



JETLEV MIAMI

STOP DREAMING. START FLYING.

JetLev Business Case



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Human Flight

The one form of movement that has remained elusive-

- Until now-

Executive Summary

James Anderson and Eric Johnson observed a crowd on the beaches of Ocean City, Maryland rising to their feet and staring in awe as they first glimpsed a JetLev rocket pack in operation. It was apparent that this machine inspired wonder among the observing crowd. After the concept of the JetLev was understood, there was much discussion about how to live the experience. Upon seeing this interest and identifying almost non-existent supply, James and Eric realized that this technology offered a great opportunity to become pioneers in the next big thing in aquatic sports experience!

If you've ever wanted to walk on water, hover suspended in mid-air above the ocean's surface or fly through the air at speeds up to 30mph, then a [JetLev Miami](#) flight is for you. The world's first recreational jet pack, the JetLev200, is a hybrid watercraft/aircraft available for rent through [JetLev Miami](#). [JetLev Miami](#) promises an unforgettable flight experience with a jetpack that challenges everything we've come to understand about human movement.



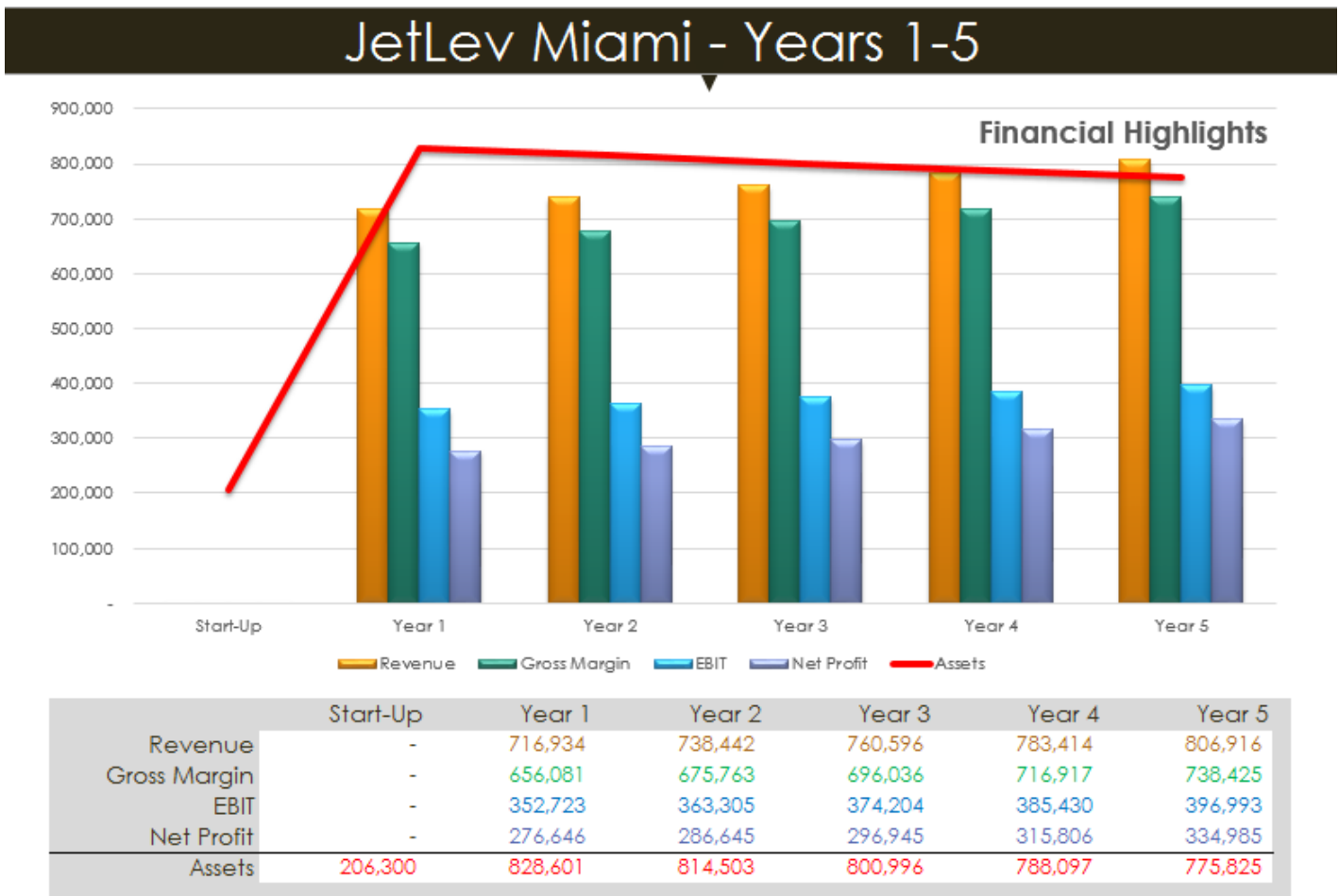
The Jetlev R200 is a water propelled jetpack technology capable of stable and controlled flights. It operates on the principle of controlled nozzle reaction force. A boat unit under the control of the pilot acts as a mobile and powerful water pump delivering large volumes of low pressure water to the jet pack via a long, flexible water hose. As water exits jet nozzles on the jetpack, nozzle reaction force generates thrust, which the pilot can control and allocate between lifting and propulsive forces to achieve stable flight. The pilot controls jet thrusts by wired remote control of the engine throttle with a twist grip, a start/stop switch and an emergency "kill switch" for the engine. Pilots usually enjoy operation at an approximate altitude of 28 feet and speeds ranging from a slow hover to almost 30mpg. The JetLev 200 enjoys US Coast Guard authorized use status.

Americans entertain themselves with a broad spectrum of amusements and recreations that include participatory and spectator sports, tourism, and other activities. The U.S. population's traditional interest in a rich and varied range of recreational activities has supported the growth of an enormous, sprawling

industry to capitalize on the continued popularity of such activities. JetLev Miami ownership anticipates the following financial performance in bringing the JetLev product to the watersports rental market.

Financial Highlights

The following chart demonstrates project financial state of JetLev Miami through year 5 of operation. After travelling to Miami to meet JetLev engineers and assess the local market, it is apparent that minimal competition exists. There is a viable opportunity for motivated operators with business acumen to establish a strong market position and grow significantly. Based on this knowledge and the assumptions outlined in the Financials section, we project the following financial performance.



James Anderson

James Anderson is an experienced business operator and entrepreneur. He possesses more than 10 years of experience building and managing businesses in home renovation and automotive repair. Through these experiences, he developed a proficiency in many facets of operations management, to include accounting, personnel, accounting, facilities, inventory, etc. His management experience, mechanical aptitude, and affinity for aquatic sports render him a natural fit to stand up JetLev Miami and drive the company to success.

Eric Johnson

Eric Johnson an entrepreneur with a track record of success, determined to break into the game changing JetLev market the ground floor. In 2007 Eric created Summit Productions LLC where he managed and promoted models, fashion designers, photographers, comedians and music artists. Over a year 3 year period Eric managed 30 acts 100+ events booking and executing a comedy college tour in the north east west and central Ohio region and fashion shows as well as special events at The View, Anatomy, Beethoven's and other entertainment establishments in the greater Cleveland area. While running his business in Cleveland, Eric accepted a position in the retail beverage division of Pepsi Co, a leader in sport and entertainment event promotion. He leveraged this network and experience to expand Summit Productions by merging with ProPlayer Services and JC Executive Entertainment. Armed with a background in management, marketing, promotion and sales from DynaCorp and Summit Productions LLC, water safety knowledge, and college level athletics, Eric offers the skills and physical aptitude to be successful in this business.

Market Analysis

Travel, Tourism, and the Local Market

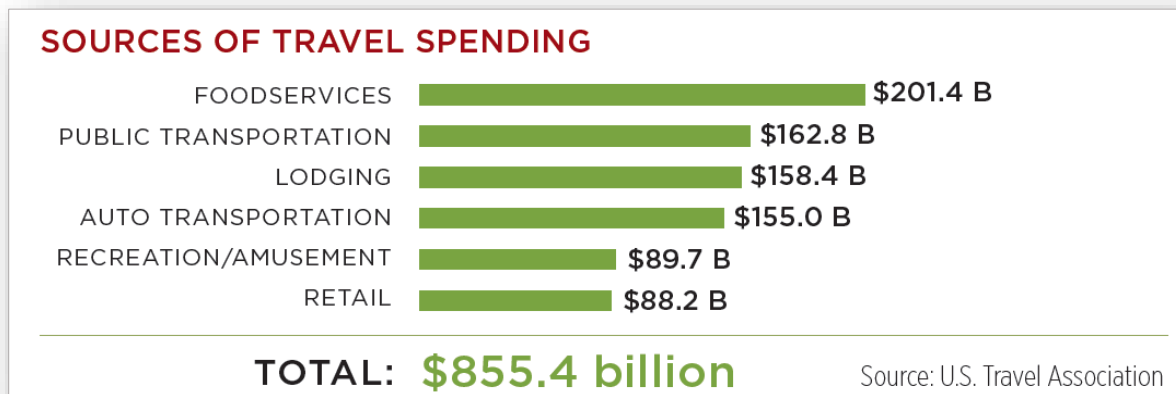
Based on the characteristics of the business proposition, **JetLev Miami** would fall into NAICS 532292 Recreational Goods Rental. This industry comprises establishments primarily engaged in renting recreational goods, such as bicycles, canoes, motorcycles, skis, sailboats, beach chairs, and beach umbrellas.

In projecting market size, the Miami market will have two major groups; travel & tourism and local users. The US Travel and Tourism segment delivers a positive outlook in a market where 77% of domestic trips taken are for leisure purposes (1.6 billion in 2012)¹ in an industry that represents 2.8% of the country's GDP. Additionally, this sector has seen continued growth since the recent economic downturn.

- Top leisure travel activities for U.S. domestic travelers: (1) visiting relatives; (2) shopping; (3) visiting friends; (4) fine dining; and (5) beaches.

¹ www.ustravel.org/sites/default/files/page/2009/11/US_Travel_Answer_Sheet_March_2013.pdf

Chart: Sources of Travel Spending



Florida Travel

Florida realized 2.3% travel industry growth in 2012, totaling 89.3 million visitors, a second consecutive record setting year.² Miami realized more than a 5% increase in 2012 over 2011, with approximately 14 million tourists visiting in Miami's third consecutive record breaking year. Visitors spent a record \$21.8 billion in 2012, a 5.1 percent increase over 2011³. The above graphic outlines the top 5 leisure travel activities in the United States as determined by the US Travel Association.

The US Travel Association also provides the following statistics for US Travel Spending in 2012⁴. Of the \$855 billion spent by Americans on travel, 10.5% was spent on recreational and amusement activities.

² <http://www.tampabay.com/news/business/tourism/florida-tourism-sets-record-in-2012/1275630>

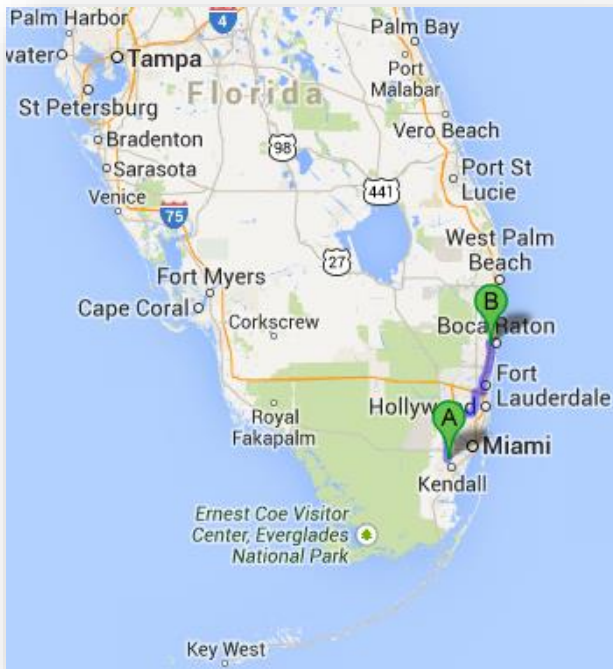
³ <http://www.miamiherald.com/2013/03/04/3266836/miami-dade-county-sees-record.html#storylink=cpy>

⁴ www.ustravel.org/sites/default/files/page/2009/11/US_Travel_Answer_Sheet_March_2013.pdf

Miami Demographic Segmentation

The US Census Bureau estimates Miami-Dade County's population at approximately 2.6 million individuals⁵. We estimate our target consumer age to fall between 20 & 55 years. The below table outlines the age segmentation of Miami-Dade County⁶ with our target market called out in blue. This gives us a local market of 1.3 million individuals, or 50.32% of the total population.

Age Range	Miami-Dade County	% of Total Population	Florida	U.S.
Under 5 years	155,943	6.01%	5.71%	6.54%
5 to 9 years	151,071	5.82%	5.75%	6.59%
10 to 14 years	158,651	6.11%	6.01%	6.70%
15 to 19 years	175,264	6.75%	6.53%	7.14%
20 to 24 years	183,906	7.08%	6.54%	6.99%
25 to 34 years	354,105	13.64%	12.18%	13.30%
35 to 44 years	387,314	14.92%	12.93%	13.30%
45 to 54 years	381,303	14.69%	14.58%	14.58%
55 to 64 years	282,763	10.89%	12.43%	11.82%
65 to 74 years	194,466	7.49%	9.19%	7.03%
75 to 84	123,945	4.77%	5.84%	4.23%
85 years +	47,703	1.84%	2.31%	1.78%



The greater Miami metropolitan area is a metropolitan area including Miami, Florida and nearby communities, to include Fort Lauderdale and Pompano Beach. Given the limited market saturation of the JetLev product, it is probable that JETLEV MIAMI will maintain a geographic reach spanning this entire area. As of 2010, the total Miami, Fort Lauderdale, Pompano Beach Area population is 5,564,635. The median 2010 household income was \$38,620, and the area enjoys moderate to high standards of living which allow discretionary expenditures on such activities as watersports.

⁵ <http://quickfacts.census.gov/qfd/states/12/12086.html>

⁶ <http://www.usa.com/miami-dade-county-fl-population-and-races.htm#PopulationbyAge>

The Personal Watercraft Market

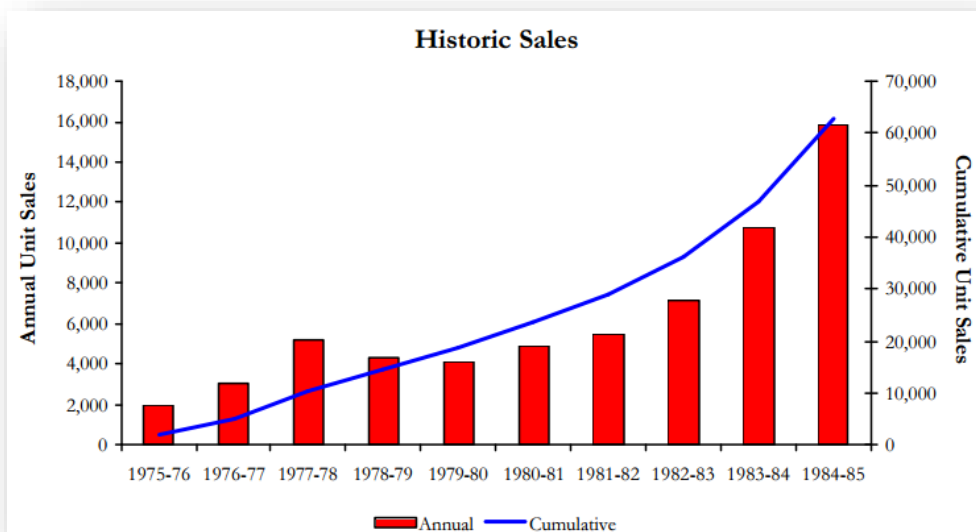
The water-propelled jet pack is an innovative new product, and no definitive market data or statistics are currently available. Whereas this situation presents slight challenges in terms of market analysis, it presents significant advantages in terms of early market penetration and associated advantages. This product is currently patented by JetLev, and JETLEV MIAMI has been provided exclusive rights to operate in the LOCATION NAME area. Other proprietors have realized high levels of success utilizing this same structure in multiple but limited locales, providing proof of concept. Timing of market entry is presently optimal as the concept has proven lucrative, but there has been minimal market penetration and distribution.

It is important to note that the terms PWC, JetLev, and Jetpack may be used interchangeably. As discussed below, the PWC market has not replaced, but expanded the boating market. As such, the Jetpack provides a similar market extension to the PWC market. As such, the nearest available data, characteristics, and user preferences is that of the PWC market.

The Value Proposition of the PWC

Personal Watercraft (PWC) have increased the overall watercraft market size by addressing the needs of “sporting” niches and offering a new and different alternative for the water recreation. The frequency of boaters practicing jet skiing is 76%, compared to jet skiers boating at only 20%⁷. This evidence indicates that the PWC market has complimented and expanded traditional watercraft markets, and has developed its own viable niche.

A comparison of the main characteristics of the PWC versus other market offers in the small boating industry allows understanding the value proposition of the PWC relative to the consumer perception. The characteristics analyzed are the following⁸:

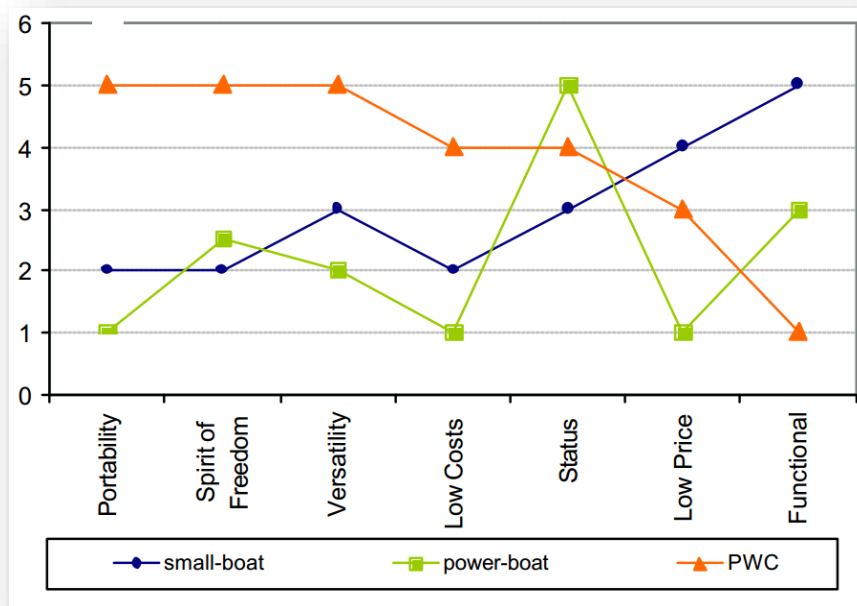


⁷ <http://faculty.insead.edu/adner/projects/Final%20Projects%20Jan%202005/Jetski.pdf>

⁸ <http://www.nasbla.org/pdf/Boating%20Participation%20report.pdf>

- Spirit of freedom: mix of speed and dare that offers the boat activity.
- Versatility: measure of accessibility to difficult to reach places (ie. shallow water, caves)
- Portability: easy to transport on the ground or on the water (by car or sailing boat)
- Status: offers a luxurious way of socializing by giving status.
- Low price: the lower the price, the higher the score is plotted in the graph.
- Functionality: usefulness to carry things, as a working tool or transportation.
- Low sustaining costs: docking, maintenance etc. The lower the cost, the higher it is plot.

The following graphic provides a comparison of watercraft along with the above characteristics. The Jetpack would fall in line with the PWC with the exception of Functionality. The cost is greater, but given the trend of PWC rental and the fact that the JetLev would be provided on a rental basis, the cost impediment is significantly alleviated. Additionally, the allure of human flight mitigates the functional drawbacks, as the unit’s recreational value is tied to its ability to perform a singular yet exhilarating function.



The key theme seems to be fun.

The same active, fast-paced minded consumer inclined to use PWC will also be drawn to the Jetpack experience (among others). It offers a more unique and unforgettable experience than any other watersport option. It is new and unique. Additionally, it has appeal to athletes and individuals interested in extreme sporting opportunities. The below chart represents the 10 year annual and cumulative PWC/Jet Ski sales in the United States from 1975-1985. This ten year period saw annual sales peak at approximately 16 thousand units, and totaling approximately 60

thousand units in service. Similar motivations played into the PWC/Jet Ski market acceptance, however there is one advantage inherent to the Jetpack that places a commercial operator at a significant advantage. The JetLev Jetpack has an inhibitive price tag for the average recreational user at a price of more than ten times more than a traditional PWC. In addition to the proven concept and lack of market penetration, for most users, renting the unit will remain their only method of access. As such, we expect to see growth similar to the PWC introduction with the majority of units/demand coming from rental operators.

The JetLev price point empowers the commercial operator

Financials

Assumptions

- 10 flights per day at 20 minutes per flight
- \$200 revenue per flight
- 7 days per week operation
- Average 80% utilization throughout the year
- 60% of customers purchase videos (80% standard/20% premium at \$59/\$149 respectively)
- 3% average annual expense escalation
- 3% annual revenue increase
- 3% credit card fees
- 90% of customers pay with credit cards
- 5 year straight line depreciation of 2 JetLevs, 1 jet ski, 1 pontoon boat

Start-Up

Start-up Table	
STARTUP EXPENSES	
Marketing	\$ 10,000
Legal	\$ 10,000
Incorporation	\$ 400
Relocation	\$ 10,000
Website	\$ 2,500
License	\$ 2,000
Extra Hose for Jetlev	\$ -
Add. Parts for Jetlev	\$ 1,500
Extra Comm Equipment	\$ 500
Wetsuits	\$ -
Life Vests (10)	\$ 500
Marketing ?	\$ -
Misc. ?	\$ -
Misc. ?	\$ -
Total	\$ 37,400
STARTUP ASSETS	
2 Jetlevs (@ \$70,000 each)	\$ 147,400
JetSki (used)	\$ 5,000
Pontoon Boat (used)	\$ 15,000
Video Equipment	\$ 1,500
Misc. ?	\$ -
Misc. ?	\$ -
	\$ -
	\$ -
Working Capital	\$ -
Total	\$ 168,900
TOTAL ASSETS & EXPENSES TO FUND \$ 206,300	
SUMMARY STATEMENT	
Owner Investment	\$ -
Investor 1	\$ -
Bank loans	\$ 206,300
Total Funding	\$ 206,300

Sales Forecast

Sales Forecast

Unit Sales	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	10	11	12	Year 1	Total Year 2	Total Year 3
Number of Flights	243	243	243	243	243	243	243	243	243	243	243	243	2912	2,912	2,912
Total Unit Sales	243	243	243	243	243	243	243	243	243	243	243	243	2,912	2,912	2,912
Unit Prices															
Per Flight	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200		
Sales in Dollars															
Flights	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 582,400	\$ 582	\$ 582
Video Sales	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 134,534		
Total Sales	\$ 59,745	\$ 59,745	\$ 59,745	\$ 59,745	\$ 59,745	\$ 59,745	\$ 59,745	\$ 59,745	\$ 59,745	\$ 59,745	\$ 59,745	\$ 59,745	\$ 716,934	\$ 582	\$ 582
Direct Cost of Sales															
R&M - Parts	\$ 542.76	\$ 542.76	\$ 542.76	\$ 542.76	\$ 542.76	\$ 542.76	\$ 542.76	\$ 542.76	\$ 542.76	\$ 542.76	\$ 542.76	\$ 542.76	\$ 6,513	\$ 6,513	\$ 6,513
Fuel Expense	\$ 944	\$ 944	\$ 944	\$ 944	\$ 944	\$ 944	\$ 944	\$ 944	\$ 944	\$ 944	\$ 944	\$ 944	\$ 11,324	\$ 46,592	\$ 46,592
Total Direct Cost of Sales	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 17,838	\$ 53,105	\$ 53,105

Income Statement

PROFIT & LOSS PROJECTION

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year 1	Year 2	Year 3	Year 4	Year 5
JETLEV FLIGHTS REVENUE	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 582,400	\$ 599,872	\$ 617,868	\$ 636,404	\$ 655,496
VIDEO REVENUE	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 134,534	\$ 138,570	\$ 142,728	\$ 147,009	\$ 151,420
COST OF SALES	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (17,838)	\$ (18,373)	\$ (18,924)	\$ (19,492)	\$ (20,076)
Gross Profit	\$ 58,258	\$ 58,258	\$ 58,258	\$ 58,258	\$ 58,258	\$ 58,258	\$ 58,258	\$ 58,258	\$ 58,258	\$ 58,258	\$ 58,258	\$ 58,258	\$ 699,097	\$ 720,070	\$ 741,672	\$ 763,922	\$ 786,840
Accounting	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 2,500	\$ 2,575	\$ 2,652	\$ 2,732	\$ 2,814
Advertising	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855	\$ 22,510
Computer Consulting	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126
Contract Labor (3 people)	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 150,000	\$ 154,500	\$ 159,135	\$ 163,909	\$ 168,826
Credit Card Charge (3%)	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 19,357	\$ 19,938	\$ 20,536	\$ 21,152	\$ 21,787
Insurance - Equipment	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 25,000	\$ 25,750	\$ 26,523	\$ 27,318	\$ 28,138
Insurance - General Liability Insurance	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 25,000	\$ 25,750	\$ 26,523	\$ 27,318	\$ 28,138
Legal & Professional Fees	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 1,500	\$ 1,545	\$ 1,591	\$ 1,639	\$ 1,688
Licenses & Permits	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126
Office Supplies	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 500	\$ 515	\$ 530	\$ 546	\$ 563
Postage & Delivery	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126
Printed Material - Brochures	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 1,500	\$ 1,545	\$ 1,591	\$ 1,639	\$ 1,688
Refunds	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000	\$ 6,180	\$ 6,365	\$ 6,556	\$ 6,753
Rent - Storage Unit	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 1,500	\$ 1,545	\$ 1,591	\$ 1,639	\$ 1,688
Rent - Beach Access	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 25,000	\$ 25,750	\$ 26,523	\$ 27,318	\$ 28,138
Repairs & Maintenance	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255
Telephone	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 1,500	\$ 1,545	\$ 1,591	\$ 1,639	\$ 1,688
Miscellaneous	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255
Web Expense	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126
EXPENSES	\$ 25,280	\$ 25,280	\$ 25,280	\$ 25,280	\$ 25,280	\$ 25,280	\$ 25,280	\$ 25,280	\$ 25,280	\$ 25,280	\$ 25,280	\$ 25,280	\$ 303,357	\$ 312,458	\$ 321,832	\$ 331,487	\$ 341,431
EBITDA	\$ 32,978	\$ 32,978	\$ 32,978	\$ 32,978	\$ 32,978	\$ 32,978	\$ 32,978	\$ 32,978	\$ 32,978	\$ 32,978	\$ 32,978	\$ 32,978	\$ 395,740	\$ 407,612	\$ 419,840	\$ 432,435	\$ 445,408
Tax	\$ 1,659	\$ 1,659	\$ 1,659	\$ 1,659	\$ 1,659	\$ 1,659	\$ 1,659	\$ 1,659	\$ 1,659	\$ 1,659	\$ 1,659	\$ 1,659	\$ 19,908	\$ 20,561	\$ 21,233	\$ 21,926	\$ 22,640
Interest	\$ 2,063	\$ 2,063	\$ 2,063	\$ 2,063	\$ 2,063	\$ 2,063	\$ 2,063	\$ 2,063	\$ 2,063	\$ 2,063	\$ 2,063	\$ 2,063	\$ 24,756	\$ 24,756	\$ 24,756	\$ 16,504	\$ 8,252
Depreciation	\$ 2,815	\$ 2,815	\$ 2,815	\$ 2,815	\$ 2,815	\$ 2,815	\$ 2,815	\$ 2,815	\$ 2,815	\$ 2,815	\$ 2,815	\$ 2,815	\$ 33,780	\$ 33,780	\$ 33,780	\$ 33,780	\$ 33,780
NET INCOME	\$ 26,441	\$ 26,441	\$ 26,441	\$ 26,441	\$ 26,441	\$ 26,441	\$ 26,441	\$ 26,441	\$ 26,441	\$ 26,441	\$ 26,441	\$ 26,441	\$ 317,296	\$ 328,515	\$ 340,071	\$ 360,225	\$ 380,737

Cash Flows

CASH FLOWS

	Start-Up	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year 1	Year 2	Year 3	Year 4	Year 5	
Cash Beginning of Period	\$ 206,300	\$ -	\$ 29,256	\$ 58,513	\$ 87,769	\$ 117,025	\$ 146,282	\$ 175,538	\$ 204,794	\$ 234,051	\$ 263,307	\$ 292,563	\$ 321,819	\$ -	\$ 351,076	\$ 713,371	\$ 1,018,455	\$ 1,343,693	
Cash End of Period	\$ -	\$ 29,256	\$ 58,513	\$ 87,769	\$ 117,025	\$ 146,282	\$ 175,538	\$ 204,794	\$ 234,051	\$ 263,307	\$ 292,563	\$ 321,819	\$ 351,076	\$ 351,076	\$ 713,371	\$ 1,018,455	\$ 1,343,693	\$ 1,689,444	
CASH RECEIPTS																			
JETLEV FLIGHTS REVENUE	\$ -	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 48,533	\$ 582,400	\$ 599,872	\$ 617,868	\$ 636,404	\$ 655,496	
VIDEO REVENUE	\$ -	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 11,211	\$ 134,534	\$ 138,570	\$ 142,728	\$ 147,009	\$ 151,420	
COST OF SALES	\$ -	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (1,486)	\$ (17,838)	\$ (18,373)	\$ (18,924)	\$ (19,492)	\$ (20,076)	
Collections on accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Interest, other income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Loan proceeds	\$ 206,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Owner contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Cash Receipts	\$ 206,300	\$ 58,258	\$ 58,258	\$ 58,258	\$ 58,258	\$ 58,258	\$ 58,258	\$ 58,258	\$ 58,258	\$ 58,258	\$ 58,258	\$ 58,258	\$ 58,258	\$ 699,097	\$ 720,070	\$ 741,672	\$ 763,922	\$ 786,840	
CASH OUTFLOWS																			
Accounting	\$ -	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 2,500	\$ 2,575	\$ 2,652	\$ 2,732	\$ 2,814	
Advertising	\$ -	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855	\$ 22,510	
Computer Consulting	\$ -	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	
Contract Labor (3 people)	\$ -	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 150,000	\$ 154,500	\$ 159,135	\$ 163,909	\$ 168,826	
Credit Card Charge (3%)	\$ -	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 19,357	\$ 19,938	\$ 20,536	\$ 21,152	\$ 21,787	
Insurance - Equipment	\$ -	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 25,000	\$ 25,750	\$ 26,523	\$ 27,318	\$ 28,138	
Insurance - General Liability Insurance	\$ -	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 25,000	\$ 25,750	\$ 26,523	\$ 27,318	\$ 28,138	
Legal & Professional Fees	\$ -	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 1,500	\$ 1,545	\$ 1,591	\$ 1,639	\$ 1,688	
Licenses & Permits	\$ -	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	
Office Supplies	\$ -	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 500	\$ 515	\$ 530	\$ 546	\$ 563	
Postage & Delivery	\$ -	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	
Printed Material - Brochures	\$ -	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 1,500	\$ 1,545	\$ 1,591	\$ 1,639	\$ 1,688	
Refunds	\$ -	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000	\$ 6,180	\$ 6,365	\$ 6,556	\$ 6,753	
Rent - Storage Unit	\$ -	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 1,500	\$ 1,545	\$ 1,591	\$ 1,639	\$ 1,688	
Rent - Beach Access	\$ -	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 25,000	\$ 25,750	\$ 26,523	\$ 27,318	\$ 28,138	
Repairs & Maintenance	\$ -	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	
Telephone	\$ -	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 1,500	\$ 1,545	\$ 1,591	\$ 1,639	\$ 1,688	
Miscellaneous	\$ -	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	
Web Expense	\$ -	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	
SUBTOTAL, OPERATING EXPENSES	\$ -	\$ 25,280	\$ 25,280	\$ 25,280	\$ 25,280	\$ 25,280	\$ 25,280	\$ 25,280	\$ 25,280	\$ 25,280	\$ 25,280	\$ 25,280	\$ 25,280	\$ 303,357	\$ 312,458	\$ 321,832	\$ 331,487	\$ 341,431	
Tax	\$ -	\$ 1,659	\$ 1,659	\$ 1,659	\$ 1,659	\$ 1,659	\$ 1,659	\$ 1,659	\$ 1,659	\$ 1,659	\$ 1,659	\$ 1,659	\$ 1,659	\$ 19,908	\$ 20,561	\$ 21,233	\$ 21,926	\$ 22,640	
Interest	\$ -	\$ 2,063	\$ 2,063	\$ 2,063	\$ 2,063	\$ 2,063	\$ 2,063	\$ 2,063	\$ 2,063	\$ 2,063	\$ 2,063	\$ 2,063	\$ 2,063	\$ 24,756	\$ 24,756	\$ 24,756	\$ 16,504	\$ 8,252	
Other expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
SUBTOTAL	\$ -	\$ 3,722	\$ 3,722	\$ 3,722	\$ 3,722	\$ 3,722	\$ 3,722	\$ 3,722	\$ 3,722	\$ 3,722	\$ 3,722	\$ 3,722	\$ 3,722	\$ 44,664	\$ 45,317	\$ 45,989	\$ 38,430	\$ 30,892	
Loan principal payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital purchases	\$ 168,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other startup costs	\$ 37,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
To reserve and/or escrow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Owners' withdrawal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL CASH PAID OUT	\$ 206,300	\$ 29,002	\$ 29,002	\$ 29,002	\$ 29,002	\$ 29,002	\$ 29,002	\$ 29,002	\$ 29,002	\$ 29,002	\$ 29,002	\$ 29,002	\$ 29,002	\$ 348,021	\$ 357,775	\$ 436,588	\$ 438,683	\$ 441,089	
Cash on hand (End of Period)	\$ -	\$ 29,256	\$ 58,513	\$ 87,769	\$ 117,025	\$ 146,282	\$ 175,538	\$ 204,794	\$ 234,051	\$ 263,307	\$ 292,563	\$ 321,819	\$ 351,076	\$ 351,076	\$ 713,371	\$ 1,018,455	\$ 1,343,693	\$ 1,689,444	

Balance Sheet

Balance Sheet						
ASSETS	Start-Up	Year 1	Year 2	Year 3	Year 4	Year 5
CURRENT ASSETS						
Cash	\$ -	\$ 699,097	\$ 720,070	\$ 741,672	\$ 763,922	\$ 786,840
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other current assets	\$ 37,400	\$ 37,400	\$ 37,400	\$ 37,400	\$ 37,400	\$ 37,400
TOTAL CURRENT ASSETS	\$ 37,400	\$ 736,497	\$ 757,470	\$ 779,072	\$ 801,322	\$ 824,240
FIXED ASSETS						
Machinery and equipment	\$ 168,900	\$ 168,900	\$ 168,900	\$ 168,900	\$ 168,900	\$ 168,900
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Leasehold improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A/Dep	\$ -	\$ (33,780)	\$ (67,560)	\$ (101,340)	\$ (135,120)	\$ (168,900)
TOTAL FIXED ASSETS	\$ 168,900	\$ 135,120	\$ 101,340	\$ 67,560	\$ 33,780	\$ -
TOTAL ASSETS	\$ 206,300	\$ 871,617	\$ 858,810	\$ 846,632	\$ 835,102	\$ 824,240
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts payable	\$ -	\$ 303,357	\$ 312,458	\$ 321,832	\$ 331,487	\$ 341,431
Interest payable	\$ -	\$ 24,756	\$ 24,756	\$ 24,756	\$ 16,504	\$ 8,252
Taxes payable	\$ -	\$ 19,908	\$ 20,561	\$ 21,233	\$ 21,926	\$ 22,640
Notes, short-term (due within 12 months)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current part, long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other current liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CURRENT LIABILITIES	\$ -	\$ 348,021	\$ 357,775	\$ 367,821	\$ 369,917	\$ 372,323
LONG-TERM DEBT						
Bank loans payable	\$ 206,300	\$ 206,300	\$ 206,300	\$ 137,533	\$ 68,767	\$ -
Notes payable to stockholders	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LESS: Short-term portion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LONG-TERM DEBT	\$ 206,300	\$ 206,300	\$ 206,300	\$ 137,533	\$ 68,767	\$ -
TOTAL LIABILITIES	\$ 206,300	\$ 554,321	\$ 564,075	\$ 505,354	\$ 438,683	\$ 372,323
ASSETS AND LIABILITIES						
OWNERS' EQUITY						
Invested capital	\$ -	\$ 317,296	\$ 294,735	\$ 341,277	\$ 396,419	\$ 451,917
TOTAL OWNERS' EQUITY	\$ -	\$ 317,296	\$ 294,735	\$ 341,277	\$ 396,419	\$ 451,917
TOTAL LIABILITIES AND EQUITY	\$ 206,300	\$ 871,617	\$ 858,810	\$ 846,632	\$ 835,102	\$ 824,240