



Chapel
Springs
Winery, LLC

BUSINESS PLAN

Business Plan Prepared By
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Chapel Springs Winery Business Plan

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Chapel Springs Winery Business Plan

Executive Summary

History

Chapel Springs Winery was recently formed. The owners have been involved in product development and testing and are now ready to formalize their relationships and begin production and marketing.

Description

Chapel Springs Winery, LLC, is a vertically integrated boutique vineyard and winery located in Auxville, StateA. Our annual goal is to produce, market and sell up to 5,000 gallons of distinctive, rich, artisan wines (\$11 to \$20 a bottle) directly from the winery's tasting room (retail) to progressive wine consumers, and to a lesser extent through selected restaurants and distributors. We plan to begin production August 200C and to open our doors for sales November 200C.

Organization

Paul S. Oberon, Ph.D. – President & CFO

Dr. Oberon, retired, was Vice Chancellor Emeritus and Professor at the University of StateB Medical Center where he was extensively involved on the boards of numerous governmental and private organizations specializing in business innovation and development. This experience in strategic business planning will be the guiding force leading the management team.

Bill K. Freeman, CSP, P.E. – Vice President & Winemaker

Bill is Vice President and Business Leader of Risk Control Strategies with Marsh Inc. in Metro City and has eighteen years of experience in consulting. He has developed his winemaking skills the last twelve years learning and gaining hands-on experience from commercial winemakers, professional wine conferences, technical courses and field experience. He has achieved numerous awards in national and regional wine competitions.

Jill K. Freeman – Vice President, Marketing and Business Operations

Jill has a Bachelor's degree in Business Administration/Marketing from StateB State University. Her most recent position as Interim Finance Director at WeCare Learning Center has provided her insight and experience in operating a small business.

Linda K. Oberon – Vice President, Facilities and Tasting Room

As a past president of the University Auxiliary, Linda Oberon led many successful ventures for the Auxiliary including the start-up of the University Gift Shop and the development of the WeCare Learning Center, Inc. She also held the position of Board President of WeCare Learning Center, Inc.

Chapel Springs Winery will establish an advisory council consisting of selected business leaders and experienced marketers along with community representation. The advisory council will meet with the management team semi-annually to review strategic issues.



Market

Premium wine consumption is up an estimated 15% in the United States in 200A for wines priced between \$7 and \$14 a bottle, while luxury wines (\$25 and up) increased 18%. According to the StateA Department of Agriculture Grape and Wine Program, StateA wines have increased their market share 42% from five years ago.

With the rapid growth of progressive wine drinkers looking for something different, Chapel Springs Winery will create a visceral wine experience offering unique wine varietals best suited for the region, complementing regional foods such as spicy barbecues, quail, turkey, venison, trout, other wild game, and home-style meals.

Operations

The Oberons will lease 39 acres to Chapel Springs Winery for the winery and vineyard site on a long-term lease of one dollar (\$1.00) per acre, per year. The 39 acres are available for collateral. The Oberons and Freemans will invest \$30,000 of their own funds. Chapel Springs Winery will annually purchase grapes for winery production from its sister business, Oberon Vineyards.

Financing

Bill and Jill Freeman are seeking a personal mortgage loan for \$55,000 for the winery production and tasting room facility, which they will lease to Chapel Springs Winery. The company is requesting a \$25,000 loan for winery production equipment including winepress, stainless steel fermentation and storage tanks, bottling equipment and transfer pumps.



Chapel Springs Winery Business Plan

Management and Organization Plan

Management team

President & CFO: Paul S. Oberon, Ph.D.

As President and Chief Financial Officer (CFO), Dr. Oberon will provide the company strategic business and financial planning guidance. Prior to his retirement in July of 1999, Dr. Oberon was Vice Chancellor Emeritus and Professor at the University of StateB Medical Center. He served on numerous advisory boards of governmental and private organizations specializing in business innovation and development. Dr. Oberon's experience and knowledge of strategic business planning will guide the management team.

Vice President of Operations & Winemakers: Bill K. Freeman, CSP, PE

Bill Freeman will be responsible for the day-to-day winery operations. He will determine wine styles and implement the winemaking techniques to fit the company's marketing strategy. Bill will also be responsible for winery maintenance and safety.

Bill is an accomplished winemaker recognized by many commercial StateA winemakers. He has honed his winemaking skills over the past twelve years with the help of mentors in the commercial winemaking industry. He has studied wine chemistry through short courses from the University of California-Davis, and worked as an apprentice in two commercial wineries. He regularly attends professional winemaking conferences, short-courses, and tastings to stay abreast of new developments and techniques in the industry. Bill continues to advance his knowledge and skill through his involvement in an experimental vineyard in Leaton, StateA. He has won numerous awards for his wines in both regional and national wine completions, winning best of show in StateA in 1997.

He has been a safety consultant for nineteen years, and has worked with Maxwell, Inc. over the past 14 years as the business leader of the Metro City Office. His consulting role provides him experience in business planning and management. He has a Master of Science in Occupational Safety.

Vice President of Marketing: Jill K. Freeman

Jill Freeman will establish and implement the strategic marketing plan and maintain an active role in the local community and the StateA Grape and Wine Program. Jill has a Bachelor's Degree in Business Administration/Marketing from StateB State University. Her most recent position as Interim finance director at WeCare Learning Center provides her experience in many aspects of small business operations.

Vice President of Facilities and Retail: Linda K. Oberon

Linda Oberon will act as liaison with vendors, manage materials procurement, and coordinate and manage retail sells in the tasting room. As a past president of the StateB University Medical Center Women's Auxiliary, Linda led many successful ventures for the Auxiliary including the start-up of the University Gift Shop, and the development of the WeCare Learning Center, Inc. She was board president for the WeCare Learning Center.

See Appendix for resumes.



Compensation and ownership

Chapel Springs Winery will be established as a Limited Liability Corporation (LLC). The management team will own the company as follows:

Paul S. Oberon	20%
Linda K. Oberon	20%
Jill K. Freeman	30%
Bill K. Freeman	30%

Board of directors/advisory board

Advisory council member	Company/address	Expertise
Lila Sargent Accountant	820 E. Primrose Springton, AA 00000 (000) 555-1212	Current accountant for Oberon Enterprises LLC
Jim Lutz Attorney	1010 Walnut, Suite 500 Metro City, AA 00000 (000) 555-2500	Current lawyer for Oberon Enterprises LLC
Dr. Mundi Dhrakamikari State Enology Advisor	Southwest StateA State University 9740 Red Spring Road Mountain Air, AA 00000 (000) 555-4105	State enologist providing commercial vintners technical advice on winemaking
Bob Andrews StateA Grape and Wine Program Administrator	StateA Department of Agriculture Grape and Wine Program Capital City, StateA (000) 555-6807	Assists in developing StateA wine marketing strategies including promotional interviews, publications, wine tastings, and other public events
Mary Zimmerman Les Zimmerman StateB winery owners	Best-Field Vineyards Basher, StateB (000) 555-2342	Commercial vineyard and winery operations Retail and tasting promotions
Carl and Karen Gold StateA winery owners	Peaceful Bend Winery	Technical advice on commercial wine operations



Infrastructure

Infrastructure member	Company/address	Role
Dan Holden	America's Bank 7568 Money Lane Metro, AA 00000	Banker
Loretta Bedford	Accounting Services 7777 W. 8th Metro, AA 00000	Accountant
Jeffrey Smith	Smith, Tilden & Underwood 3434 South Boulevard Metro, AA 00000	Attorney

Contracts and franchise agreements

The following contracts will be found in Appendix B:

- ◆ LLC Management Agreement
- ◆ Insurance Funded Buy-out Agreement

Recruitment and selection of employees

For the foreseeable future, most job functions will be performed by the four owners. The only employees will be part-time and will receive on-the-job training.

Employee reward and incentive plan

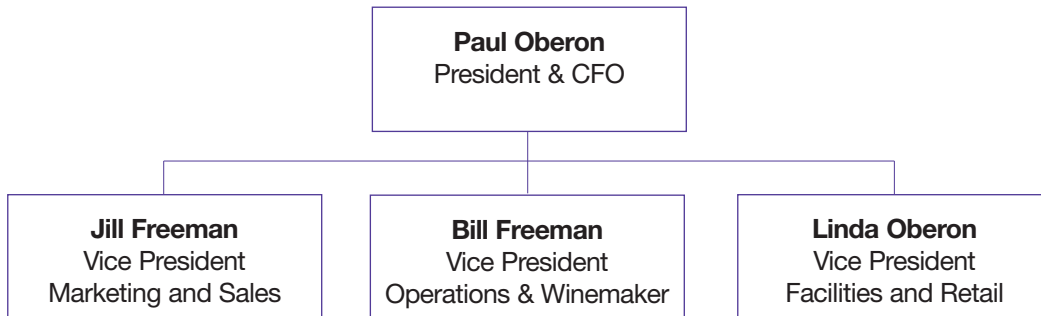
Ownership of the company will remain in the family with no plans to use stock options or other incentives.

Communication and change

The ownership/management team meets on a weekly basis. Daily communication is through email. The small team is in agreement on the levels of quality and service to be associated with Chapel Springs. Clear division of duties and a policy of written updates will ensure consistency as we grow.



Organization





Chapel Springs Winery Business Plan

Product/Service Plan

Purpose of product/service

Chapel Springs Winery, a boutique winery, will provide distinctive, rich, artisan wines to progressive wine consumers. With the rapid growth of progressive wine drinkers looking for something different, Chapel Springs Winery will create a visceral wine experience offering unique wine varietals best suited for the region. Our regional wines will complement our regional foods such as spicy barbecues, quail, turkey, venison, trout, other wild game, and home-style meals.

Features and benefits

Chapel Springs Winery will be a vertically integrated vineyard and winery operation allowing for complete control of fruit and wine quality. From planting and harvesting through production and finally to the customer's palate, we will work to ensure every bottle is our best. Our operation's unique features designed to enhance our customers' experience include:

- ◆ Harvest Parties for interested friends of the winery to participate and celebrate in the harvesting and crushing of the grapes.
- ◆ Environmentally friendly vineyard and winery incorporating Integrated Pest Management (IPM) in the vineyard, and recycling and composting programs in the winery.
- ◆ After eleven years of experimenting with different varietals and perfecting his wine styles, Bill Freeman, winemaker has selected six specific wines that the winery will offer. These wines will complement local fare including:

NorTon — a dry full-bodied red wine native to StateA, rich with bold cherry fruit, and spicy oak characters made to stand up to spicy barbecue sauces, smoked meats, and chocolate (similar to an Australian Shiraz).

Chambourcin — a dry medium-bodied red wine with blackberry and strawberry fruit much like a Pinot Noir complementing many dishes including pan-fried quail, venison, and cheeses.

Cabernet Franc — a dry red wine with pretty violet aromas, firm tannins and excellent blending qualities that will add enjoyment to lamb dishes, steaks and other flavorful foods.

ChardoneL — a dry full-bodied white wine similar to chardonnay with crisp acids and pear and apple fruit flavors that go well with chicken, veggies and fresh baked bread.

TramineTTe — a slightly sweet (off-dry) white wine with some spiciness, honey and mineral notes, rich tropical fruit that is best paired with grilled bratwurst, German dishes, oriental dishes and spicy foods.

Vignoles — a sweet dessert wine with loads of pineapple, honey, and a crisp backbone to balance the sugar, making it perfect as an aperitif or after dinner sipper.



Stage of development

Chapel Springs Winery is currently in the start-up stage. We plan to start production August 200C with our first wine sales to begin in November 200C. The following is our projected schedule:

- | | |
|-----------------|--|
| ◆ January 200B | Winery Facility and Process Design |
| ◆ April 200B | Begin construction of facility |
| ◆ October 200B | Complete facility |
| ◆ February 200C | Complete installation of winery processing equipment |
| ◆ March 200C | Initiate BATF and state licensing process |
| ◆ August 200C | Obtain approvals and begin production |
| ◆ November 200C | Open tasting room and begin sales |

Chapel Springs Winery will continue to look for new wine varietals and styles to attract and retain the progressive consumer. Our winemaker will continue to stay current with new technologies and processes in the wine industry through professional organizations, trade journals and industry networking. The members will continue to use the state resources available, and attend technical winemaking short courses and conferences. We have established relationships with the Southwest StateA State University's enology and viticulture program headed by Dr. Tom Farrar and the StateA Department of Agriculture's Grape and Wine Program headed by Bob Andrews that will enable us to stay current in StateA's wine industry trends.

Intellectual property

Chapel Springs Winery's trademark will consist of the name and logo.

Government approvals

Chapel Springs Winery will meet all regulatory requirements and obtain all required bonds, permits, licenses and approvals from the Bureau of Alcohol, Tobacco, and Firearms (BATF), StateA Alcohol Beverage Control, and a County merchant's license prior to operation. The operation does not plan to have more than 6 employees, under the 10-employee threshold requiring Occupational Safety and Health Administration (OSHA) written safety and health programs.

Product/service limitations

- ◆ Wine is a living product that will change with time.
- ◆ White wine quality will start to decline after two to three years in the bottle.
- ◆ Red wines will improve with age for 10 years, and then begin declining.
- ◆ Wine can only be sold and consumed by adults 21 years or older.
- ◆ Wine is to be consumed in moderation, preferably with food and friends.
- ◆ Drinking and driving do not mix.



Product/service liability

Purveyors of food and drink run the risk of a consumer becoming ill from a bad or spoiled product. This is highly unlikely since a bad wine will be discovered in the first few sips. However, we will carry insurance against this possibility.

Another real risk comes from serving alcohol and sending a customer out the door and onto the road in an impaired driving condition. Chapel Springs Winery will promote responsible wine enjoyment, advocating and providing education in wine's proper use "with food, family and friends." Linda Oberon will manage the tasting room and will serve food and measured amounts of wine to guests. Bread, crackers and cheese will be served to customers with wines. A policy will be established regarding identifying and handling guests that have had enough to drink. In addition, the tasting experience will be accompanied with information about grape varieties, wine styles, food pairing with certain wines, and the general winemaking process.

Insurance coverage will be obtained from Jim Farley, insurance agent, specializing in StateA's wine industry. Lines of coverage and limits will be obtained based on the insurance agent's recommendations for the following:

- ◆ Liquor liability coverage – Tasting Room service
- ◆ Corporate general liability coverage – Winery Premises
- ◆ Products liability – Wines
- ◆ Property coverage – Facility, equipment, contents, and inventory

Related products/services and spin-offs

The retail tasting room will offer many wine-related accessories, wine glasses, Riedel crystal stemware, wine-related clothing, handcrafted goods, crackers, local cheeses and sausage meats for sale. In addition, regional artists will display their work at the winery for sale on consignment.



Production

The wine production process will generally include the following steps:

1. Crush and press – grapes are destemmed, crushed (broken open), and pressed to obtain the juice in preparation for fermentation.
2. Fermentation – juice is converted to wine by adding wine yeast to the juice in a fermentation tank and allowing it to ferment for 10 to 30 days.
3. Aging and Storage – wine is allowed settle and stabilize in tanks, then it is racked into clean tanks leaving sediment behind. Some wine is aged in oak barrels to impart oak characteristics. Red wines may be aged 6 to 24 months.
4. Fining, Filtering, and Bottling – fining and filtering are used to finish and clear the wine, removing unwanted proteins and other micro particles. Bottling is the final step of the process.

Facilities

The winery will be a two-level building with 2,400 square feet (40' x 60') on each floor. An outside crushing and pressing pad (20' x 20') will be attached under a protective roof structure. The winery's production area on the bottom level will include a refrigerated storage area for cold stabilizing wines (15' x 15'), tank and cooperage storage area, a small laboratory for wine chemistry analysis, and a finished product storage area. The tasting room (on the top floor) will be at the front of the building (20' x 40') with a banquet room (40' x 40') attached. Plans for future expansion will be incorporated into the design.

Suppliers

Winery equipment	Stainless steel tanks	Oak barrels	Lab ware	Suppliers
Criveller Company	Mueller Tanks	World Cooperage	Vinquiry	Vinquiry
Prospero Equipment	Criveller	StaVin Inc.	The Wine Lab	Scott Lab
Pasco	Prospero	Barrel Builders	G. W. Kent	AMP
Presque Isle	G. W. Kent	Tonnellerie Mercier	G. W. Kent	Wine Bottle & Packaging



Chapel Springs Winery Business Plan

Marketing Plan

Industry profile

Current size

U.S. consumers spent \$19 billion on wine last year, according to the American Vintners Association (AVA). Wine consumption is growing and the AVA projects an annual increase in wine sales of 8 to 10%.

Prior to Prohibition, StateA was the country's second-biggest wine-producing state. Now StateA is one of the top 20 in U.S. wine production with sales less than 1%. StateA's 32 wineries produced 315,000 gallons in 1999 representing a 4.96% market share for all wine sold in StateA (StateA Department of Agriculture). Of the 8.4 million gallons of wine sold in StateA last year, only 415,000 gallons were StateA produced wines (StateA Department of Agriculture). We believe there is sufficient market potential in StateA for Chapel Springs Winery to thrive and be profitable.

Growth potential

A study performed by the Wine Market Council released this year shows wine consumption up 17% in the U.S. This is largely due to the reports of health benefits of moderate wine consumption and to an aging affluent baby boomer population. The market for super-premium wines (\$7 to \$14 a bottle) grew 15% last year, while luxury wines (\$25 and up) increased 18% according to the American Vintners Association. Sales of StateA-produced wine rose from 292,032 gallons to 415,201 gallons over the last five years, a 42% increase. (StateA Department of Agriculture)

StateA has a bright future regarding increased market-share potential. Some of the data that supports this assertion include:

- ◆ “Data on total wine sales in StateA indicate substantial opportunity for the industry and the state for expansion by the wine-production segment. Only about five percent of the present potential is now being tapped.” (James L. Watson & Associates, Impact of Wine Production in StateA on the StateA Economy, for the StateA Department of Agriculture)
- ◆ StateA's wine industry has a major resource in the StateA Department of Agriculture's Grape and Wine Program. Established in 1984, it is used for research, development and promotion of StateA grapes, wines and juices. The program coordinates marketing and public relations activities with wholesalers, restaurateurs, retailers, and the general public. Top priorities include building consumer awareness of the quality and availability of StateA wines.
- ◆ StateA's wine industry relies mainly on direct sales in the tasting room indicating growth potential in outside regions, states and international sales. (StateA Department of Agriculture).
- ◆ “Aging baby boomers have twice the income their parents did and they're spending more dollars on better wine.” (Heather Pierce, “A toast to StateA wine,” The Metro Dispatch, June 26. 200A)



In our opinion, the trend for increased wine consumption will continue, especially in premium and luxury wines. We expect StateA wine sales to follow this trend. We believe the potential for surpassing other regions is strong due to StateA's unique wine varietals, emphasis on premium and luxury level wines, StateA's Grape and Wine Program and the wine industry's connection to tourism, one of StateA's top three industries according to the Department of Economic Development.

Industry Trends

Ever since Morley Safer unearthed the French Paradox on the CBS news program 60 Minutes in 1991, wine sales and consumption have been on the increase. Reported health benefits of moderate wine drinking has inspired U.S wine consumers to enjoy wine without feeling guilty. Numerous medical studies show moderate use of wine to have health benefits in preventing heart disease, cancer, osteoporosis, diabetes, and kidney stones (StateA Department of Agriculture, Grape and Wine Program).

Americans enjoyed about two gallons apiece last year while the French, Italians, and Portuguese swilled 15 gallons a head, according to AVA. Red wine quality and sales are on the rise despite their higher prices due to reported health benefits. Women as well as men are drinking more red wine and the core wine consumer market is reaching its peak spending age of 46 years old (Vineyard and Winery Management, March/April 2000).

Another trend developing with progressive wine drinkers is the movement away from mainstream wine regions such as California to smaller, more unique wine regions that offer something different and special. Oregon wines have followed this trend. Regional wines that are distinct, unique and of high quality are attracting attention and becoming more popular according to Don Foust, a Metro City-based wine writer that holds the Master of Wine and Master Sommelier designations. StateA's potential for growth as a "regional" wine producer of high quality and distinct style wines is strong in our opinion.

We believe the southwest corner of StateA offers great potential for wine consumption growth due to the increase of affluent retired couples moving into the area. Buena Vista, StateC (a dry county), just 20 miles south of Auxville has a population of over 10,000 retired affluent professionals, many of which drink wine and are looking for high quality activities.

Other characteristics

Wines are produced in many countries around the world including France, Italy, Germany, Spain, Chile, Australia, and the United States. The top 20 wine-producing states in the U.S. are led by California, New York, and Washington.

The StateA wine industry capitalizes on several seasonal opportunities for increased wine sales. These seasons include "harvest" during September, October fest, Thanksgiving and Christmas holidays, New Year's, Easter, May fest, and summer vacation season. Each of these seasons offers an opportunity for a special event at the winery.



Chapel Springs Winery will create an emphasis on seasonal wine sales through events hosted at the vineyard and winery including:

- ◆ Harvesting weekend Events
- ◆ New bottling releases
- ◆ Tasting parties for the holiday season
- ◆ “Spring into Wine” weekend party
- ◆ Summer picnics with local music
- ◆ Cellar tasting tours
- ◆ Local artist studio cellar parties
- ◆ Special reserve barrel tastings

We will communicate these events through a quarterly newsletter to our registered customers, and through local and regional community networks.

Small boutique-type wineries like Chapel Springs Winery that sell premium wines directly to the consumer in the tasting room have the highest profit margins in the industry. StateA wineries selling retail from their premises typically have a profit margin ranging from 50% to 75% (StateA Grape and Wine Program). The average cost of gross sales for a bottle of wine is approximately \$3.50 (AVA) and can be sold for \$8.00 to \$26.00. Larger wineries that rely on volume sales through a three-tier distribution system typically have smaller profit margins of 10 to 20%.

Distribution channels

Large wineries producing 10,000 to 100,000 gallons of wine a year typically use the three-tier system (i.e. winery to distributor to retailer.) Approximately 90% of StateA wineries sell wine directly from their tasting room and winery.

Chapel Springs Winery will rely initially on direct retail sales from the tasting room and focus on building customer relationships. We may also sell a small quantity to select restaurants and wine shops in the Metro City area for winery promotion and recognition.



Competitive analysis

Differentiators that Build Competitive Advantage	Chapel Springs	Vintage Winery	Russel's	The Nook	Oak Place
Core competencies	Varietals	Location	Reputation	Production	Reputation
Products or services perceived by the customer as superior to others in the market or industry	Wine pairings	Price	Steward's knowledge	Unknown	Service
Target market or niche the company serves better than anyone else	Serious wine lovers	Tourists	Special events	None	Retired set
Unique distribution channel or delivery method	No	No	No	No	No
Organizational efficiency	Processes still in development	Competes on price	Ambience	Production system produces mass quantities	Staff is the best
Technology or innovative products or services unique in the market	Varietals are unique-quality control of grapes	Marketing is strength	Elaborate décor for events	No	Time spent with customers
Weaknesses					
Weaknesses in the product or service, marketing, or organization and other weaknesses	New to market	Service is poor	Location	Grape quality is inferior	No innovation, prices inflated

Our competition's profile consists of:

- ◆ Small boutique wineries producing less than 5,000 gallons annually
- ◆ Price range of \$8 to \$24 a bottle
- ◆ Tasting room and banquet room
- ◆ Cellar room tours and tasting
- ◆ Picnic facilities and special events



Chapel Springs Winery's direct competition is StateA's 32 wineries and StateC's five wineries. Several new wineries are planned in the southwest StateA area according to the StateA Grape and Wine Program. However, we believe new local wineries will increase consumer interest in the region's wines and improve recognition and acceptance of our wines.

Indirect competition exists from U.S. wines produced by California, Washington, New York and other states, as well as foreign-made wines. Many of these wines produced by the large volume wineries are cost competitive and targeted to "traditional" wine consumers that spend an average of \$4.00 a bottle (Clark Smith, University of California-Davis). This segment will not be our focus.

Substitute competition may occur with a small segment of the population involved in home winemaking; however, this segment is drawn to small boutique-type wineries and often help promote such vineyard and winery operations.

Wine competes for customers on several levels. The consumer who chooses his or her wine on price alone is not part of our target market. Wines are also chosen based on vineyards, taste and food selection. Ambience can play a key role. The customer must not feel intimidated or ignorant.

Chapel Springs Winery's key competitive factors will be premium wine quality, unique varietals, and a very friendly atmosphere at the winery. Our mission is to craft distinct premium wines that are very approachable to new wine drinkers and experienced wine enthusiasts alike, and to promote a healthy wine experience through education. Our location will also serve to make us the first choice among wine enthusiasts in the area.

Market analysis

Target market profile

Core wine consumers are defined by the Wine Market Council as individuals who drink wine once per week. Of the core group, 11% generate roughly 88% of U.S. wine sales. Our target market is the top 11% of wine consumers known as progressive wine drinkers. These individuals tend to be 45 to 55 years old, have the greatest amount of disposable income, and have some experience with wine. This group also likes to dine out and have wine with meals, during celebrations, and holidays.

Our second market is the new wine drinker with little or no experience tasting wine. This group is looking for a safe, non-threatening environment where it can experiment and learn about wine. Many of these individuals are young professionals, 25 to 35 years of age with disposable income.

Chapel Springs Winery's philosophy is simple. Treat each guest as a friend, and share with him or her our passion for wine.



Customer profile

AGE	<input type="checkbox"/> Baby boomers 45-54 <input type="checkbox"/> Young professional 25-35 <input type="checkbox"/> Retired professional 65-75
SEX	<input type="checkbox"/> Male and female
PROFESSION	<input type="checkbox"/> Corporate professional <input type="checkbox"/> Professors <input type="checkbox"/> Lawyers <input type="checkbox"/> Young business men and women
INCOME	<input type="checkbox"/> \$40,000 and up
GEOGRAPHIC	<input type="checkbox"/> Western StateA <input type="checkbox"/> Northern StateC <input type="checkbox"/> Eastern StateB <input type="checkbox"/> Northeast StateD
SOCIAL CLASS	<input type="checkbox"/> Middle-upper class
LIFE STYLE	<input type="checkbox"/> Active and healthy <input type="checkbox"/> Travels <input type="checkbox"/> Socializes <input type="checkbox"/> 80% Internet active
PERSONALITY	<input type="checkbox"/> Enjoys good food and wine <input type="checkbox"/> Aware of health benefits of wine <input type="checkbox"/> Rewarded by hedonism <input type="checkbox"/> Wants something unique <input type="checkbox"/> Likes art and music

Future markets

As we grow and increase production, we will consider distributing wine to selective markets such as Big Bluff, StateC; St. Martin, StateA; Warsaw, StateB; Trent, and State City, StateD; and Demont, StateE. We plan to capitalize on the regional wine market and maintain a regional presence.



Pricing

Pricing structure

Our prices will be competitive with other boutique shops but priced to position our wines as worth a little more.

Price list

Pricing per bottle will be as follows:

Traminette	\$11.00
Chardonel	\$12.00
Vignoles	\$14.00
Chambourcin	\$14.00
Cabernet Franc	\$17.00
Norton	\$19.00

Gross margin on products

Varietal	Cost per bottle	Price per bottle	Gallons / bottles of wine	Cost of gross sales	Retail price	Gross margin
Traminette	\$3.85	\$11.00	1,000g/5,000	19,250	55,000	35,750
Chardonel	\$4.20	\$12.00	750g/3,750	15,750	45,000	29,250
Vignoles	\$4.90	\$14.00	500g/2,500	12,250	35,000	22,750
Chambourcin	\$4.90	\$14.00	750g/3,750	18,375	52,500	34,125
Cabernet Franc	\$5.95	\$17.00	250g/1,250	7,438	21,250	13,812
Norton	\$6.65	\$19.00	1,000g/5,000	33,250	95,000	61,750
Totals			4,250g/21,250	\$106,313	\$303,750	\$197,437

Pricing policies

Volume pricing will not be offered during the forecast period. In the future, as distribution to outside vendors grows, volume pricing will be studied.



Market penetration

Distribution channels

Our primary means of distribution will be direct sales from the winery's tasting room. Special events such as wedding receptions, banquets, family and club gatherings at the winery's banquet hall will offer additional opportunities for sales. A small amount (less than 2%) will be sold through select restaurants and wine specialty shops in the Metro City area

StateA has an advantage in that most of the wine sales are made from the winery, eliminating distributors and retailers, and keeping all of the profit within the winery (StateA Grape and Wine Program).

Location

Chapel Springs Winery is located in Auxville, StateA. State A is known for its grape vineyards and tourism is one of its top three industries.

Direct sales force

Linda Oberon, Vice President of Facilities and Sales, will manage the tasting room operations, along with Jill Freeman, Vice President of Marketing. Wine poured in the tasting room is estimated at 1,200 bottles annually equaling \$4,368 in cost of goods produced.

Jill will develop and cultivate relationships with several key restaurants and wine shops in the Metro City area. Restaurants may include Stolen Sizzle, BB's, Matt Z's, LaBistro, and other small, up-scale venues that have unique wine offerings. Wine specialty shops may include Ryland Liquors, Homer's, and Larry's Liquors in Metro City, and Red Rover in Springton. Salary amounts for the four members will be dependent upon gross margin and profit and are initially projected at \$18,000 annually with \$2,000 in benefits.

Brand identity

Chapel Springs Winery believes very strongly in the importance of product image, presentation and quality packaging. We will use heavy weight, high quality bottles from Dempos Glass in Louisville, Kentucky, which are more expensive than most other bottles. Red wines will be bottled in the "Tempest" (Bordeaux) style in antique green and dead leaf green, and white wines bottled in "Allegro" (Burgundy style) in flint. Bottle costs are \$.55 each.

Our label will be design by Barclay Consulting, a wine marketing firm in California that specializes in wine marketing and label design. Label design costs are budgeted at \$1,500.

Pressure sensitive label stock and printing costs are estimated at \$.20 each. Grade A, number 9 (1.25") corks will be purchased from APM at a cost of \$.10 each. Wax seals in coordinating colors will be used with a cost of \$.02 each.

Our wine presentation/packaging will be distinctive and "upper end" making our wines unique compared to regional competitors.



Customer service

Chapel Springs Winery will replace wines that have been returned to the winery as flawed, or cork tainted. We estimate a 0.25% return or one out of 400 bottles.

Advertising and promotion

Our advertising campaign will begin with press releases announcing the opening of the area's first winery to local and regional newspapers and television stations for potential special interest stories/coverage. We will target our press releases to Metro City, Bonnertown, Springton, StateA, Rivera, Hillsdale, Benton, Bonville, and Fayette, StateC. In addition to the winery, our press releases will inform the media of Chapel Springs Winery's banquet hall available for special occasions such as wedding receptions, parties, company retreats and reunions.

On occasion, we will offer press releases of noteworthy events such as our harvest parties, community involvement and medals from high profile national competitions. Some of the special events that will be announced include Art and Wine Cellar Parties featuring regional artists and their work, harvest parties, and the Spring Music Wine Festival.

Our harvest parties will take place every Saturday during harvest season (late August through September) from 8:00 am to 12:00 pm. Each "grape harvester" will be treated to a lunch and wine, and will receive a special edition T-shirt with our logo indicating their participation in the annual harvest. In addition they will receive a coupon for a free bottle of wine during their next visit. This experience will also benefit the winery in eliminating costs for grape harvesting offsetting harvest party costs.

A quarterly newsletter will be sent to our registered customers or "Chapel Wine Club." As part of the registration, customer will provide their email address and birthday for our database. We will send each Wine Club member a "Happy Birthday" email notifying him or her of a special birthday gift certificate redeemable at the winery.

We will have an interactive web site full of color photographs of the vineyard and winery with buttons for the wine list, a map to the winery, a virtual tour of the winery, vine and wine educational fun facts, and up-coming events.

In addition, the StateA Grape and Wine Program will assist in promotion through the "Taste StateA Wine" campaign including brochures, wine maps, area tastings, and Web site. We believe the most effective advertisement will be word of mouth from our customers and will focus on customer satisfaction and relationships.

Publicity

Chapel Springs Winery and its special events will be included the state and regional tourist brochures. Special events will also be promoted through press releases and our Web site.

Direct mail

Our fixed costs through 200D, including salaries, facility and utilities, are estimated at \$50,000 annually. Variable costs per bottle are estimated at approximately \$8.33 (including an average \$5.00 per bottle direct cost of goods sold). At this level of staffing and production it will take sales of 7,500 bottles @ \$15.00 to break even.



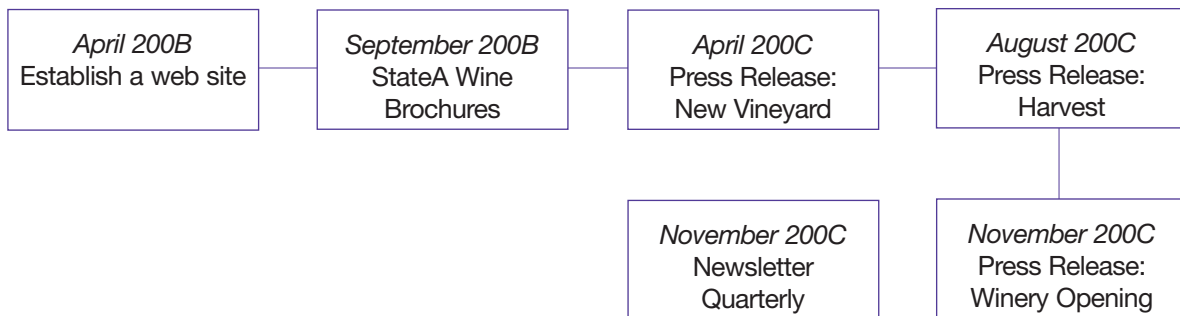
Internet

A Web site will detail our selections and show pictures of our tasting room and special events venue. Eventually, the plan is for the site to be interactive. The quarterly newsletter will be posted and historical newsletters will be available.

Trade shows

Chapel Springs Winery will participate and display wines for tastings in StateA's "Taste StateA Wines" events held in Metro City, St. Lawrence and Springton. The tasting in Metro City has been held each April at the Metro City Art Museum or Museum of Modern Art. There are no costs other than travel expenses and wine poured. The average number of wine lovers attending is 200.

Market activities schedule



Market penetration effectiveness

As we develop brand awareness in the region and accumulate national competition medals, we will begin developing relationships with select restaurants and wine shops for possible distribution. We will also invite local and regional wine writers to visit the vineyard and winery for special VIP tastings and tours.

Our Web site and newsletter will offer free delivery of Chapel Springs wines purchased over the Internet or through mail orders. Special discounts for case orders will also be offered.



Chapel Springs Winery Business Plan

Operations Plan

Operational systems

Receiving orders

Initially, all sales will be made in the tasting room. As we grow and increase market awareness, we will market our wines through a select group of boutique restaurants and wine shops in Metro City. We will maintain a close relationship with each of our select markets and proactively fill orders through special promotions and events. We will enable our small group of restaurants and wine shops to fill their orders at any time by a simple phone call, fax or email.

Billing The customers

Chapel Springs Winery sales in the tasting room will be retail based, requiring cash or credit card at time of purchase. Billing to our select restaurants and wine shops will be initially on a consignment basis. As we establish our brand within each location, we will arrange for payments of 50% up front with the remainder collected 30 days after retail sale.

Paying The suppliers

We will pay our suppliers upon delivery with a company American Express card, allowing us to consolidate and track expenses. For grapes purchased from our sister business, Oberon Vineyards LLC, we will transfer funds from our corporate bank account to the Oberon Vineyards' account upon harvest of grapes.

Collecting The accounts receivable

Inventory levels at our restaurant and retail liquor outlets will be verified every two weeks. Invoices will then be sent for bottles sold. Payment due dates will be within 30 days from billing date. At 30 days, any outstanding receivables will be sent a reminder notice. At 45 days, outstanding receivables will be called and payment arrangements determined. Relationships will be continued with only those outlets that pay in a timely fashion.

Reporting To management

Our four-member team will maintain an informal communication process and will document weekly activities in a business diary for advisory board review. If and when the need for additional employees becomes apparent, a more structured communication system will be instituted with report structure and procedures.

Staff development

Linda Oberon and Jill Freeman will attend a short course in wine tasting room management and techniques offered by Barclay Consulting in San Francisco, California, in January 2001. We will continue to promote ongoing training and education in each member's respective area.



Inventory control

Our inventory control will follow the Bureau of Alcohol, Tobacco, and Firearm's excise tax reporting and bonding requirements, maintaining accurate figures on gallons in process (fermentation tanks, stainless steel tanks, and oak cooperage) and bottled wine stored in bonded storage areas. A computerized system will be used to track and monitor inventory in the winery.

Retail inventory in the tasting room will be controlled with the use of a computer program.

Handling warranties and returns

Chapel Springs Winery's policy will be to replace without question a returned flawed bottle of wine with a bottle of the same variety. (On occasion, a bottle of wine may develop an off aroma due to a cork induced problem called cork taint. Industry averages for cork taint are approximately 1%; our small production volume and personal involvement in all processes should reduce our return rate).

Monitoring The company budgets

Paul Oberon and Jill Freeman will review budgets monthly and prepare an analysis for Bill Freeman and Linda Oberon. The members will then evaluate the need for modifications or adjustments in spending.

Security systems

As required by the BATF, our winery will be bonded and secured with perimeter lighting, controlled access and secured doors and windows. A commercial alarm system will be incorporated into the building during construction. Cash accumulated on the premises from wine sales will be kept in a safe and bank deposits will be made frequently.

All business-related data kept on computer will be stored off site with daily backup copies made of the data stored in a separate location.

Documents and paper flow

Each batch of wine will have a data sheet identifying the varietal(s), date harvested, grape chemistry numbers, alcohol content, applied winemaking techniques, processing additives, and gallons. We will fill out the sheet as the wine is processed to meet BATF excise tax and record-keeping needs. A copy of a sample data sheet is included in the appendix.

Operations system workflow

Our product will begin its life cycle in the harvest season as the grape varietals begin to ripen. In August, Bill Freeman will take period grape samples to analyze for ripeness. Grape ripeness will be based on juice chemistry including pH, brix (sugar level), titratable acidity, color, texture, and most importantly taste and aroma. Bill Freeman will be responsible for making the decision to harvest each varietal. Harvest dates will coincide with weekends in August and September when possible to incorporate our Harvest Party events allowing guests to join the grape picking.



Our wine release schedule will be as follows:

- ◆ Traminette, Vignoles and Chambourcin blush wines will be released in November, through February (three to six months) following the harvest.
- ◆ Chardonal barrel fermented and aged wines will be released 12 to 18 months following the harvest.
- ◆ Chambourcin, Norton and Cabernet Franc barrel aged wines will be released 18 to 24 months following harvest.

Manufacturing

The following steps and their respective time lines outline our winemaking process:

- ◆ **Harvest** — Harvest will occur during the early morning hours to maintain cool grape temperatures. Grapes will be immediately taken to the crushing pad for crushing (vineyard is located adjacent to the winery). – August and September.
- ◆ **Crush and press** — Each grape varietal will be destemmed, crushed (broken open), and/or press pressed, based on the style and type of wine to be made. This step separates the juice from the skins, stems and seeds and prepares the juice for fermentation – August and September.
- ◆ **Fermentation** — Once the juice is settled and separated from the sediment, the juice is adjusted to appropriate acid, pH and sugar levels and inoculated with a specific wine yeast culture to begin the fermentation process. The fermenting juice is maintained in a temperature-controlled fermentation tank and allowed to ferment for period of time (10 to 30 days).
- ◆ **Aging and storage** — After fermentation, the wine is racked into a storage vessel (i.e. stainless steel tank or oak barrel) for settling and stabilizing. Some wine is aged in oak barrels to impart oak characteristics. Fruity white and blush wines are aged for 3 to 6 months, while red wines may be aged 6 to 24 months.
- ◆ **Fining, filtering, and bottling** — Fining is used to settle out microscopic particles suspended in the wine and to improve the quality and clarity of the finished product. Filtering is also used to finish and clear the wine, removing unwanted proteins and other micro particles. After cold and heat stabilization, the wine is ready to be bottled, labeled and case packed.

Financial requirements

Bill and Jill Freeman will seek a loan of \$55,000 for the design and construction of the winery in April 200B. The Freemans will lease the winery facility to the company. Chapel Springs Winery will seek a \$25,000 loan for wine production equipment in April 200C.

Operational improvements

In 200E, additional equipment will be added to allow increased production.



Chapel Springs Winery Business Plan

Financial Plan

Start-up costs

The start-up costs to develop the wine varietals and plan for the facility have been absorbed by the owners over time. Equipment and facility costs will be one time costs until expansion is needed.

Sales projections

Chapel Springs Winery will begin generating revenue during the November 200C grand opening. Our profitability ratios will begin to increase in 200F as we gain volume and efficiencies. Below are our wine sales projections:

200C wines sales - \$1 3,260

Our 200C harvest is estimated to produce 2,000 gallons of wine, with 1,500 gallons (500 each) of Traminette (\$12 a bottle), Vignoles Desert Wine (\$14), and Chambourcin Blush (\$13 a bottle) that we will bottle by early November and have ready for sale at the opening date. Our research of similar winery operations' sales indicates for the first year average monthly sales of \$6,500 (500 bottles X \$13) operating five days a week (Wednesday, Thursday, Friday, Saturday, and Sunday from 11:00 am to 5:00 pm). Using this average along with the seasonal percentages of sales from the table below we estimate November sales of \$6,240 and December sales of \$7,020.

200D wine sales - \$1 35,000

For the first six months of 200D, the start-up sales average of \$6,500 per month as affected by the seasonal percentages is used to project sales. In July, as several higher-end wines are bottled and available, revenues are expected to increase to an average of \$13.50 a bottle (\$7,500 a month) with average monthly sales of 550 bottles (these averages are then calculated according to seasonal fluctuations). Our gallons-of-wine-produced will increase to 4,000 gallons in 200D with approximately 30% of the inventory being aged for release in 200E or 200F.

200E wine sales - \$1 92,000

We project our production to be 5,000 gallons in 200E. Annual bottle sales will increase to 12,000, including releases of previous-year higher-end red wines. Our sales in 200E are projected to be \$192,000 based on 12,000 bottles at an average price of \$16 a bottle.



We are aware that wine sales tend to vary by month and season. Based on our research of similar StateA wineries, we estimate our percentage of revenue by month in the table below:

January	3%
February	3%
March	4%
April	4%
May	5%
June	9%
July	10%
August	12%
September	15%
October	18%
November	8%
December	9%

The tasting room gift shop will offer retail sales of wine glasses and accessories, local crafts, artwork, regional cheeses, sausages, and breads, generating an estimated annual revenue of \$40,000 in 200D. This represents approximately 31% of wine revenue, which closely mirrors the industry averages. Our rental of the winery's banquet room is estimated to generate \$6,000 annually (projecting an average of 12 events during spring, summer and fall seasons, at \$500 each rental). This is a conservative estimate based on similar operations.



Total Estimated Revenue by Year

	Total	Wine	Gift shop	Banquet room
200C	\$ 13,260	\$ 13,260	0	0
200D	\$132,640	\$ 86,640	\$40,000	\$6,000
200E	\$260,520	\$192,000	\$59,520	\$9,000

Income projections

Chapel Springs Winery will run at a loss of (\$8,809) the first year of operations. In 200D we project a modest profit of \$27,771 possible because the owners will delay taking salaries until well into the year. Profits will increase in 200E to \$63,093. It will take several years after the forecast period to realize the high profit margins common to the industry.

Cash requirements

We will use an American Express card to make purchases for supplies and materials to avoid interest charges and maintain cash flow. We anticipate cash levels in our corporate bank account to be kept around \$10,000 for our American Express charges and other expenses.

Pratt Energy Systems of Rogers, StateC, estimates the design and construction of our energy efficient winery to be \$80,000. We project \$25,000 for winery production equipment, tanks and cooperage. \$36,000 in additional equipment will be needed for expanded production in 200E.

Start-up investment will cover cash flow requirements for the first year and a-half. Due to the slow selling season at the beginning of every year, there are likely to be cash flow requirements by early spring of each year.

Sources of financing

The owners will invest \$30,000 start-up capital in 200B.

Bill and Jill Freeman will seek a personal mortgage loan of \$55,000 for the facility, which will be leased to Chapel Springs Winery fully furnished for \$500/month.

We will seek an equipment loan for the \$25,000 on a 5-year term at 12% interest and will apply for the Wine & Grape Production Tax Credit Program offered by the StateA Department of Economic Development, which will issue a state income tax credit of 25% of the purchase price of all new winery equipment and materials.

The addition of \$36,000 in equipment scheduled for October, 200E will be funded through cash flow.

A line of credit for \$50,000 at 9% interest will be established at the beginning of year 200E to cover seasonal cash shortages. Cash drawn from the line will be paid back during the summer season.



Exit Strategy

As a family business, our exit strategy will be to pass the business on to our two sons (50/50), or lease the business to a third party. In the event we are unable to lease the business, we will cease operations and sell the equipment and supplies. The winery building would then be converted to a farm home in the woods with a really nice wine cellar.

START-UP FUNDING & EXPENDITURES**Chapel Springs Winery, LLC****Start-Up Cash**

Equity Investments	30,000
Loan Proceeds	-
Real-Estate Loans	-
Total Start-Up Cash	30,000

Start-Up Expenditures**Security Deposits**

Rent (last month's)	-
Telephone Deposit	-
Utilities Deposit	-
Other Deposits	-
Total Security Deposits	-

Other Costs

Opening Inventory	-
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Capital Expenditures

Computer Equipment	-
Equipment & Machinery	-
Furniture & Fixtures	-
Vehicles	-
Leasehold Improvements	-
Building	-
Land	-
Total Start-Up Capital Expenditures	-

Start-Up Expenses

Accounting Fees	-
Activation Fee	-
Corporate Fees & Taxes	100
Federal Tax ID	-
Fictitious Name Costs	-
Insurance	-
Legal & Consulting Fees	-
Marketing	-
Meals & Entertainment	-
Office Expense	-
Office Supplies	-
Payroll Expenses (training/setup)	-
Salaries & Wages	-
Payroll Taxes	-
Benefits	-
Pre-opening Advertising	500
Printing (cards, stationery, brochures)	500
Rent	-
Sales Tax Permit	-
Other Start-Up Expenses	-
Total Start-Up Expenses	1,100

Total Start-Up Expenditures

1,100

**Chapel Springs Winery, LLC
Cash Flow Report (Projected)**

200C	Pre Start-Up	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Cash In														
Cash Sales	-	-	-	-	-	-	-	-	-	-	-	6,221	6,999	13,220
Collections from Accounts Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Received	30,000	-	-	-	-	-	-	-	-	-	-	-	-	30,000
Loans Received	-	-	25,000	-	-	-	-	-	-	-	-	-	-	25,000
Other Cash In (receipts from other assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (for example, interest, royalties)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash In	30,000	-	25,000	-	-	-	-	-	-	-	-	6,221	6,999	68,220
Total Cash Available	30,000	28,900	53,900	28,650	27,094	25,040	24,484	23,678	23,121	15,965	9,109	14,224	18,753	97,120
Cash Out														
Inventory Expenditures														
Inventory/Raw Material (Cash)	-	-	-	-	-	-	-	-	6,000	6,000	-	-	3,000	15,000
Inventory/Raw Material (Paid on Account)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Production Expenses	-	-	-	-	-	-	-	-	-	-	-	300	300	600
Operating Expenses														
Advertising	500	-	-	-	-	-	-	-	-	-	-	-	-	500
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues & Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	300	300	300	300	300	1,500
Licenses & Fees	100	-	-	1,000	-	-	-	-	300	-	-	-	-	1,400
Marketing & Promotion	500	-	-	-	1,500	-	-	-	-	-	-	125	150	2,275
Meals & Entertainment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Expense	-	-	-	-	-	-	-	-	-	-	-	200	200	400
Office Supplies	-	-	-	-	-	-	-	-	-	-	-	50	50	100
Outside Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses														
Salaries & Wages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	200	200	400
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	150	150	300
Shipping & Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	250	-	-	-	250	-	-	-	250	-	-	750
Utilities	-	-	-	-	-	-	-	-	-	-	-	100	100	200
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wine Samples	-	-	-	-	-	-	-	-	-	-	-	364	364	728
Excise Tax	-	-	-	-	-	-	-	-	-	-	-	-	2,140	2,140
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paid on Account	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating Costs														
Capital Purchases	-	-	25,000	-	-	-	-	-	-	-	-	-	-	25,000
Estimated Income Tax Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Payments	-	-	-	250	245	244	241	238	234	231	228	225	221	2,357
Loan Principal Payments	-	-	-	306	309	312	315	319	322	325	328	331	335	3,202
Owner's Draw	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Out	1,100	-	25,250	1,556	2,054	556	806	557	7,156	6,856	1,106	2,470	7,510	56,977
Monthly Cash Flow (Cash In - Cash Out)	28,900	-	(250)	(1,556)	(2,054)	(556)	(806)	(557)	(7,156)	(6,856)	(1,106)	3,751	(511)	11,243
Beginning Cash Balance	-	28,900	28,900	28,650	27,094	25,040	24,484	23,678	23,121	15,965	9,109	8,003	11,754	-
Ending Cash Balance	28,900	28,900	28,650	27,094	25,040	24,484	23,678	23,121	15,965	9,109	8,003	11,754	11,243	11,243

**Chapel Springs Winery, LLC
Cash Flow Report (Projected)**

200D	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Cash In													
Cash Sales	3,529	3,529	5,371	5,371	6,547	11,253	13,626	16,218	20,106	24,393	11,033	11,665	132,641
Collections from Accounts Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Received	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans Received	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (receipts from other assets)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (for example, interest, royalties)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash In	3,529	3,529	5,371	5,371	6,547	11,253	13,626	16,218	20,106	24,393	11,033	11,665	132,641
Total Cash Available	14,773	15,537	17,016	18,747	19,252	25,140	29,910	34,464	32,530	30,569	27,688	27,687	143,884
Cash Out													
Inventory Expenditures													
Inventory/Raw Material (Cash)	-	1,000	1,000	1,000	1,000	1,500	2,000	12,500	13,000	4,000	2,000	-	39,000
Inventory/Raw Material (Paid on Account)	-	-	-	-	-	-	-	-	-	-	-	-	-
Production Expenses	650	650	650	2,375	2,375	2,375	2,375	2,375	2,375	2,375	2,375	2,375	23,325
Operating Expenses													
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues & Subscriptions	-	-	-	-	-	-	-	-	-	-	125	-	125
Insurance	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Licenses & Fees	-	-	-	-	-	-	-	-	300	-	-	-	300
Marketing & Promotion	125	-	-	125	-	-	125	-	-	125	-	150	650
Meals & Entertainment	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Expense	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Office Supplies	50	50	50	50	50	50	50	50	50	50	50	50	600
Outside Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses													
Salaries & Wages	-	-	-	-	-	-	4,500	4,500	4,500	4,500	4,500	4,500	27,000
Payroll Taxes	-	-	-	-	-	-	360	360	360	360	360	360	2,160
Benefits	-	-	-	-	-	-	315	315	315	315	315	315	1,890
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Repairs & Maintenance	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Shipping & Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	70	70	70	70	70	70	70	70	70	70	70	70	840
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	250	-	-	-	250	-	-	-	250	-	-	750
Utilities	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
Wine Samples	364	364	364	364	364	364	364	364	364	364	364	364	4,368
Excise Tax	-	-	-	-	-	-	-	-	-	-	-	4,280	4,280
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Paid on Account													
Non-operating Costs													
Capital Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated Income Tax Payments	-	-	-	552	-	2,741	-	-	3,514	-	-	1,592	8,399
Interest Payments	218	215	211	208	204	201	197	194	190	186	183	179	2,386
Loan Principal Payments	338	342	345	348	352	355	358	362	366	370	374	377	4,287
Owner's Draw	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Out	2,765	3,891	3,640	6,042	5,365	8,856	11,664	22,040	26,354	13,915	11,666	15,562	131,760
Monthly Cash Flow (Cash In - Cash Out)	764	(362)	1,731	(671)	1,182	2,397	1,962	(5,822)	(6,248)	10,478	(633)	(3,897)	881
Beginning Cash Balance	11,243	12,008	11,646	13,376	12,705	13,887	16,284	18,246	12,424	6,176	16,654	16,022	11,243
Ending Cash Balance	12,008	11,646	13,376	12,705	13,887	16,284	18,246	12,424	6,176	16,654	16,022	12,124	12,124

**Chapel Springs Winery, LLC
Cash Flow Report (Projected)**

200E	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Cash In													
Cash Sales	7,523	7,523	11,028	11,028	13,535	23,566	26,074	31,089	38,612	46,135	21,058	22,569	259,738
Collections from Accounts Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Received	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans Received	3,000	7,000	4,000	-	-	-	-	-	-	-	-	-	14,000
Other Cash In (receipts from other assets)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (for example, interest, royalties)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash In	10,523	14,523	15,028	11,028	13,535	23,566	26,074	31,089	38,612	46,135	21,058	22,569	273,738
Total Cash Available	22,647	25,083	25,345	23,328	23,192	33,213	36,552	52,531	62,856	70,326	40,024	46,483	285,863
Cash Out													
Inventory Expenditures													
Inventory/Raw Material (Cash)	-	2,500	1,000	1,500	1,500	2,500	3,000	16,000	16,000	3,000	4,000	4,000	55,000
Inventory/Raw Material (Paid on Account)	-	-	-	-	-	-	-	-	-	-	-	-	-
Production Expenses	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000
Operating Expenses													
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues & Subscriptions	-	-	-	-	-	-	-	-	-	-	125	-	125
Insurance	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Licenses & Fees	-	-	-	-	-	-	-	300	-	-	-	-	300
Marketing & Promotion	125	-	-	125	-	-	125	-	-	125	-	-	500
Meals & Entertainment	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Expense	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Office Supplies	50	50	50	50	50	50	50	50	50	50	50	50	600
Outside Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses													
Salaries & Wages	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	68,000
Payroll Taxes	453	453	453	453	453	453	453	453	453	453	453	453	5,440
Benefits	397	397	397	397	397	397	397	397	397	397	397	397	4,760
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Repairs & Maintenance	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Shipping & Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	70	70	70	70	70	70	70	70	70	70	70	70	840
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	250	-	-	-	250	-	-	-	250	-	-	750
Utilities	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
Wine Samples	364	364	364	364	364	364	364	364	364	364	364	364	4,368
Excise Tax	-	-	-	-	-	-	-	-	-	-	-	5,350	5,350
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Paid on Account													
Non-operating Costs													
Capital Purchases	-	-	-	-	-	-	-	-	-	36,000	-	-	36,000
Estimated Income Tax Payments	-	-	-	-	-	-	-	-	10,679	-	-	8,142	18,821
Interest Payments	198	246	272	269	265	201	197	193	189	185	180	176	2,571
Loan Principal Payments	381	385	389	393	396	8,400	404	409	413	417	421	425	12,833
Owner's Draw	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Out	12,088	14,765	13,045	13,671	13,545	22,735	15,110	28,286	38,665	51,361	16,110	29,477	268,857
Monthly Cash Flow (Cash In - Cash Out)	(1,565)	(242)	1,983	(2,643)	(10)	831	10,964	2,803	(53)	(5,226)	4,948	(6,908)	4,881
Beginning Cash Balance	12,124	10,560	10,318	12,300	9,657	9,647	10,478	21,442	24,245	24,192	18,965	23,914	12,124
Ending Cash Balance	10,560	10,318	12,300	9,657	9,647	10,478	21,442	24,245	24,192	18,965	23,914	17,006	17,006

Chapel Springs Winery, LLC
Year-End
Income Statement (Projected)

	200C		200D		200E	
Net Sales (less returns & allowances)	13,220	100.0%	132,641	100.0%	259,738	100.0%
Cost of Goods Sold	4,275	32.3%	42,896	32.3%	83,999	32.3%
Gross Margin	\$ 8,945	67.7%	\$ 89,745	67.7%	\$ 175,739	67.7%
Operating Expenses						
Advertising	500	3.8%	-	0.0%	-	0.0%
Bad Debt Expense	-	0.0%	-	0.0%	-	0.0%
Bank Charges	-	0.0%	-	0.0%	-	0.0%
Depreciation & Amortization	4,583	34.7%	5,000	3.8%	6,800	2.6%
Dues & Subscriptions	125	0.9%	125	0.1%	125	0.0%
Insurance	1,500	11.3%	3,600	2.7%	3,600	1.4%
Licenses & Fees	1,400	10.6%	300	0.2%	300	0.1%
Marketing & Promotion	2,275	17.2%	650	0.5%	500	0.2%
Meals & Entertainment	-	0.0%	-	0.0%	-	0.0%
Miscellaneous	-	0.0%	-	0.0%	-	0.0%
Office Expense	400	3.0%	2,400	1.8%	2,400	0.9%
Office Supplies	100	0.8%	600	0.5%	600	0.2%
Outside Services	-	0.0%	-	0.0%	-	0.0%
Payroll Expenses		0.0%		0.0%		0.0%
Salaries & Wages	-	0.0%	27,000	20.4%	68,000	26.2%
Payroll Taxes	-	0.0%	2,160	1.6%	5,440	2.1%
Benefits	-	0.0%	1,890	1.4%	4,760	1.8%
Professional Fees	-	0.0%	-	0.0%	-	0.0%
Property Taxes	-	0.0%	-	0.0%	-	0.0%
Rent	400	3.0%	2,400	1.8%	3,600	1.4%
Repairs & Maintenance	300	2.3%	1,800	1.4%	1,800	0.7%
Shipping & Delivery	-	0.0%	-	0.0%	-	0.0%
Telephone	-	0.0%	840	0.6%	840	0.3%
Training & Development	-	0.0%	-	0.0%	-	0.0%
Travel	750	5.7%	750	0.6%	750	0.3%
Utilities	200	1.5%	1,200	0.9%	1,200	0.5%
Vehicle	-	0.0%	-	0.0%	-	0.0%
Wine Samples	728	5.5%	4,368	3.3%	4,368	1.7%
Excise Tax	2,140	16.2%	4,280	3.2%	5,350	2.1%
Other	-	0.0%	-	0.0%	-	0.0%
Total Operating Expenses	\$ 15,401	116.5%	\$ 59,363	44.8%	\$ 110,433	42.5%
Operating Income	\$ (6,457)	-48.8%	\$ 30,382	22.9%	\$ 65,306	25.1%
Interest Expense	2,357	17.8%	2,386	1.8%	2,571	1.0%
Other Income (for example, interest)	-	0.0%	-	0.0%	-	0.0%
Income Before Taxes	\$ (8,814)	-66.7%	\$ 27,996	21.1%	\$ 62,736	24.2%
Income Taxes (if C Corp)	-	0.0%	-	0.0%	-	0.0%
Net Income	\$ (8,814)	-66.7%	\$ 27,996	21.1%	\$ 62,736	24.2%

Chapel Springs Winery, LLC
Year-End
Balance Sheet (Projected)

	200C	200D	200E
Assets			
Current Assets			
Cash & Equivalents	11,243	12,124	17,006
Accounts Receivable	-	-	-
Inventory	11,325	30,754	41,754
Security Deposits	-	-	-
Other Current Assets	-	-	-
Total Current Assets	\$ 22,568	\$ 42,878	\$ 58,760
Fixed Assets			
Property, Plant & Equipment	25,000	25,000	61,000
Less: Accumulated Depreciation	(4,583)	(9,583)	(16,383)
Net Fixed Assets	20,417	15,417	44,617
Other Non-Current Assets	-	-	-
Total Non-Current Assets	\$ 20,417	\$ 15,417	\$ 44,617
Total Assets	\$ 42,984	\$ 58,295	\$ 103,376
Liabilities			
Current Liabilities			
Accounts Payable	-	-	-
Line of Credit	-	-	6,000
Other Current Liabilities	-	-	-
Total Current Liabilities	\$ -	\$ -	\$ 6,000
Long-term Liabilities			
Loans	21,798	17,511	12,678
Mortgages	-	-	-
Other Non-Current Liabilities	-	-	-
Total Non-Current Liabilities	\$ 21,798	\$ 17,511	\$ 12,678
Total Liabilities	\$ 21,798	\$ 17,511	\$ 18,678
Equity			
Equity Investments	30,000	30,000	30,000
Retained Earnings	(8,814)	19,182	73,519
Less: Owner's & Investor's Draws	-	(8,399)	(18,821)
Total Equity	\$ 21,186	\$ 40,784	\$ 84,698
Total Liabilities and Equity	\$ 42,984	\$ 58,295	\$ 103,376

Chapel Springs Winery, LLC
Financial Ratios

		200C	200D	200E
Profitability Ratios				
Net Margin	$\frac{\text{Net Income}}{\text{Net Sales}}$	-66.67%	21.11%	24.15%
Gross Margin	$\frac{\text{Gross Margin}}{\text{Net Sales}}$	67.66%	67.66%	67.66%
Expense Analysis	$\frac{\text{Operating Expenses}}{\text{Net Sales}}$	116.50%	44.75%	42.52%
Return on Assets (ROA)	$\frac{\text{Net Income}}{\text{Total Assets}}$	-20.50%	48.02%	60.69%
Return on Equity (ROE)	$\frac{\text{Net Income}}{\text{Total Equity}}$	-41.60%	68.64%	74.07%
Efficiency Ratios				
Inventory Turnover	$\frac{\text{Cost of Goods Sold}}{\text{Inventory}}$	0.38	1.39	2.01
Accounts Receivable Turnover	$\frac{\text{Yearly Credit Sales}}{\text{Accounts Receivable}}$	#DIV/0!	#DIV/0!	#DIV/0!
Liquidity Ratios				
Current Ratio	$\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$	#DIV/0!	#DIV/0!	9.79
Quick Ratio	$\frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}}$	#DIV/0!	#DIV/0!	2.83
Risk Ratios				
Debt Ratio	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$	0.51	0.30	0.18
Debt to Equity	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$	1.03	0.43	0.22
Cash Cycle				
Days Receivable	$\frac{\text{Accounts Receivable} \times 365}{\text{Sales per year}}$	-	-	-
Days Inventory	$\frac{\text{Inventory} \times 365}{\text{COGS per year}}$	967	262	181
Days Payable	$\frac{\text{Accounts Payable} \times 365}{\text{COGS per year}}$	-	-	-
Days Payroll Accrual	Nuner of Days Between Pay Periods	14	14	14
Cash Cycle	Days Receivable + Days Inventory - Days Payable - Days Payroll Accrual	967	262	181



Chapel Springs Winery Business Plan

Supporting Documents

Appendix

SALES PROJECTIONS
Chapel Springs Winery, LLC

Year 1		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Sales Budget														
YEAR 1	Wine	-	-	-	-	-	-	-	-	-	-	6,240	7,020	13,260
	Gift Shop	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bankquet Room	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category D	-	-	-	-	-	-	-	-	-	-	-	-	-
YEAR 1	Product/Service Category E	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category F	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category G	-	-	-	-	-	-	-	-	-	-	-	-	-
YEAR 1	Gross Sales	-	-	-	-	-	-	-	-	-	-	6,240	7,020	13,260
	Less: Returns & Allowances	-	-	-	-	-	-	-	-	-	-	(19)	(21)	(40)
	Net Sales	-	-	-	-	-	-	-	-	-	-	6,221	6,999	13,220
	Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
YEAR 1	Total Income	-	-	-	-	-	-	-	-	-	-	6,221	6,999	13,220
	Credit Management													
	Sales (cash)	-	-	-	-	-	-	-	-	-	-	6,221	6,999	13,220
	Sales (credit)	-	-	-	-	-	-	-	-	-	-	-	-	-
	Received on Account	-	-	-	-	-	-	-	-	-	-	-	-	-
YEAR 1	Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
	Year 1 Assumptions													
	Wine	based on industry averages for start-up boutique winery--seasonal schedule in Financial Plan introduction section of plan - avg bottle price \$13.00												
	Gift Shop													
	Bankquet Room													
	Product/Service Category D													
	Product/Service Category E													
	Product/Service Category F													
	Product/Service Category G													
	Less: Returns & Allowances	estimated at .25% based on industry averages for boutique operations												
Other Income														
Sales (cash)														
Sales (credit)														
Received on Account														
Bad Debt Expense														

SALES PROJECTIONS
Chapel Springs Winery, LLC

Year 2		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
YEAR 2	Sales Budget														
	Wine	2,340	2,340	3,120	3,120	3,900	7,020	9,000	10,800	13,500	16,600	7,200	8,100	87,040	
	Gift Shop	1,200	1,200	1,600	1,600	2,000	3,600	4,000	4,800	6,000	7,200	3,200	3,600	40,000	
	Bankquet Room	-	-	667	667	667	667	667	667	667	667	667	-	6,000	
	Product/Service Category D	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Product/Service Category E	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Product/Service Category F	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Product/Service Category G	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gross Sales	3,540	3,540	5,387	5,387	6,567	11,287	13,667	16,267	20,167	24,467	11,067	11,700	133,040	
	Less: Returns & Allowances	(11)	(11)	(16)	(16)	(20)	(34)	(41)	(49)	(61)	(73)	(33)	(35)	(399)	
	Net Sales	3,529	3,529	5,371	5,371	6,547	11,253	13,626	16,218	20,106	24,393	11,033	11,665	132,641	
	Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Income	3,529	3,529	5,371	5,371	6,547	11,253	13,626	16,218	20,106	24,393	11,033	11,665	132,641	
	YEAR 2	Credit Management													
Sales (cash)		3,529	3,529	5,371	5,371	6,547	11,253	13,626	16,218	20,106	24,393	11,033	11,665	132,641	
Sales (credit)		-	-	-	-	-	-	-	-	-	-	-	-	-	
Received on Account		-	-	-	-	-	-	-	-	-	-	-	-	-	
Bad Debt Expense		-	-	-	-	-	-	-	-	-	-	-	-	-	
YEAR 2	Year 2 Assumptions														
	Wine	in July avg bottle price increases to \$13.50 as aged wines are released for sales--avg bottles sold per month increases to 550													
	Gift Shop	gift shop revenues based on industry averages and tied to seasonal nature of winery													
	Bankquet Room	12 events over 3 busy seasons -- events average \$500 based on room rental and product purchases													
	Product/Service Category D														
	Product/Service Category E														
	Product/Service Category F														
	Product/Service Category G														
	Less: Returns & Allowances	estimated at .25% based on industry averages for boutique operations													
	Other Income														
	Sales (cash)														
	Sales (credit)														
Received on Account															
Bad Debt Expense															

SALES PROJECTIONS
Chapel Springs Winery, LLC

Year 3		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
YEAR 3	Sales Budget													
	Wine	5,760	5,760	7,680	7,680	9,600	17,280	19,200	23,040	28,800	34,560	15,360	17,280	192,000
	Gift Shop	1,786	1,786	2,381	2,381	2,976	5,357	5,952	7,142	8,928	10,714	4,762	5,357	59,520
	Bankquet Room	-	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	-	9,000
	Product/Service Category D	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category E	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category F	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category G	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gross Sales	7,546	7,546	11,061	11,061	13,576	23,637	26,152	31,182	38,728	46,274	21,122	22,637	260,520
	Less: Returns & Allowances	(23)	(23)	(33)	(33)	(41)	(71)	(78)	(94)	(116)	(139)	(63)	(68)	(782)
	Net Sales	7,523	7,523	11,028	11,028	13,535	23,566	26,074	31,089	38,612	46,135	21,058	22,569	259,738
	Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Income	7,523	7,523	11,028	11,028	13,535	23,566	26,074	31,089	38,612	46,135	21,058	22,569	259,738
	Credit Management													
	Sales (cash)	7,523	7,523	11,028	11,028	13,535	23,566	26,074	31,089	38,612	46,135	21,058	22,569	259,738
	Sales (credit)	-	-	-	-	-	-	-	-	-	-	-	-	-
Received on Account	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	
Year 3 Assumptions														
Wine	high-end aged wines released for sale--average bottle price increases to \$16.00--avg 1000 bottles per month (based on industry averages for established co.)													
Gift Shop	based on industry averages related to wine sales													
Bankquet Room	18 events over 3 busy seasons--events average \$500 based on room rental and product purchases													
Product/Service Category D														
Product/Service Category E														
Product/Service Category F														
Product/Service Category G														
Less: Returns & Allowances	estimated at .25% based on industry averages for boutique operations													
Other Income														
Sales (cash)														
Sales (credit)														
Received on Account														
Bad Debt Expense														

INVENTORY PROJECTIONS
Chapel Springs Winery, LLC

Year 1	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Inventory Management													
Inventory Purchases	-	-	-	-	-	-	-	6,000	6,000	-	-	3,000	15,000
Inventory/ Raw Material Purchases (Cash)	-	-	-	-	-	-	-	6,000	6,000	-	-	3,000	15,000
Inventory/ Raw Material Purchases (Credit)	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment on Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Production Expenses													
Freight-in & Trucking	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses - production													
Salaries & Wages	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	300	300	600
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Rework	-	-	-	-	-	-	-	-	-	-	-	-	-
Subcontracting	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Production Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory Production Expenses	-	-	-	-	-	-	-	-	-	-	300	300	600
Inventory Balance													
Beginning Inventory Balance	-	-	-	-	-	-	-	-	6,000	12,000	12,000	10,288	-
Inventory Purchases	-	-	-	-	-	-	-	6,000	6,000	-	-	3,000	15,000
Inventory Production	-	-	-	-	-	-	-	-	-	-	300	300	600
(Cost of Goods Sold)	-	-	-	-	-	-	-	-	-	-	(2,012)	(2,263)	(4,275)
Ending Inventory Balance	-	-	-	-	-	-	-	6,000	12,000	12,000	10,288	11,325	11,325
Year 1 Assumptions													
Inventory/ Raw Material Purchases	15 tons of grapes at \$800 per ton -- \$3,000 inventory to stock gift shop												
Freight-in & Trucking													
Insurance													
Payroll Expenses - production	winemaster working without pay												
Salaries & Wages													
Employee Benefits													
Payroll Taxes													
Rent	proportional share of rent												
Repairs & Maintenance													
Rework													
Subcontracting													
Utilities													
Other Production Expenses													

INVENTORY PROJECTIONS
Chapel Springs Winery, LLC

Year 2		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Inventory Management														
YEAR 2	Inventory Purchases	-	1,000	1,000	1,000	1,000	1,500	2,000	12,500	13,000	4,000	2,000	-	39,000
	Inventory/ Raw Material Purchases (Cash)	-	1,000	1,000	1,000	1,000	1,500	2,000	12,500	13,000	4,000	2,000	-	39,000
	Inventory/ Raw Material Purchases (Credit)	-	-	-	-	-	-	-	-	-	-	-	-	-
	Payment on Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Production Expenses														
YEAR 2	Freight-in & Trucking	-	-	-	-	-	-	-	-	-	-	-	-	13,500
	Insurance	-	-	-	-	-	-	-	-	-	-	-	-	1,080
YEAR 2	Payroll Expenses - production	-	-	-	-	-	-	-	-	-	-	-	-	-
	Salaries & Wages	-	-	-	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	3,600
YEAR 2	Employee Benefits	-	-	-	120	120	120	120	120	120	120	120	120	1,800
	Payroll Taxes	-	-	-	105	105	105	105	105	105	105	105	105	-
YEAR 2	Rent	300	300	300	300	300	300	300	300	300	300	300	300	-
	Repairs & Maintenance	150	150	150	150	150	150	150	150	150	150	150	150	2,400
YEAR 2	Rework	-	-	-	-	-	-	-	-	-	-	-	-	#REF!
	Subcontracting	-	-	-	-	-	-	-	-	-	-	-	-	#REF!
YEAR 2	Utilities	200	200	200	200	200	200	200	200	200	200	200	200	#REF!
	Other Production Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory Production Expenses		650	650	650	2,375	2,375	2,375	2,375	2,375	2,375	2,375	2,375	2,375	23,325
Inventory Balance														
YEAR 2	Beginning Inventory Balance	11,325	10,833	11,342	11,255	12,893	14,151	14,387	14,355	23,985	32,858	31,344	32,151	11,325
	Inventory Purchases	-	1,000	1,000	1,000	1,000	1,500	2,000	12,500	13,000	4,000	2,000	-	39,000
	Inventory Production	650	650	650	2,375	2,375	2,375	2,375	2,375	2,375	2,375	2,375	2,375	23,325
	(Cost of Goods Sold)	(1,141)	(1,141)	(1,737)	(1,737)	(2,117)	(3,639)	(4,407)	(5,245)	(6,502)	(7,889)	(3,568)	(3,772)	(42,896)
Ending Inventory Balance		10,833	11,342	11,255	12,893	14,151	14,387	14,355	23,985	32,858	31,344	32,151	30,754	30,754
Year 2 Assumptions														
YEAR 2	Inventory/ Raw Material Purchases	25 tons of grapes @ \$800 per ton -- inventory restocking to keep levels at approximately \$3,000												
	Freight-in & Trucking													
YEAR 2	Insurance													
	Payroll Expenses - production													
YEAR 2	Salaries & Wages	winemaster at \$18,000 per year starting in April												
	Employee Benefits	benefits at 8%												
YEAR 2	Payroll Taxes	payroll taxes at 7%												
	Rent	proportionate share of rent												
YEAR 2	Repairs & Maintenance	based on industry averages to maintain, clean and refurbish												
	Rework													
YEAR 2	Subcontracting													
	Utilities	based on proportionate share of utilities --estimate from local utility company												
YEAR 2	Other Production Expenses													

INVENTORY PROJECTIONS
Chapel Springs Winery, LLC

Year 3	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Inventory Management													
Inventory Purchases	-	2,500	1,000	1,500	1,500	2,500	3,000	16,000	16,000	3,000	4,000	4,000	55,000
Inventory/ Raw Material Purchases (Cash)	-	2,500	1,000	1,500	1,500	2,500	3,000	16,000	16,000	3,000	4,000	4,000	55,000
Inventory/ Raw Material Purchases (Credit)	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment on Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Production Expenses													
Freight-in & Trucking	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses - production													
Salaries & Wages	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	28,000
Employee Benefits	187	187	187	187	187	187	187	187	187	187	187	187	2,240
Payroll Taxes	163	163	163	163	163	163	163	163	163	163	163	163	1,960
Rent	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Repairs & Maintenance	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Rework	-	-	-	-	-	-	-	-	-	-	-	-	-
Subcontracting	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Other Production Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory Production Expenses	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000
Inventory Balance													
Beginning Inventory Balance	30,754	31,654	35,054	35,821	37,088	37,544	35,756	33,658	42,937	49,783	41,196	41,720	30,754
Inventory Purchased	-	2,500	1,000	1,500	1,500	2,500	3,000	16,000	16,000	3,000	4,000	4,000	55,000
Inventory Production	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000
(Cost of Goods Sold)	(2,433)	(2,433)	(3,566)	(3,566)	(4,377)	(7,621)	(8,432)	(10,054)	(12,487)	(14,920)	(6,810)	(7,299)	(83,999)
Ending Inventory Balance	31,654	35,054	35,821	37,088	37,544	35,756	33,658	42,937	49,783	41,196	41,720	41,754	41,754
Year 3 Assumptions													
Inventory/ Raw Material Purchases	30 tons of grapes @ \$800 per ton -- inventory restocking to keep levels at approximately \$3,000												
Freight-in & Trucking													
Insurance													
Payroll Expenses - production													
Salaries & Wages	winemaster at \$20,000 per year plus part-time help at \$8000 per year												
Employee Benefits	benefits at 8%												
Payroll Taxes	payroll taxes at 7%												
Rent	proportionate share of rent												
Repairs & Maintenance	based on industry averages to maintain, clean and refurbish												
Rework													
Subcontracting													
Utilities	based on proportionate share of utilities --estimate from local utility company												
Other Production Expenses													

OPERATING EXPENSE PROJECTIONS
Chapel Springs Winery, LLC

Year 1	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Operating Expenses													
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues & Subscriptions	-	-	-	-	-	-	-	-	-	-	125	-	125
Insurance	-	-	-	-	-	-	-	300	300	300	300	300	1,500
Licenses & Fees	-	-	1,000	-	-	-	-	300	-	-	-	-	1,300
Marketing & Promotion	-	-	-	1,500	-	-	-	-	-	-	125	150	1,775
Meals & Entertainment	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Expense	-	-	-	-	-	-	-	-	-	-	200	200	400
Office Supplies	-	-	-	-	-	-	-	-	-	-	50	50	100
Outside Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses													
Salaries & Wages	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	200	200	400
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	150	150	300
Shipping & Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	250	-	-	-	250	-	-	-	250	-	-	750
Utilities	-	-	-	-	-	-	-	-	-	-	100	100	200
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
Wine Samples	-	-	-	-	-	-	-	-	-	-	364	364	728
Excise Tax	-	-	-	-	-	-	-	-	-	-	-	2,140	2,140
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	-	250	1,000	1,500	-	250	-	600	300	550	1,614	3,654	9,718
Assumptions - Year 1													
Advertising													
Bank Charges													
Dues & Subscriptions													
Insurance													
Licenses & Fees													
Marketing & Promotion													
Meals & Entertainment													
Miscellaneous													
Office Expense													
Office Supplies													
Outside Services													
Payroll Expenses													
Salaries & Wages													
Payroll Taxes													
Benefits													
Professional Fees													
Property Taxes													
Rent													
Repairs & Maintenance													
Shipping & Delivery													
Telephone													
Training & Development													
Travel													
Utilities													
Vehicle													
Wine Samples													
Excise Tax													
Other													

OPERATING EXPENSE PROJECTIONS
Chapel Springs Winery, LLC

Year 2		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
YEAR 2	Operating Expenses														
	Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Dues & Subscriptions	-	-	-	-	-	-	-	-	-	-	125	-	125	
	Insurance	300	300	300	300	300	300	300	300	300	300	300	300	3,600	
	Licenses & Fees	-	-	-	-	-	-	-	-	300	-	-	-	300	
	Marketing & Promotion	125	-	-	125	-	-	125	-	-	125	-	150	650	
	Meals & Entertainment	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Office Expense	200	200	200	200	200	200	200	200	200	200	200	200	2,400	
	Office Supplies	50	50	50	50	50	50	50	50	50	50	50	50	600	
	Outside Services	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Payroll Expenses														
	Salaries & Wages	-	-	-	-	-	-	-	4,500	4,500	4,500	4,500	4,500	4,500	27,000
	Payroll Taxes	-	-	-	-	-	-	-	360	360	360	360	360	360	2,160
	Benefits	-	-	-	-	-	-	-	315	315	315	315	315	315	1,890
	Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rent	200	200	200	200	200	200	200	200	200	200	200	200	200	2,400
	Repairs & Maintenance	150	150	150	150	150	150	150	150	150	150	150	150	150	1,800
	Shipping & Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Telephone	70	70	70	70	70	70	70	70	70	70	70	70	70	840
	Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Travel	-	250	-	-	-	-	250	-	-	-	250	-	-	750
	Utilities	100	100	100	100	100	100	100	100	100	100	100	100	100	1,200
	Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Wine Samples	364	364	364	364	364	364	364	364	364	364	364	364	364	4,368
Excise Tax	-	-	-	-	-	-	-	-	-	-	-	-	4,280	4,280	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total Operating Expenses	1,559	1,684	1,434	1,559	1,434	1,684	6,734	6,609	6,909	6,984	6,734	11,039	54,363	
YEAR 2	Assumptions - Year 2														
	Advertising														
	Bank Charges														
	Dues & Subscriptions													cost of two industry magazines	
	Insurance													estimate from insurance agent	
	Licenses & Fees													state & local fees	
	Marketing & Promotion													quarterly newsletter -- website maintenance	
	Meals & Entertainment														
	Miscellaneous														
	Office Expense													estimate for newsletter mailings and normal course of business	
	Office Supplies													minimal supplies needed	
	Outside Services														
	Payroll Expenses														
	Salaries & Wages													three owner at salary of \$18,000 beginning in July	
	Payroll Taxes													Benefits @ 8%	
	Benefits													Payroll taxes @ 7%	
	Professional Fees														
	Property Taxes														
	Rent													proportionate share of rent	
	Repairs & Maintenance													based on landlord's estimate	
Shipping & Delivery															
Telephone															
Training & Development															
Travel													attending three wine tastings per year (will travel by car)		
Utilities													proportionate share of utilities -- estimate from local utility company		
Vehicle															
Wine Samples													based on industry averages		
Excise Tax													based on tax rate for bottles produced (not sold)		
Other															

OPERATING EXPENSE PROJECTIONS
Chapel Springs Winery, LLC

Year 3		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
YEAR 3	Operating Expenses														
	Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Dues & Subscriptions	-	-	-	-	-	-	-	-	-	-	125	-	125	
	Insurance	300	300	300	300	300	300	300	300	300	300	300	300	3,600	
	Licenses & Fees	-	-	-	-	-	-	-	300	-	-	-	-	300	
	Marketing & Promotion	125	-	-	125	-	-	-	125	-	-	125	-	500	
	Meals & Entertainment	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Office Expense	200	200	200	200	200	200	200	200	200	200	200	200	2,400	
	Office Supplies	50	50	50	50	50	50	50	50	50	50	50	50	600	
	Outside Services	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Payroll Expenses														
	Salaries & Wages	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	68,000
	Payroll Taxes	453	453	453	453	453	453	453	453	453	453	453	453	453	5,440
	Benefits	397	397	397	397	397	397	397	397	397	397	397	397	397	4,760
	Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rent	300	300	300	300	300	300	300	300	300	300	300	300	300	3,600
	Repairs & Maintenance	150	150	150	150	150	150	150	150	150	150	150	150	150	1,800
	Shipping & Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Telephone	70	70	70	70	70	70	70	70	70	70	70	70	70	840
	Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Travel	-	250	-	-	-	-	250	-	-	-	250	-	-	750
	Utilities	100	100	100	100	100	100	100	100	100	100	100	100	100	1,200
	Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Wine Samples	364	364	364	364	364	364	364	364	364	364	364	364	364	4,368
	Excise Tax	-	-	-	-	-	-	-	-	-	-	-	-	5,350	5,350
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Operating Expenses	8,176	8,301	8,051	8,176	8,051	8,301	8,176	8,351	8,051	8,426	8,176	13,401	103,633		
YEAR 3	Assumptions - Year 3														
	Advertising														
	Bank Charges														
	Dues & Subscriptions													cost of two industry magazines	
	Insurance													estimate from insurance agent	
	Licenses & Fees													state & local fees	
	Marketing & Promotion													quarterly newsletter -- website maintenance	
	Meals & Entertainment														
	Miscellaneous														
	Office Expense													estimate for newsletter mailings and normal course of business	
	Office Supplies													minimal supplies needed	
	Outside Services														
	Payroll Expenses														
	Salaries & Wages													3 owners at \$20,000 per year plus a part-time person at \$8,000 per year	
	Payroll Taxes													Benefits @ 8%	
	Benefits													Payroll taxes @ 7%	
	Professional Fees														
	Property Taxes														
	Rent													proportionate share of rent	
	Repairs & Maintenance													based on landlord's estimate	
Shipping & Delivery															
Telephone															
Training & Development															
Travel													attending three wine tastings per year (will travel by car)		
Utilities													proportionate share of utilities -- estimate from local utility company		
Vehicle															
Wine Samples													based on industry averages		
Excise Tax													based on tax rate for bottles produced (not sold)		
Other															

DEPRECIATION SCHEDULES

Chapel Springs Winery, LLC

Year 1 Existing Assets	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Set-Up Assets (no detail entered)	-	-	-	-	-	-	-	-	-	-	-	-	-
Set-Up Assets (detail entered)	-	-	-	-	-	-	-	-	-	-	-	-	-
Start-Up Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 2 Existing Assets													
Set-Up Assets (no detail entered)	-	-	-	-	-	-	-	-	-	-	-	-	-
Set-Up Assets (detail entered)	-	-	-	-	-	-	-	-	-	-	-	-	-
Start-Up Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 3 Existing Assets													
Set-Up Assets (no detail entered)	-	-	-	-	-	-	-	-	-	-	-	-	-
Set-Up Assets (detail entered)	-	-	-	-	-	-	-	-	-	-	-	-	-
Start-Up Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-

Year 1 New Purchases	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment & Machinery	-	25,000	-	-	-	-	-	-	-	-	-	-	25,000
Equipment Depreciation	-	417	417	417	417	417	417	417	417	417	417	417	4,583
Furniture	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Building Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 2 New Purchases													
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment & Machinery	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment Depreciation	417	417	417	417	417	417	417	417	417	417	417	417	5,000
Furniture	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Building Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 3 New Purchases													
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment & Machinery	-	-	-	-	-	-	-	-	-	36,000	-	-	36,000
Equipment Depreciation	417	417	417	417	417	417	417	417	417	1,017	1,017	1,017	6,800
Furniture	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Building Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-

CAPITAL BUDGET PROJECTIONS
Chapel Springs Winery, LLC

Year 3		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Capital Budget														
YEAR 3	Owner's Draw	-	-	-	-	-	-	-	-	-	-	-	-	-
YEAR 3	Investor's Draw	-	-	-	-	-	-	-	-	-	-	-	-	-
YEAR 3	Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-
YEAR 3	Security Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
YEAR 3	Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-
YEAR 3	Depreciation (existing assets)	-	-	-	-	-	-	-	-	-	-	-	-	-
YEAR 3	Capital Asset Purchases	-	-	-	-	-	-	-	-	-	36,000	-	-	36,000
YEAR 3	Depreciation (new purchases)	417	417	417	417	417	417	417	417	417	1,017	1,017	1,017	6,800
YEAR 3	Land	-	-	-	-	-	-	-	-	-	-	-	-	-
												Year 3 Total Depreciation	6,800	
Assumptions - Year 3														
YEAR 3	Owner's Draw													
YEAR 3	Investor's Draw													
YEAR 3	Dividends Paid													
YEAR 3	Security Deposits													
YEAR 3	Amortization													
YEAR 3	Equipment & Machinery	Additional equipment for expansion (based on today's prices with 3% inflation factor)												
YEAR 3	Equipment Depreciation													
YEAR 3	Furniture													
YEAR 3	Furniture Depreciation													
YEAR 3	Vehicles													
YEAR 3	Vehicle Depreciation													
YEAR 3	Leasehold Improvements													
YEAR 3	Leasehold Depreciation													
YEAR 3	Building													
YEAR 3	Building Depreciation													
YEAR 3	Land													

Equity Investment

Chapel Springs Winery, LLC

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Year 1	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 3	-	-	-	-	-	-	-	-	-	-	-	-	-

Real Estate Loans

Chapel Springs Winery, LLC

Existing Balance

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New Borrowing

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Year 1	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding balance	-	-	-	-	-	-	-	-	-	-	-	-	-

Repayment

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Year 1 - principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 1 - interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 2 - principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 2 - interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 3 - principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 3 - interest	-	-	-	-	-	-	-	-	-	-	-	-	-

Traditional Business Loan and/or Other Long-Term Loans

Chapel Springs Winery, LLC

Loan 1 (existing loan or first new loan)

Existing Balance

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New Borrowing

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Year 1	-	25,000	-	-	-	-	-	-	-	-	-	-	25,000
Outstanding balance	-	25,000	24,694	24,385	24,073	23,758	23,439	23,117	22,792	22,464	22,133	21,798	-
Year 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding balance	21,460	21,118	20,773	20,425	20,073	19,718	19,360	18,998	18,632	18,262	17,888	17,511	-
Year 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding balance	17,130	16,745	16,356	15,963	15,567	15,167	14,763	14,354	13,941	13,524	13,103	12,678	-

Repayment

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Year 1 - principal	-	-	306	309	312	315	319	322	325	328	331	335	3,202
Year 1 - interest	-	-	250	245	244	241	238	234	231	228	225	221	2,357
Year 2 - principal	338	342	345	348	352	355	358	362	366	370	374	377	4,287
Year 2 - interest	218	215	211	208	204	201	197	194	190	186	183	179	2,386
Year 3 - principal	381	385	389	393	396	400	404	409	413	417	421	425	4,833
Year 3 - interest	175	171	167	164	160	156	152	148	144	140	135	131	1,843

Loan 2

Borrowing

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Year 1	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding balance	-	-	-	-	-	-	-	-	-	-	-	-	-

Repayment

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Year 1 - principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 1 - interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 2 - principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 2 - interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 3 - principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 3 - interest	-	-	-	-	-	-	-	-	-	-	-	-	-

Line of Credit

Chapel Springs Winery, LLC

Existing Balance

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Borrowing

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Year 1	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 3	3,000	7,000	4,000	-	-	-	-	-	-	-	-	-	14,000
Outstanding balance	3,000	10,000	14,000	14,000	14,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	-

Repayment

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Year 1 - principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 1 - interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 2 - principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 2 - interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Year 3 - principal	-	-	-	-	-	8,000	-	-	-	-	-	-	8,000
Year 3 - interest	23	75	105	105	105	45	45	45	45	45	45	45	728

Year 1 - total principal paid	3,202
Year 1 - total interest paid	2,357
Year 2 - total principal paid	4,287
Year 2 - total interest paid	2,386
Year 3 - total principal paid	12,833
Year 3 - total interest paid	2,571