp.	2,949.99	2,949.99	2,949.99	2,949.99
	\$	\$	\$	\$
	799.98	799.98	799.98	799.98

Total Operating Expenses	\$ 216,031.85	\$ 211,187.03	\$ 211,607.84	\$ 214,223.47
Net Income (Loss)	\$ 371,810.73	\$ 250,309.89	\$ 257,751.07	\$ 355,634.01

**ROYAL CLUB INC.
INCOME
STATEMENT
FOR THE YEAR ENDED OCT,
2001**

Revenues

:	
From Memberships	\$ 1,700,383.86
From Services	\$ 120,671.20
From Beverages	\$ 688,679.45
Total Revenues	<u>\$ 2,509,734.50</u>

Cost of Sales:

From Services	\$ 51,113.23
From Beverages	\$ 305,470.87
Total Cost of Sales	<u>\$ 356,584.10</u>

Gross Profit	<u><u>\$ 2,153,150.41</u></u>
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**Operating
Expenses:**

Administrative Salaries	\$ 104,162.50
Personnel Wages	\$ 106,283.50
Payroll Taxes	\$ 31,566.90
Depreciation Expense	\$ 14,200.37
Rent	\$ 483,723.96
Bad debt Expense	\$ 6,063.90
Office Supplies (Incl. Printing Sup.)	\$ 15,463.92
Advertising Agency Services	\$ 12,371.13
Advertising Daily Business Review	\$ 11,257.73

Advertising Miami Herald	\$ 5,824.33
Advertising Yellow Pages	\$ 6,185.57
Advertising Web Page	\$ 494.85
Utilities Telephone Service	\$ 1,842.80
Utilities Long Distance Service	\$ 8,850.21
Merchant Credit Card Charges	\$ 37,477.61
Internet Access Network	\$ 247.30
Accounting & Legal	\$ 1,731.96
Medical & Dental Insurance	\$ 3,793.73
Liability & Property Insurance	\$ 12,164.91
Workers Comp.	\$ 3,298.89
Total Operating Expenses	\$ 867,006.07
Net Income (Loss)	\$ 1,286,144.34

**ROYAL CLUB
INC.
CONSOLIDATED BALANCE SHEET
ENDED OCTOBER 31, 2000**

ASSETS

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
	(NOV-JAN)	(FEB-APR)	(MAY-JUL)	(AUG-OCT)
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 1,150,614	\$ 1,403,349	\$ 1,680,551	\$ 1,998,351
ACCOUNTS RECEIVABLE	\$ 63,671	\$ 43,507	\$ 45,259	\$ 56,145
LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS	\$ (1,910)	\$ (1,305)	\$ (1,358)	\$ (1,684)
INVENTORY	\$ 61,761	\$ 42,202	\$ 43,901	\$ 54,460
PREPAID EXPENSES:				
PROPERTY & LIABILITY INSURANCE	\$ 8,850	\$ 5,900	\$ 2,950	\$ 0
WORKERS COMP.	\$ 2,400	\$ 1,600	\$ 800	\$ 0
TOTAL CURRENT ASSETS:	\$ 1,268,360	\$ 1,522,200	\$ 1,783,521	\$ 2,142,705
PROPERTY AND EQUIPMENT:				
COMPUTERS AND OFFICE EQUIPMENT	\$ 56,456	\$ 56,456	\$ 56,456	\$ 56,456

LESS: ACCUMULATED
DEPRECIATION
FURNITURE &
FIXTURES
LESS: ACCUMULATED
DEPRECIATION

**TOTAL NET PROPERTY AND
EQUIPMENT:**

OTHER ASSETS:
SECURITY DEPOSITS
RENT:

**TOTAL OTHER
ASSETS:**

**TOTAL
ASSETS**

**LIABILITIES &
STOCKHOLDERS' EQUITY**

**CURRENT
LIABILITIES**
PAYROLL TAXES
LOAN PAYABLE

	\$	\$	\$	\$
	(14,114)	(16,917)	(19,760)	(22,582)
	\$ 20,364	\$ 20,364	\$ 20,364	\$ 20,364
	\$	\$	\$	\$
	(3,636)	(4,364)	(5,091)	(5,818)
	\$	\$	\$	\$
	59,070	55,540	51,969	48,419
	\$	\$	\$	\$
	80,621	80,621	80,621	80,621
	\$	\$	\$	\$
	80,621	80,621	80,621	80,621
	\$	\$	\$	\$
	1,408,050	1,658,360	1,916,111	2,271,745
	\$	\$	\$	\$
	7,576	7,576	7,576	7,576
	\$	\$	\$	\$
	-	-	-	-

TOTAL CURRENT LIABILITIES:	\$ 7,576	\$ 7,576	\$ 7,576	\$ 7,576
LONG TERM LIABILITIES:	\$ -	\$ -	\$ -	\$ -
STOCK HOLDERS' EQUITY:				
HERNAN PULIDO	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
MAURICIO SILES	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
GERARDO PALACIOS	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
GEORGE MIGUEL	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
RETAINED EARNINGS	\$ 1,300,474	\$ 1,550,784	\$ 1,808,535	\$ 2,164,169
TOTAL STOCKHOLDERS' EQUITY:	\$ 1,400,474	\$ 1,650,784	\$ 1,908,535	\$ 2,264,169
<u>TOTAL LIABILITIES & STOCKHOLDERS' EQUITY:</u>	\$ 1,408,050	\$ 1,658,360	\$ 1,916,111	\$ 2,271,745

**ROYAL CLUB
CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED OCT. 31,
2001**

ASSETS

CURRENT ASSETS:

CASH AND CASH EQUIVALENTS	\$ 3,407,706
ACCOUNTS RECEIVABLE	\$ 57,881
LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS	\$ (1,736)
INVENTORY	\$ 91,728
PREPAID EXPENSES:	
PROPERTY & LIABILITY INSURANCE	\$ 0
WORKERS COMP.	\$ 0

TOTAL CURRENT ASSETS: \$ 3,555,579

PROPERTY AND EQUIPMENT:

COMPUTERS AND OFFICE EQUIPMENT	\$ 56,456
LESS: ACCUMULATED DEPRECIATION	\$ (33,874)
FURNITURE & FIXTURES	\$ 20,364
LESS: ACCUMULATED DEPRECIATION	\$ (8,727)

**TOTAL NET PROPERTY AND
EQUIPMENT** \$ 34,219

OTHER ASSETS:

SECURITY DEPOSITS	
RENT:	\$ 80,621

TOTAL OTHER ASSETS: \$ 80,621

TOTAL
ASSETS

\$ 3,670,419

LIABILITIES & STOCKHOLDERS'
EQUITY

CURRENT LIABILITIES

PAYROLL TAXES \$ 120,105
LOAN PAYABLE \$ -

TOTAL CURRENT LIABILITIES: \$ 120,105

LONG TERM LIABILITIES:

STOCK HOLDERS' EQUITY:

HERNAN PULIDO \$ 25,000
MAURICIO SILES \$ 25,000
GERARDO PALACIOS \$ 25,000
GEORGE MIGUEL \$ 25,000
RETAINED EARNINGS \$ 3,450,313

TOTAL STOCKHOLDERS' EQUITY: \$ 3,550,313

TOTAL LIABILITIES &
STOCKHOLDERS' EQU
ITY:

\$ 3,670,419