

Afora Base Camp Hotels Business Plan



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EXECUTIVE SUMMARY

Brand Name

Afora Base Camp Hotels are select-service hotels with premium accommodations catering to adventure seeking travelers. We will offer a simple yet inviting “base camp” for all outdoor interests while providing local knowledge and community contact. Afora is the Portuguese word for *outside, outdoors*; matching the hotel’s theme.

Service Description

Afora Base Camp Hotels is a unique concept that will cater to the needs of a specific demographic who appreciates their surrounding environment. Our hotels will be located in areas close to natural attractions and activities such as hiking/biking trails, rivers and mountain rock climbing areas. Through our specific hotel locations and amenities, such as gear storage rooms and bouldering walls, we will be able to satisfy our guest’s expectations and continue to provide an unmatched experience.

In addition to our hotel locations, our properties will be designed as an interpretation of a modern base camp. We will offer guests oversized and spacious rooms, airy and illuminated interiors with outdoor themed décor throughout the property.

Rationale for Success

Adventure traveling is a growing segment that has not yet been penetrated. Afora will be the first select-service premium hotel to enter this market.

- **Differentiation** - Afora follows a Base Camp setup. It is built to satisfy the needs of the outdoor travelers by providing features such as: gear storage rooms, game room, rental equipment, “Explora” lounge, bouldering wall, outdoor space for relaxation and barbecues. Afora Hotel will integrate a well-known local restaurant, The Burnt Toast, to provide food and beverage services.
- **Growing Market Segment** - According to the Travel Industry Association of America (TIA) there are over 20 million overnight adventure trips in the U.S. This trend was growing at a 10% annual rate prior to 2008 and is currently growing at 3% due to economic downturn.
- **Revenue Model** - On average the hotel will generate \$2.7 million per year once it is fully operational.
- **Replicable Concept** - Afora is a small-scale hotel of 75 rooms that will require limited staffing making it easy to replicate in other locations. Our plan considers opening 5 new locations in the next seven years.
- **Competition** - Afora Base Camp Hotel has no direct competitors in the adventure travel segment. We would have a first-mover advantage therefore attract outdoor enthusiasts and create brand loyalty.



Market Size and Potential

Through our research we have determined that our target market engages in over 20 million adventure overnight trips during the year. Our primary target consumer includes 18 to 35 year olds and the secondary target consumer includes 36 to 50 year olds, male and female who engage in adventure travel and live in households with yearly incomes of \$75,000 plus.

Revenue Projection and Derivation of Revenue

Revenue will be generated through hotel operations, leasing of F&B and retail space, snacks/vending operations, concierge and equipment rentals. Within seven years we will expand our Base Camp Hotel to five additional locations with natural and adventurous attractions. Our Boulder, CO hotel will have a projected ADR of \$110. We expect an average of \$2.7 million in room revenues on a stabilized year. Leasing from our F&B retail space will generate \$80,000 per year. Revenues from our concierge and rental services are projected to be 1.5% of total room revenues. Given our expected ADR and occupancy growth we anticipate \$3 million in annual revenue by year 10.

Competitive Landscape

Competitive Analysis: Boulder, CO

Our competitive analysis is broken down into two basic groups: Primary and Secondary. The primary group consists of other lodging properties that will capture a share of our target consumer, whereas the secondary group is less competitive but still a viable outlet to our concept.

Our primary competitors consist of:

1. Lodges
2. Motels
3. Limited-service Hotels
4. High-end Hotels

Our secondary competitive market consists of:

1. Condos, Private Accommodations, and Vacation Homes
2. Camping Grounds

Barriers to Competitive Entry

Afora Base Camp Hotels will create the following barriers of entry in order to prevent our competition from entering our market:

Positioning:

- The first Premium “Base Camp” for adventure travelers
- Quality accommodations at accessible rates
- Geo and eco tourism



Partnerships:

- Staff uniforms made/provided by a partner sportswear company
- Partner with Online Retailers, National Outdoor Leadership School, Environmental NGOs to certify our green practices

Trends:

- Eco and Sustainable Travel

Management Profile

The group that make up Afora Base Camp Hotels management are all outdoor enthusiasts and entrepreneurs willing to innovate and adjust to any circumstances. We are all students at Cornell University.

- **Monica Hernandez:** Junior, Food Science major. Food and beverage experience.
- **Fazal Khan:** Junior, Applied Economics and Management major. Marketing and entrepreneurship experience.
- **Christopher Livadas:** Junior, Hotel School with a minor in Real Estate. Hotel management experience.
- **Felipe Wilson:** Graduate student, MMH program. Product and brand management experience, sustainable lodging projects.

Advisors:

John Callister: Harvey Kinzelberg Director of Entrepreneurship in Engineering at Cornell.

Rob Deslauriers: Managing Partner and Chairman of Terra Resorts Group, Jackson Hole.

Jan de Roos: professor of Finance and Real Estate at Cornell's Hotel School.

Bill Carroll: Senior Lecturer in Marketing and Tourism at Cornell's School of Hotel Administration.

Bruce Tracey: Associate Professor in Human Resources at Cornell's Hotel School.

Alberto Gana: Founder and CEO of Latitud 90, Chile

Stage of Development

We have developed a concept description, created a 32-month Brand Planning Flow Chart divided into three phases, 54-month cash-flow projections, forecasted 10 years of income statements and performed a break-even analysis. Online surveys were performed in order to better target our consumer and develop the Afora concept. Interviews with successful entrepreneurs were performed in order to get insights on the hospitality industry and to further develop an entrepreneurial mindset.

Initial Funding Sought and Use of Funds

Afora Base Camp Hotel is seeking funding for its initial phases. These funds will be used to cover all of the pre-construction costs including the purchase of land.

Initial funding sought: \$2.4 million dollars

I. BRAND NAME

Afora Base Camp Hotel is a select-service hotel offering premium accommodations for adventure seeking travelers. Our hotels will provide a quality base camp experience for outdoor enthusiasts. At Afora, guests will be able to relax, to rest after a long day of adventures, and recharge for a new day. We will provide local knowledge and community contact.

II. MANAGEMENT PROFILE

Afora Hotel's management team is made up of outdoor enthusiast and entrepreneurs willing to innovate and adjust to any circumstances.

Monica Hernandez Junior at Cornell University majoring in Food Science. Work experience in optimizing Food and Beverage (F&B) operations for a small food production. Monica is an outdoor enthusiast as well as a seasoned traveler.

Fazal Khan Junior at Cornell University majoring in Applied Economics and Management with concentrations in Entrepreneurship and Marketing. He has experience in hospital administrative services at the Health Central Hospital of Orlando, Florida.

Christopher Livadas Junior in the Hotel School at Cornell University with a minor in Real Estate. He worked for the Bernstein Companies, where he helped lead sustainability initiatives throughout the company's four hotel properties; as well as assisting hotel management with daily operational needs.

Felipe Wilson Graduate student in the MMH program at Cornell University. He worked in product and brand management positions at Nestle, Nike and Puma. He has focused his studies and internship experience on sustainable lodging projects. Felipe is a former Adventure Racer, and a outdoor enthusiast.

Board of Advisors

The board of advisors was carefully selected to guide us and provide assistance in areas that were unfamiliar to the team; they are all successful professors or active players in the industry.



John Callister:	Harvey Kinzelberg Director of Entrepreneurship in Engineering at Cornell.
Rob Deslauriers:	Managing Partner and Chairman of Terra Resorts Group, a company that owns and operates high end hotels in the Jackson Hole, WY area.
Jan de Roos:	Professor of Finance and Real Estate at Cornell's Hotel School.
Bill Carroll	Senior Lecturer in Marketing and Tourism at Cornell's School of Hotel Administration.
Bruce Tracey	Associate Professor in Human Resources at Cornell's Hotel School.
Alberto Gana	Entrepreneur and adventure traveler. Founder and CEO of Latitud 90, Chile's largest outdoor travel agency and holding company of Patagonia Camp hotels.

III. PRODUCT DESCRIPTION

Afora Base Camp Hotels will be located close to natural attractions that offer a wide variety of outdoor activities such as hiking trails, rivers and mountain rock climbing. These locations will be in suburban areas close to retailers and restaurants, to provide guests the opportunity to fully experience the area.

Afora Hotels will be a base camp for all our guests, and will offer modern rooms, airy and illuminated interiors, outdoor themed décor and a very modern yet welcoming ambiance. The architecture will be an interpretation of a mountain base camp. The hotels will incorporate the following features and services:

Adventure Travel Features

- Rental equipment (bikes, kayaks, etc. depending on location)
- Storage and maintenance room
- Local trails maps available
- Local Partnerships with Outdoor Organizations (for guides, tours, beginner's lessons, etc)
- Retail Space for outdoor accessories and apparel
- Gear Storage for large Items (Kayaks, Bikes, Surfboards)
- Bouldering Wall in common area
- Bring and take library

Rooms

- Over sized and spacious – large windows
- Gear Storage/ Sorting Area
- Mud rooms for dirty shoes and wet clothing

- Luxury bedding – signature beds
- iHome docks in every room
- Heated bathroom floors
- Rain showers

General Services

- Complimentary Wifi Internet
- Full breakfast provided by “The Burt Toast” restaurant
- Decoration with outdoor/adventure theme
- Public areas with an inviting atmosphere, where guests can plan their next adventure, share with fellow travelers or just relax
- Jacuzzi tubs outside (where possible)
- Picnic tables and grills available
- Rewards program
- Website application that enables the guest to book trips and receive update information about the hotel
- offered
- Snacks to Go
- Airport pickups
- Complimentary use of computers in the common areas
- Pet-friendly hotel
- Retail space for adventure apparel and equipment (also related to Adventure Travel features)
- Complimentary cookies, tea and coffee
- Background music (lobby)

Sustainable features

- Water and waste management
- LEED certified Buildings or LEED Certified Operations
- Eco-friendly/Sustainable Practices (Recycle, Re-Use and Reduce)
- Carbon Off Setting Program
- LED lighting and energy efficient bulbs

Community Engagement

- Local art shown throughout the hotel
- Local/community outreach
- Partnerships with local organizations
- Bringing jobs to the local area



IV. RATIONALE FOR SUCCESS

Afora Base Camp Hotel will succeed due to five main reasons.

Differentiation

Afora creates a unique ambiance by being the first to follow a base camp setup. The hotel is built in an innovative way to satisfy the needs of the outdoor travelers. Through our research with adventure travelers and potential guests we have created a concept that offers a set of services and amenities that specifically meet their needs and has not yet been addressed by the industry. Our partnerships with local businesses and renowned outdoor brands will further differentiate us from others.

Growing Market Segment

Afora is capitalizing on a growing market segment that had a 10% annual growth prior to 2008 and is currently growing at 3% even during the economic downturn. Analysts expect the trend to bounce back once the economy stabilizes. According to TIA there are over 20 million overnight adventure trips in the United States. We have clearly identified our target market through research and surveys and will tailor our marketing plan to reach that market effectively and efficiently.

Revenue Model

Our revenue model considers three main income producing areas. We will have room revenues, income from leasing F&B and retail spaces and finally revenues from concierge and rental services. This model allows us to diversify our income sources.

Replicable Concept

Afora will utilize small scale hotels which require limited number of staff members therefore making it easy to replicate in other locations. We expect to have five additional hotels in seven years: This expansion will be in: Utah, Maine, Wyoming, Montana and Arizona.

Competition

Afora Base Camp Hotel is developing a start-up in a new market segment with no direct competitors due to a lack of accommodations catering to adventure traveler needs. We would have a first-mover advantage therefore attract outdoor enthusiasts and create brand loyalty.

V. MARKET OVERVIEW

Market Size and Potential

We have determined that our target market engages in over 20 million overnight adventure trips during the year. We have defined our primary target consumer as 18 to 35 year olds and our secondary target consumer as 36-50 year olds, male and female that engage in adventure travel (as defined by Mintel/TIA) and live in households with annual incomes of \$75,000 plus.

We have to consider also all the potential travel outside leisure (business being the other main type of travel) that the target segment has, which adds even more potential to the above mentioned.

Total US Leisure Market Potential

In the US (domestic) there are over 1,500 million person-trips in leisure travel per year. This is defined as overnight trips by one person. Of this total, 19% of this is defined as adventure travel (travel that incorporates adventure elements and the use of specialized outdoor equipment), which translates into a total of **286.9 million person-trips**.

Total US Leisure Travel and Adventure Travel (as defined by Mintel/TIA)

Sports and Adventure Travel - US - November 2006 - Market Size and Trends

Year	Total US Leisure Travel			Total US Leisure - Adventure Travel		
	Person-trips	Change from prior year	Leisure travel share of	Person-trips	Share of total domestic leisure travel*	Change from prior year
	Million	% change	%	Million	%	% change
2001	1,324.60	-	70.8	251.7	19	-
2002	1,407.10	5.9	73.3	267.3	19	6.2
2003	1,388.20	-1.4	74.3	263.8	19	-1.3
2004	1,440.40	3.6	73.7	273.7	19	3.8
2005	1,482.50	2.8	74.4	281.7	19	2.9
2006 (est.)	1,509.80	1.8	74.5	286.9	19	1.8

Adventure Travel defined as: Travel with a primary focus on activity that requires special equipment

*Based on responses to Mintel's unique consumer survey

Source: Mintel/TIA

Of the total amount of adventure person trips, we will focus on those taken by our target consumer. By using Census figures on demographics (age and household income), we can

narrow this number to **21.7 million person-trips** per year in the US, as shown in the following chart:

Specific Target Within Adventure Travelers

	Total Person - Trips	%
Total Person Trips	286,900,000.00	
Age (18 - 50)	107,243,220.00	37.4%
Income \$75k +	21,706,027.73	20%

Source: Mintel/TIA/US Census Bureau

Boulder, CO Location

Of these 21.7 million person-trips of our defined target segment, 9% take place in Colorado. This means a total of **1.9 million person-trips** per year, as shown in the following chart:

Top Destinations in US (States)

	Total Person - Trips	%
California	3,907,084.99	18%
Florida	3,690,024.71	17%
Colorado	1,953,542.50	9%
Texas	1,953,542.50	9%
New York	1,736,482.22	8%
All Other States	8,465,350.81	39%
Total	21,706,027.73	100%

Source: Greenfield Online/Mintel

Of these 1.9 million person trips, 40% stay in the Boulder-Denver area, and 70% do so in commercial lodging. **This means that the potential market for our Boulder, CO hotel is 546 thousand person-trips per year.**

Target Consumers in Colorado

	Total Person - Trips	%
Target Person Trips to Colorado	1,953,542.50	100%
Denver/Boulder - Stay in Commercial Lodging	546,991.90	28%

Source: Greenfield Online/Mintel/Longwoods Intl - Colorado Report

VI. MARKETING

Target Audience Profile for Marketing

We have identified our target audience as people who define themselves as adventure travelers. These individuals are:

- Outdoor Sports Oriented
- Like premium services and accommodations
- Interested in seeing new places, meeting new people
- Educated Citizens of the world
- Focused on local culture
- Internet Savvy

Positioning

We will position Afora Hotels in the minds of adventure-seeking travelers as a premium select-services hotel that will provide the perfect base camp for all their outdoor adventures while allowing the guest to interact with the local community.

The Marketing Strategy

We want adventure travelers to make Afora Base Camp Hotels their choice for outdoor adventure accommodations and encourage them to return by making their stay memorable.

We will deliver a unique experience for adventure travelers, with affordable premium accommodations and unparalleled quality customer service through experienced and knowledgeable local staff. Afora will deliver its unique concept through selected media channels for our target customers, such as national outdoor magazines and publications, online advertising, social media and grassroots activities.

Basic Marketing Plan Elements

Afora's Marketing plan is divided into three phases. The first phase considers the pre-construction stage, the second phase includes construction and the third phase includes pre-opening of the hotel and opening of the hotel as well as the marketing that focuses after the hotel has opened. We will call this final stage from the third phase: sustaining stage of marketing.

Phase I

This phase considers pre-construction stage; marketing efforts will be focused on designing the Afora brand image including the website and logo.

Phase II

This phase will focus on Public Relation (PR) activities that generate awareness by presenting our hotel's concept, architecture and innovative design. Dwell Magazine as well as other well known design magazines will be used for marketing efforts.

Throughout this phase Afora will begin grassroots activities by participating in outdoor events such as:

- Columbia Muddy Buddy - An event hosted by Columbia sportswear where participants engage in a recreational obstacle course race.
- Teva Mountain Games - An event held in Aspen CO, that features Olympic style competitions for outdoor sports (mountain biking, hiking, rock climbing...)
- Winter X-Games - Hosted by ESPN, a celebration of winter extreme sports (snowboarding, ice-climbing...)
- Banff Mountain Film Festival - A touring film event that showcases the best adventure films and documentaries.

In these events Afora will present its concept and services to the outdoor community.

The website would be launched two and a half months prior to opening to begin communicating our services and initiate booking reservation

Marketing via Internet would also begin at the closing stages of the second phase and would continue throughout; we will make adjustments to the budget depending on the audience's response to these actions. Social media such as Twitter, Facebook, and YouTube are inexpensive tools to further establish brand awareness throughout the world. Another outlet that we will be using Google Pay Per Click (PPC), which will be used to direct potential customers to our own website. A mobile application for Apple iPhone and Google



Android phones would be created to allow people to learn about the hotel and book our services through their phone.

Advertising with online magazines such as Outside Magazine Online would also take place during this phase. Outside Magazine Online is very popular among adventure travelers, it has an average of 2 million page views per month, 59% of its viewers have an annual household income of \$75,000 plus and 67% of the viewers are in the ages of 25-49 making this magazine perfect to reach our ideal consumer. Due to our limited marketing budget, we would begin to advertise through this website and eventually through both the website as and the magazine to better reach an even wider range of our potential consumer.

Phase III

All internet and grassroots activities would continue, providing opportunities to reach potential guests through different means of advertising. Once the hotel opens we will host various events to better develop the brand's image.

Through our initial contact with travel publications such as Fodors, Lonely Planet, Frommers, we expect to have reviews written about the hotel in this third phase.

During the sustaining stage the budget for marketing will be adjusted according to the revenue obtained in the first year. To reach our target market efficiently, advertising would begin in Outside Magazine and other magazines such as National Geographic Travel, Travel and Leisure and national newspapers.

See Appendix A for more information.

**Website:
www.aforahotel.com**

The websites will play a critical role in our marketing and communication efforts. As previously mention out target customers are very internet savvy and feel comfortable using this option for planning and booking their trips.

Therefore we have designed our website to serve as an information center about the hotel, its surroundings, local events and services. Packages will also be advertised and made available to our guests.

Our website would be advertised through the previously mentioned media.

Our partners could advertise in this website and have a direct link to their website and vice-versa. *See Appendix H for more information.*



VII. REVENUE PROJECTIONS

Afora Base Camp Hotels' source of revenue comes from various outlets of internal operations, our main revenue generators are: room revenue, leasing of our F&B and retail spaces, snacks/vending operations, concierge and rental equipment services.

Our pricing strategy is defined according to our unique positioning as a select-service adventure lodging operation. The target price is generated through research of our potential customer survey and benchmarking the industry.

The first Afora Base Camp Hotel in Boulder will have an Average Daily Rate (ADR) of \$110. According to Hotel Horizons Report by PKF consulting, the average occupancy of hotels in Boulder is 62%. Bearing in mind that we are a new player in the boulder area we are considering a ramp up process beginning our first year with a 45% occupancy level, increasing up to 75% on our fourth year of operations. Once we reach our stabilized operations our room revenue will be \$2.7 million annually. Our leasing operations we be generating approximately \$800,000 per year while our concierge and rental services will be generating another \$40,000. Finally we expect our snacks and vending operations to generate an annual of \$20,000.

After a successful launch and development of the hotel concept in Boulder, we will incorporate additional locations throughout the US. We plan to expand the concept to five additional hotels within seven years of the initial opening. These locations are: Utah, Maine, Wyoming, Montana and Arizona exclusively suburban areas that are close to natural and adventure attractions such as National Parks, Ski Resorts, Lakes, Rivers, and Oceans.

Pricing Strategy

Afora Base Camp Hotels pricing strategy will be based on positioning in the market. In order to maintain attractive pricing, we will also consider our competitive set. We have set two price levels, by room quality. We are also considering the different prices coming from OTAs, and from group sales. Considering all these different prices, our final ADR is \$110. The following chart provides a brief description of how we calculated our final rate.

	Rate	% of Rooms Sold	Weighted Price
Deluxe Rooms	\$ 175	2%	\$ 2.98
Standard Rooms	\$ 140	20%	\$ 28.00
OTA - Deluxe Rooms	\$ 123	20%	\$ 24.50
OTA - Standard Rooms	\$ 98	40%	\$ 39.20
Group - Deluxe Rooms	\$ 105	3%	\$ 2.63
Group - Standard Rooms	\$ 84	15%	\$ 12.60
			110

VIII. OPERATIONS

Execution is critical for long-term success. To address this concern we have developed an execution plan and a financial analysis. This section includes the operating plan for three phases, financial analysis that includes cash flows, income statements and a break-even analysis. All this information will ensure that we follow a certain structure.

Phase 1: Pre-Construction

Month 1

Operating

- Finalize locations
- Market research
- Meeting with Board of Advisors
- Define architectural design (issues)
- Define interior design
- Storage Room specifics
- Define lobby and public area needs
- Define short list of potential retailers
- Definition of the partnerships
- Define final F&B structure

Marketing

- Finalize marketing strategy
- Define brand logo image and tagline
- Define the integrated marketing communications plan
- Define communications timeline
- Initial website design

Financing

- Finalize revenue model and projections
- Develop the financial projection
- Meeting with financial advisors
- Define possible financing sources

Month 2

Operating

- Define the legal structure
- Board of advisors (phase 3)
- Define distribution channels
- Define yield management strategy
- Define forecast model
- Define group sales strategy
- Hire architectural firm – develop the design
- Hire design firm
- Define F&B equipment needs

Month 3

Operating

- Contact local real estate agents to help locate final property locations
- Research the building costs or necessary renovations
- Continue with architectural firm and design
- Begin setting up online accounts
- Get in contact with possible suppliers (for hotel and F&B)

Month 4

Operating

- Continue working with Real Estate Agents for Locations
- Continue Research on Building costs/techniques
- Research on Sustainable operation
- Contact "Green" Organizations for advisory and certification
- Research on Green Building
- Incorporate business
- Test design concept with target consumer

Month 5

Operating

- Oversee architectural design process
- Oversee interior design process

Marketing

- Begin website construction

Month 6

Operating

- Overseeing the architectural design process
- Continue looking for a property with real estate firm
- Continue to comply with and implement LEED qualifications
- Continue website construction
- Begin Webhosting

Month 7

Operating

- Continue LEED, energy star, green globe implementations
- Finalize the real estate location search
- Approval stage of design and architectural process

HR and Staffing

- Research legal-employment regulations, laws
- Define compensation strategy
- Begin initial design Selection Process and Evaluation Tools

Month 8

Operating

- Finalize purchase of land
- Submit final architectural blueprints and interior design for construction

Phase 2: Construction

This is the period when major construction will take place, it is expected to last 18 months and further details are in the BPFC appendices.

Phase 3: Pre-opening, Opening

This phase represents the opening of the hotel, with the initial soft opening followed by the grand opening.

Financial Analysis

We have developed our Income Statements and cash flow for our first location in Boulder, CO. In the income statements we are considering the hotel’s operation without including the financing costs interests, and amortization. These values are reflected on our cash flow analysis.

The first year (2012) considers only 6 months of operations, beginning on July 1st, which should be our opening date. For the first 2 years of operation we have estimated an occupancy level lower to what has been forecasted for the region. Year 3 is already showing occupancy above the forecasted level and we are considering a stabilized situation from year 4 and on.

	Base +1	Base +2	Base +3	Base +4
	2012	2013	2014	2015
Occupancy Rate	45.0%	55.0%	65.0%	72.0%
Average Rate	\$112.13	\$114.31	\$116.53	\$118.79

According to our evaluation, the second year of operation should already turn a profit, with Net Operating Income (NOI) of \$187,000 and a Net Margin (NM) of 11.8%. From year 4 on we should be performing according to industry standards, with 40% margins and net income of \$1.2 million. *Please refer to the Appendix E for more information on Income Statement assumptions and results.*

Our projections show that we should be able to payback our investors after year 5 of operations (starting from our opening in July 2012).

We are also providing a 54 month cash flow with details on our cash uses in the pre and post opening phases. This cash flows detail the uses of money on Phase I (pre-construction), including all costs mentioned in our BPFC (see appendices) plus the cost of



land. We also describe the cash influx that we are seeking from equity in this first phase. *See appendix F for full information on projections and assumptions.*

Our Break-Even analysis has shown that occupancy of over 51% in a normal year would be the breakeven point, considering all the income sources of the hotel. We expect our occupancy to be above this mark on our second year of operation.

Appendix G shows the graph to determine break even occupancy.

IX. COMPETITIVE LANDSCAPE

Our primary competitive platform consists of the following property types:

Lodges

The lodges in the area range from basic accommodations to luxurious retreats. Most lodges use the beauty and intimacy of their surrounding environment as a marketing point to potential guests. Overall, lodges have established themselves as our main competitor because of their features and pricing strategies.

Motels

There are at least six motels/inns that have been identified as direct competition in the area. The amount of rooms offered ranges from as low as 30 to 112. Additionally, these locations have a price range that varies based on property, but is between \$55 and \$189. Services can be limited at lower end properties; however, other locations offer guest amenities ranging from wireless internet access to free continental breakfast to pet friendly rooms.

Limited-service hotels

These properties offer limited-services and attractive rates. They are usually located in suburban areas with large parking spaces, complimentary breakfast and Wi-Fi services and some extra amenities. They usually belong to national hotel chains. These properties range in prices between \$79 and \$239 they could be considered our strongest competitor, but our differentiation elements sets up apart from them

High-end hotels

These properties range in rooms available from as low as 94 to 269. These hotel's room rates cover a wide price range, varying between \$99 and \$459. These hotels have the



ability to offer their services at a premium because of their superior amenities compared to other hotel properties in the area. These amenities cover valet dry-cleaning, fitness centers, business centers and spa services.

Our secondary competitive platform, which does not pose a direct threat, is still a viable outlet to our concept.

Condos/ Private accommodations/ Vacation homes

Condos can fit anywhere between 2-12 people and are regarded as a home away from home while on vacation. There are luxurious condominiums offered year round, with weekly or monthly rates. Competing companies have the ability to offer an array of products from different types of accommodations (washers, dryers, wood fireplaces etc.) to different locations; additionally these properties have the ability to cater to any ones needs. Finally, Condos are not isolated in their environment and usually aren't located in unique locations, they are commonly found in developed areas, or ski slopes.

Camping grounds

Camping grounds offer plenty of outdoor activities that are appealing to all ages. These activities include horseback riding, mountain climbing, fishing, biking, boating and sightseeing. Certain camping grounds are closer to different outdoor functions; however there are at least five camping grounds in the area that will be able to accommodate people's outdoor interests.

X. BARRIERS TO COMPETITIVE ENTRY

We will protect the Afora Base Camp Hotels concept and image from possible new entrants by establishing entry barriers through positioning, partnerships and trends. Barriers of entry are currently high for select-service hotels mainly due to the cost of land. We feel that we can overpass with all the positioning elements previously mentioned.

In terms of positioning, we will position the hotel as a unique premium Base Camp Hotel for adventure travelers. Our hotels will emphasize quality accommodations at accessible rates and all the services and amenities that we have described.

To further increase barrier to entry for new competitors, partnerships will have an important role. These partnerships will help establish Afora Base Camp Hotel as an authentic adventure



provider. As a strategic approach, we will attempt to partner with first tier brands as to gain attention and credibility. We plan to use top outdoor brands for our staff uniforms. A few attractive brands for this concept are: The North Face, Patagonia, Mountain Hardware, and Marmot. We will establish partnership with online retailers such as: Dicks Sporting Goods, REI and local retailers to be portrayed as “Preferred Lodging.” We will attempt to partner with NOLS, BOSS or Exum Mountain Guides to train our staff. In order to maintain eco friendly standards, we will team-up with environmental NGOs that can certify our green practices.

To cap our barriers to entry, we will pioneer the market in current trends and capture business from newcomers. We are an eco-conscious hotel. According to trendwatching.com, people are becoming increasingly aware of environmental issues, resulting in them asking for greener services and operations. Afora Base Camp Hotel understands that people want access to luxury whether it is through a unique design, improved accommodations, and superior customer service experience -- we will provide a well-rounded experience at accessible price. We will accomplish this by eliminating all irrelevant services that would otherwise increase overall operational cost and therefore increase ADR.

XI. STAGE OF DEVELOPMENT

We have developed a concept description, created a 32-month Brand Planning Flow Chart divided into three phases, 54-month cash-flow projections, forecasted 10 years of income statements and performed a break-even analysis. Online surveys were performed in order to better target our consumer and develop the Afora concept. Interviews with successful entrepreneurs were performed in order to get insights on the hospitality industry and to further develop an entrepreneurial mindset.

We have interviewed 25 individuals who match our target consumer. Through these interviews we were able to grasp a better understand and define our concept. Through these interviews we pinpointed our weaknesses and then adjusted our general concept. We began implementing immediate changes to our business plan to better develop the strategic approach. Also, we have surveyed over 100 people about their vacation/hotel experiences, likes, dislikes, expectations, and overall recommendations. We received a diverse set of opinions and we made changes accordingly.

Throughout the past few months, we have developed a strong network through our board advisors. They assisted us with our business from the beginning and offered excellent guidance while directing us to specific sources for additional advice. Moreover, we interviewed successful entrepreneurs for a sense of what it takes to make this plan a



reality. These entrepreneurs offered great insight about leadership skills, risks assessment, human resource, and basic hotel operations like rooms and F&B.

At this point, we have a complete business plan and hotel design. We have an initial design of Afora, which was developed in accordance to the base camp theme while focusing on feasibility in architecture, cost, and overall differentiation from regular hotels in the industry.

We are now seeking for investors to finance this project (phase 1).

XII. INITIAL FUNDING SOUGHT AND USE OF FUNDS

Afora Base Camp Hotels has performed the initial marketing studies without incurring in any costs. Moving forward we are seeking funding in order to complete phase 1. In this phase we are considering all of our pre-launch costs as well as the initial funds for land purchasing.

According to our projections the cash flow needed for phase 1 is \$2.4 million. These funds will be used for the following:

- Land costs: We will be purchasing the land at the end of phase 1 to break ground at the start of phase 2
- Architectural and interior design: We will be hiring and working with an architectural firm and interior design firm to finalize the concept in phase 1.
- Pre-launch costs
 - Lawyer Fees – Due to hiring a lawyer to apply for construction permits, zoning permits, draft agreements and contract as to avoid any conflicts of interest.
 - Travel to target locations
 - Finance software
 - Website construction

After these processes are complete which are expected to be completed by December 2010 we will begin our phase 2 which will require a second round of funding.

For information about our pre-launch cash flow needs are including in the Appendix F

Appendix A Marketing Plan Summary

Initial Marketing → Phase 1 and Phase 2

For the marketing budget, we are considering pre-opening activities, which is mainly Internet activity to create brand awareness.

Phase 1

- **Logo Design: \$0** (Friends and family)
- **Website Design: \$0** (Friends and family)

Phase 2

- **PR:**
 - Publication in Dwell Magazine, Outside Magazine, Travel and Leisure, NY Times Travel and USA Today. Press release prepared by Afora Team.
- **Initial Marketing Activities:**
 - Google Pay Per Click: **\$625** for first *two months*, considering average clicks
 - Activation fee: \$5
 - Budget of \$10/day →
 - Facebook Advertising: **\$620** for first two months
 - Budget of \$10/day
 - Twitter: **\$0** (Twitter will only be used as a platform to send messages)
 - Youtube **\$0** (It will serve as a platform for our video ads)
 - Outside Magazine Online: **\$5,000** for *two months*
 - Grassroots Events: **Approximately \$8,000** (participation in local or regional events. Showcase the brand)
 - Teva Mountain Games
 - Columbia Muddy Buddy
 - X-Games
 - Banff Mountain Film Festival

Total Marketing Phase 2: \$14,245

Phase 3

- **PR:**
 - Review from Travel Guide: **\$0**

- Fodors
- Frommers
- Lonely Planet
- Ongoing Press Releases: **\$0**
- **Internet Marketing**
 - Google Pay Per Click
 - If the PPC works for the phase 2 and then we will increase the budget to as much as \$17/day → \$3,162 for 6 months
 - Facebook Advertising
 - If the Facebook Ad works for the phase 2 then we will increase the budget to as much as \$17/day → \$3,162 for 6 months)
 - Twitter: **\$0** (Twitter will only be used as a platform to send messages)
 - Youtube **\$0** (It will serve as a platform for our video ads)
 - Outside Magazine Online: **\$5,000** for *two months*
 - Outside Magazine: **\$24,500/month**
 - 3 months
 - 1/3 page
 - 4 colors

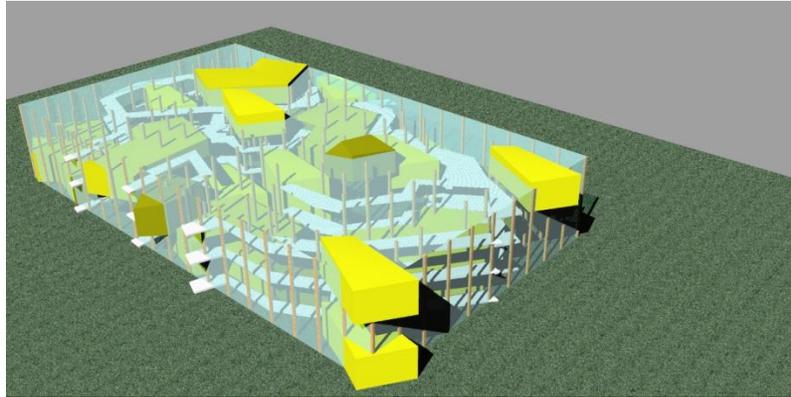
Total Marketing Costs Phase 3: \$84,824

APPENDIX C

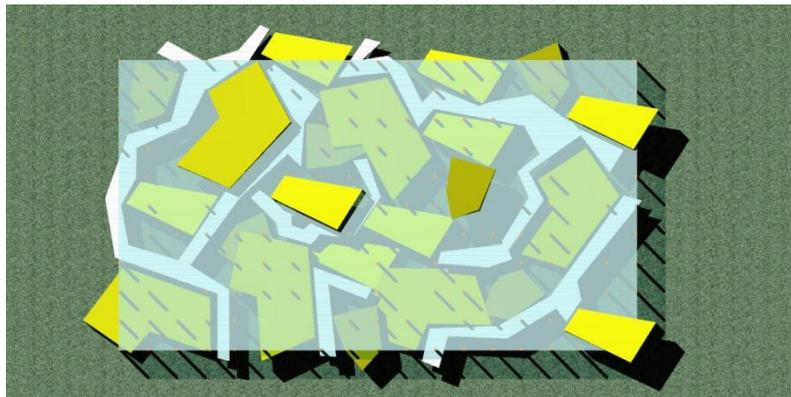
Hotel Architectural Concept

As we mentioned, one of the relevant aspects that we considered when deciding to build versus refurbish an existing building, was the ability to design a totally new and attractive concept. We have initial sketches of our proposed building.

This building is an interpretation of a base camp taken to a suburban environment.



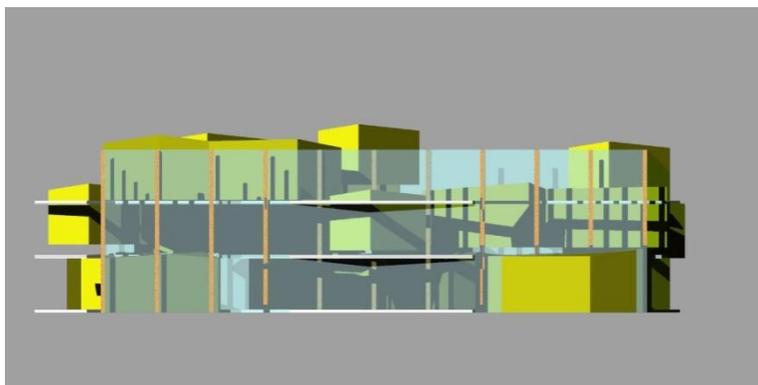
3D Rendering of the hotel. Rooms are surrounding a central core with the main service area and common spaces. All the building is covered by a glass surface to protect from the elements



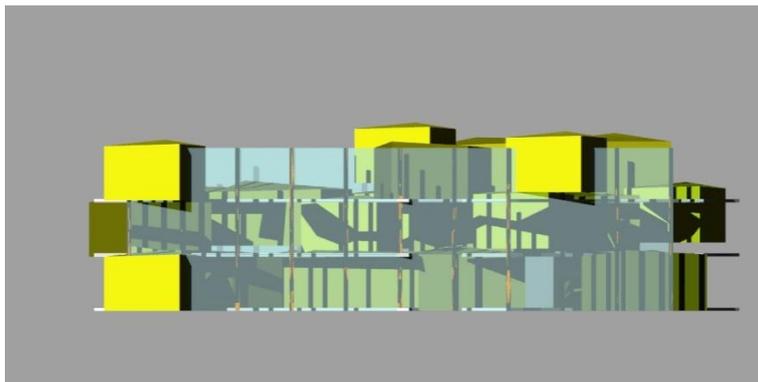
Top view of the Hotel. Rooms are connected by walkways, that allow for guests to transport their bikes around the hotel



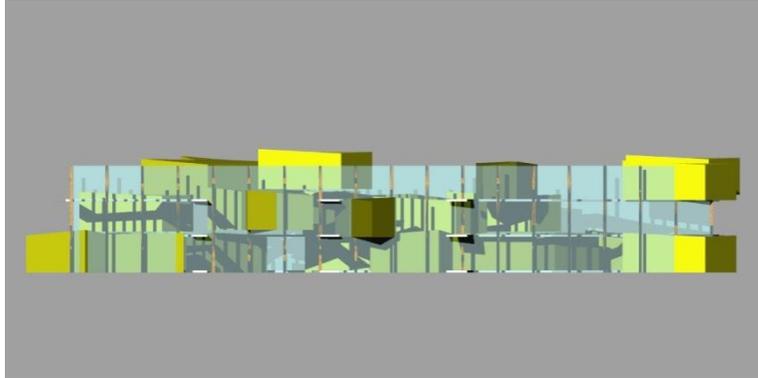
Side view of the Hotel. Different levels connected by walkways.



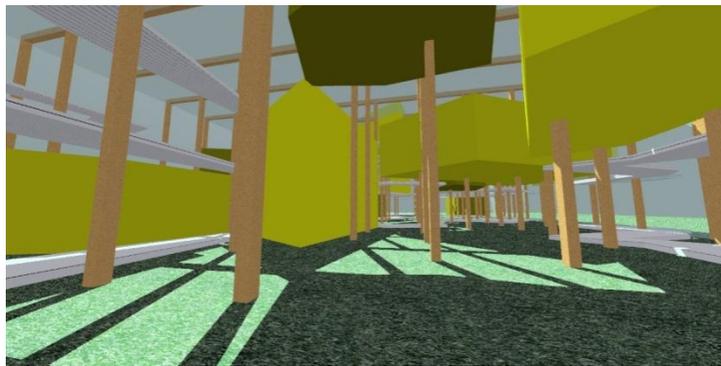
Side view from the West



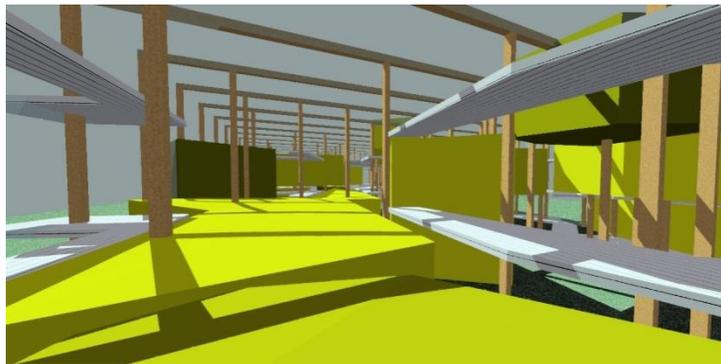
Side view from the East



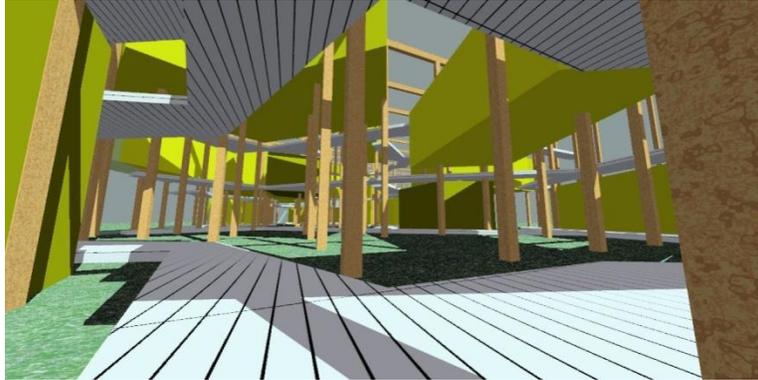
Side view from the South



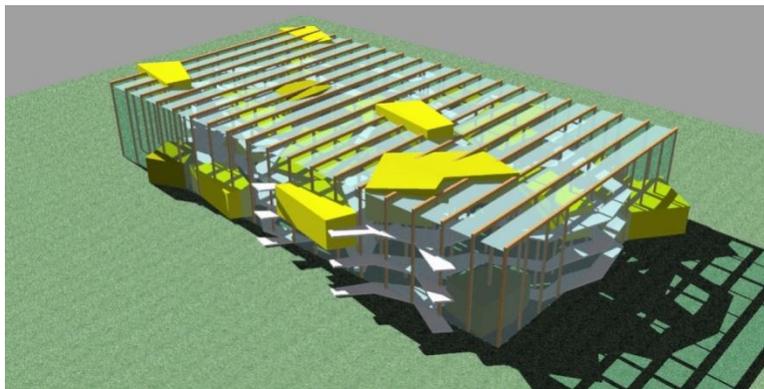
Inside view with the columns, beams and different levels



Inside view of the walkways and glass ceiling



Inside view from the ground level



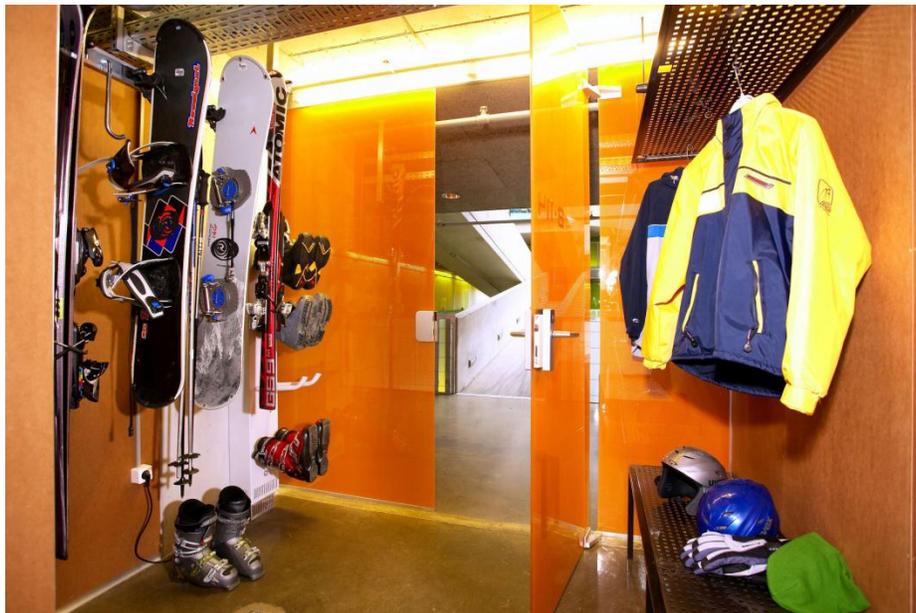
Exterior 3D Rendering of glass structure (considering actual Boulder, CO sunlight position)



Interior view of a similar concept. Glass ceiling allows natural light and ventilation



Gear Storage Room Concept



Interior View of the Gear Storage Room

APPENDIX D

Online Survey

Age?

- Under 18
- 18 - 25
- 26 - 35
- 36 - 45
- 46 - 55
- 56 - 65
- Over 65

Gender?

- Male
- Female

What is your Annual Household Income?

- Less than \$39,999
- \$40,000 -- \$59,999
- \$60,000 -- \$79,999
- \$80,000 -- \$100,000
- More than \$100,000
- Student
- Prefer not to say

When did you take your last vacation?

- Last 3 months
- Last 6 months
- Last year
- More than a year ago

What was the approximate duration of this vacation?

- Less than a week
- 1 week
- 2 weeks
- More than 2 Weeks

Did you travel inside the USA?

- Yes
- No

Did this vacation include any type of adventure/outdoor activities?

- Yes
- No

If yes to the last question, briefly specify activity:

A company is considering introducing a hotel that will provide a base camp for adventure travelers, providing unique **selected services** and premium accommodations at accessible rates.

Would you be interested in trying this hotel?

- I am very interested in trying
- I am somewhat interested in trying
- I might or might not be interested
- I am probably not interested
- I am not at all interested

For the following questions, please rate on a scale of 1-2-3-4-5 (1- most important | 5- least important)

For the following questions, please rate on a scale of 1-2-3-4-5 (1- most important | 5- least important)

	Most Important (1)	Somewhat Important (2)	Neutral (3)	Somewhat Not Important(4)	Least Important (5)
Full breakfast	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fitness Room	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sauna/Jacuzzi	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Free WiFi Connection	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
LCD TV in Rooms	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

For the following questions, please rate on a scale of 1-2-3-4-5 (1- most important | 5- least important)

	Most Important (1)	Somewhat Important (2)	Neutral (3)	Somewhat Not Important (4)	Least Important (5)
Rental Equipment (sports gear)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mud Room Mud Room (room to leave all your muddy shoes and gears)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Common areas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Snack shop	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Storage/repair room	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you had to choose one element that makes a difference in a hotel stay, what would it be?

The description of this product/service is as follows:

This Hotel will offer a base camp for adventure travelers, providing them with unique services and amenities such as gear storage rooms, bike/kayak/surf repair shop, gear rental and sales, local maps and information, and premium accommodations with larger rooms, premium beds and amenities. The hotel will have very competitive rates by providing select services, such as full breakfast, complimentary Internet access and by eliminating all extra services considered unnecessary. The Hotel will offer local and knowledgeable staff, prepared to provide guests with advice on local trails, activities and best locations for outdoor activities.

After reading this description, would you be interested in trying this service?

- I am very interested in trying
- I am somewhat interested in trying
- I might or might not be interested
- I am probably not interested
- I am not at all interested

Only based on the provided description, how much would you be willing to pay for a room?

- Less than \$80
- \$80 to \$100
- \$101 to \$150
- \$151 to \$200
- \$201 to \$250



- \$250 to \$300
- More than \$300

How long would you be willing stay at a hotel with the adventure concept?

- Weekend (2 days)
- A long weekend (4-5 nights)
- A week
- Longer than a week

Would you say this hotel is best suited for:

- 18 - 35 year olds
- 30 - 50 year olds
- 18 - 50 year olds

When you think of a hotel for adventure travelers, what services/amenities would you consider?

Name one location in the U.S. where you can picture a concept like this:

Thank you for your time! These answers will provide us with more insights to design the perfect Base Camp Hotel for you.

Cornell University- Hotel School- Ithaca, New York

Any comments?

Appendix E

Income Statements

APPENDIX E - Income Statements

Afora Hotel	Base +1 2012	Base +2 2013	Base +3 2014	Base +4 2015	Base +5 2016
Number of Rooms	75	75	75	75	75
Occupancy	45.0%	55.0%	65.0%	72.0%	72.0%
Average Rate	\$ 112.13	\$ 114.31	\$ 116.53	\$ 118.79	\$ 121.09
Days Open	183	365	365	365	365
Rooms Occupied	12319	15056	17794	19710	19710
Revenues	\$(000) Percent	\$(000) Percent	\$(000) Percent	\$(000) Percent	\$(000) Percent
Rooms	\$ 477 80.3%	\$ 1,456 92.1%	\$ 2,073 93.9%	\$ 2,593 94.8%	\$ 2,644 94.8%
Food	\$ 14 2.4%	\$ 16 1.0%	\$ 19 0.9%	\$ 21 0.8%	\$ 21 0.8%
Beverages	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%
Telephone	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%
Rentals and Other Income	\$ 21 3.5%	\$ 26 1.6%	\$ 31 1.4%	\$ 35 1.3%	\$ 36 1.3%
Other Operated Departments	\$ 82 13.8%	\$ 83 5.2%	\$ 85 3.8%	\$ 86 3.1%	\$ 88 3.2%
Total Revenue	\$ 594 100.0%	\$ 1,581 100.0%	\$ 2,208 100.0%	\$ 2,735 100.0%	\$ 2,789 100.0%
Departmental Expenses					
Rooms	\$ 541 113.4%	\$ 561 38.5%	\$ 581 28.0%	\$ 598 23.1%	\$ 610 23.1%
Food & Beverages	\$ 5 35.7%	\$ 6 37.5%	\$ 7 36.8%	\$ 7 33.3%	\$ 7 33.3%
Telephone	\$ - #DIV/0!	\$ - #DIV/0!	\$ - #DIV/0!	\$ - #DIV/0!	\$ - #DIV/0!
Rentals and Other Income	\$ 9 42.9%	\$ 10 38.5%	\$ 11 35.5%	\$ 12 34.3%	\$ 12 33.3%
Other Operated Departments	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%
Total Departmental Expenses	\$ 555 93.4%	\$ 577 36.5%	\$ 599 27.1%	\$ 617 22.6%	\$ 629 22.6%
Departmental Income	\$ 39 6.6%	\$ 1,004 63.5%	\$ 1,609 72.9%	\$ 2,118 77.4%	\$ 2,160 77.4%
Undistributed Operating Expenses					
Administrative & General	\$ 193 32.5%	\$ 205 13.0%	\$ 219 9.9%	\$ 230 8.4%	\$ 234 8.4%
Human Resources	\$ 21 3.5%	\$ 21 1.3%	\$ 22 1.0%	\$ 23 0.8%	\$ 23 0.8%
Information Systems	\$ 21 3.5%	\$ 21 1.3%	\$ 22 1.0%	\$ 23 0.8%	\$ 23 0.8%
Security	\$ 20 3.4%	\$ 21 1.3%	\$ 22 1.0%	\$ 23 0.8%	\$ 23 0.8%
Marketing	\$ 148 24.9%	\$ 157 9.9%	\$ 168 7.6%	\$ 176 6.4%	\$ 180 6.5%
Franchise Fees	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%
Transportation	\$ 20 3.4%	\$ 21 1.3%	\$ 22 1.0%	\$ 23 0.8%	\$ 23 0.8%
Prop. Oper. & Maintenance	\$ 98 16.5%	\$ 104 6.6%	\$ 110 5.0%	\$ 116 4.2%	\$ 118 4.2%
Energy Costs	\$ 105 17.7%	\$ 109 6.9%	\$ 113 5.1%	\$ 116 4.2%	\$ 118 4.2%
Total UDOEs	\$ 626 105.4%	\$ 659 41.7%	\$ 698 31.6%	\$ 730 26.7%	\$ 742 26.6%
Income Before Fixed Charges	\$ (587) -98.8%	\$ 345 21.8%	\$ 911 41.3%	\$ 1,388 50.7%	\$ 1,418 50.8%
Fixed Charges					
Management Fee	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%
Property Tax	\$ 91 15.3%	\$ 93 5.9%	\$ 95 4.3%	\$ 97 3.5%	\$ 99 3.5%
Insurance	\$ 40 6.7%	\$ 41 2.6%	\$ 42 1.9%	\$ 43 1.6%	\$ 44 1.6%
Reserve for Replacement	\$ 9 1.5%	\$ 24 1.5%	\$ 33 1.5%	\$ 41 1.5%	\$ 42 1.5%
Total Fixed Charges	\$ 140 23.6%	\$ 158 10.0%	\$ 170 7.7%	\$ 181 6.6%	\$ 185 6.6%
Net Income	\$ (727) -122.4%	\$ 187 11.8%	\$ 741 33.6%	\$ 1,207 44.1%	\$ 1,233 44.2%

APPENDIX E - Income Statements

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Number of Rooms	75	75	75	75	75
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Beverages	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%
Telephone	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%
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Human Resources	\$ 21 3.5%	\$ 21 1.3%	\$ 22 1.0%	\$ 23 0.8%	\$ 23 0.8%
Information Systems	\$ 21 3.5%	\$ 21 1.3%	\$ 22 1.0%	\$ 23 0.8%	\$ 23 0.8%
Security	\$ 20 3.4%	\$ 21 1.3%	\$ 22 1.0%	\$ 23 0.8%	\$ 23 0.8%
Marketing	\$ 148 24.9%	\$ 157 9.9%	\$ 168 7.6%	\$ 176 6.4%	\$ 180 6.5%
Franchise Fees	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%
Transportation	\$ 20 3.4%	\$ 21 1.3%	\$ 22 1.0%	\$ 23 0.8%	\$ 23 0.8%
Prop. Oper. & Maintenance	\$ 98 16.5%	\$ 104 6.6%	\$ 110 5.0%	\$ 116 4.2%	\$ 118 4.2%
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Insurance	\$ 40 6.7%	\$ 41 2.6%	\$ 42 1.9%	\$ 43 1.6%	\$ 44 1.6%
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APPENDIX F

Cash Flows Phase I (Pre-Construction)

Limited Service Hotel - Afora Base Camp - Boulder, CO

Pre- and Post-Opening Monthly Cash-Flow Projections (all cash flows \$'000)

	Phase 1									
	Prior to	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	
Pre-Opening Period	-24	-24	-23	-25	-24	-23	-22	-21	-20	
Beginning cash balance	0	0	0	122.74	72.74	864.98	673.48	483.38	426.86	
Cash in:										
Equity funds	0	0	122.74	0	2300	0	0			
Construction loan proceeds										
Permanent mortgage proceeds										
Total cash in	0	0	122.74	0	2300	0	0	0	0	0
Total cash available	0	0	122.74	122.74	2372.74	864.98	673.48	483.38	426.86	
Cash out:										
Development costs					187.5	187.5	187.5			
Land	0				1312.5					
Construction cost and interest										
Furniture, fixtures and equipment										
Design Costs				42		0	0	40		
Pre-Opening and working capital	0	0	0	4	3.88	2	1.3	8.26	0.3	
Architecture Firm										
Design Firm										
Incorporate Business					1.48					
Marketing										
Legal Costs (Contacts, Fees, Permits)								3.96		
Staffing Costs										
Travel Costs				4					4	
Finance Software					0.4					
Website Design/Construction					2	2	1			
Web Hosting							0.3	0.3	0.3	
Repayment of construction loan										
Total cash out	0	0	0	50	1507.76	191.5	190.1	56.52	0.6	
Ending cash balance	0	0	122.74	72.74	864.98	673.48	483.38	426.86	426.26	

Assumptions

Construction Loan includes Cost of Land

First Equity Round Finances Phase I costs + Part not covered by Construction Loan

Development Costs will be 30% of Total Land Costs

Total Turn Key Development Costs \$6.8 million

APPENDIX F – Cash Flows Phase II (Construction)

Limited Service Hotel - Afora Base Camp - Boulder, CO

Pre- and Post-Opening Monthly Cash-Flow Projections (all cash flows \$'000)

Pre-Opening Period	Phase II																		
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	
Beginning cash balance	426.26	450.546	474.832	499.118	523.40444	502.896	527.182	529.07	553.356	555.245	579.531	514.227	538.513	562.799	452.701	475.987	501.273	456.106	
Cash in:																			
Equity funds																			
Construction loan proceeds	248.861	248.861	248.861	248.861	248.861111	248.861	248.861	248.861	248.861	248.861	248.861	248.861	248.861	248.861	248.861	248.861	248.861	248.861	248.861
Permanent mortgage proceeds																			4751.25
Total cash in	248.861	248.861	248.861	248.861	248.861111	248.861	248.861	248.861	248.861	248.861	248.861	248.861	248.861	248.861	248.861	248.861	248.861	248.861	5000.11
Total cash available	675.121	699.407	723.693	747.979	772.26556	751.757	776.043	777.931	802.217	804.106	828.392	763.088	787.374	811.661	701.562	725.848	750.134	5466.22	
Cash out:																			
Development costs																			
Land																			
Construction cost and interest	223.975	223.975	223.975	223.975	223.975	223.975	223.975	223.975	223.975	223.975	223.975	223.975	223.975	223.975	223.975	223.975	223.975	223.975	223.975
Furniture, fixtures and equipment					44.795		22.3975		22.3975		89.59			134.365				67.1925	67.1925
Design Costs																			
Pre-Opening and working capital	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	1.43
Architecture Firm																			
Design Firm																			
Incorporate Business																			
Marketing																			
Legal Costs (Contracts, Fees, Permits)																		1.13	1.13
Staffing Costs																			
Travel Costs																			
Finance Software																			
Website Design/Construction																			
Web Hosting	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Repayment of construction loan																			
Total cash out	224.575	224.575	224.575	224.575	269.37	224.575	246.973	224.575	246.973	224.575	314.165	224.575	224.575	224.575	224.575	224.575	224.575	284.026	4479.5
Ending cash balance	450.546	474.832	499.118	523.404	502.89556	527.182	529.07	553.356	555.245	579.531	514.227	538.513	562.799	452.701	475.987	501.273	456.106	582.63	

APPENDIX F – Cash Flows Phase III (Opening)

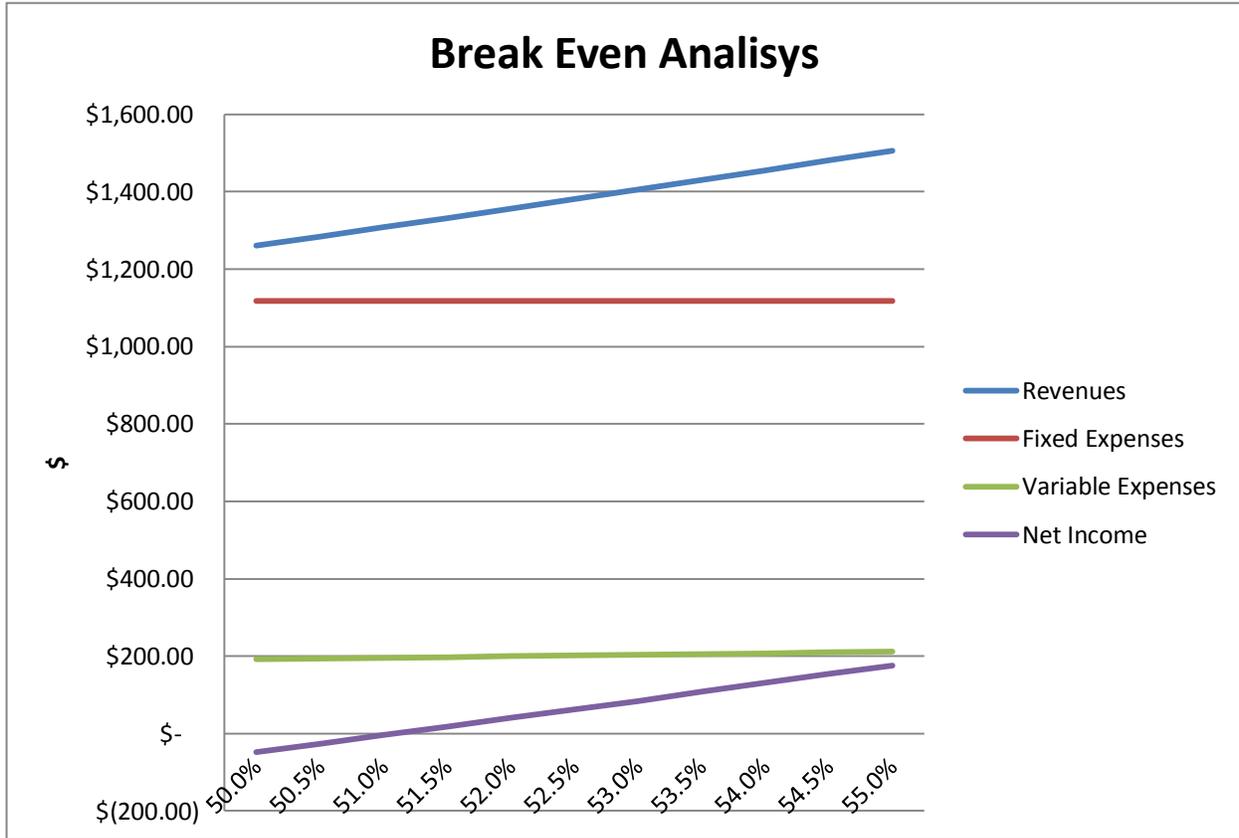
	Opening	Year 1																			
		+1	+2	+3	+4	+5	+6	+7	+8	+9	+10	+11	+12								
Post-Opening Period																					
Beginning cash balance	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	
Cash in:																					
Equity funds																					
Key Money from Operator																					
Positive cash flow from operations																					
Total cash in																					
Total cash available	678.69	678.69	678.69	678.69	678.69	678.69	678.69	678.69	678.69	678.69	678.69	678.69	678.69	678.69	678.69	678.69	678.69	678.69	678.69	678.69	678.69
Cash out:																					
Construction costs and interest																					
Negative cash flow from operations																					
Monthly Debt Service on Permanent Loan		40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Return of equity available		-44	-44	-44	-44	-44	-44	-44	-44	-44	-44	-44	-44	-44	-44	-44	-44	-44	-44	-44	-44
Total cash out		-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4
Ending cash balance	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69

APPENDIX F – Cash Flows Phase III (2nd Year)

	Year 2												Year 3	
	+13	+14	+15	+16	+17	+18	+19	+20	+21	+22	+23	+24	+26	+27
Post-Opening Period	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69
Beginning cash balance														
Cash in:														
Equity funds														
Key Money from Operator														
Positive cash flow from operations	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-0.33
Total cash in	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-0.3333
Total cash available	680.44	680.44	680.44	680.44	680.44	680.44	680.44	680.44	680.44	680.44	680.44	680.44	680.44	682.357
Cash out:														
Construction costs and interest														
Negative cash flow from operations														
Monthly Debt Service on Permanent Loan	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Return of equity available	-42.25	-42.25	-42.25	-42.25	-42.25	-42.25	-42.25	-42.25	-42.25	-42.25	-42.25	-42.25	-42.25	-40.3333
Total cash out	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-2.25	-0.3333
Ending cash balance	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69	682.69

APPENDIX G

Break Even Analysis



As mentioned before, break even is achieved when occupancy surpasses 51% on a stabilized year. This is why we are already turning a profit in the second year.

APPENDIX H - Website Homepage



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base camp hotel, CO

the basecamp experience | our hotels | reservations | offers

sign in afora frequent guests
customer service lenguaje











book

destinations
Select an element destination

map

dates (optional)

check in: MM/DD/YYYY check out: MM/DD/YYYY

room(s)

1

adults (per room)

1

find rates

openings

Boulder, CO now open! Come and check out our new base camp!

Yosemite, CA - Our next location is planned for Sept. 2011!

partners

Le Peep come in and check our award winning breakfast partner. Fuel up for your day!

Patagonia - Sweet gear for our staff...and for you.

what's up in Boulder

Outdoor Film Festival the best outdoor movies and documentaries. Ask our Guides for more details

Rafting season is open! - Prepare for a day of class III, IV action! Book through our front desk