

Name of Applicant		ABC Banquet Hall, LLC					
Applicant Address		3311 West Ridgecrest Lane, Carmel, IN 47304					
Type of Business		Other Activities Related to Real Estate					
Business Structure		LLC	Date Business Established			2008	
NAICS Code	531390	SIC Code	6531	Size Standard	2000000	Applicant Size	\$163,753

SBA Loan Type

7a
 CLP
 PLP
 Low Doc
 504
 SBA Express
 Comm. Express
 Other

Loan Purpose

John Doe is seeking an SBA 7(A) loan for the purposes of financing the purchase and improvement of the existing facility, which he currently rents. The purchase price of the property is \$395,000. Improvements total \$142,000, which consists of updating the interior and exterior of the property. Working capital of \$40,000 to provide sufficient liquidity to the business and closing costs totaling \$13,600.

SBA Loan Term

Loan Amount	Prime Rate	(+) Spread	Term of Loan	Interest Only Month
553,000	3.25%	2.75%	276	0 Month(s)
SBA Gty %	SBA Gty Amount	SBA Gty Fee	Monthly Payment	
90%	\$497,700	\$0	\$3,699	

Avg. Weighted Term 22.75 Year(s) or 275 Month(s)	Avg. Weighted Monthly Payment \$3,699
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Conventional Loan Terms

Loan Amount	Base Desc	Rate	Spread	=Int. Rate	Term	Monthly Payment
\$0.00	.	0.00 %	0.00 %	0.00 %	0	\$0.00
Prepayment Penalty		Points			0.7 Percent Rule Fee \$0.00	

SBA Loan Closing Cost

Participant Loan Closing Cost

Packaging Fee	\$2,500.00	Appraisal Report	\$0.00
Appraisal Report	\$2,500.00	Environmental Report	\$0.00
Environmental Report	\$1,500.00	Title Charges	\$0.00
Title Charges	\$2,500.00	Closing Costs	\$0.00
Closing Costs	\$1,000.00	Loan Fee	\$0.00
Survey	\$0.00	0.7 Percent Fee(s)	\$0.00
Legal Fees	\$0.00	Others	\$0.00
Searches	\$500.00	Total	\$0.00
Architect fees	\$3,100.00		
Total	\$13,600.00		
Borrower's Injection	\$0.00		
Total SBA + Participant Fees	\$13,600.00		

Use of Proceeds Description	Total Project	Borrower (\$)	Seller (\$)	Conventional (\$)	SBA (\$)	Term (Yrs)
Purchase Land and Improvements	\$ 395,000.00	\$ 39,500.00			\$ 355,500.00	25
Pay Off Interim Construction Loan	\$ 143,000.00	\$ 21,000.00			\$ 122,000.00	25
All Other	\$ 13,600.00	\$ 8,100.00			\$ 5,500.00	10
Working Capital	\$ 40,000.00				\$ 40,000.00	10
Purchase Equipment	\$ 30,000.00				\$ 30,000.00	10
Total	621,600.00	68,600.00	0.00	0.00	553,000.00	23
Avg Weighted Terms 22.7523 Year(s) or 275 276 Month(s)			Avg. Monthly Payment Error! Reference source not found.\$3,699			

Use of Proceeds Comments

The borrower is seeking to finance the acquisition of existing land & building, which the business is currently renting, along with providing financing for the improvements, equipment and working capital.

The land and building costs total \$395,000 as evidenced with the purchase and sales contract. A copy of the original contract and current extension are enclosed in the package.

Construction improvements are evidenced with the AIA Construction bid totaling \$142,654.

General closing costs total \$13,600

Working capital of \$40,000 is evidenced from the balance sheet and income review. The business has used much of the working capital to make renovations to the property. The working capital will replenish the liquidity needed to properly run the business.

No additional financing will be needed by the borrowers or business to provide a successful transaction.

<i>SBA Collateral - Assets</i>	<i>Ownership Liquidation %</i>	<i>Type Collateral Value</i>	<i>Org. Cost Lien Position</i>	<i>Asset Value Prior Lien</i>	<i>Valuation Basic Net Collateral Value</i>
	Business 80.00 %	Commercial Real Estate	\$ 538,000.00	\$ 538,000.00	Cost \$ 430,400.00
FF & E	Business 50.00 %	FF & E \$ 15,000.00	\$ 30,000.00	\$ 30,000.00	Cost \$ 15,000.00
Total		\$ 445,400.00	\$ 568,000.00	\$ 568,000.00 \$ 0.00	\$ 445,400.00
<i>Current Loan to Liquidation Value (Net Value) 1.24</i>			<i>Collateralization 80.54 %</i>		
<i>Current Loan + Prior Liens to Asset Value 0.97</i>			<i>Collateralization 80.54 %</i>		

Collateral Comments

The value of the commercial Real estate was determined by adding utilizing actual costs, \$395,000 to the property improvements \$143,000 to obtain a total of \$538,000. The property does have an "As Is" value from an appraisal completed on March 24th 2008 of \$450,000 and an "as completed" value of \$675,000. The property consists of a 25 year old 4,087 sq ft building. The building consists of a masonry and frame one story structure on a concrete slab. The building is located on an irregular corner parcel of land containing 34,848 sq ft zoned CB (Central Business District). The property has an asphalt parking lot with a defined ingress /egress from the street.

The equipment to be purchased is all restaurant equipment, allowing the business to do most if not all of their catering in-house, along with catering outside parties. The equipment is going to be purchased for \$30,000.

<i>Pro forma Balance Sheet</i>	<i>As Of</i> As Of			<i>Fiscal Year End</i>			<i>Audited</i>	TRUE
<input checked="" type="checkbox"/> <i>If Checked thousand's are omitted</i>	<i>Period (1)</i>	<i>Note</i>	<i>Debit</i>	<i>Note</i>	<i>Credit</i>	<i>Pro Forma</i>	<i>%</i>	<i>RMA</i>
ASSETS								
Cash	(335.0)		25,000.0		0.0	24,665.0	3.66	28.2
Accounts Receivable	33,267.0		0.0		0.0	33,267.0	4.94	N/A
Inventory	0.0		0.0		0.0	0.0	0.00	5.2
Other	15,977.0		0.0		0.0	15,977.0	2.37	4.4
Total Current Assets	48,909.0		25,000.0		0.0	73,909.0	10.98	46.1
Fixed Assets	37,485.0		562,000.0		0.0	599,485.0	89.02	39.6
Other Assets	0.0		0.0		0.0	0.0	0.00	14.4
Intangible Assets	0.0		0.0		0.0	0.0	0.00	100.0
Total Assets	86,394.0		587,000.0		0.0	673,394.0	100.00	100.0
LIABILITIES & NET WORTH								
Accounts Payable	9,395.0		0.0		0.0	9,395.0	1.40	7.5
Notes Payable	0.0		0.0		0.0	0.0	0.00	17.4
Taxes	0.0		0.0		0.0	0.0	0.00	0.1
Other	0.0		0.0		0.0	0.0	0.00	N/A
Loan Request	0.0		0.0		11.5	11.5	0.00	N/A
Total Current Liabilities	9,395.0		0.0		11.5	9,406.5	1.40	44.8
Notes Payable	0.0		0.0		0.0	0.0	0.00	33.7
Loan Request	0.0		0.0		541.5	541.5	0.08	N/A
Other	0.0		0.0		0.0	0.0	0.00	5.3
Total Liabilities	9,395.0		0.0		553.0	9,948.0	1.48	N/A
Net Worth	76,999.0		0.0		0.0	76,999.0	11.43	16.2
Total Liabilities & Net Worth	86,394.0		0.0		553.0	86,947.0	12.91	N/A
Total Entries	0.0		587,000.0		553.0	0.0	0.00	
VARIANCE	0.00							

Quick Ratio and Comparison

<i>Description</i>	<i>As Of</i>	<i>Pro forma</i>	<i>RMA Hi</i>	<i>RMA Med</i>	<i>RMA Low</i>	
Working Capital	39,514.0	54,279.0	N/A	N/A	N/A	
Current Ratio	5.2	3.8	3.2	1.1	0.3	
Quick Ratio	5.2	3.8	2.2	0.8	0.2	
Debt to Tangible Worth Ratio	0.1	7.6	0.5	2.7	-142.1	
Days Turn Accounts Receivable	56.9	56.9	0	0	3	
Days Turn Inventory	0.0	0.0	N/A	N/A	N/A	
Days Turn Accounts Payable	0.0	0.0	N/A	N/A	N/A	

Cash Flow Analysis

<i>Statement Date</i>	12/20/2006		12/31/2007		12/31/2008		09/30/2009			
<i>Month Covered</i>	12		12		12		9			
<i>Statement Type</i>	Tax. Ret.		Tax. Ret.		Tax. Ret.		Unaudited			
<input type="checkbox"/> If Checked, Thousand's are Omitted	Period 1	%	Period 2	%	Period 3	%	Period 4	%	Prom. Yr 1	%
Sales	121,552.0	100.00	109,750.0	100.00	163,753.0	100.00	157,964.0	100.00	249,975.0	100.00
Cost of Goods Sold	0.0	0.00	0.0	0.00	2,498.0	2.00	0.0	0.00	4,575.9	1.83
Officers' Salary	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	20,000.0	8.00
Net Profit After Taxes	68,691.0	57.00	43,702.0	40.00	16,740.0	10.00	44,098.0	28.00	34,824.1	13.93
Add-Back / Deductions	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Depreciation & Amortization	9,207.0	8.00	9,045.0	8.00	55,444.0	34.00	0.0	0.00	0.0	0.00
Interest Expense	23,980.0	20.00	46,117.0	42.00	8,342.0	5.00	0.0	0.00	34,224.0	13.69
Rent Expense	0.0	0.00	0.0	0.00	26,424.0	16.00	18,000.0	11.00	0.0	0.00
Less: Ineligible Income	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Less: Draw/Additional Salary	20,000.0	16.00	20,000.0	18.00	20,000.0	12.00	15,000.0	9.00	0.0	0.00
Add: Other Non-Recurring Expenses	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Other	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Other	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
See Other Schedule	0.0	0.00	0.0	0.00	4,724.0	3.00	2,086.0	1.00	0.0	0.00
Total Cash Available	81,878.0	67.00	78,864.0	72.00	91,674.0	56.00	49,184.0	31.00	69,048.1	27.62
Loan Request Debt Service	44,500.0	37.00	44,500.0	41.00	44,500.0	27.00	33,375.0	21.00	33.2	0.01
Companion Loan Debt Service	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Other Debt Service	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Total Debt Service	44,500.0	37.00	44,500.0	41.00	44,500.0	27.00	33,375.0	21.00	33.2	0.01
Cash Excess (Shortfall)	37,378.0	31.00	34,364.0	31.00	47,174.0	29.00	15,809.0	10.00	69,014.9	27.61
Debt Coverage Ratio	1.84	0.00	1.77	0.00	2.06	0.00	1.47	0.00	2,081.01	0.83

Lender's Analysis

EXECUTIVE SUMMARY:

John Doe is seeking an SBA 7(A) in the amount of \$553,000 for the purposes of financing the acquisition and improvements of owner user commercial real estate, which he currently rents.

John currently operates a banquet hall facility from the existing location located at 5133 West Ridgecrest Lane, Carmel IN 47304. John acquired this business in 2008 from Bill Johnson . Bill Johnson started and owned the business since 2003.

The business occupies 100% of a single story commercial building on a corner lot location. The building is approximately 4,087 Sq ft in size. The lot is approximately 34,848 Sq Ft with an asphalt parking lot.

The business operates as a banquet hall providing services primarily on the weekends and evenings. The facility is open to the general public typically for weddings, receptions, bridal showers, baby showers, class reunions, community affairs, corporate events, fraternal and sorority parties, etc...

Services provided outside of the renting of the facility include, Bartending, wait staff, clean up, etc.... The business does own a liquor license.

SBA LOAN ELIGIBILITY

Corporation: The business currently operates as a for profit business, which provides a facility and services towards the banquet needs of the customers. Besides providing a facility, the business provides bar, food, DJ and clean up services. Customers rent the building on an hourly/nightly schedule. No long term rentals are evidenced. Providing the additional banquet services also provides the eligibility under the 7(A) program. The business generates approximately \$163,000 in gross revenues, which is well within the size standards outlined in NAICSC 531390 that cap revenues at \$2,000,000 per year. Rental fees are less than 1/2 of the revenue.

Borrower: The borrower is eligible based on 7(A) standards.

Personal Liquidity test: John has approx \$6,000 in liquid assets after the loan closes.

Personal Collateral: John has no additional personal collateral to use to help secure the loan request.

Government debt: John has no outstanding debt secured by the government nor has he defaulted on federal assisted or government debt. Please note that John was originally approved for a 7(A) loan back in 2008 with Acme Finance Company. The loan died in closing due to a title issue with the property and Acme Finance Company was not willing to extend the commitment letter as they were exiting nationwide lending and lending only within their footprint.

Child Support payments: John has no child support payments nor has he had any child support payments.

912 Issues: John has no 912 issues. He was never arrested.

Citizenship: John is a citizen

CORPORATE STRUCTURE:

ABC Banquet Hall, LLC operates as a limited liability corporation in the state of Indiana. The corporation is owned 100% by John Doe. The Corporation files taxes as a single-member LLC, thus has opted to file using a Schedule C.

No affiliate or holding companies exist.

USE OF PROCEEDS:

The project cost totals \$621,600, which includes the purchase of the property, cost of improvements, equipment purchases, and working capital and closing costs.

The purchase price of the property is evidenced in the Purchase and Sale agreement totaling \$395,000. The original purchase agreement has been extended through the end of the year via the enclosed purchase and sale extension. The borrower has already provided a \$30,000 deposit to hold the property.

The construction is estimated at \$143,000. The architect plans have been already drawn up and the construction is already in process. The contractor had started work on the property under the advice of another lender. The contractor had started work, but stopped once the financing was not secured. The contractor did complete enough work so the business could remain open. The construction bid is evidenced with the enclosed AIA construction bid for \$142,654. This AIA construction bid details the work completed and to be completed on the property.

Working capital of \$40,000 has been included in the use of proceeds for the purposes of for pure working capital purposes. The business has utilized a lot of income regarding the improvement of the property and needs working capital expenses to help provide a float between realizing expenses and incurring expenses. This float is currently being provided by the personal credit card debt of the borrower.

Closing costs of \$13,600 have been estimated. Included in the closing costs is the Architect fee of \$3,100, which has already been paid by the Borrower.

INJECTION

John Doe is seeking to inject \$68,600 into the project. To date, John has injected \$68,307 into the project and anticipates injection the remaining \$293. The injection to date includes the following

\$30,000 placed as a deposit on the purchase contract.

\$35,207 towards the construction as a payment towards work already completed.

\$3,100 towards the payment of the architect fees.

John has evidenced the injection to date with the following information

- 1) \$30,000 deposit towards the real estate purchase with a check.
- 2) \$35,207 towards construction with use of a LOC, which is affordable by the borrower, using income generated at current job.
- 3) \$3,100 towards the payment of the architect fees

REPAYMENT ABILITY

Primary source of repayment ability comes from the operations of the business. The business has been owned by John Doe since purchasing the business in April, 2008. John has been able to operate the business at a rate sufficient to repay the projected debt. Prior to John's ownership, the business had also been operated at a rate sufficient to repay the debt. Based on the projections, the business will be able to continue to be operated at a rate sufficient to repay the debt.

Projected debt service totals \$44,500 annually. Annual cash flow totals to service the project debt service are (2006 - \$71,053; 2007 - \$68,039; 2008 - \$76,125; 9/2009 - \$49,184)

Secondary source of repayment ability comes from John's conservative life style. Based on the Personal Income and Expense analysis John is able to help offset approximately 9 - 10 months of debt service with the use of his excess income. Current income and expense analysis reveals that John has \$35,000 per year in income over expenses. John also has a \$40,000 IRA that can be liquidated if necessary.

Third source of repayment ability is the liquidation of business assets, which includes the property and equipment. Based on the commercial real estate purchase price, cost of improvements and equipment: totaling \$568,000.

FINANCIAL ANALYSIS

Schedule C's from the previous owner for 2006, 2007 and partial year 2008 were included for review. The borrower also provided schedule C's for partial year 2008 and the interim financial statements dated 9/2009

John Doe purchased the business in April of 2008.

2008 profit and loss numbers reflect 3 month of operation (Jan, Feb March) under the ownership of Bill Johnson, along with 9 month of operations (April - December) under the ownership of John Doe.

Balance sheet analysis:

Asset review- The balance sheet dated 9/2009 was provided for analysis. Several points need to be discussed. 1) Cash balance in the company checking account totaled (\$335). The borrower actually has approx \$560 in checking. The negative number is due to checks being written but not yet submitted for payment. The cash balance is low when compared to the net income. Please note the next section, which discusses the receivables. 2) Accounts receivables of \$33,287 are reflected on the balance sheet. The borrower had indicated this number comprises of money's owed on confirmed future events, not monies owed for events that already happened. To reserve the hall for an event, customers pay one-half of the total event cost with the signing of the contract. The one-half payment is not refundable. Full payment is due on the day of the event. ((For cash flow purposes, I removed the amount of the receivable from cash available for debt service)). The receivables look more like a WIP (Work in Progress) account but are non-refundable due to locking in the date.

Liability review - Current liabilities of \$9,394 exist, which is the business credit card used by John.

Profit and Loss analysis:

Revenue review: The business generates income from from 4 separate sources; Catering, facility rental, disc jockey and bar income. Typically catering totals 23% of total revenues, rental income totals 26%, disc jockey income totals 16% and bar services totals 35%. Packages are sold to the customers using 3 vertical (platinum, gold and silver) packages. The rental income also includes security, waiting and clean up services. Recurring business income totals (2006 - \$121,552; 2007 \$109,750; 2008 - \$163,753; 9/2009 - \$157,964). Based on the September 2009 interim revenue and the confirmed contracts totaling \$44,200 outstanding for the remainder of 2009, gross revenue is estimated to be \$\$202,164, which is an all time high for the business. Since John has owned the business, the income has increased due to his proper management and marketing of the business.

COG's Analysis: Historically the business has had little to no cost of goods report to expense. The previous owner provided fewer services. Food and beverages were brought in by the customers. John currently has food brought into the facility but has started to buy his own beverages. In the future, once the kitchen is installed, the business will generate higher COG's associated with higher sales.

Expense analysis: John does operate the business differently from the previous owner, thus generating additional expenses.

Salary expense - Historically the owner was the only employee. John would help out and provide some of the management and services tasks to help understand and learn the business. John's ex-girlfriend would help out on occasion as needed free of charge. Under John's ownership more salaries are needed due to the business needs and a few other factors. First, John also holds a full time position outside of the business and will continue to do so. Second, John's ex-girlfriend is no longer willing to help. Third, John has also decided to make the Regency more service friendly, thus employing more people to serve the customers. John has hired a manager along with utilizing contract labor as needed.

Interest / rent expense - The previous owner had purchased the property under a land contract in 2003, thus generating interest expense. The interest expense continued into 2008, as the seller owned the business for the first 3 months of 2008

Taxes / Licenses - It was not confirmed how the property taxes were historically paid. A total of \$9,400 has been deducted from cash available for debt service to allow for proper payment of the projected property taxes.

Depreciation - Typical allowances for depreciation of business assets has been expensed.

Insurance - Business and property insurances average just over \$2,700 per year.

Utilities - Utility expenses for gas, electricity and water average \$6,400 per year.

Pest control - a fixed monthly expense of \$24.

Snow & lawn Maintenance - Monthly lawn maintenance total \$100 per month. Snow removal costs depend on the amount of snow during the winter months.

Trash removal - Monthly charge of \$27.75

Profitability analysis

Projection analysis - The projections were based on a cash basis for 2010 to help determine proper profitability of the business operations. The business estimates it will generate \$210,000 in gross revenue. The increase in revenue is due to a better looking facility, increased advertising and opening the business to the public for Sunday and Monday football games. Please refer to the detailed narratives on the projections.

COLLATERAL

The main collateral for the loan request is a first position on the business assets and a personal / corporate guarantee from the borrower and business.

Business collateral includes:

Commercial Real Estate - First mortgage on the facility being purchased and improved. The facility is being purchased for \$395,000 along with construction improvements totaling \$143,000. Total expected value will be \$538,000. The facility is a single story, masonry construction building that is 100% occupied by the business. The building is approximately 4,087 sq ft and sits on 34,848 sq ft of property. The grounds include normal ingress and egress, asphalt parking for 38 cars, security lighting, landscaping, concrete curbs and sidewalks and grass areas.

Liquor license - The business operates with a class 2 liquor license, which allows for the sale and consumption of wine and beer. As a full class 3 license is needed, the facility has access to renting one. The class 2 license is valued at approximately \$750

Equipment - The business will be purchasing \$30,000 of new restaurant equipment.

HISTORY OF BUSINESS

Bill Johnson originally started the business back in November of 2003 operating as a banquet/reception hall. Bill ran the business and purchased the building under an Installment Land Contract agreement with Cheryl Miller. Services included renting out the facility on an hourly/nightly basis, cleaning and bartending and wait staffing.

Bill typically ran the business as a single owner/only employee operation. Bill set up for the occasion, waited on the patrons, provided bar tending and cleaned up after the event. During larger events, Bill was supported with the help of John and John's girlfriend. Bill and John have been long time friends.

Helping his friend Bill from time to time at the facility, John Doe had the opportunity to purchase the business in April of 2008 as an ongoing banquet hall operation, which included the acquisition of the class 2 liquor license. The land contract on the property was not assumable, thus John purchased the business from Bill and signed a purchase agreement for the property from Ms. Miller.

The business currently operates as a banquet hall, meeting and reception hall offering 3 distinct packages of services. The packages are labeled Platinum, Gold and Silver. General services provided are disc jockey, linens, set-up and clean up, cash bar with bartender, server, beverage package, events planner, hall rental and decorations. Food is catered into the facility. Most of the customers seek a facility for weddings.

The "Platinum" package, \$3,950, includes the Rental fee, disc jockey, Linens, Set up and clean up package, cash bar, bartender, server, tables and chairs, Beverage package with (coffee, juices, soda, tea and water), event planner, 2 courtesy appetizers, special prices on kegs @ \$200, Linen skirts, Use of table center pieces, food catering special @ 14.99 per person, dressing room.

The "Gold" package, \$2,900, includes the following: Rental fee for 8 hours, Disc jockey for 6 hours, Linens # \$3.00 per, server, set up and clean up, cash bar, bartender, event planner, beverage package (coffee, juices, soda, tea & water) Table/chairs, Keg special at \$250 per keg. Food catering special @ 16.99 per person, linen skirts.

The "Silver" package is a la carte. Choices include: Rental fee \$875, Disc Jockey at reception \$600, Disc jockey all other \$350, Refundable security deposit \$300, Set up & clean up \$200, Event preparation \$200, Cash bar bartender charge \$200, Keg \$275, rehearsal dinner (3 hours) \$500, Table center pieces \$100, Security per hour \$25, Server per hour \$15, Linen skirts \$12, Beverage package per person \$2.95, Linen napkins per \$1, Linens per \$4, Outside catering 10%.

With the above services the facility operates as a cost effective place to hold receptions that still prides itself on hosting an eventful occasion. The ABC Banquet Hall, LLC targets those customers who are seeking a fun event without breaking the bank.

Since its inception, the business has operated from the same facility. The facility is located at 3311 West Ridgecrest Lane, Carmel IN 47304. The facility is a single story, mason/stick construction building that is 100% occupied by the business. The building is approximately 4,087 sq ft located on 34,848 sq ft of property. The grounds include normal ingress and egress, asphalt parking and grass area. The facility is located on a corner lot between West Ridgecrest Lanes and Everbrook Lane.

MANAGEMENT INFORMATION

John Doe owns 100% of ABC Banquet Hall, LLC

John owns and manages the daily affairs of the business along with a small contract labor staff and one Manager, Bill Johnson, the former owner.

John Doe graduated from Carmel High School in 1989 and went on to complete several courses in business and mathematics at ITT Tech.

From 1989 to 1991, John worked as the Produce Manager at Ross Supermarkets. As Produce Manager, John was responsible for ordering, stocking and sales in the produce area. John gained excellent experience at both meeting customers' needs and dealing with a perishable product.

In 1991, John went to work at a local car wash detail facility called Willy's Car Wash. Willy's Car wash is a 6 facility car wash and detail facility. John is currently employed as General Manager for all 6 locations and directly manages one location. John will continue to hold this position while operating his current business, the Regency 08. John has been successful at Willy's due to his attention to detail and attention to customer service. John understands providing value to the customer, which they are willing to pay for.

During 2003, John started also helping out Bill, a friend, providing John with an opportunity to work the business and gain first hand experience on understanding how a catering business generates business and profits. John found that holding his current positions as General Manager of Willy's and working at The ABC Banquet Hall was viable do to the time requirement of both positions. John works at Willy's from morning to mid afternoon and at the ABC Banquet Hall during the later afternoon hours to the night. John also does employ help from Bill Johnson , who was the old owner. Note, the business acquisition was not financed with an SBA loan.

PFS Analysis:

Assets - John has approximately \$184,300 in assets, which is comprised mostly of a home, 401 K and other assets. Regarding the residence listed on the PFS, John purchased a condo in 2003 with his girlfriend. Both he and his girlfriend, Connie Smith, are on the deed and mortgage. The condo is valued at \$170,000 - tax assessed at \$158,200, which John owns 1/2 or \$85,000. Since the purchase of the house, John and his girlfriend, Connie, have broken up. Connie lives in Las Vegas, Nevada. Current assets include \$3,500 in cash, and \$2,500 in Cash Surrender Value Life Insurance. John also has a \$40,000 IRA. Included in "other assets" is \$30,000 listed as a deposit placed to secure the purchase agreement of the commercial property and \$13,000, which is defined as personal assets. Personal liquidity was lowered due to a few circumstances; the purchase of the residence, the purchase of the business and the injections into the proposed project. The Condo was purchased in 2003 for \$170,000, and has an existing debt load of \$86,250. The equity balance is the amount John injected towards the purchase of the Condo. The business was purchased for \$15,500 and personal liquidity was injected into the proposed project.

Liabilities - John has four liabilities, 2 credit cards, 1 used primarily for the business, a vehicle loan and the house debt. Regarding the residence debt, the entire amount of debt owed against the house has been listed on the PFS because John owes the liability with or without Connie's financial help. The Condo debt is actually a Line of Credit with National City against the house, with current monthly payments of \$213. The 2 credit cards together reflect a balance of \$29,833. One card issued by National City is a card John uses for business expenses. The other card issued by Capital One is a personal card. All together the 4 liabilities are very manageable for John and supported with his income. Monthly payments, taxes, living expenses etc... once paid still leave John with about \$35,000 extra in cash per year. Personal debt to equity ratio is 2.33:1. This ratio would improve dramatically, if the full value of the house was reflected on the PFS.

Personal Liquidity - John reflects a \$58,494 net worth, which equates to a 2.15:1 personal debt to equity ratio. The debt to equity ratio would be even more attractive if the full value of the house was reflected on the financial statement. Liquid assets on the personal financial statement reflect \$6,000. The liquidity is low due to several factors. First, \$30,000 when towards the deposit on the purchase of the commercial property. Second, John put down a large cash injection towards the purchase of the house. Third, John recently purchased the ABC Banquet Hall, LLC for \$15,500, which was cash on his financial statement. A secondary source of liquid assets would be the liquidation of the 401K account, which is currently valued at \$40,000.

Personal Income and expense analysis: An analysis of John's Income/expenses indicates that he has sufficient income to pay for his personal expenses without any help from Connie towards the payment of the house. John is currently employed at Willy's Car Wash as General Manager making \$75,000 per year. This income is supported by the w-2 enclosed and will continue in the years to come. Typical expense, including the credit card expenses currently being paid for by the business, totals \$39,667 per year.

A credit report was pulled on 8/17/09, which indicated three credit report scores (Trans Union = 643, Experian = 673, Equifax = 673) The credit report indicated total debt of \$125,806, which is comprised of \$84,915 in home debt, \$11,058 in vehicle debt and \$29,833 in revolving debt. All payments have been as agreed. Total payments equal \$1,043 per month. The borrower has indicated that the credit card debt is associated with his business. 21 inquiries have been pulled, which 16 are associated with seeking the loan to purchase the commercial real estate. John had indicated that his score is low due to an occurrence that happened in 2006. John had loaned a friend \$25,000 via taking out a line of credit. The friend was to make payments directly, which fell delinquent. Once notified, John brought the account current.

912 Issues:

John has no outstanding issues that would trigger a 912 audit. He has not been arrested.

LOCATION ANALYSIS

As of the 2006 census estimate, there were 65,287 people living in Carmel. As of the 2000 census there were 27,322 households, and 14,589 families residing in the city. The population density was 2,788.2 people per square mile. There were 30,205 housing units at an average density of 1,248.9 sq mi. The racial makeup of the city was 83.72% white, 12.97% African American, .27% Native American, .79 Asian, .09 Pacific Islander, .67 from other races and 1.49 from two or more races. Hispanic or Latino of any race was 1.44% of the population.

There were 27,322 households out of which 23.7% had children under the age of 18 living with them, 36.4% were married couples living together, 13% had a female householder with no husband present, and 46.6 were non-families. 34.1 of all the households were made up of individuals and 11.8% had someone living alone who was 65 years of age or older. The average household size was 2.24 and the average family was 2.86.

In the city the population was spread out with 19.8 under the age of 18, 24.6% from 18 to 24, 24.2% from 25 to 44, 18.3% from 45 to 64, and 13.2% who were 65 years of age or older. The median age was 29 years.

The median income for a household in the city was \$26,613 and the median income for a family was \$36,398. Males had a median income of \$30,445 versus \$21,872 for females. The per capita income for the city was \$15,814. About 14.3% of families and 23.1% of the population were below the poverty line, including 24.2 of those under the age 18 and 9.7% over the age 65.

Since the late 19th century, Carmel's economic backbone had been the in the industrial sector, primarily in manufacturing. Drawn to the region during the Indiana Gas Boom of the 1880's, many factories sprang up in the area that relied on the combustible natural resource. Notable factories that employed a sizable amount of the population included, Delco Remy, Westinghouse, Indiana Steel and Wire, General Motors, Warner Gear, Broderick Co, Dayton-Walter and Ball Corporation. Though these companies are no longer in Carmel, many smaller non-unionized manufacturing businesses have sprung up each employing a few dozen to a couple hundred workers.

Like many mid-sized cities in the rust belt, Carmel had to economically reinvent itself due to the collective fall of the manufacturing industry in the latter part of the 20th century. Carmel's current economic backbone is in health care, education, retail and other service industries. The largest employers in Carmel are Carmel Memorial Hospital/Cardinal Health Services, Carmel State University, Carmel Community Schools, The City of Carmel, Sallie Mae and Wal-mart

COMPETITION

Based on searches several banquet halls exist in the area.

Verticon Convention Center located at 401 S high streets, Carmel IN, caters to conventions, weddings, trade shows and corporate and social events have 7 rooms ranging from 23,400 sq ft to 660 sq ft. This facility is a full service facility providing all food, beverage and accommodations. Borrowers are not allowed to bring in outside services or food.

Cobblestone Center for the Arts, located at 520 E Main Street, Carmel, provides 5 rooms and allows catering from a list of approved vendors only. This facility does not seem to be user friendly for weddings and receptions but for stand up events.

Steak Stockade, located at 4949 W Hessler Road Carmel, which is a chain steak house, provided no information regarding banquets

The Carolina banquet room located at 4805 North Wheeling Ave, Carmel. No site information was found on the web.

INDUSTRY INFORMATION

There is not a lot of information regarding the Reception / Banquet industry without getting into the restaurant industry news.

With the recent economic downtrend, the move towards more affordable banquets and reception events is inevitable. Businesses and the general public are seeking convenient location that provides multiples of options for events. From a one hour to all night event; from a single room rental to a full catered event, customers are seeking economical options at an affordable price.

Like all business, the reception and banquet hall industry has experienced a down turn. The demand for the business remains constant; it is the dollars that one will spend. People will always be getting married, events will be help. The question is at what type of facility will the events be held and at what cost.

Many options exist depending on the location. From the use of public outside areas to the rental of high end hotels, consumers can have their banquet hall needs met.

<i>Name of Lender</i>	
<i>Loan Officer</i>	
	<i>Title</i>
<i>Credit Analyst</i>	
	<i>Title</i>
<i>Underwriter Officer</i>	
	<i>Title</i>
<i>Approving Officer</i>	
	<i>Title</i>