

Financial Plan

Financial Statement Assumptions For The Period January 1999 To December 2003

Sales Assumptions

The sales assumptions are broken down into five profit centers:

- ◆ Personal Training
- ◆ Membership
- ◆ Spa Services
- ◆ Pro Shop
- ◆ Group Classes

Personal Training, Spa Services and Group Classes are complete service profit centers, with no physical product involved, just labor. Membership is a built-in service, as Your Personal Trainer, Inc. will capitalize on the facility's downtime by offering limited membership. Pro Shop sales are added-value products provided to augment Your Personal Trainer, Inc. methodology.

All sales assumptions for 1999 were projected using Your Personal Trainer, Inc. current growth rate of 150%.

All sales assumptions for 2000 were projected using a growth rate of 130%.

All sales assumptions for 2001 were projected using a growth rate of 110%.

Personal Training is defined as a one-on-one session, involving one trainer and one client. These sessions typically include use of the strength and cardiovascular equipment.

Membership is defined as the ability of the client to use the cardiovascular equipment and classes at will. This service includes the use of the cardiovascular equipment, cardio theatre, sport-specific training room, lockers and showers.

Pro Shop is defined as the retail area in reception. It will hold various products to sell to our clientele.

Spa Services are defined as a one-on-one session, involving one practitioner and one client. These sessions include the use of the wellness rooms and include the application of massage and/or acupuncture.

Group Classes are defined as a one-to-many session, involving one instructor and several students. These classes typically include the use of the athletic training room, with class-specific equipment.

Personal Training

1999

Sales assumptions are based on a low-end rate of \$55 per session. Session prices range from \$55-\$75.

These sessions are defined by one-on-one personal training, yoga, pilates, and nutrition.

*Personal Training assumptions are based on 110 personal training sessions on average per week for 1999.

<u>Month</u>	<u>#Sessions/Day</u>	<u># Work Days/Month</u>	<u>Session Fee</u>	<u>Total</u>
Jan-99	20	22	\$55.00	\$24,200.00
Feb-99	14	22	\$55.00	\$16,940.00
Mar-99	15	24	\$55.00	\$19,800.00
Apr-99	18	24	\$55.00	\$23,760.00
May-99	23	23.5	\$55.00	\$29,727.50
Jun-99	21	24	\$55.00	\$27,720.00
Jul-99	26	25	\$55.00	\$35,750.00
Aug-99	29	23.5	\$55.00	\$37,482.50
Sep-99	31	24	\$55.00	\$40,920.00
Oct-99	28	24.5	\$55.00	\$37,730.00
Nov-99	34	23	\$55.00	\$43,010.00
Dec-99	25	22	\$55.00	\$30,250.00
		Gross Profit Personal Training 1999		<u>\$367,290.00</u>

2000

Session prices will be raised 10% to \$60 per session. Session prices will range from \$60-\$80.

*Personal Training assumptions are based on 143 personal training sessions on average per week for 2000.

<u>Month</u>	<u>#Sessions/Day</u>	<u># Work Days/Month</u>	<u>Session Fee</u>	<u>Total</u>
Jan-00	26	22	\$60.00	\$34,320.00
Feb-00	18	22	\$60.00	\$23,760.00
Mar-00	19	24	\$60.00	\$27,360.00
Apr-00	23	24	\$60.00	\$33,120.00
May-00	30	23.5	\$60.00	\$42,300.00
Jun-00	27	24	\$60.00	\$38,880.00
Jul-00	34	25	\$60.00	\$51,000.00
Aug-00	38	23.5	\$60.00	\$53,580.00
Sep-00	40	24	\$60.00	\$57,600.00
Oct-00	36	24.5	\$60.00	\$52,920.00
Nov-00	44	23	\$60.00	\$60,720.00
Dec-00	32	22	\$60.00	\$42,240.00
Gross Profit Personal Training 2000				<u>\$517,800.00</u>

2001

Session prices will remain at \$60 per session. Session prices will range from \$60-\$80.

*Personal Training assumptions are based on 159 personal training sessions on average per week for 2001.

<u>Month</u>	<u>#Sessions/Day</u>	<u># Work Days/Month</u>	<u>Session Fee</u>	<u>Total</u>
Jan-01	29	22	\$60.00	\$38,280.00
Feb-01	20	22	\$60.00	\$26,400.00
Mar-01	21	24	\$60.00	\$30,240.00
Apr-01	25	24	\$60.00	\$36,000.00
May-01	33	23.5	\$60.00	\$46,530.00
Jun-01	41	24	\$60.00	\$59,040.00
Jul-01	37	25	\$60.00	\$55,500.00
Aug-01	42	23.5	\$60.00	\$59,220.00
Sep-01	44	24	\$60.00	\$63,360.00
Oct-01	40	24.5	\$60.00	\$58,800.00
Nov-01	48	23	\$60.00	\$66,240.00
Dec-01	35	22	\$60.00	\$46,200.00
Gross Profit Personal Training 2001				<u>\$585,810.00</u>

Membership

1999

Sales assumptions are based on a \$75.00 per month private membership.

*Membership assumptions are based on 170 members for the first fiscal year.

** A 5000 square foot gym can maintain a 1500 person membership; we are limiting the membership to provide quality services and maintain our "premiere provider, premium pricing" philosophy

<u>Month</u>	<u># Memberships</u>	<u>Membership Fee</u>	<u>Total</u>
Jan-99	10	\$75.00	\$750.00
Feb-99	15	\$75.00	\$1,125.00
Mar-99	20	\$75.00	\$1,500.00
Apr-99	30	\$75.00	\$2,250.00
May-99	40	\$75.00	\$3,000.00
Jun-99	55	\$75.00	\$4,125.00
Jul-99	70	\$75.00	\$5,250.00

Aug-99	85	\$75.00	\$6,375.00
Sep-99	110	\$75.00	\$8,250.00
Oct-99	130	\$75.00	\$9,750.00
Nov-99	145	\$75.00	\$10,875.00
Dec-99	170	\$75.00	\$12,750.00
Gross Profit Membership 1999			<u>\$66,000.00</u>

2000

Membership fees will remain at \$75 per month.

*Membership assumptions are based on 220 members for 2000.

<u>Month</u>	<u># Memberships</u>	<u>Membership Fee</u>	<u>Total</u>
Jan-00	180	\$75.00	\$13,500.00
Feb-00	185	\$75.00	\$13,875.00
Mar-00	190	\$75.00	\$14,250.00
Apr-00	200	\$75.00	\$15,000.00
May-00	210	\$75.00	\$15,750.00
Jun-00	215	\$75.00	\$16,125.00
Jul-00	220	\$75.00	\$16,500.00
Aug-00	230	\$75.00	\$17,250.00
Sep-00	230	\$75.00	\$17,250.00
Oct-00	220	\$75.00	\$16,500.00
Nov-00	220	\$75.00	\$16,500.00
Dec-00	220	\$75.00	\$16,500.00
Gross Profit Membership 2000			<u>\$189,000.00</u>

2001

Membership fees will remain at \$75 per month.

*Membership assumptions are based on 250 members for 2001.

<u>Month</u>	<u># Memberships</u>	<u>Membership Fee</u>	<u>Total</u>
Jan-01	220	\$75.00	\$16,500.00
Feb-01	222	\$75.00	\$16,650.00
Mar-01	227	\$75.00	\$17,025.00
Apr-01	231	\$75.00	\$17,325.00
May-01	240	\$75.00	\$18,000.00
Jun-01	244	\$75.00	\$18,300.00
Jul-01	247	\$75.00	\$18,525.00
Aug-01	250	\$75.00	\$18,750.00
Sep-01	250	\$75.00	\$18,750.00
Oct-01	250	\$75.00	\$18,750.00
Nov-01	250	\$75.00	\$18,750.00
Dec-01	250	\$75.00	\$18,750.00
Gross Profit Membership 2001			<u>\$216,075.00</u>

Spa Services

Sales assumptions are calculated conservatively based on experience of other clubs.

1999

Sales assumptions are based on a low-end rate of \$60 per session.

*Spa Service assumptions are based on 9 personal training sessions on average per week for 1999.

<u>Month</u>	<u># Sessions/Month</u>	<u>Session Fee</u>	<u>Total</u>
Jan-99	6	\$60.00	\$360.00
Feb-99	12	\$60.00	\$720.00
Mar-99	18	\$60.00	\$1,080.00

Apr-99	24	\$60.00	\$1,440.00
May-99	30	\$60.00	\$1,800.00
Jun-99	36	\$60.00	\$2,160.00
Jul-99	42	\$60.00	\$2,520.00
Aug-99	48	\$60.00	\$2,880.00
Sep-99	54	\$60.00	\$3,240.00
Oct-99	60	\$60.00	\$3,600.00
Nov-99	66	\$60.00	\$3,960.00
Dec-99	72	\$60.00	\$4,320.00
Gross Profit Spa Services 1999			<u>\$28,080.00</u>

2000

Session prices will remain at \$60 per session.

*Spa Service assumptions are based on 11 sessions on average per week for 2000.

<u>Month</u>	<u># Sessions/Month</u>	<u>Session Fee</u>	<u>Total</u>
Jan-00	7	\$60.00	\$420.00
Feb-00	16	\$60.00	\$960.00
Mar-00	23	\$60.00	\$1,380.00
Apr-00	31	\$60.00	\$1,860.00
May-00	39	\$60.00	\$2,340.00
Jun-00	47	\$60.00	\$2,820.00
Jul-00	55	\$60.00	\$3,300.00
Aug-00	62	\$60.00	\$3,720.00
Sep-00	70	\$60.00	\$4,200.00
Oct-00	78	\$60.00	\$4,680.00
Nov-00	86	\$60.00	\$5,160.00
Dec-00	93	\$60.00	\$5,580.00
Gross Profit Spa Services 2000			<u>\$36,420.00</u>

2001

Session prices will increase by 10% to \$65 per session.

*Spa Service assumptions are based on 26 sessions on average per week for 2001.

<u>Month</u>	<u># Sessions/Month</u>	<u>Session Fee</u>	<u>Total</u>
Jan-01	102	\$65.00	\$6,630.00
Feb-01	104	\$65.00	\$6,760.00
Mar-01	106	\$65.00	\$6,890.00
Apr-01	112	\$65.00	\$7,280.00
May-01	118	\$65.00	\$7,670.00
Jun-01	122	\$65.00	\$7,930.00
Jul-01	124	\$65.00	\$8,060.00
Aug-01	130	\$65.00	\$8,450.00
Sep-01	124	\$65.00	\$8,060.00
Oct-01	118	\$65.00	\$7,670.00
Nov-01	118	\$65.00	\$7,670.00
Dec-01	93	\$65.00	\$6,045.00
Gross Profit Spa Services 2001			<u>\$89,115.00</u>

Pro Shop

Sales assumptions are calculated conservatively based on experience of other clubs.

1999

Sales assumptions are based on a low-end rate of \$55 per session. Session prices range from \$55-\$75.

*Product wholesale costs range from \$6.00-\$65.00; a low-end average of \$15.00 was used to estimate profits

**Retail is marked up 100% from wholesale costs

***On average, 15% of a gym's total sales are from Pro Shop Sales

****Pro Shop assumptions are based on selling 10 products on average per week for 1999.

<u>Month</u>	<u># Items</u>	<u>Item Price</u>	<u>Total</u>
Jan-99	30	\$30.00	\$900.00
Feb-99	30	\$30.00	\$900.00
Mar-99	35	\$30.00	\$1,050.00
Apr-99	35	\$30.00	\$1,050.00
May-99	40	\$30.00	\$1,200.00
Jun-99	40	\$30.00	\$1,200.00
Jul-99	45	\$30.00	\$1,350.00
Aug-99	50	\$30.00	\$1,500.00
Sep-99	50	\$30.00	\$1,500.00
Oct-99	55	\$30.00	\$1,650.00
Nov-99	55	\$30.00	\$1,650.00
Dec-99	60	\$30.00	\$1,800.00
Gross Profit Pro Shop 1999			<u>\$15,750.00</u>

2000

*Pro Shop assumptions are based on selling 14 products on average per week for 2000.

<u>Month</u>	<u># Items</u>	<u>Item Price</u>	<u>Total</u>
Jan-00	39	\$30.00	\$1,170.00
Feb-00	39	\$30.00	\$1,170.00
Mar-00	45	\$30.00	\$1,350.00
Apr-00	45	\$30.00	\$1,350.00
May-00	52	\$30.00	\$1,560.00
Jun-00	52	\$30.00	\$1,560.00
Jul-00	58	\$30.00	\$1,740.00
Aug-00	65	\$30.00	\$1,950.00
Sep-00	65	\$30.00	\$1,950.00
Oct-00	71	\$30.00	\$2,130.00
Nov-00	71	\$30.00	\$2,130.00
Dec-00	78	\$30.00	\$2,340.00
Gross Profit Pro Shop 2000			<u>\$20,400.00</u>

2001

*Pro Shop products average price is increased by 10% to \$30 per product.

*Pro Shop assumptions are based on selling 10 products on average per week for 2001.

<u>Month</u>	<u># Items</u>	<u>Item Price</u>	<u>Total</u>
Jan-01	43	\$33.00	\$1,419.00
Feb-01	43	\$33.00	\$1,419.00
Mar-01	49	\$33.00	\$1,617.00
Apr-01	49	\$33.00	\$1,617.00
May-01	57	\$33.00	\$1,881.00
Jun-01	57	\$33.00	\$1,881.00
Jul-01	64	\$33.00	\$2,112.00
Aug-01	71	\$33.00	\$2,343.00
Sep-01	71	\$33.00	\$2,343.00
Oct-01	78	\$33.00	\$2,574.00
Nov-01	78	\$33.00	\$2,574.00
Dec-01	86	\$33.00	\$2,838.00
Gross Profit Pro Shop 2001			<u>\$24,618.00</u>

Group Classes

Sales assumptions are calculated conservatively based on experience of other clubs.

1999

Sales assumptions are based on a rate of \$10 per class.

These classes are defined by spinning, box aerobics, yoga, pilates, step, and circuit.

*Group Class assumptions are based on 19 classes per week for 1999.

Month	#Classes/Month	# Clients/Class	Class Fee	Total
Jan-99	15	2	\$10.00	\$300.00
Feb-99	30	2	\$10.00	\$600.00
Mar-99	45	4	\$10.00	\$1,800.00
Apr-99	60	4	\$10.00	\$2,400.00
May-99	75	6	\$10.00	\$4,500.00
Jun-99	90	6	\$10.00	\$5,400.00
Jul-99	90	7	\$10.00	\$6,300.00
Aug-99	105	7	\$10.00	\$7,350.00
Sep-99	105	8	\$10.00	\$8,400.00
Oct-99	120	8	\$10.00	\$9,600.00
Nov-99	120	9	\$10.00	\$10,800.00
Dec-99	135	10	\$10.00	\$13,500.00
Gross Profit Group Classes 1999				<u>\$70,950.00</u>

2000

Class prices will be raised 8% to \$12 per class.

*Group Class assumptions are based on 33 classes per week for 2000.

Month	#Classes/Month	# Clients/Class	Class Fee	Total
Jan-00	135	10	\$12.00	\$16,200.00
Feb-00	135	10	\$12.00	\$16,200.00
Mar-00	135	10	\$12.00	\$16,200.00
Apr-00	135	10	\$12.00	\$16,200.00
May-00	135	10	\$12.00	\$16,200.00
Jun-00	135	10	\$12.00	\$16,200.00
Jul-00	135	10	\$12.00	\$16,200.00
Aug-00	135	10	\$12.00	\$16,200.00
Sep-00	135	10	\$12.00	\$16,200.00
Oct-00	135	10	\$12.00	\$16,200.00
Nov-00	135	10	\$12.00	\$16,200.00
Dec-00	135	10	\$12.00	\$16,200.00
Gross Profit Group Classes 2000				<u>\$194,400.00</u>

2001

Class prices will be raised 8% to \$15 per class.

*Group Class assumptions are based on 33 classes per week for 2001.

Month	#Classes/Month	# Clients/Class	Class Fee	Total
Jan-01	135	10	\$15.00	\$20,250.00
Feb-01	135	10	\$15.00	\$20,250.00
Mar-01	135	10	\$15.00	\$20,250.00
Apr-01	135	10	\$15.00	\$20,250.00
May-01	135	10	\$15.00	\$20,250.00
Jun-01	135	10	\$15.00	\$20,250.00
Jul-01	135	10	\$15.00	\$20,250.00
Aug-01	135	10	\$15.00	\$20,250.00
Sep-01	135	10	\$15.00	\$20,250.00
Oct-01	135	10	\$15.00	\$20,250.00
Nov-01	135	10	\$15.00	\$20,250.00
Dec-01	135	10	\$15.00	\$20,250.00
Gross Profit Group Classes 2001				<u>\$243,000.00</u>

Cost of Sales

Personal Training

Labor costs for personal training are based on a per session pay

*Labor costs range from \$12.00-\$30.00; a high-end rate of \$25.00 was used to estimate costs

**One trainer can train, on average, ten clients a day; the gym will accommodate ten trainers

	<u>1999</u>	<u>2000</u>	<u>2001</u>
Sales	\$367,290	\$517,800	\$585,810
Costs	\$173,628	\$233,010	\$263,614
% of sales	45%	45%	45%

Membership

Membership is service provided to select clientele as a means to capitalize on facility down-time.

*Labor costs are estimated by having a floor trainer staffed during peak hours, starting with 28 hours per week in 1999 and ending with 84 hours per week in 2001

	<u>1999</u>	<u>2000</u>	<u>2001</u>
Sales	\$69,000	\$163,800	\$216,075
Costs	\$8,400	\$16,800	\$25,200
% of sales	10%	10%	10%

Spa Services

Spa Services are a niche profit center utilizing 200 square feet of facility space

*Labor costs are based on a practitioner rate of \$45 per session

	<u>1999</u>	<u>2000</u>	<u>2001</u>
Sales	\$28,080	\$36,420	\$89,115
Costs	\$21,060	\$27,315	\$61,695
% of sales	75%	75%	75%

Pro Shop

Pro Shop costs are based on a 100% markup rate of retail product

	<u>1999</u>	<u>2000</u>	<u>2001</u>
Sales	\$15,750	\$20,400	\$24,618
Costs	\$7,875	\$10,200	\$11,936
% of sales	50%	50%	50%

Group Classes

Group Classes are a niche profit center utilizing 800 square feet of facility space

*Labor costs are based on an instructor session rate of \$25 per session in 1999 escalating to \$27 per session in 2001

	<u>1999</u>	<u>2000</u>	<u>2001</u>
Sales	\$70,950	\$194,400	\$243,000
Costs	\$24,750	\$42,120	\$42,120
% of sales	35%	22%	17%

Operating Expenses Narrative

		<u>1999/% Sales</u>	<u>2000/% Sales</u>	<u>2001/% Sales</u>
Accounting	Costs are based on what YPT, Inc. pays now (\$250/mo) with a 10% increase per year	\$3,000 / .55%	\$3,300 / .35%	\$3,600 / .31%
Advertising	Costs are based on what YPT, Inc. pays now (\$1,048/mo) with a 15% increase/year • There is a cost of \$5,000 for Grand Opening and Peak Season expenses	\$22,576 / 4.12%	\$25,962 / 1.93%	\$29,856 / 2.07%
Admin Salaries	Admin Salaries pay is based on current and proposed salary schedules	\$22,576 / 4.12%	\$48,864 / 5.24%	\$59,866 / 5.17%
Auto Expenses	Costs are based on a monthly payment (\$385/mo)	\$4,622 / .84%	\$4,622 / .50%	\$4,622 / .40%
Bank Charges	Costs are based on what YPT, Inc. pays now with an 10% increase each year	\$384 / .07%	\$420 / .05%	\$464 / .04%
Communications	Communication costs are defined by internet, cell and system phone costs that are current with a 15% increase per year	\$12,600 / 2.3%	\$14,484 / 1.55%	\$16,668 / 1.44%
Depreciation	Depreciation is based on \$75,000 of equipment	\$18,000 / 3.28%	\$18,000 / 1.93%	\$18,000 / 1.55%
Dues & Subscriptions	Costs are based on current expenses with a 10% increase/year	\$2,316 / .42%	\$2,544 / .27%	\$2,808 / .24%
Entertainment	Costs are based on current expenses with a 10% increase/year	\$1,500 / .27%	\$1,644 / .18%	\$1,812 / .16%
Equipment	Costs are based on current and proposed lease payments	\$35,400 / 6.46%	\$35,400 / 3.79%	\$35,400 / 3.79%
Freight	Costs are based on current expenses with a 10% increase/year	\$1,320 / .28%	\$1,518 / .16%	\$1,746 / .15%
Gift	Costs are based on current expenses with a 10% increase/year	\$1,524 / .28%	\$1,680 / .16%	\$1,848 / .16%
Insurance	Costs are defined by auto and facility; estimates were obtained based on a 5,000 sq. ft. facility	\$5,796 / 1.06%	\$7,908 / .85%	\$8,718 / .75%
Interest	Expenses were estimated based on current YPT, Inc. loans, plus projected expansion loan	\$9,894 / .11%	\$9,894 / .06%	\$9,894 / .08%
Office Expense	Costs are based on current expenses with a 15% increase/year	\$13,920 / 2.54%	\$16,008 / 1.72%	\$18,408 / 1.59%
Rent	Rental of facility will be \$6,183/month	\$74,196 / 13.54%	\$74,196 / 7.95%	\$74,196 / 6.40%
Taxes	Taxes are based on administrative salaries' income according to IRS schedules	\$9,948 / 1.82%	\$12,605 / 1.35%	\$15,252 / 1.32%

Financial Statements

The Projected Financial Statements found in the supporting documents section are estimated from a very conservative position. During the process of analysis, all profits were underestimated, and all expenses were overestimated to provide an exceptionally realistic, if not negative, financial forecast.

Methods Of Research

The methods of research used for the Projected Financial Statements are as follows:

Operational Experience-Your Personal Trainer, Inc. has 4 years of successful fitness and nutritional service programming. The operational aspects of the business plan are estimated based on previous company performance.

Leaders in Industry- In formatting the business plan, Your Personal Trainer, Inc. maintained a telecommunicative relationship with Dan Tolst, owner and accountant for Big Fitness, a prestigious personal training facility. The percent of total sales for supplements, personal training, and membership were obtained through Dan.

Telephone Survey- The estimates of gym service hours per week were created from surveying area gyms. Telephone surveys were conducted with gym managers. Questions asked included: How many technicians do you employ? What is the average number of service hours technicians work per week? What spa services do you offer? What are the most popular services? What is your demographic? Where do you feel the industry is going? , etc.

Local Gym Facilities- Area gym facilities were visited on-site to experience square footage necessities for treatment rooms, shower set-ups, amenities, services and pricing.

Break Even Analysis

The Projected Break-Even Analysis in the Supporting Documents section indicates that the break-even point will be reached in May 1999. Sales are projected to be \$2,167 above break-even in May 1999.

Capital Requirements

The initial capital required is \$95,000. This investment will play a key role in generating expected revenues of \$548,069 K in 1999 and \$932,820 K in 2000. The profits generated by the new facility will expedite funding to repay the loan in five years. Our confidence is high in achieving the attached financial projections within 100%. In addition to the operation of the business, additional protection will be provided through a written corporate and personal guarantee.

How Funds Will Be Used

The loan proceeds will be used to provide monies for the build-out of the facility, down payment on the equipment lease, purchasing amenities and providing working capital.

Initial Expenditure Schedule

Buildout Costs

<i>Includes:</i>	Maintenance Management - Buildout	\$25,000.00	cash payment	\$50,934.97
	Standard Carpet - Carpet	\$8,000.00		
	Gerstung - Sport Flooring	\$8,000.00		
	Parkway Glass - Mirrors	\$5,000.00		
	Fortress Locker Systems - Lockers	\$2,725.00		
	Circuit City - Washer/Dryer	\$1,055.00		
	Bryn Mawr - Televisions	\$1,154.97		
	Total Buildout	\$50,934.97		

Security Deposit for Equipment Lease			security deposit	\$7,000.00
Purchase of Sport Specific Equipment			cash purchase	\$2,000.00
Working Capital				\$35,000.00
			<i>Total Initial Expenditure</i>	<u>\$94,934.97</u>

Breakdown of Initial Expenditure Costs
Facility

Maintenance Management - Buildout	<u>Price</u>	<u>Running Total</u>
Demo Existing Walls		
Cap Existing Plumbing		
Frame Out New Walls		
Provide & Install 20 New Lights		
Repair Ceiling Track		
Provide & Replace Ceiling Tiles		
Spray Paint Expanded Area		
Demolish Flooring		
Replace Flooring (1x1 Vinyl Square)		
Install Hook Up for Washer & Dryer		
Total Buildout	\$25,000.00	\$25,000.00
 Standard Carpet - Carpet		
Deliver & Install 3200 square feet carpet		
Total Carpet	\$8,000.00	\$33,000.00
 Gerstung - Sport Flooring		
Deliver & Install 800 square feet (including fall off) of Gerstung's original Air Base 200 subflooring, with 1 1/2" Energy Blocks underneath one layer of imported Baltic Birch Plywood, laminate top surface. Vented baseboard molding and transition ramping included.		
Total Sport Floor	\$8,000.00	\$41,000.00
 Parkway Glass - Mirrors		
Provide labor & materials to mirror walls approximately 100 inches tall by 50 feet long		
Total Mirrors	\$5,000.00	\$46,000.00
 Fortress Locker Systems - Lockers		
Deliver 10 two-unit frames, 20 doors with cam locks, closed base, 2 master keys		
Total Lockers	\$2,725.00	\$48,725.00
 Circuit City - Washer/Dryer		
Deliver Whirlpool Washer/Dryer Stack		
Total Washer/Dryer	\$1,055.00	\$49,780.00
 Bryn Mawr - Televisions		
1 Panasonic 20" TV/VCR		
2 Sony 20" Stereo TV		
Total Television	\$1,154.97	\$50,934.97
Total Buildout Costs		<u>\$50,934.97</u>

Leased Equipment Schedule
Strength Equipment

Icarian

Qty.	Product Name	Price	Total	Running Total
1	302 Long Pull	\$2,185.00	\$2,185.00	
1	320 Dip Chin Assist	\$2,485.00	\$2,485.00	
1	615 Donkey Calf	\$2,385.00	\$2,385.00	
1	618 Glute	\$2,385.00	\$2,385.00	
1	113 Adjustable Decline Bench	\$525.00	\$525.00	
1	119 Super Bench	\$695.00	\$695.00	
1	610 Power Cage	\$885.00	\$885.00	
1	702 Vertical Knee Up/ Dip	\$785.00	\$785.00	
1	812 Dumbbell Rack 10	\$575.00	\$575.00	
1	Freeweights (5-15 lbs.)	\$634.16	\$634.16	
1	116 Multipurpose Bench	\$295.00	\$295.00	
1	Plate Weights	\$326.60	\$326.60	
		<i>Subtotal</i>	\$14,160.76	
		<i>Freight</i>	\$2,290.00	
		Total Icarian	\$16,450.76	\$16,450.76

Parrillo

1	Belt Squat	\$1,095.00	\$1,095.00	
1	Arched Incline Bench	\$419.00	\$419.00	
		<i>Subtotal</i>	\$1,514.00	
		<i>Freight</i>	\$476.70	\$18,441.46
		Total Parrillo	\$1,990.70	

Flex

1	Hamflexor	\$2,450.00	\$2,450.00	
1	Chest Press	\$1,595.00	\$1,595.00	
		<i>Subtotal</i>	\$4,045.00	
		<i>Freight</i>	\$405.00	
		Total Flex	\$4,450.00	\$22,891.46

Cardiovascular Equipment

Qty	Product Name	Price	Total	
3	Star Trac Elliptical	\$3,500.00	\$10,500.00	
3	Woodway Treadmill	\$6,000.00	\$18,000.00	
1	Stairmaster Freeclimber PT	\$2,295.00	\$2,295.00	
1	Stairmaster Crossrobics	\$3,395.00	\$3,395.00	
1	Stairmaster StepMill	\$3,395.00	\$3,395.00	
5	Schwinn Spin Bike	\$695.00	\$3,475.00	
		<i>Subtotal</i>	\$41,060.00	
		<i>Freight</i>	\$1,180.00	
		Total Cardiovascular	\$42,240.00	
		Total Leased Equipment		<u>\$65,131.46</u>

Purchased Equipment Schedule
Sport Specific Equipment

Qty	Product Name	Price	Total	Running Total
1	Agility Ladder	\$69.95	\$69.95	
1	Agility Video	\$29.95	\$29.95	
4	24" Stability Ball	\$29.95	\$119.80	
3	Super Speed Ropes	\$29.95	\$89.85	
1	Plyo Tree	\$149.95	\$149.95	
1	D-Ball (6lbs.)	\$29.95	\$29.95	
1	D-Ball (8lbs.)	\$54.95	\$54.95	
1	D-Ball (10lbs.)	\$54.95	\$54.95	
1	D-Ball (12 lbs.)	\$64.95	\$64.95	
1	D-Ball (16 lbs.)	\$64.95	\$64.95	
1	Wobble & Rocker Board	\$199.00	\$199.00	
1	Reach N Jump Board	\$37.50	\$37.50	
4	Stretch Cordz	\$35.95	\$143.80	
1	Plyo Box 6" high	\$125.00	\$125.00	
1	Plyo Box 18" high	\$159.00	\$159.00	
1	Plyo Box 30" high	\$199.00	\$199.00	
		<i>Subtotal</i>	\$1,592.55	
		<i>Sales Tax</i>	\$79.63	
		<i>Freight</i>	\$0.00	
		Total Sport Specific	\$1,672.18	\$1,672.18
		Total Purchased Equipment		\$1,672.18

Conclusion

Based on the attached financial projections, we believe that this venture represents a sound business investment. In order to start we are requesting a loan of \$95,000 by December 15, 1998. Payback of the investment is anticipated to start at Month Four of the first fiscal year. The financial projections indicate that exit will be achievable in five years. The exit settlement will be in the form of cash. The profits generated by the new facility will allow the funds to repay the loan in five years.