

Yacht Marina, LLC

A Limited Liability Company

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Executive Summary

The Marina Place, is a STATE based marine services company. Originally founded in 1995, The Marina Place has failed to keep pace with current industry growth patterns. At the same time the boating industry has experienced growth and prosperity, The Marina Place has maintained status quo and stagnant sales. The new owners, Edgar Pekin and Jeff Minor, see Yacht Marina, LLC becoming the local leader in marine service, boat storage, and boat and chandlery sales.

Yacht Marina will offer boat services, boat storage, slip rental and chandlery sales. Boat servicing will include all interior and exterior servicing, marine repairs and refits including mechanical repairs, painting bottoms and topsides, and welding and metal fabrication. Boat storage will be provided on the three-acre property with capacity for 50 boats. Slip rental will be provided using 25 slips on the 550 feet of waterfront. Lastly, retail sales will be offered in the full time chandlery, including paints, varnishes, marine fasteners, chain, ground tackle and marine cleaning supplies.

The new owners, Edgar Pekin and Jeff Minor, have extensive experience in managing and servicing yachts and boats of all sizes. Mr. Pekin has been the Chief Executive Officer and Managing Director of Sunny Yacht Services Company., since 1993. He holds a bachelor's degree from State University and is responsible for all daily operations and company finances at Sunny Yacht Services Company. Mr. Minor is experienced in all phases of charter and yacht management and oversees project management and service that goes on at Sunny Yacht Services. Both gentlemen have vast knowledge of yachts and customer service coupled with the enthusiasm and direct experience in this specific business to make Yacht Marina successful.

Yacht Marina is seeking financing in the amount of \$225,000 to be used to purchase land, equipment, and working capital. The funds will be used to purchase the existing business and all property of Yacht Marina. The property was appraised in 1998 at \$296,000 and equipment/inventory estimated at \$125,000. The business is being purchased for \$375,000 of which the principals are providing \$175,000. The financed amount of \$225,000 will be divided into \$200,000 towards the purchase and \$25,000 will be retained for working capital. The funds will be repaid through yearly income and operations.

The last reported yearly earnings for Yacht Marina were estimated at \$70,000 in 1999. Revenues are projected to exceed \$124,000 and \$169,000 for the year ending March 31, 2002 and March 31, 2003, respectively. The increase in revenue is attributed to the future expanded services, quality repair, and professional management. Slip rental and boat storage income will cover over 60 percent of projected monthly fixed costs in the first year.

Yacht Marina will target local and regional yachtsmen through newspaper advertising, organization involvement, and promotions. The State has experienced a 12% increase in boating registrations and expenditures over the last three years. The boating market continues to increase and gain popularity on which Yacht Marina will capitalize.

This business plan will address Yacht Marina LLC's business situation, future goals, and financial situation. It is organized in such a way as to describe the company history, function and in-depth management within the Company Analysis. The Market Analysis will feature the specific services offered by Yacht Marina, promotional campaign, competitive situation and industry classification. The Financial Analysis is presented in the Appendix and describes the feasibility of Yacht Marina LLC as a going concern. After reading this business plan, you will know Yacht Marina's story and financial security. The principals of Yacht Marina are confident that operational efficiencies and profitability will lead to a very successful business.

Company Analysis

Name

The Marina Place is the current operational name and property is located on large ocean access water. New buyers are in process of forming the business, which will be called Yacht Marina LLC.

Mission

Yacht Marina will provide high quality, professional, marine, repairs and refits performed by skilled competent craftsmen, while treating customers fairly and with respect.

Company History

The Marina Place is currently for sale and has been operating since 1995. Current owner operates as a one-man operation, which has limited its growth and breadth of operation. Current owner built the infrastructure from scratch on vacant property and is content with the current small operation and managed slow growth. Edgar Pekin and Jeff Minor will purchase the existing business and drive it to a higher level of performance. Both, Mr. Pekin and Mr. Minor have a vast experience in the marine industry, which will enhance the overall operation.

Current Situation

Yacht Marina is seeking a loan of approximately \$200,000 to \$225,000 or 60% of the purchase price of \$375,000. Mr. Pekin and Mr. Minor will provide the remaining balance of approximately \$175,000. The purchase price was determined based on the land value and stagnant yearly revenues of \$70,000. This business plan will be presented to the bank for loan approval. Due to advancing age, and limited industry experience, the current owner has constrained the business to a small operation. Mr. Pekin and Mr. Minor have more industry experience and are much younger, which will allow them to grow the business to its fullest potential. The four main revenue sources are repairs, storage, slip rental, and shop sales.

Company Location and facilities

Yacht Marina is located at 510 A, Metropolitan, Sate. The area is a combination of rural mixed usage properties with waterfront residential and commercial properties. This location was chosen based upon the existing business' location and will be owned by the LLC.

Specifics of the property include:

- Three acres with 550' of water frontage with a boat ramp
- Lifting bay and 25 boat slips
- 3,000 square feet butler type steel building circa 1991 with cement slab floor
- 1,120 square feet store circa 1991 with apartment above of approximately 1,120 square feet.

The property was last appraised in 1998 at a value of \$296,000. A phase one environmental study is required and will be scheduled. The current owner denies any environment issues. There have been no improvements since the last appraisal and no adverse effects.

The two strategic advantages of this location are its waterfront rural location and limited major competition from older, smaller facilities.

Disadvantages of the site include the limited depth access of 5' 6" @MHW and a small customer base in the private yacht market. The small customer base is due to the lack of facilities currently available and previous owner's constraints. The town of Metropolitan has a very nice attractive public marina about eight miles from Yacht Marina. The public marina is a summer draw for private yachts visiting the Eastern Shore.

Financial Analysis

Inventory

Appendix A-1, Office Inventory

The office inventories are the items that Mr. Pekin and Mr. Minor will provide. An estimated value of \$19,100 has been given to these items.

Appendix A-2, Equipment Inventory

The equipment inventory will be calculated at the time of closing. For the purposes of this business plan an estimated value of \$125,000 (\$110,000 for equipment, \$15,000 for chandlery inventory) was given to the equipment/inventory acquired in the purchase.

Start-up Cost Estimates

Appendix B-1

Cash Budget Statement

Appendix C

Appendix C-02, Year Ending March 31, 2002

Appendix C-03, Year Ending March 31, 2003

Appendix C-04, Year Ending March 31, 2004

Income Statement

Appendix D-02, Year Ending March 31, 2002

Appendix D-03, Year Ending March 31, 2003

Appendix D-04, Year Ending March 31, 2004

Balance Sheet

Appendix E, Starting Balance Sheet

Appendix E-02, March 31, 2002

Appendix E-03, March 31, 2003

Appendix E-04, March 31, 2004

The following assumptions were made during the analysis:

1. Two trucks will be purchased in the second year at a cost of \$25,000 each. The trucks will be financed at 8% APR, for 60 months. They will be depreciated using straight-line depreciation over seven years. The trucks will only be acquired if the business can financially manage their additional drain on resources.
2. The business, including real estate, buildings, and equipment will be purchased using a \$225,000 loan from a financial institution. The loan will be financed at 9% APR for 15 years.
3. Additional employees will be hired beginning in year two and three. The additional employees will generate a \$3,000 per month expense to overhead.
4. Accounts receivables will represent 8% of all purchases.
5. Revenue growth is estimated at approximately 36 percent in years two and three.
6. The equipment will be depreciated using straight-line depreciation over seven years or \$15,714 annually. (\$110,000/7)

Break-even analysis

Appendix F

Financial Ratios

Appendix G

Intellectual Property Documents

Appendix H

Company Documents

Appendix I

Conservative & Aggressive Financials

Conservative Income Statement

Appendix J-02, Year Ending March 31, 2002

Appendix J-03, Year Ending March 31, 2003

Appendix J-04, Year Ending March 31, 2004

Conservative Balance Sheet

Appendix K-02, Year Ending March 31, 2002

Appendix K-03, Year Ending March 31, 2003

Appendix K-04, Year Ending March 31, 2004

Aggressive Income Statement

Appendix L-02, Year Ending March 31, 2002

Appendix L-03, Year Ending March 31, 2003

Appendix L-04, Year Ending March 31, 2004

Aggressive Balance Sheet

Appendix M-02, Year Ending March 31, 2002

Appendix M-03, Year Ending March 31, 2003

Appendix M-04, Year Ending March 31, 2004

Appendix N, Financial Statement Comparison

Intellectual Property

Appendix O

Legal Documents

Appendix P

Appendix D-04

Yacht Marina, LLC
ProForma Income Statement
March 31, 2004

		April	May	June	July	August	September	October	November	December	January	February	March	Total
Sales Revenue														
Revenue		\$ 21,901	\$ 27,013	\$ 27,013	\$ 27,124	\$ 27,124	\$ 27,124	\$ 16,963	\$ 14,961	\$ 11,055	\$ 9,605	\$ 9,605	\$ 10,434	\$ 229,924
Total Revenue		\$ 21,901	\$ 27,013	\$ 27,013	\$ 27,124	\$ 27,124	\$ 27,124	\$ 16,963	\$ 14,961	\$ 11,055	\$ 9,605	\$ 9,605	\$ 10,434	\$ 229,924
Expenses														
Cost of Sales	\$ -	\$ 4,104	\$ 5,335	\$ 4,925	\$ 4,925	\$ 4,925	\$ 4,925	\$ 1,436	\$ 740	\$ 410	\$ 410	\$ 1,642	\$ 5,130	\$ 38,906
Cost of Sales		\$ 4,104	\$ 5,335	\$ 4,925	\$ 4,925	\$ 4,925	\$ 4,925	\$ 1,436	\$ 740	\$ 410	\$ 410	\$ 1,642	\$ 5,130	\$ 38,906
Gross Profit		\$ 17,797	\$ 21,678	\$ 22,089	\$ 22,200	\$ 22,200	\$ 22,200	\$ 15,527	\$ 14,222	\$ 10,645	\$ 9,195	\$ 7,963	\$ 5,304	\$ 191,018
Operating expenses	\$ 9,316	\$ 9,316	\$ 9,316	\$ 9,316	\$ 9,316	\$ 9,316	\$ 9,316	\$ 9,316	\$ 9,316	\$ 9,316	\$ 9,316	\$ 9,316	\$ 9,316	\$ 111,792
All other expenses	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EBIT		\$ 8,481	\$ 12,362	\$ 12,773	\$ 12,884	\$ 12,884	\$ 12,884	\$ 6,211	\$ 4,906	\$ 1,329	\$ (121)	\$ (1,353)	\$ (4,012)	\$ 79,226
Interest	10%													
Taxes	34%	\$ 2,884	\$ 4,203	\$ 4,343	\$ 4,380	\$ 4,380	\$ 4,380	\$ 2,112	\$ 1,668	\$ 452	\$ -	\$ -	\$ -	\$ 28,802
After tax profit		\$ 5,598	\$ 8,159	\$ 8,430	\$ 8,503	\$ 8,503	\$ 8,503	\$ 4,099	\$ 3,238	\$ 877	\$ (121)	\$ (1,353)	\$ (4,012)	\$ 50,424

Appendix G

Yacht Marina, LLC
Financial Ratios

	Yacht Marina, LLC	Troy's Almanac*	RMA**	
Current Ratio	6.87	1.6	1.8	The higher the ratio the greater cushion.
Quick Ratio	5.66	0.6	0.5	Conservative measure of liquidity, higher is better.
Net Sales to Working Capital	0.41	4.2	11.2	Low number indicates inefficient use of working capital(current assets-current liabilities) Will improve with increased sales.
Total Asset Turnover	0.25	1.1		Measure of sales to total assets. Increase the amount of sales with same assets will improve number.
Total Liabilities to Net Worth	0.87	1.8	2.5	Higher number, higher the risk. Lower number, greater flexibility to borrow in future.
Return on Assets (ROA)	7%	9.8%		Success of business in using assets to generate earnings independent of financing the assets.
Return on Equity (ROE)	14%	18%		Measure of profitability of interest to shareholders equity.
<i>ratios using FY2002 financial statements</i>				
* Troy's Almanace. Ship and Boat Building and Repairing SIC# 3730				
** Robert Morris and Associates. Manufacturing-Boat Building & Repairing SIC#3732 NAICS 336612, 81149				

Yacht Marina, LLC
ProForma Balance Sheet
March 31, 2004

Cash	26.0%	165,600	Notes Payable	2.2%	14,000
Accounts Receivable	5.1%	32,189	Accounts Payable	2.2%	14,000
Inventory/Office	5.9%	37,262	Income Taxes Payable	0.1%	793
Equipment	9.9%	62,857	Current Maturity of Long-term debt	3.8%	24,000
			All other Current Liabilities	0.0%	-
Total Current Assets	46.8%	297,909	Total Current Liabilities	8.3%	52,793
Net Fixed Assets	46.5%	296,000	Long-term Debt	31.5%	200,500
		-	Deferred Taxes	0.0%	-
All other Non-Current & Intangibles	6.7%	42,858	All other Non-Current	6.5%	41,500
Total Long-term Assets	53.2%	338,858	Total Long-term Liabilities	38.0%	242,000
			Net worth	53.7%	341,973
Total Assets	100.0%	\$ 636,767	Total Liabilities & Net Worth	100.0%	\$ 636,767

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SmallBusinessPoint.com was created as a result of introspective realization of skills, experiences, and dreams. These three collective entities, combined with a heavy dose of entrepreneurship, are the motivation behind 'The Business Plan Generator'. Many people dream of owning their own business or doing what they want to do. However, few people follow their dreams to success. Whatever the reason, adequate direction should not be one. The purpose of 'The Business Plan Generator' is to give you the direction needed to identify your skills, exercises to generate ideas, resources to evaluate the venture, questions to ask in the business plan, and key indicators to measure implementation.

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SmallBusinessPoint.com appreciates the opportunity to help you, and wishes you the best of success.

We believe in your dreams!