

EXHIBITS

East Winston Community Development Corporation
1225 East Fifth Street
Winston-Salem, NC 27101

Mission Statement

To revitalize Forsyth County's low- and moderate-wealth neighborhoods in ways that benefit the whole community.

Goals

- To improve the living conditions and stimulate neighborhood revitalization in East Winston;
- To establish a supportive environment for resident-influenced community economic development;
- To promote independence from external factors; and,
- To encourage self-help through partnerships with public and private entities.

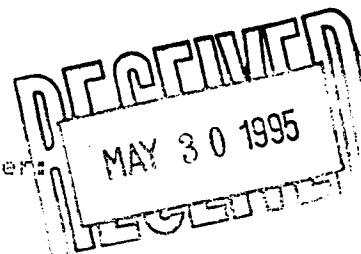
INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
401 W. PEACHTREE ST. NW
ATLANTA, GA 30365

DEPARTMENT OF THE TREASURY

Date: **MAY 25 1995**

EAST WINSTON COMMUNITY DEVELOPMENT
CORPORATION
1225 E 5TH STREET
WINSTON SALEM, NC 27101-4326

Employer Identification Number:
58-1804407
Case Number:
585088059
Contact Person:
JAMES ST. JULIEN
Contact Telephone Number:
(404) 331-0171
Our Letter Dated:
December 22, 1988
Addendum Applies:
No



Dear Applicant:

-- This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Nelson A. Brooke

Nelson A. Brooke
District Director

THE ASSOCIATION IF COUNCIL AND TENTANTS

PRESENTS

THE FIRST ANNUAL EMPOWERMENT CONFERENCE

BUILDING COMMUNITITES AND EMPOEWRING PEOPLE

Saturday, February 5, 1994

8:00am

**Mount Zion Baptist Church
Senior enrichment Center
950 File Street
Winston- Salem, NC**

“ This is the day the Lord hath made let us rejoice and be glad in it”



THE ASSOCIATION OF
COUNCIL & TENANTS

presents

The Second Annual

EMPOWERMENT CONFERENCE

"TOGETHER WE CAN MAKE A DIFFERENCE"

February 3rd & 4th, 1995

Mt. Zion Baptist Church
950 File Street
Winston-Salem, NC 27101



In partnership with
East Winston Community Development Corporation
and Consumer Involvement Office







Winston-Salem / Forsyth County

AFRICAN - AMERICAN SUMMIT

Friday & Saturday
March 18 - 19, 1994

Celebrating African-American Life The Vision in 1994 and Beyond

THE BAD NEWS is...

- HIGH RATES OF BLACK-ON-BLACK CRIME
- DISPROPORTIONATE NUMBERS OF YOUNG MEN INCARCERATED
- ILLITERACY DIMMING HOPE FOR THE FUTURE
- BABIES RAISING BABIES
- AIDS, DRUGS, ALCOHOLISM
- DECREASING JOBS ... INCREASING UNEMPLOYMENT
- HOMELESSNESS

THE GOOD NEWS is..

African-Americans in Forsyth County have:

- **STRONG SPIRITUAL POWER**
Nearly 300 Religious Congregations
- **OUTSTANDING PROFESSIONAL & ACADEMIC BASE**
- **ECONOMIC POWER**
Millions of Dollars of Buying Power
- **STRENGTH FROM FAMILY & COMMUNITY CONNECTIONS**
- **HISTORICAL EXAMPLES OF LOCAL SUCCESSES**
- **PROVEN POLITICAL POWER**
Shared political power on Board of Alderman for 10 years / 3 presently serving;
2 County Commissioners; 2 School Board Members; many state-level positions
- **OUTSTANDING COMMUNITY LEADERS & ORGANIZATIONS**
Eastern Star, American Legion Posts, Shriners, Masons, Alphas, Deltas...the list is endless
- **EAGER, DYNAMIC YOUNG PEOPLE**
Winston Lake AAU Organization; Black Achievers; Pop Warner Football Club; Top Teens of America



Become Part of the Solution • Join Us! • Make a Difference!

AFRICAN-AMERICAN SUMMIT

Anderson Conference Center • Winston-Salem State University • Winston-Salem, NC

Focusing On These Issues:

EDUCATION / ECONOMIC DEVELOPMENT / CRIMINAL JUSTICE / HOUSING / YOUTH

Friday Evening's Special Guest Speaker:

The Right Reverend John Hearst Adams

Senior Bishop, African Methodist Episcopal Church & Presiding Bishop, Seventh Episcopal District of South Carolina

Free Blood Pressure & Diabetes Health Screening

ADVANCE REGISTRATION: \$15 Per Person for 2-Day Summit (Includes All Sessions & Meals)

REGISTRATION DEADLINE IS MARCH 11, 1994 (\$20 Registration Fee After That Date)

We Cannot Do it Without You!

All Students & Youth Are Encouraged to Attend!

**Exhibits
of
Community
Interest
are
Greatly
Encouraged!
Call
for
Information!**

YES! Here is my \$15 registration fee for the African-American Summit. I plan to participate in the following:

- ☐ Friday, March 18 (11:00 a.m. - 8:30 p.m.) ☐ Lunch ☐ Reception & Dinner with Bishop Adams
☐ Saturday, March 19 (8:30 a.m. - 2:00 p.m.) ☐ Breakfast ☐ Lunch

I Plan to Participate in the Following Work Group:

- ☐ Education ☐ Economic Development ☐ Criminal Justice ☐ Housing ☐ Youth

I Plan to Have an Exhibit ☐ Please Reserve My Booth Space

SORRY! I cannot attend, but please accept my donation of \$ _____ for the African-American Summit.

Name _____

Address _____

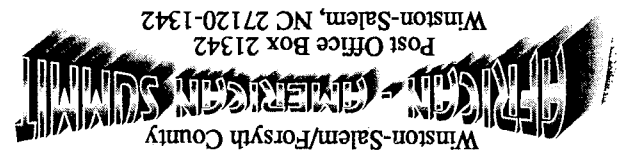
City _____ State _____ Zip _____ Telephone () _____

Return this reservation slip and a check or money order for your registration fee made payable to:

African-American Summit • P. O. Box 21342 • Winston-Salem, North Carolina 27120-1342

If you have questions or want more information, please call: (910) 631-9407

***Join Us
at the
African-American Summit!***



***Become Part of the Solution
to Help Overcome
Problems...***

VISIONS FOR AFRICAN-AMERICAN ECONOMIC DEVELOPMENT

GOAL: *For African-American residents to enjoy financial security and for the African-American community to be strengthened by and be active participants in the economic sector of the community.*

Objective A: To support existing African-American financial institutions.

Key Actions:

1. Encourage African-American residents to establish accounts and use the services of Mechanics and Farmers Bank and the Victory Credit Union.

Objective B: To strengthen existing businesses, create new businesses and develop more multi-million dollar businesses.

Key Actions:

1. Encourage patronage of African-American businesses.

2. Form an information clearing house.

3. Encourage the development of a minority general contractor.

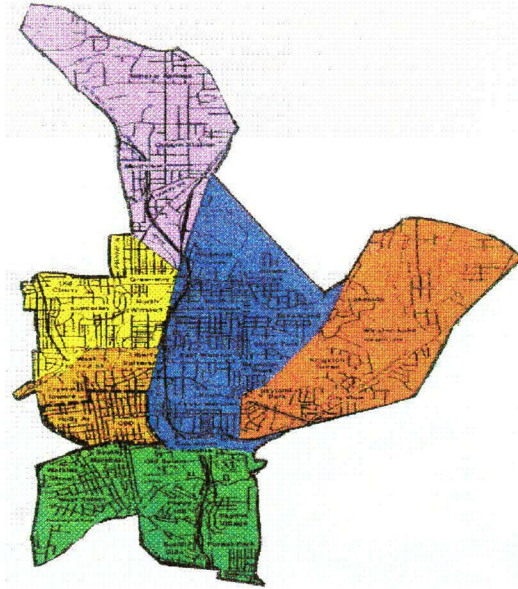
4. Establish a venture/risk capital consortium to underwrite new businesses.

Objective C: To ensure all resources in the community are maximized and fairly distributed to the African-American neighborhoods.

Key Actions:

1. Establish comprehensive cooperation of groups representing economic development i.e. East Area Council, WS Chamber of Commerce Initiative, East Winston Task Force, and East Winston CDC.

THE WORD IS OUT!!



ENTERPRISE COMMUNITY ALL YOU NEED TO KNOW YOU CAN GET IT!

Date: August 28, 1996

Time: 4:30 PM & 6:30 PM

**Place: Winston-Salem Urban League
201 W. 5th Street**

THE ENTERPRISE COMMUNITY

and

MONTAGE PLAYWRIGHTS
SHOWCASE ENSEMBLE

present

"THE WAITING ROOM"

**FREE
ADMISSION**

Special Thanks To:

MSI

The WS/FC
Arts Council

written by
SHARON AGNEW

directed by
Nathan Ross Freeman

COMMUNITY PERFORMANCES OF "THE WAITING ROOM"

All performances to be at 7:00 pm

| | |
|--------------|---|
| August 30 | Premier Showing! Happy Hill Gardens Community Center, 920 Mock Street |
| September 13 | Martin Luther King Recreation Center 2001 Pittsburg Avenue |
| September 14 | Winston Lake Family YMCA 901 Waterworks Road |
| September 16 | Sawtooth Center 226 North Marshall Street |
| September 27 | Mineral Springs Middle School 4558 Ogburn Avenue |
| September 28 | File-Goodwin Center, Mt. Zion Baptist Church 950 File Street |

For further information about performances and locations, please call Georgia Smith at 723-6990

The Enterprise Community

COMMUNITY CONGRESS



YOUR VOTE COUNTS!

**Bringing communities together to make a difference
Tomorrow**

October 25, 1996

East Winston Community Development Corporation

1225 E 5th Street, Winston-Salem

6 til 8 pm

910-723-6990

Second Floor

The Enterprise Community Needs You!



East Winston Community Development Corporation,

1225 E. Fifth Street, Winston-Salem, NC 27101 910-723-1783 Fax: 910-761-8014

October 15, 1996

Dear Community Resident:

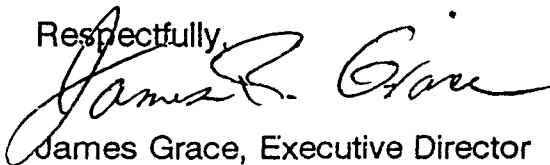
The time has arrived for the Enterprise Community Process to come together and elect a representative that will exemplify a deep commitment for change and seek ways to resolve concerns of vital interest in our neighborhoods.

There are six districts: North, Central, Ogburn & Mineral Springs, Southern Gateway, East Winston and Winston Lake. Each of these districts will come together October 25, 1996 at 6:00 until 8:00 p.m., at East Winston Community Development Corporation, second floor; and select the delegate of your choice for the Community Congress election on November the 9th, at Mt. Zion from 9:30 a.m., until 2:00 p.m. A light Lunch will be provided. This is a great opportunity for the city of Winston-Salem and the residents.

Please join us on this exciting journey! We promise you, it will make a difference in our communities tomorrow!

For further information call Georgia Smith, 723-6990. Thank you for your time and attention.

Respectfully,



James Grace, Executive Director



Community Congress

Electoral Process

The Enterprise Community

Election of the Governing Board will be Nov.9th

1. Is there a certain number that constitutes a valid vote?
Is there a quorum?
2. What if they are fewer people in a district, are they able to vote if there is not a strong representation of that district?
3. Should there be an age limit?
4. Is it fair that East Winston district gets 3 to 1 since it's based on population?
5. What if all districts are not numerically proportionally represented?
6. What ways should we identify the voters (community) in order to vote on the ballot?
7. What concerns do you have of this electoral process that would help us facilitate this election efficiently?
8. Is there protocol or certain procedures that we must follow?

All performances to be at 7:00 p.m.

September 13 Martin Luther King Recreation Center
2001 Pittsburg Avenue

September 14 Winston Lake Family YMCA
901 Waterworks Road

September 16 Sawtooth Center
226 North Marshall Street

September 27 Mineral Springs Middle School
4558 Ogburn Avenue

September 28 Fife Goodwin Center, Mt Zion Baptist Church
950 Fife Street

THE ENTERPRISE COMMUNITY

and

MONTAGE PLAYWRIGHTS
SHOWCASE ENSEMBLE

present

"THE WAITING ROOM"

Special Thanks To:

SMSI

The WS/FC
Arts Council

written by
SHARON AGNEW

directed by
Nathan Ross Freeman

**FREE
ADMISSION**



THE VISION

The Enterprise Community Winston-Salem/Forsyth County, through the creation of "Pathways and Partnerships For Change", endeavors to assist individuals, organizations and institutions in maximizing on the under-tapped potential of this area's population.

THE GOALS

JOB CREATION

New Business
Hiring Incentives
Job Creation

SELF-SUFFICIENCY

Entrepreneurial Climate
Small Business Expansions
Community Investment

WORKFORCE DEVELOPMENT

Job Training...Job Assistance...Support Services...Financial Counseling

NEIGHBORHOOD REVITALIZATION

SOCIAL DEVELOPMENT

| |
|--|
| Community Development |
| Education Public Safety Health |
| Substance Abuse Prevention & Treatment |
| Church/Community Support |
| Family Support |
| Youth Development Arts & Culture |

PHYSICAL DEVELOPMENT

- * Housing
- * Infrastructure/Facilities
- * Street/Utility Improvement
- * Streetscape Improvement
- * Transportation
- * Parks and Recreation

RESULTS/BENEFITS

Community Congress Governing Board Empowerment Self-Sufficiency

FOR MORE INFORMATION CONTACT:

EAST WINSTON COMMUNITY DEVELOPMENT

PHONE #: 723-6990

Application to program is approved

Winston-Salem
Journal
June 21, 1994
(State/Local
Page 13)

■ Request seeking special federal designation describes Winston as a city divided by racism

By Phoebe Zerwick
JOURNAL REPORTER

The authors of an application for a federal grant to revitalize eastern Winston-Salem describe a city divided by "institutional racism" where residents have little faith in their leaders.

Some aldermen agree. Others don't.

Nevertheless the board gave the application its unanimous endorsement last night before sending it off to federal officials by the end of the month.

The application asks the federal Department of Housing and Urban Development to designate 15 square miles in eastern Winston-Salem — an economically depressed and predominantly black area — as an enterprise community.

The designation would make the area eligible for a \$3 million grant and other federal incentives aimed at creating jobs and training unemployed residents.

The city's application was writ-

ten by two consultants after several public meetings. The result is a blunt statement about life in the proposed enterprise community. A third of the 36,000 residents live below the poverty line, and 13 percent of the adults are unemployed, compared with 4 percent county-wide. Many of these conditions result from the city's history of racial division, it says.

"In Winston-Salem one of the barriers to change is institutional racism. Race relations shape and distort most major issues of public life and discourse in our community," it says in part.

"In many respects we function like an abusive family. We devote much energy to 'making nice,' attempting to avoid the next dramatic breakdown of civility. We don't trust each other. We don't listen to each other. We confuse rhetoric with intent."

Some aldermen found the language familiar.

See APPLICATION, Page 15

APPLICATION

Continued From Page 13

"We've been saying that for years," Alderman Nelson Malloy said. "It's something that some of the citizens are working on."

Others were willing to overlook language they found to be harsh and overstated.

"I don't necessarily agree with it," Alderman Robert Northington said.

"I'm voting for it in an effort to get a grant for the city of Winston-Salem, period, because it will allow us to do many of the things we need to do."

If the city wins one of the 65 designations, it will use the money to supplement existing housing and economic-development programs and to start such new pro-

grams as job training with guaranteed jobs for graduates.

The designation also means that the city can ask for waivers from burdensome regulations in other federal programs. The application asks the federal government to allow welfare recipients to keep federal health insurance and other benefits for a time after they find a job as an incentive for them to find work.

The proposals come after more than two decades of work — from the Model Cities program to the federal Community Development Block Grants — to cure the city's poorest neighborhoods of their economic and social ills. Some are skeptical of this latest remedy.

"We've had numerous programs but the end results evidently haven't met the needs," Alderman Vivian Burke said.

*The Clinton Administration may re-fund
Enterprise Zones (EZ) and Enterprise
Communities (EC) in 1997.*

*Please plan to attend this briefing by the
Enterprise Community Committee.*

*Your support and ideas are very essential
to this process.*

*Enterprise Community Team
Progress Report*

*Wednesday, August 28, 1996
Winston-Salem Urban League
201 West Fifth Street
4:30 pm or 6:30 pm*

ENTERPRISE COMMUNITY STRATEGIC MARKETING PLAN

Background

The proposed development of a Community Congress evolved from the Enterprise Community (EC) application is to be used as a mechanism for the development of an organizational structure (the governing board) for the implementation of the EC Strategic Plan. The principle, overriding concern that was expressed during the application process was the incorporation of a guarantee that the community would continue to plan a key role in the implementation and evaluation of the EC Plan and its initiatives, and even though the City was not selected as an Enterprise Community, there is a general consensus to implement as much as possible of the plan without the federal funds.

The assurance that was built into the plan was a commitment that community residents would hold the majority of the seats on the governing board and that a process would be developed to guarantee a broad cross-section of representation who would be accountable to their respective constituencies. The development of a Community Congress model was supported by the community residents who participated in the EX application process.

Defining the Enterprise Community Congress

The Community Congress (CC) as proposed is both a process and a series of events which is proposed to address the following community needs:

1. The CC is to be the mechanism through which individuals will be selected as representatives on the Enterprise Community Board of Directors. Elected individuals will represent a defined constituency, by geography or interest group category, in order to assure broad representation of a cross-section of the community; and
2. The CC is the mechanism to assure accountability of representatives to the constituency which has elected them and to assure a process for the provision of advice and counsel to representatives on an ongoing basis.

The CC, as proposed, is similar in concept to the process used in many locations by the political parties to elect representatives to regional, state and national conventions. The proposed representation and process was developed to comply with the following articulated criteria and requirements for the process and structure:

The majority of seats on the governing board are to be held by representatives residing and/or owning businesses within EC boundaries.

A structure that assures balanced geographic representation from the total EC area with proportionate allocation of electoral votes; and that guarantees that no one geographic area is allowed to dominate the decision-making process.

Obtaining the "firm commitment" of the elected representatives that they will consistently attend, participate and represent the interests of their areas.

A built-in mechanism to replace inactive and non-participating representatives.

A mechanism to assure accountability of the representatives to their constituency in the attainment of advice and counsel and the reporting to their respective community.

The following implementation guidelines and requirements are proposed to address the above stated criteria and requirements.

1. Community Education Process - A series of neighborhood forums will be held within a three-month period preceding the scheduling of the initial Community Congress to inform community residents of the purpose and contents of the EC strategic plan. These forums will also be used to assist in developing or reactivating neighborhood organizations. A plan to accomplish these forums is discussed later in this report.
2. Community Development Leadership and Team Building Training - A minimum of a forty-hour (40) training program will be provided for all elected representatives and alternates to the EC Board. It is also proposed that the CC neighborhood/district leadership will be eligible to participate in this training. Attendance of at least 75% of the training will be a prerequisite to assuming the elected seat on the EC Board of Directors. A similar attendance requirement is also proposed for subsequent Board membership. This requirement addresses the issue of "commitment" and accountability, and provides a framework for placing community representatives on a "level playing field" in EC Board participation, as well as providing a framework for team building at the beginning of the process. An ongoing process of training and development will be provided over the first year of operation.
3. Community Congress Implementation - Although the number of representatives on the EC Board of Directors is limited by neighborhood districts, there will be no limit on the number of community residents who may participate in the Community Congress. It will be necessary for the district to arrive at a consensus through a district caucus process. It is proposed that a CC will be held, at a minimum, annually to provide a structure for reporting back to the community on the progress and accomplishments of the prior period. Each district may, however, desire more frequent reporting from their respective representatives.

Proposed Representation Structure

Representation within the Congress, and to the EC governing board, will be defined by geographic area and community interest group categories. These categories reflect community segments which control resources or decision-making relative to the economic and social service delivery system of the community.

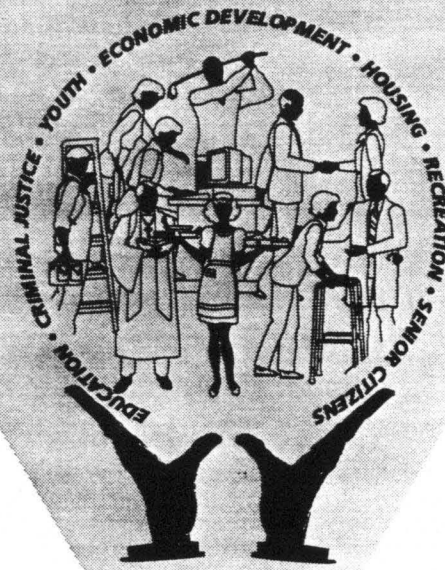
Geographic Representation

As the geographic area qualifying for Enterprise Community designation is fifteen (15) square miles within fifteen (15) census tracts, and is comprised of thirty-one (31) neighbor-hoods, the area was aggregated into six (6) districts. The following summarizes the pro-posed geographic districts and representation:

| Area Name | 1990 Pop. | No. Reps | Neighborhoods Included | | |
|-----------------------------|-----------|----------|---|---|--------------------------------|
| Central | 2,098 | 1 | CBD W. 10th Street | Liberty-Patterson | Holly Avenue Crystal Towers |
| North | 7,665 | 2 | Kimberly North Winston | Greenway Old Cherry | Boston-Thurmond |
| East Winston | 11,039 | 3 | East Winston Piedmont Circle Slater Park | N.E. Winston Bowen Park Reynolds Town | S.E. Winston Dreamland |
| Southern Gateway | 7,946 | 2 | South Marshall West Salem Skyline Village | Watkins Street Old Salem South Side | Forest Park Happy Hill |
| Ogburn Sta/ Min. Springs | 3,467 | 1 | Ogburn Station | Mineral Springs | Montview |
| Winston Lake | 4,496 | 1 | Winston Lake Skyland Park Wins.Lake Estates | Lakeside Kingston-Green | City View Lake Park |

The aggregation of neighborhoods into these six (6) districts are based on proposed Neighborhood Strategy Areas (NSA) which will be used for community development, housing and economic development planning and program evaluation. The proposed NSAs are based on census tract boundaries, community development certification areas, and historical neighborhood identification. District representation reflects one (1) seat for each 4,000 persons of population, or a minimum of one (1) seat.

A representative and two (2) alternates for each seat is proposed to be elected by each neighborhood district through the CC process.



Community Empowerment For The 21st Century

**Strategies For Implementing A Common Vision In
The Winston-Salem Enterprise Community: A Needs
And Resource Assessment Report**

**Training Research Development
(TRD), Inc. © 1994
1130 24th Avenue Place, NE
Hickory, NC 28601
(704) 327-2957**

**Developed by:
Forrest D. Toms, Ph.D.
Theodore G. White
Sylvia Y. Bittle
Pat Degraffinreaidt
Pat Smith-Deering**

COMMUNITY EMPOWERMENT FOR THE 21st CENTURY

STRATEGIES FOR IMPLEMENTING A COMMON VISION IN THE WINSTON-SALEM ENTERPRISE COMMUNITY: A NEEDS AND RESOURCE ASSESSMENT REPORT

INTRODUCTION

In the decades before the '60s and integration, the African-American community in Winston-Salem enjoyed large measures of positive development in the numbers of business enterprises, single- and multiple-family housing developments, Black-owned bus and taxi transportation companies, recreational facilities and areas, schools, churches, eating facilities, movie theaters, and activities that contributed to the quality of life for its residents. This community --designated generally as East Winston-- was entirely dominated by African-Americans and included the more northern-located segments known as Boston-Thurmond. Many business enterprises were solely owned by members of that community, ensuring ongoing development, job opportunities, and reinvestment in the community of interest. The majority of Black income remained within the community.

As the revolutionary changes of the following decades occurred during the onset of integration, so did changes take place in the ethnic and economic makeup of the eastern segment of the Winston-Salem neighborhoods. Businesses previously owned by community residents either closed or were bought out by other non-residential

owners or city-owned interests. A major share of Black income left the community, and new owners put little back into the community.

Pockets of opportunity for redevelopment and new enterprise continued to arise with disparate efforts made to redress the conditions. Meanwhile, as various attempts --both successful and unsuccessful-- were made, a Common Vision of what was needed in the Black community was yet to be developed. Given the complexity of the residents in the Enterprise Community area of Winston-Salem, there needed to be a comprehensive effort to determine the various facets of the plan to implement a Common Vision.

The opportunity now exists for the Enterprise Community area to move from its current status as an economically depressed area, to one in which the quality of life meets the criteria of its residents. Under the auspices of the City of Winston-Salem and a joint effort of Forsyth County, Common Visions, and the East Winston Community Development Corporation (EWCDC), the process required to apply for the Federal designation of an Enterprise Community has begun. EWCDC was selected to spearhead the neighborhood organization and planning process, given its role in administering both the Consumer Involvement Office (CIO) of OFF and Neighbors For Better Neighborhoods and because, as a 501(c)(3) organization formed in 1988, it has been charged with the task of addressing the distressed conditions in the East Winston area. By qualifying as a Federal Enterprise Community, the City and Area could acquire \$3 million for job opportunities, community empowerment, and neighborhood revitalization.

In addition, the City of Winston-Salem has contracted with Training Research Development (TRD), Inc. to assist the City in the development of its strategic plan for Enterprise Community designation. Training Research Development (TRD), Inc. of

Hickory, North Carolina, under the leadership of Dr. Forrest D. Toms, is a minority-owned firm with fourteen years of experience in community development and diversity training, research and program design. Specifically, the task for TRD, Inc. was to develop a plan and process for identifying the critical issues facing the residents and institutions of the Enterprise Community. In response to the City's request, TRD, Inc. facilitated a series of community-based focused groups which were designed to:

- Bring together cadres of African-American community residents to discuss the community's needs and visions around issues related to education, economic development, criminal justice, housing, youth, recreation, and senior citizens;
- Provide community residents with an opportunity to develop ideas, clarify community goals, and create a vision about how the community can become more economically self-sufficient and revitalize itself;
- Develop discussion groups with community residents about the strengths, weaknesses, needs, opportunities, barriers, goals, and visions of the community in the following areas:

- o Education

- o Housing

- o Economic Development

- o Youth

- o Criminal Justice

- o Recreation

- o Senior Citizens

- Encourage community residents to develop strategies about how to improve the quality of life of the community; and ,
- Develop a community vision about how people and resources can come together to revitalize the community.

After numerous community meetings with focus group discussions, and both formal and informal resident exchanges with community, city, state, and federal representatives, there is finally a strategic plan for implementing the activities required and for acquiring the resources critical to what is now the Common Vision for moving the Enterprise Community into a proactive mode that will make it a place where it is unexcelled in the quality of life required by all who live there. That vision and its strategies will propel this community into the forward-thinking, high-tech nature of the 21st century environment while celebrating the multicultural, highly-diverse blend of its residents. The purpose of this report is to provide a descriptive analysis of the responses from residents and institutions in the targeted area.

METHODOLOGY

Orientation and focus group sessions were scheduled at various locations throughout the Enterprise Community area during the months of March and April. On March 28th and April 6th, orientation meetings for residents of the targeted community were sponsored by (EWCDC) and the City of Winston-Salem, respectively. The orientation meetings introduced all participants to the concepts of Empowerment Zones (EZ) and Enterprise Communities (EC), and the processes involved in applying for such Federal designations. A total of 200 to 250 residents participated in these sessions. During the month of April, a total of (6) two-hour focus group sessions were held at four different locations within the Enterprise Community. At the beginning of each focus group session, a representative from EWCDC provided an overview of the process involved in applying for the Federal designation of an Empowerment Zone (EZ) or Enterprise Community (EC). In addition, the representative discussed how the Eastern Winston-Salem Community had been selected as the targeted area. Following this overview, a facilitator from TRD, Inc. presented the purpose of the focus group

sessions and emphasized the importance of residents participating in the process now and in the future. Participants were given the opportunity to ask questions concerning the process. After all questions were answered, a survey form, designed by TRD, Inc., was distributed to all participants to assess their perceptions of the strengths, weaknesses, needs, barriers, and opportunities relative to seven key areas. The seven key areas which were identified by community residents during the two orientation meetings were as follows: education; economic development; criminal justice; housing; youth; recreation; and senior citizens. Each participant completed a survey form individually. Following individual completion of the survey, participants formed small discussions groups in which each group was asked to develop group responses and strategies in relation to the seven areas. At the end of each session, the facilitator collected all individual and group responses to the survey, and reiterated to all participants the importance of their participation in the process, now, and in the future.

What follows is a summary of the focus group meeting findings, visions, goals, and strategies.

EDUCATION

Strengths

- Growing access of community residents to higher levels of education
- Increased parental involvement in the educational process of their children
- Students in target area have access to magnet schools
- Black colleges/better school facilities
- Schools that operate year-round
- Better screening/training of educators
- Opportunities from cultural diversity
- Special programs (e.g. tutoring, etc.) available
- Modern technology (e.g. computers, etc.) providing more reality-based education
- Thousands of untapped, talented resources, our children, if handled properly
- Lots of qualified teachers in the community, not necessarily in the school system

Weaknesses/Needs

- Need more Black male guidance counselors
- Lack of community control of school system, ability to hire/fire teachers, control curriculum
- Who's in charge? Nobody takes responsibility - principals, school board, and school superintendent do not take responsibility for the academic under achievement of African-American students
- Students need more preparation for the "real world"
- Parents need help in acquiring the knowledge and developing the skills to help their children to know more and to be of more help
- Need community "watchdogs" to monitor schools
- Teacher insensitivity and apathy
- Inability of white teachers to receive and embrace cultural diversity
- Not enough competent Black teachers
- Too much emphasis on teaching to and meeting quotas, not enough on leading students to think, use logic and reasoning for problem-solving
- Lack of commitment by parents, teachers, and school administrators
- Employers need more empathy when employees must take care of their children's needs at school
- Lack of sensitivity training, multicultural training

Barriers

- No self-esteem among youth
- Disagreement among Winston-Salem residents on integration/busing/freedom of choice issues
- No or limited funding for educational programs designed to assist residents in target area
- Irrelevant curricula
- Outdated, outmoded methods of teaching
- School locations and control are outside of East Winston area
- Teachers' limited frame of reference
- Discriminatory legal system
- Racism/Classism
- Apathetic Black parents who should know why kids are not succeeding
- Parents afflicted with drug and/or alcohol abuse and/or incarceration - greatly hindering their ability to manage their children's education
- Departure from traditional educational values in favor of moving into high-tech environment not transferable to the home

Opportunities

- More representation on school board
- Inclusion of school participants in decision-making
- Networking with parents, teachers, boards, business to form educational partnerships
- Job-relevant training and education
- Improved methods to motivate college students for success in college and beyond
- Recruitment of more Black males/qualified teachers and more Black testing proctors
- Parental involvement or a mechanism for salvaging kids despite their parents
- Churches and schools networking to enhance and facilitate education
- Consider suing the school system to ensure educational goals are achieved
- More vocational education for the non-collegiate bound students
- Revise transportation system - eliminate busing to elementary schools outside city limits
- Provide more community control of schools, place elementary schools back in the neighborhoods of the students to facilitate parental involvement

ECONOMIC DEVELOPMENT

Strengths

- Large Black population as consumers
- Growing numbers of professionals
- Easier shopping through convenience centers
- Strong desire for change and growth
- Growing group of entrepreneurs to train young adults, and provide goods and services
- Good economic development training facilities and resources
- Creativity to produce excellent products and services
- More knowledgeable trainers/consumers
- Free/affordable job training programs
- Potentials exist for new small-business startups
- Start of Black networking/our own "good-old boy" network
- Untapped markets, products and services

Weaknesses/Needs

- Meaningful employment with a living wage, not minimum wage
- Training for new small businesses to avoid pitfalls
- Lack of corporate/brother-sister business cooperation
- No long-range plans
- Plain old ignorance
- Lack of self-motivation, self-reliance, tenacity
- Substandard products/services
- No/little support network
- Need to stay current on new techniques and technology

Barriers

- No common vision which produces community division
- Lack of trust within the community for own businesses and organizations
- Territorial attitudes
- Irresponsibility, lack of accountability
- Knowledge of - but failure to address weaknesses and barriers
- Red tape: government, community, societal, etc.
- Blacks not working together in a cohesive manner
- Very unequal access to business capital, lack of capital and investment
- Lack of knowledge about finances, capitalism – unwillingness to learn

Opportunities

- Development of a positive system of communication, information-sharing, and action that is inclusive, productive and financially rewarding
- Revolutionizing the community economically, entering on a course of self-actualization
- Development of a Black network with a focus on trust, resource-sharing, and mutual exchange of products, services, and expertise
- Building new relationships with lending institutions and the corporate world
- Meaningful, effective cooperation among Blacks to formulate an economic solution
- Working with city to secure city-supported package for Black contractors' licenses

- Create work programs for youth through short- and long-term internships
- Providing initial and ongoing technical and operational expertise for new businesses
- Providing more self-help through increased Black employment and entrepreneurship
- Fairer, more meaningful and helpful government regulations
- Moving from rhetoric (reactive) to an interactive (proactive) yet self-contained community
- Networking to form cooperative businesses, companies, conglomerates by sharing resources
- Bottom line: self-empowerment, self-employment, self-discipline, SELF-HELP!
- Apprenticeships to develop operational and managerial expertise
- Learn more about the Community Reinvestment Act and the role banks are supposed to play in the community
- Put money back into the Black community by supporting our own businesses
- Community can employ itself and make itself rich

CRIMINAL JUSTICE

Strengths

- According to the Constitution, justice in other countries, et. al., the best system in the world *on paper*
- Asserts fair treatment in court for every citizen
- More African-American judges, lawyers, law enforcement officers than in previous history
- The system itself – despite its failings, there is a system, including trial by jury
- Increased participation by community residents and a better sense of trust between law enforcement and the people
- Prison sentences that are increasingly harsher
- More and better jails/prisons
- Neighborhood policing/foot patrols
- More cooperation and respect between community residents and law enforcement officers
- Such as it is, it exists

Weaknesses/Needs

- Law favors the criminals rather than the victims
- Blacks, particularly young males, are jailed in larger, more disproportionate numbers than whites
- Unequal application of justice system nets more innocent Blacks incarcerated
- Laws that allow hard-core career criminals and violent felons early release or easy sentencing due to plea bargaining
- Too political - with the "good-old-boy" buddy system employed by Whites at the expense of Blacks
- Lack of cultural sensitivity – by all White and ethnic groups – and compassion
- The "revolving door" of the system putting career criminals back on the streets
- Social stigmas that continue to condemn those previously-incarcerated who want to turn over "a new leaf" leaving some no reasonable, legal alternative to criminal behavior
- Poor communication between the community and the police
- Inability to stem the tide of drugs, killings, guns, rape, and other Black-on-Black violence
- Inability to override problems that are societal: unemployment, flashy living from "easy money", and low self-esteem
- More Black men and women in law enforcement (from police to judges) to provide positive role models
- Lack of respect for and automatic suspiciousness of Blacks disproportionately in potential arrest situations
- One-sided and anti-Black, especially Black males
- Lack of parental/guardian involvement

- Need to go back to the old style of justice where criminals are not pampered for their crimes or excused – no one is expected to take responsibility for negative behavior
- Lack of alternatives to incarcerating youthful offenders
- Few efforts at rehabilitation – drugs, alcohol, job/skills training, or other education; what exists needs to be tougher, including boot camps
- Prayer
- Far more serious psychological training for law enforcement, both rookies and seniors
- Too few minority officers patrolling Black communities
- Courts overcrowded, not enough attorneys available for those who can't afford to pay
- A complete overhaul of the system to support the phrase: "Get a fair trial"
- Not making those incarcerated work - work on highways, farms, etc. by providing too much free time and comforts some did not have at home
- Not enough prevention/rehabilitation programs
- High rates of recidivism
- Blacks not involved at higher, decision-making levels

Barriers

- Racism: in society, the judicial system, and government codes and regulations
- Greed: among Whites and Blacks following the country's operating principle -- if it's green (\$\$\$), it has value
- Warehousing mentality, rather than rehabilitation and community repatriation
- Apathy or lack of involvement and concern for the criminal as an individual

Opportunities

- Complete revamping of system, including a close look at the elected and appointed officials involved
- Community involvement
- A planned process to reintegrate freed criminals into the mainstream of society as useful and productive citizens
- More effective in-prison training programs to promote rehabilitation
- Contribute all proceeds from felon earnings in prison to victims' recovery fund

HOUSING

Strengths

- Ample supply of land for construction, spacious design and development
- Affordable, more diverse housing available for low- and moderate-income residents
- Increased development in East Winston, Carver, Glenn, and Lake Park
- Available rent subsidies and funds for existing renovation
- 3% loans available for first-time homebuyers
- Groups like Habitat For Humanity and government groups like the Winston-Salem Housing Development Office are established to assist in housing
- Section (8) and other programs available and working
- Programs to assist with poor credit, low income, ownership/tenant responsibilities, etc.
- Strong W-S Housing Authority
- Increasing representation of African-Americans on housing committees and related city/county services
- Improved within last 10-15 years, eliminated many slums

Weaknesses/Needs

- Better housing/residential laws and enforcement of existing ones
- Inability of some to afford to buy a home rather than renting, despite existing programs; there needs to be an effective action plan in place to assist in applying and qualifying
- Poor housing zoning and density requirements
- Better, more affordable housing for singles and families
- Lack of monitoring process for realtors and city
- Lack of knowledge in process for moving from rental property to home ownership for low-income residents
- Need for community-based workshops to educate people on what's available, procedures for obtaining mortgages, and other related, hidden information
- Lack of protective regulations for neighborhood upkeep with reinforcement and enforcement
- Need new and better plans for future project housing development, including input from those who will be impacted
- Virtually no direct consideration for redressing the growing homeless situation in the city
- More assistance for low-income families
- Not enough housing for large families
- Bottom line: "The poor don't have anything and can't get anything"
- Provide information and help for the much-neglected, working middle class
- More funds and focus on renovation/remodeling of existing homes/apartments
- Lack of care for residential structures
- Too many "projects"; too many vacant, boarded-up houses
- Absentee landlords and landlords who will not maintain their property
- Along with better housing, lower rents that don't continue to escalate as income rises
- Large numbers of substandard and/or vacant houses/apartments due to tenant/landlord abuse and neglect
- Limit tenure of public housing tenants
- Too much "impactedness" in public housing, a type of density that started with Happy Hill Gardens; needs to be spread out more
- Codes restrict monies available for rehabbing of housing

Barriers

- Lending institutions make ownership difficult, if not impossible
- Blatant racial discrimination occurs through "Redlining" throughout the city, preventing or making difficult home ownership and establishing that "invisible line" that determines where Blacks can or cannot live
- Absolutely no support system for Black handicapped homeowners
- Lack of knowledge of home ownership processes, procedures, availability, etc.
- Discriminatory neighborhood agreements and restrictive covenants
- White attitudes about Blacks' effect on home and property values (you know, "Oops! There goes the neighborhood!")
- African-Americans lack sufficient knowledge of the home ownership negotiation process
- Poor credit history/low or no employment or fragmented employment history of residents hindering opportunities to own a home
- Poor enforcement of existing housing codes and/or inadequate building codes
- Poor maintenance/upkeep by residents
- Inadequate supply for either singles or multifamily residents
- Rent that is astronomically high, regardless of income or rent subsidies
- Poor selection of private home development for African-Americans
- Lack of interest and commitment on the part of government at all levels to housing needs of target area residents
- The acquired "mindset" that pervades the Black community regarding housing, responsibilities, and expectations

- Insensitive city boards and administration to the housing needs of residents

Opportunities

- Create and support our own community and families by developing housing opportunities, then assimilating them into other communities
- Use our own contractors to rehab houses in the community and offer as one housing solution for the homeless and low-income families
- Provide employment for new, rehab, and renovation projects
- Get rid of some of the abandoned houses, storefronts, etc. that serve as shields for those involved in criminal activities; beautify areas now laying in squalor
- Tax incentives for landlords and homeowners to make abandoned homes livable
- Information and educational programs on the "how to's" of home ownership, tenant/landlord responsibilities, managing your home environment, and other related topics
- Resolve housing waiting lists by making abandoned and vacant properties habitable
- Ending redlining to place all income-level housing throughout the city and opening up opportunities for anyone to live wherever he or she chooses and can afford
- Use Black developers, contractors, realtors, bankers, and any others involved in the process of building, designing, buying/renting buildings and property, both residential and commercial
- Establish and maintain ongoing, working relationships with financial institutions, particularly with banks governed by the Community Reinvestment Act (CRA and its requirements for reinvestment in the community of the bank location
- Increase tenant involvement in the decision-making process impacting the housing they inhabit
- Chance to build more diverse developments designed to attract professionals and others back into the East Winston community
- Redesign public housing, starting with Happy Hill Gardens, to reduce population density

YOUTH

Strengths

- Possess energy, vigor, creativity, and potential to bring about meaningful change
- Have time, ideas, and visions for what they want their quality of life to be
- More opportunities to learn and to work than their parents' generation - also more knowledgeable than parents' generation
- Determined and intelligent individuals who are also sharing individuals
- Their youth, itself, is a strength to be molded into masterpieces
- Significant in numbers
- Good, ready resource, if used wisely
- Athletics -- do well in sports, strong, and flexible
- Know that they are somebody regardless of where they come from
- Eager to learn, improve their skills, and be given guidance
- An unlimited resource of talent lying dormant and untapped
- A great desire to succeed, to be heard
- Very aware that they are not treated fairly
- Consumers who spend millions of dollars
- Ambitious and aggressive, volatile if not handled correctly

Weaknesses/Needs

- Need a mechanism to "reclaim" teenagers, instill a system of values, respect

- Easily manipulated by peers and the "wrong" crowd
- Lack support, direction, education, and adult guidance
- Parents not taking responsibility for their offspring
- Need more and better employment and job training opportunities
- Family structure is crumbling and needs more community support
- Need role models and participation by those people who care about the future
- Nurturing, caring, and sharing from family, community, and educators
- Poor motivation and lack of purpose
- Money being thrown into programs that don't have enough actual activities for youth and planned by youth
- Inordinately high dropout rate from schools
- High unemployment rate
- High rates of teenage pregnancies, absentee fathers, female-headed households
- Total disregard for human life with Black youth killing each other indiscriminately
- Not enough meaningful programs targeted toward youth and their needs
- Media do not support morals and faith of the African-American race
- High rates of illiteracy
- High rates of Black male incarceration
- Drugs, AIDS, STDs, and sexual promiscuity
- Need for more significant, meaningful communication between youth and adults – youth have things to say and want to be heard
- Low self-esteem
- Need more funding for programs in needy neighborhoods; not being reached in a manner that provides 13-20 year olds with opportunities to become engaged in profitable activities
- More activities, employment for 13-20 year olds
- Negative peer pressure
- Negative mindsets of both youth and adults
- Little opportunity for youth to participate in the decision-making process that affects them
- No prayer or religious focus in schools, some homes
- Youth are leaving the community through death or jail
- Have lost faith in "The American Dream" – not for Black folks
- Distrust those who could help; don't listen to pastors, teachers, parents, or any other authority figures
- Some lack parents or guardians who can train them in becoming productive members of society, need involvement during the formative years to provide positive motivation to deal effectively and properly in the community at large
- Need more mentoring programs to offer examples youth can emulate
- Babies having babies
- Need to change attitudes of parents, schools, youth, and society itself
- Don't see the value of education
- Headstrong, stubborn, resistant to positive changes
- Not enough caring, qualified teachers
- Too few Federally-subsidized pre-school programs for low-income, single partners
- Too little participation in parent-teacher programs
- More understanding of who youth are and what they want
- Lack a solid foundation, understanding of the real world and where they fit in it
- More parenting love from all adults to all children; as a community, we all should take part in raising, guiding, and directing our youth
- Need more activities that are non-sports/athletics related
- Strong sense of helplessness and hopelessness

Barriers

- Shortage of creative youth programs
- Lack of job opportunities
- Youth-on-youth violence

- Racial discrimination, particularly directed at young Black males
- Money, both by youth and for youth programs and activities
- Poor education and insensitive educational system; dropouts
- Absence of value system, materialistic attitude; youth's value system at odds with society's norm
- Access to transportation
- Lack of information or failure to understand information on what's available, processes, procedures, options
- Commitments of time and money
- Attitudes about youth from them and everyone involved with them which hampers effective communication
- Poverty, hunger, and home environment
- Too much undirected, misdirected time on their hands
- Being young can be a barrier itself
- Lack of leadership with vision

Opportunities

- Let senior retirees work with youth to develop structure for value system, establishing respect for self and for others
- Include youth in the decision-making process both for themselves and for other community activities to teach responsibility
- Hold young Black males accountable for the babies they make
- More involvement by members of community to provide mentoring, tutoring, one-on-one communication
- New, creative educational opportunities, including alternatives to the established educational system
- Return to environment where all children are our children and deserve our time, attention, love, and understanding
- Neighborhood sharing of single-parent needs
- Community-established preschool facilities with single parents and possibly retirees trained to operate the facility
- Create unique, competitive events, activities for school-aged children
- Develop a network of parents, employers, and community groups to address the weaknesses and implement solutions that work because the young people had input into them
- Increase focus on drug and alcohol rehabilitation
- Community training and seminars targeted towards youth
- More visible, involved role models, mentors for youth committing time, time, time
- Getting youth actively involved in community revitalization projects
- Develop a Youth Cooperative – potential for peer tutoring and counseling, production of goods and services for sale; operated by youth, funded by community/business/government network
- Provide more employment opportunities within the community and its businesses
- More emphasis on quality education appropriate for individual's needs: educated workforce attracts business, business provides jobs, jobs provide the base
- Put community expertise in childrearing to work through parenting classes
- Provide Black Family Days like the recent three-day Urban League FUN Fest, celebrating the positive qualities of the Black family
- Establish extended daycare facilities in communities

RECREATION

Strengths

- Those facilities that exist are spread throughout the city
- Exercise paths for walking, jogging

- Area has available space for activities; vacant properties available for recreational centers
- Good recreational facilities to supplement the YMCA and YWCA
- Something in most neighborhoods for kids
- Good for developing interrelationship skills, ability to follow rules in young people
- Strong in athletics
- Recreation centers serve as an outlet for youth and would measurably deter some from involvement in criminal activity due to too much idleness
- Provide a source for families to participate in activities together

Weaknesses/Needs

- Lack of facilities near the communities in need; little recreation in North Hills
- Some components at facilities, e.g. swimming pools, are too small or outdated
- More ball games, tutoring
- Need more varied recreation
- Lack of involvement of community to assist/use the facilities
- Centers do not advertise their activities
- Need training and encouragement for all age levels
- More qualified staff to provide valid information and assistance
- More play areas for teenagers
- Too few evening and weekend activities
- Everything geared towards youth
- Need more recreation areas in poor communities and in the African-American community in general
- Need activities designed for the African-American community
- No access to ballet, hockey, dance, etc. -- some of the cultural, artistic recreational activities; focus on basketball and football
- Drug activity takes place outside some facilities; people ride by in cars selling drugs, etc.
- More role models
- Youth guidance not adequate
- More recreation facilities in the high-crime areas to get youth off the streets
- More walking and bike paths
- Ready access to toilet facilities in some centers
- More recreation for senior citizens and youth; youth need a place of evening entertainment
- Finances to equip and maintain first-class facilities
- More space in communities, schools, colleges
- Clubs are not nice; need somewhere that's nice and entertaining
- Not enough youth take advantage of what's available
- Promotion, publicity, and accountability
- Affordable, stylish evening entertainment clubs for those over 30
- More privately-owned clubs and recreation centers in the African-American community
- Need directors with innovative ideas, administrators who understand their clientele
- City facilities suffer from staffing and top administration's decision-making
- Nowhere to go that has good supervision
- Not enough places for young people to become involved in positive activities
- No support for Little League recreational programs
- Rethink priorities on where money should be spent
- Open pools in Black community

Barriers

- Top administration and center administrators
- Personal agendas affect interest, activities included, and \$\$\$ spent
- Funding, funding, funding -- everything -- wholesome or not -- requires MONEY

- Community apathy/lack of involvement
- Threat to safety from criminal element
- Ourselves
- Too much going on outside the house
- With money low, volunteers are needed but scarce
- Transportation

Opportunities

- Community support and encouragement, getting involved and getting out the word
- Meaningful activities for seniors to provide outlets for entertainment and recreation
- More interface with the media to do effective public relations
- Develop spirit of teamwork, cooperation, mutual respect, ethics, integrity – i.e. values
- Provide more recreational activities and facilities in distressed, low-income, and high-crime areas, offering an alternative to the streets
- Summer or year-round employment for youth
- Better use of facilities through more evening and weekend, publicized activities
- Fundraisers to provide better equipment
- Networking between facilities and organizations operating rehab and youth programs to plan activities, avoid unnecessary duplication of equipment, supplies, programs
- Provide place to alleviate family stress and tension
- Provide alternative for youth to manage aggression and anger
- Develop real, workable programs and activities that will shape better, more productive citizens and responsible, contributing residents of the African-American community
- Involve Black businesses and churches to support programs, provide volunteers, designate percentage of income to assist in funding recreational activities rather than duplicating efforts and expense

SENIOR CITIZENS

Strengths

- Knowledgeable with wisdom based on past experience
- Time availability
- Rich resource of history, foundation of Black community
- Willing to work, to volunteer for worthwhile efforts
- Lived long enough to get senior citizens' discount on transportation, food including food stamps, etc.
- Keepers of the morals and the faith; the African-American value system
- Population of elderly has grown significantly
- Have good housing and social service opportunities
- Strong force in community if strategies are employed for strong participation
- Variety of care programs, provision of city/county laws and policies for senior citizen comfort and safety
- Still willing to reach out and help not only themselves but others
- Many can serve as role models because of their expertise and longevity
- Know the value of hard work and education, whether they had it or not
- Survivors – their lives are proof we can make it

Weaknesses/Needs

- Too many nursing homes and rest homes; not enough private homes

- Limited income, many on welfare at or below the poverty line
- Can be difficult to deal with, requiring much patience
- Literacy level usually low but mother wit and common sense are high
- Lack of knowledge of what services are available
- Health may fail, requiring someone to assist in personal and home care
- More transportation that is accessible and equipped to handle those with disabilities
- Many nursing and rest homes are apathetic towards their patients and their needs
- The elderly say they need what everybody else needs to sustain a meaningful, viable life
- Needs seem to fall on deaf ears
- Not enough use is made of their wisdom and knowledge
- Too few programs that would tap the considerable talent available
- Not readily understood, accepted, or tolerated by young folks; often attacked and mistreated by young people
- Some need assistance with outside activities like shopping
- Better healthcare and eldercare facilities
- More food programs besides Meals-on-Wheels
- More housing that is affordable
- Lack of respect for an element of our society that is still vital and productive, despite age
- Better support systems and in-home care
- More Black-owned nursing and rest home facilities in the community, nearer to where family and friends are located
- Fear of being victimized
- Community/societal apathy
- Poorly educated
- Must be concerned with diminished mental capacity, Alzheimer's and other ills of the aged
- Not enough senior activities
- More group housing
- Senior centers are too widespread for citizens who do not drive
- Lack of opportunity to participate in top decision-making process
- Need leadership from retired Blacks
- More community support and better laws; not enough visibility given to needs of seniors
- Need a city committed to cleaning up crime and the conditions that cause it.
- Provide foot patrols in neighborhoods with a high concentration of seniors
- Need to form a well-organized group with a major purpose in mind (similar to AARP)
- Seniors tend to be treated as part of our throw-away society

Barriers

- Societal and community attitudes: apathy and lack of involvement
- Transportation needs limit mobility
- Lack of communication and understanding between the generations creates mistrust
- Age itself with its attendant infirmities
- Mental/physical deterioration
- Lack of adequate income
- Lack of expenditures on healthcare facilities, nursing and rest homes, centers for eldercare (daycare to allow family mobility, recreational facilities and activities)
- Crime and fear of crime
- Ignorance and illiteracy on seniors' part; ignorance and intolerance from younger folks
- Lack of respect
- Government regulations/policies on disability, retirement
- Ignorance of what is available

Opportunities

- Stronger networking between youth and elderly by involving in projects to assist seniors
- More community involvement in problems of families with elders needing care
- Establish a community hospice
- Make better use of senior expertise through sharing with new businesses, new parents, other activities and projects that can be mutually beneficial to seniors and community residents
- Develop a community transportation/delivery network to handle errands, shopping, etc.
- Sensitivity training to improve attitudes towards seniors because we'll all be there one day, if we live long enough
- Involve seniors in the decision-making process and the design and implementation of programs and policies for them
- Opportunity to form group, united to represent needs and interests of seniors to government and other authorities
- Improved healthcare/eldercare facilities
- More recreational activities
- Improve social services to meet the needs seniors identify
- Foot patrols to improve community and enhance relationship between police and residents, reduce stress and fear of seniors
- More jobs, security, comfort, and happiness
- Grant programs to allow seniors to rehab their homes
- Tap into that vast expertise to assess ways to resolve the mess we've made of our community

COMMUNITY GOALS

In addition, focus group participants were asked to list up to five goals for the community in the (7) key areas. The following responses were provided:

Education

- Community control of schools
- More votes on the school board
- More African-American males at all levels; also more Black females
- Elementary schools in the African-American neighborhoods
- Use of outside training in school system
- Development of magnet schools in East Winston
- Cultural sensitivity training for teachers, administration, and school board
- Develop a strong preschool program
- Raise minimum level of education
- Alternatives to high school leading to a diploma or GED
- Zero school dropouts
- Our own schools
- Expand dissemination of information
- Increased numbers of tutors
- Joint ventures between parents and school
- New and better neighborhood schools
- Ensure that every child gets a chance to finish high school, encourage to stay in school
- Academic excellence
- Development of cultural diversity training for students, administrators, and teachers
- Improved test scores
- Balanced integration, parental involvement, and improved resources in schools
- Tracking and teacher accountability

Housing

- Construction of single-family dwellings with sound design, good insulation
- Community-managed financial institution with Black homeowners in mind
- Better dissemination of information and services
- Landlord/tenant accountability and better housing code enforcement
- More affordable, better-designed and insulated housing for everyone, low density
- Living without fear of one's neighbors
- Community control, ownership, management, and involvement
- Redesign housing locations
- More development and reinvestment
- More homeownership
- Construction done by Black contractors, developers, etc.
- Private homes for those on welfare
- Training of unemployed and homeless to build or rehab houses for themselves and others

Economic Development

- Equal access to funding
- Employment or opportunity to own a business
- Training for meaningful employment
- Improved availability of well-paying jobs (not minimum wage employment)
- Funding and support to develop unlimited licensed Black general contractors
- Ongoing training for prospective African-American businesses
- Startup and expansion funds for African-American businesses
- Community support for Black business, keeping Black \$\$\$ in the community
- A better understanding of what constitutes Economic Development
- Increase minority business ownership and community businesses
- A well-designed economic development package
- Joint ventures between corporate America and Black youth
- Creation of new businesses in the Black community; strengthening of existing businesses
- Black economic independence through pooling of businesses and resources

Criminal Justice

- Better, more equitable law enforcement
- Better victims' programs and treatment of victims by the legal system
- More women and Blacks on the police force
- More effective interface with law enforcement with more positive communication
- Better training for police
- Stricter laws and enforcement on career criminals
- A criminal justice system that has credibility because it works
- A well-designed criminal justice package
- Equal justice, as stated in the Constitution
- No more Black justice/White justice, just justice
- More African-American lawyers, judges, Supreme Court justices, district attorneys, policymakers
- Effective rehabilitation, community repatriation

Recreation

- Universal with activities that appeal to everyone's interest
- Afterschool programs
- Recreational facilities in strategic locations throughout the city and the East Winston community
- Less emphasis and concentration on the "pro" sports activities; introduce or enhance others like horseback riding, swimming, hockey, dance, ballet
- Emphasis on the true spirit of sportsmanship
- More recreational activities and programs to keep young people interested and busy, out of the streets
- More free entertainment
- Shared use of common resources between recreational centers, churches, and other organizations

Youth

- Training programs geared towards useful skills and constructive use of time
- More jobs with better pay
- More consideration for the concerns and cares of youth
- Decreased rates of teenage pregnancies, illiteracy, Black male incarceration, AIDS and other STDs, drug abuse, and youth-on-youth killings
- Better use of the abilities and skills already there
- More effective communication between youth and adults – listening
- Youth included in the decision-making process for areas that affect their quality of life
- Effective awareness programs on the detriments of drugs, crime, sexual promiscuity, and illiteracy
- Youth working and living up to their potential

Senior Citizens

- Full utilization of seniors in projects that exercise their expertise, wisdom, and knowledge
- Provision of safety and access to activities that give opportunities for recreation, healthcare, and other needs
- Increased awareness in the community and government of seniors' issues
- Increased involvement in decision-making processes
- Mechanisms that ensure their safety and provide personal, medical, and financial assistance
- Provision of healthcare and eldercare programs to support needs of the underprivileged

Other Areas

- Reduction of racial bias
- Reduction of new, young teenage single mothers
- Better healthcare
- Elimination of violence, particularly Black-on-Black crime
- A change in Black attitudes and prejudices towards "outsiders," both returning natives and non-natives to the area, who have ideas and resources to commit to development

COMMUNITY VISIONS

Focused group participants were also asked to list their vision for the community (*i.e.*, *what they would like to see the community become*) in the seven key areas. Responses were as follows:

Education

- A better educational system, including neighborhood community schools at the elementary level
- Children who are aware of any and all opportunities available to them and the consequences if not used
- Afterschool tutorial programs
- African-American children striving to do well, an attitude that existed in the years before integration
- Winston-Salem as one of the leading cities for public education in the country, especially in the areas of model programs for education of ethnic minorities
- College education as the minimum educational level
- Self-contained education – able to provide for ourselves
- Improved teaching skills
- Every child with the opportunity to finish high school or an equivalent alternative

Housing

- Single-family and multiple-family housing completely meeting construction, density, and residential standards
- Elimination of dilapidated houses and junkyards from the community
- Rebuilding and renovation of older areas
- A harmonious living environment
- Equal access to equal housing
- Ability to provide our own housing, using our own businesses and talent
- Training for both homeowners and tenants to instill pride and caring for their residence and community
- Expansion of well-constructed, affordable housing in the East Winston area
- Different housing patterns than currently exist
- Low-income families who are homeowners

Economic Development

- Better and more business opportunities
- More economic independence and self-sufficiency
- Black businesses in Winston-Salem growing and expanding across the state, nation, and world
- Better, fairer lending practices
- More Black business districts
- Financial base for Blacks to be shared among all Blacks
- Improvement in the types of businesses in the Black community, along with increasing the number of Black owners
- Corporate America working through the educational system to teach youth what America is about
- Increased minimum wage, especially for youth

- More jobs with increased living wage
- More grocery stores, particularly Black-owned

Criminal Justice

- A complete overhaul of the existing system, its laws, its version of justice, its sentencing practices, court calendar overcrowding, the prison system, etc. as all of it relates to equitable and just treatment of Blacks, particularly for young males
- Community policing through foot patrols
- Increased numbers of police and police presence
- Positive communication between law enforcement and the community
- Community policing and enforcement by residents
- Legalization of drugs
- More job training and drug/alcohol rehabilitation centers and programs
- Fewer jails being built, more emphasis on importance of each individual
- A prevention/safety attitude

Youth

- Programs to encourage youth to return to school/stay in school
- A better, safer, longer life
- Jobs, jobs, jobs
- Good, healthy use of their talent
- A positive outlook on tomorrow through respect, self-esteem
- More adult involvement
- Community and neighbors responding to all children as though the children were theirs
- Better daycare facilities
- More leaders
- Enlightened, hopeful youth with a desire for life, learning to strive to live it fully

Recreation

- More fully-equipped, well-supervised facilities
- More community-provided facilities
- Instructors who really care about the sport and why the game is played, not just about winning
- Facilities that are responsive to the needs of all its residents, regardless of age
- Better use of facilities, including evening and weekend activities for singles and families

Senior Citizens

- Active seniors who are a respected part of community life
- Network of seniors and youth, drawing from the expertise and wisdom of one to help the other
- A community that takes care of the needs of its elderly residents, ensuring a good, safe quality of life
- More and better staffed/equipped nursing homes, rest homes, and group care/eldercare facilities geared to address the special needs of elderly Blacks

STRATEGIES

Lastly, participants were asked to list strategies by providing answers to these questions:

- (1) What has to happen (in terms of different people, organizations, ages coming together in order for the Vision of the community to become a reality?
- (2) What are the barriers to achieving the Vision?
- (3) What opportunities are available to make Vision happen and what resources (projects, programs, groups funding, etc. are available right now?

Things That Have to Happen to Make the Vision A Reality

- Proactive leadership, acting from a master plan with measurable objectives, responsibilities, allocation of resources
- More involvement by churches and others in the community in less fortunate neighborhoods
- Eliminate the "haves, have nots" attitude and develop sensitivity and empathy for others
- Drop the community apathy that exists: express viewpoints and get out and make a difference
- Unify and make a real effort to make the vision happen
- Need more racially-mixed discussion groups, involvement of all levels of Blacks
- Trust and investment in each other, putting the needs of the whole community ahead of our own personal agendas
- A renewed respect for life and the value of every individual
- Giving everyone a vested interest in changing the community's quality of life
- Empowerment of individuals in the community
- Learning how to more efficiently and effectively use our own resources and how to obtain and use other people's money
- Support and encourage each other and our own businesses to turn the money around in our own community; stop the 95% income outflow
- A resource directory of all products and services available
- Both business and community networking
- Community development facilities
- More people will have to be fired before they see reality and get sufficiently fired up to get involved
- Organizations need to stop begging and start doing, banding together to finance needed projects and ventures
- Stronger families
- Let East Winston CDC be the voice for change in the community and eliminate all other groups that profess the same mission; eliminates confusion and presents a unified voice
- Total inclusion in the information flow
- Everyone working together – young and old – in peace with a mutual goal in view
- Extended family facilities
- More senior citizen involvement to express their viewpoints, concerns, and ideas
- More meaningful prayer and fasting until the vision comes to pass
- Children being taught to be entrepreneurs
- Programs in schools to teach effective time management and other business-related courses
- Identification of skills, talents available in community, matching with opportunities available
- Set priorities and "get busy"

Barriers To Making The Vision Happen

- No effective leadership with master action plan
- No "outreach" by people, churches, and organizations who are "in the know"
- No belief in the community and oneself, low self-esteem and negative attitudes
- Money: funding, lending policies, financial and credit standing
- Getting the right people who are willing to make it happen
- Mindset: holdover from early conditioning and racially-motivated laws, policies, and behavior
- Economic deprivation
- Careless schools that do not motivate or educate
- Our own ignorance
- Government restrictions that may be imposed on this project and those implementing it
- Infighting, fractiousness, and personal agendas
- Lack of all required information, being typically outside the flow of information, or inability to interpret and use it
- Lack of strong families, community spirit and pride
- Unwise use of common sense
- The old "I'm better, smarter, richer than you" attitude that divides the community into classes
- Old bulls who have been in place forever and don't want to budge or yield to new thinking
- Businesses and housing have all left the innercity and moved to the suburbs, lowering the tax base
- APATHY, you are us!
- RACISM, racism, racism
- Fear and envy of each other and of returning residents or new residents who want to make contributions of their resources; class consciousness also enhances those attitudes and the resultant infighting allows the majority to take the opportunity to further divide the Black community

Opportunities Currently Available To Make Vision Happen

- East Winston Community Development Corporation
- East Winston Economic Development Task Force
- East Area Council -- Chamber of Commerce
- Minority Development Group -- Chamber of Commerce
- Southern National Bank Minority Development committees
- Victory Mutual Credit Union
- Self-Help Credit Union (no Winston-Salem branch yet)
- Large Black businesses (e.g. funeral homes and churches with major \$\$\$)
- Community and recreation centers
- Big Brothers/Big Sisters, Salvation Army Boys/Girls clubs, Children's Coalition, among others
- Wachovia Bank's NRP Program, Southern National Bank's Home Programs, etc.
- SBTDC
- Best Choice, LIFT
- Congressional legislation pending for financial restoration to minorities
- State, federal, and local legislation
- Area colleges: WSSU, WFU, A&T State University, FTCC
- MICRO: prelending program for potential entrepreneurs through Forsyth Technical Community College
- Jolly: prelending program for potential entrepreneurs through the City of Winston-Salem
- EWCDC/WSSU/Seedco partnership
- Opportunity: A training center -- opportunity for community involvement in a specific project
- Opportunity: An apprenticeship program
- Opportunity: A networking system and business directory for the target area

Additional Comments on Opportunities

- Community has the resources (people, money, expertise and talent of all varieties, businesses, time, and projects to do to get started but must learn to pool those resources.
- Community needs to find a specific project to do together, giving everyone – young and old – involvement and empowering them with a role to play.
- Since opportunities and resources are in place, we're not using the strategies to make them work for us.
- All the resources are right within us and our community.
- The money is there. It should be channeled in the right direction.

Discussion

The report findings reveal that survey respondents are very aware of past attempts by the City leadership to foster community economic growth, community development and revitalization. On the other hand, findings suggest community residents believe that some, but not major progress has been made to create and sustain improvements in the overall quality of lives of residents in the target area. Report findings suggest that there were three major themes which surfaced and pervaded throughout the seven categorical areas that have and continue to impede long-term community economic growth, community development and revitalization efforts.

Community Residents Need Additional Knowledge and Skills To Be Empowered To Bring About Change

Many focus group participants felt that residents in the Enterprise Community area were able to identify the problems facing the community, but not necessarily equipped with the knowledge and skills to implement solutions. Some community residents feel they lack the knowledge and skills to empower themselves and bring about change in their own lives, families, and the community. Survey findings support this notion through responses such as: the inability of the community to make the school system accountable to the needs and desires (i.e. hiring/firing issues of staff, curriculum issues of the community; the need for parents to develop parenting skills; no long range community plan for economic development; plain old ignorance; no common vision which produces division; knowledge of - but failure to address weaknesses and barriers; Blacks not involved at higher, decision-making levels in the criminal justice system; no effective action plan in place to assist community residents in applying and

qualifying for home ownership; lack of knowledge of residents in process for moving from rental property to home ownership for low-income residents; bottom line: "The poor don't have anything and can't get anything"; increasing tenant involvement in the decision-making process impacting the housing they inhabit; little opportunity for youth to participate in the decision-making process that affects them; strong sense of helplessness and hopelessness; lack of information or failure to understand information on what's available - processes, procedures, and options for youth; more involvement by members of community to provide mentoring, tutoring, and one-on-one communication; lack of knowledge of what services are available for senior citizens; and involve senior citizens in the decision-making process and the design and implementation of programs and services.

As stated previously, community residents many times are able to identify a need within the community, but lack the information and skills to access, develop, and utilize resources to address the need. As a result, many residents feel powerless and helpless to improve the quality of their own lives, families, and their community. This sense of powerlessness oftentimes leads to apathy, frustration, and indifference on the part of community residents.

Community Residents Distrust The Efforts Of The Existing Leadership In Winston-Salem (Political, Educational, Business, etc. In Addressing And Meeting Community Needs

There is general feeling of distrust and suspicion of the City's most recent effort, Federal Enterprise Community, to develop and revitalize the physical plant

infrastructure and human resources within the Enterprise Community area. Qualifying for designation as a Federal Enterprise Community is the latest in a long series of attempts to foster "Black economic development and neighborhood revitalization." Model Cities was the attempt remembered most with the aftermath still a bitter taste in the mouths of many residents. They also remember Planned Variations.

As a result of this historical relationship of East Winston and the City leadership, systems, and organizations, numerous negative comments colored attitudes of some of the older residents. Many questioned whether their input would be recognized, much less used; whether the city would override any report findings and recommendations; who would be handling the money; and whether any monies granted would actually come into the Black community. They had experienced other times when money, earmarked for East Winston, went for construction or improvements elsewhere--specifically to the majority community for housing and business improvements.

The community's lack of trust for the intentions, willingness, and ability of the leadership, systems and organizations within Winston-Salem to bring about community change has led the community toward finding ways of solving their own problems and to become a self-sufficient community. The following Report findings provide further evidence of this theme: inability of White teachers to receive and embrace cultural diversity; consider suing the school system to ensure educational goals are achieved; provide more community control of schools, place elementary schools back in the neighborhood of the students to facilitate parental involvement; the need to start a Black networking/"good-old boy" network; development of a Black network with a focus on trust, resource-sharing, and mutual exchange of products, services, and expertise, building new relationships with lending institutions and the corporate world; put money

back into the community by supporting our own businesses; too few minority officers patrolling Black communities; insensitive city boards and administration to the housing needs of residents; create and support our own community and families by developing housing opportunities, then assimilating them into other communities; use Black developers, contractors, realtors, bankers, and any others involved in the process of building, designing, buying/renting buildings and property, both residential and commercial; money being thrown into programs that don't have enough actual activities for youth and planned by youth; have lost faith in "The American Dream" --not for Black folks; new, creative educational opportunities, including alternatives to the established educational system; recreational facilities suffer from staffing and top administration's decision-making; more Black-owned nursing and rest home facilities in the community, nearer to where family and friends are located; and community/societal apathy.

From the survey findings, it is clear that focus group participants believe that whatever community change process is considered by the existing leadership (inside and outside the community, community residents and community-based organizations should be involved in the planning, development, and implementation phases of the process.

Racism And Cultural Insensitivity

Conditioning, ingrained since the city's first zoning law in 1930 set the housing patterns, has developed a certain mindset in both Blacks and Whites in such areas as housing, lending practices, and equitable distribution of government-funded programs. Although the letter of Jim Crow legally no longer exists, the spirit does. It impacts what has and has not been done in the past, and a number of focus group participants

believe it will impact the application process and its outcome --no money for the Enterprise or East Winston area, despite any best efforts.

For virtually every issue addressed, racist attitudes, practices, and policies -- subtle and overt -- racism and the Black response or lack of one were cited as primary reasons for lack of more homeownership, unfair and illegal lending practices of financial institutions, continued redlining, inadequate numbers and disproportionate failures of businesses and entrepreneurships, contractor licensing inequities, unequal recreation center funding and equipment, lack of police protection, injustice under the current system, and a number of other sub-issues. When matters of funding, borrowing money, or achieving livable job income were discussed, racism was often the ultimate reason and the main cause for alternative strategies for action. The various groups did conclude, however, that it was up to the community to put an end to unjust and inequitable situations that impeded progress. Suggestions of such past actions as economic boycotts held wide support. The following comments from the survey provide further support for this theme: Racism; lack of sensitivity and multicultural training; very unequal access to business capital, lack of capital and investment; Blacks, particularly young males, are jailed in larger, more disproportionate numbers than whites; unequal application of justice system nets more innocent Blacks incarcerated; too political - with the "good old-boy" buddy system employed by Whites at the expense of Blacks; racism: in society, the judicial system, and government codes and regulations; lending institutions make home ownership difficult; blatant racial discrimination occurs through "Redlining" throughout the city, preventing or making it difficult home ownership and establishing that "invisible line" that determines where Blacks can or cannot live; discriminatory neighborhood agreements and restrictive

covenants; White attitudes about Black's effect on home and property values (you know, "Oops! - there goes the neighborhood; youth are very aware that they are not treated fairly; media not support morals and faith of the African-American race; racial discrimination, particularly directed at young Black males;

NEXT STEPS

In order for short term, long-range, and sustained comprehensive change to occur in the Enterprise Community area, residents inside and outside the East Winston area must participate in a Community Development and Strategic Planning Process. The Community Development and Strategic Planning Process will provide the Enterprise Community area with a framework for understanding, developing, and implementing an intensive and comprehensive community building, community empowerment and community change process.

The process will organize and fortify a cadre of community adults and youth with the awareness, knowledge, and skills to address issues and implement strategies within the seven identified areas (i.e., education, economic development, criminal justice, housing, youth, recreation, and senior citizens to improve the overall quality of life of children and families in the Enterprise Community area.

The Community Development and Strategic Planning Process could be implemented over a 1-2 year period within the following phases.

PHASE I - IDENTIFY AND SELECT EXISTING AND PROSPECTIVE COMMUNITY LEADERS

Participants in this community development process will include adults and youth. Selected participants should include individuals from all aspects of the Enterprise Community area including:

- Community-Based Organizations
- East Winston Community Development Corporation
- East Winston Economic Development Task Force
- East Area Council
- Minority Business Development - Chamber of Commerce
- Community-Based Churches
- African-American Elected Officials
- Fraternities and Sororities
- Community-Based Businesses
- City/County Government Agencies
- Social Services Agencies
- City/County Housing Authority
- City/County Law Enforcement
- Local Business and Industry Leaders
- City/County Government Elected Officials
- Chamber of Commerce

PHASE II - COMMUNITY AWARENESS AND LEADERSHIP DEVELOPMENT

This phase is designed to increase the awareness and knowledge of designated youth and adult community leaders to address historical, current, and future issues facing the Enterprise Community area. These groups will meet monthly or bimonthly for training

sessions. Youth and adults leaders will periodically be involved in joint meetings, and other times the focus of the training will vary for youth leaders.

The following topical areas will be included in the process: defining leadership and leaders, the challenges and opportunities of being a community builder and leader, the bicultural nature of the African American experience in America, developing a community needs assessment, strategic planning, and becoming a participant in the mainstream of the community. Training methods will include short lectures, small group exercises and large group discussions.

PHASE III - COMMUNITY NEEDS ASSESSMENT

The purpose of this phase is to determine the perceptions of community residents relative to: community needs; and the awareness, sensitivity, and effectiveness of organizations, and community leaders (inside and outside the community in addressing issues facing community residents. A sub-team will be formulated to compile data from completed assessment reports (i.e. such as this report; determine what data is needed to assist the community in comprehensively assessing its needs; develop and administer a survey for community residents; and participate in developing a comprehensive community needs assessment report.

After the Community Needs Assessment Report is completed, findings are reported to the community development team, community residents, community leaders (i.e. inside and outside community and other organizations, agencies, and corporations.

PHASE IV - COMMUNITY TEAM BUILDING AND STRATEGIC PLANNING

The community development team will utilize the community needs assessment report to develop a 1-5 year strategic community action plan. The community team building and strategic planning process will equip a community development team with the tools capable of developing and implementing a 1-5 year strategic community action plan within the Enterprise Community area. Community Advisory Sub-Teams will be created to develop strategic action plans to address specific community issues (i.e. education, economic development, housing, youth, criminal justice, recreation, senior citizens, etc.

Sub-teams will also make projections of the human and economic resources necessary to actualize the community's strategic plan. After the draft plan is developed, the community development team will conduct a series of forums throughout the Enterprise Community area to provide community residents with the opportunity to modify or revise the plan.

PHASE V - MAKING IT ALL WORK - DEVELOPING A PLAN TO IMPLEMENT THE PLAN

The goals of this phase are to assist the Community Development Team to develop strategies and tactics for implementing the strategic plan; develop a monitoring and evaluation system for the strategic plan; schedule meetings with community residents to inform them of implementation plan and progress reports.

On-going education and training, forums, seminars, and workshops for community residents and organizations (inside and outside the community will be

conducted to insure that all individuals and institutions are kept abreast of community issues and to provide them with opportunities to assess and/or modify the plan.

PHASE VI - COMMUNITY ORGANIZING STRATEGIES BUILDING COALITIONS AND ALLIANCES

During this phase, the Community Development Team seeks to identify and develop partnerships with organizations inside and outside the community to assist the Enterprise Community area in implementing its strategic plan. Team members conduct a series of presentations with identified organizations overviewing major needs within the community; visions and goals as outlined in the strategic plan. Team members will discuss with identified organizations how workable partnerships can be formulated and sustained to assist the Enterprise Community area in improving the overall quality of life of its residents. Also, community-based organizations and residents will be provided training to further develop their skills to successfully participate, access and utilize resources in the mainstream of the community (i.e. educational, political, and economic system, housing, etc...

PHASE VII - TOWARD DEVELOPING CULTURALLY RELEVANT PROGRAMS AND SERVICES

In order for viable partnerships between the Enterprise Community area, community-based programs, and organizations within the broader Winston-Salem, service providers must examine and explore their assumptions about the needs of the community as it relates to programs and services. The goals of this phase are to assist organizations and agencies (inside and outside the community providing programs and

services within the Enterprise Community area to: clarify the difference between creating programs for community change versus developing processes to assist in creating change; assist them in assessing the strengths and weaknesses of their programs and services; and provide a process for developing culturally relevant programs and services.

PHASE VIII - DIVERSITY AND DIFFERENCES IN OUR SCHOOLS AND COMMUNITIES: CHALLENGES AND DIFFERENCES

This phase focuses on providing organizations and agencies (i.e. education, business/industry, housing, criminal justice, youth, recreation, and senior citizens within the broader Winston-Salem area with Diversity Training. Through a series of workshops, service providers will: increase their overall awareness and knowledge related to diversity; increase their overall understanding of how diversity relates to day-to-day encounters inside and outside the Enterprise Community area; develop an in-depth understanding of the need to create climates within the community for diversity; and increase their awareness and knowledge of ethnic, racial, and cultural group differences and its impact on developing partnership and cooperative relationships in the community..

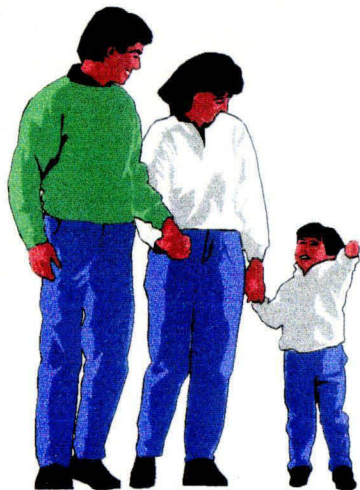
PHASE IX - FOLLOW-UP

The Evaluation and Monitoring Sub-Team will be responsible for conducting on-going formative evaluations and semi-annual summative evaluations of the community development team process.

"A TIME TO BUILD"



A Church and Community Economic Development Conference



July 15, 1995

Mt. Zion Baptist Church
950 File Street
Winston-Salem, NC

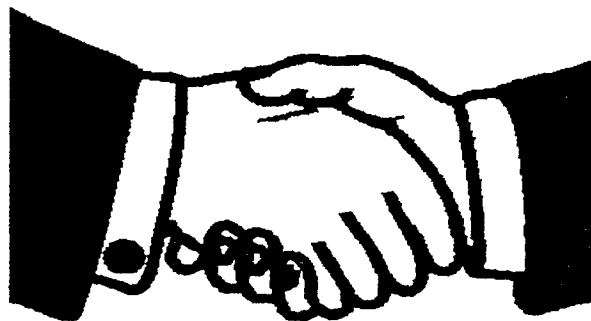
Organized by:
The Ministers Conference of Winston-Salem and Vicinity
and
East Winston Community Development Corporation

CONFERENCE PURPOSE

✓ The purpose of this conference is to bring the church and laity together with the East Winston Community Development Corporation (East Winston CDC) to form an alliance that would support community economic development at the neighborhood level; as well as, to develop and adopt strategies and tactics that better utilize the resources we control and to access those we do not. We want to energize and nurture people at the local level to ascend their community through their own self-determination.

Churches, with a shared interest in developing their communities and improving living conditions, can combine their energies and potential political power to have a dynamic effect on the future of the communities existence. In the present political environment, the role of church and congregational coalitions are of paramount importance. From its very beginning African-American churches have been at the forefront of community economic development and have always been the catalyst for numerous community initiatives.

By being here today to celebrate the historic involvement of the African-American church, the communities that make up Winston-Salem\Forsyth County should gain a tremendous advantage over other neighborhoods and communities in North Carolina. We have begun the all important process of "coming together" so that we can internalize the quote by John S. Mbiti who summarizes the concept of community as *"I am because we are, and since we are, therefore I am."*



Proposed Mission Statement

"To further involve the African-American Church Community in the whole spectrum of humanitarian needs within and beyond its local presence and membership; to identify and utilize the accumulating resources of the East Winston Community Development Corporation, in partnership with the Ministers Conference of Winston-Salem and Vicinity."

Church & CED Partnership

"A TIME TO BUILD"



A Church and Community Economic Development Partnership



Saturday, May 25, 1996

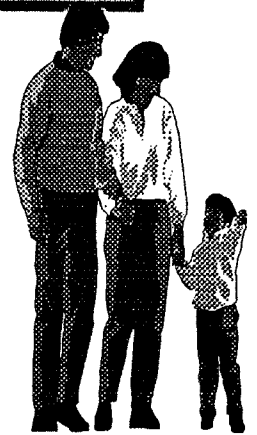
**Hanes C.M.E. Church
819 Highland Avenue
Winston-Salem, NC**

Sponsored by the Church & CED Partnership

" A TIME TO BUILD "



A Church and Community Economic Development Conference



Keynote Speaker **Rev. Stephen Fails**

Identifying the common goals of the Church and Community Development Corporations and developing partnerships that enable neighborhood revitalization through non-traditional programs.

Establishing a network through which to disseminate information on issues that concern the entire community!



Update on all current and future projects being undertaken by the East Winston Community Development Corporation.

July 15, 1995

8:30 am - 4:00 pm

Mt. Zion Baptist Church
950 File Street
Winston-Salem

WORKSHOP FACILITATORS

Forrest Toms - Training Research Development Inc.

Isaiah Madison - Institute of Southern Studies

Irvin Henderson - Irvin M. Henderson & Company

Eddie Lawrence - NC Church and Community Development Project

Diana Wilson - NC Rural Economic Development Center

Fannie Corbett - Wilson Community Improvement Assoc.

Sponsored By:
East Winston Community Development Corporation
and the
Ministers Conference of Winston-Salem and Vicinity

For further information
please call (910) 723-1783

AGENDA

| | | | |
|---------------------|--|---|--|
| 8:30 am | Continental Breakfast Registration | | |
| 9:30 am | Welcome | Pastor Joseph Jones Ministers Conference of W-S and Vicinity | Marie Roseboro East Winston CDC Board of Directors |
| | Overview & Purpose | James R. Grace East Winston CDC | |
| | Plenary Session | Eddie Lawrence NC Human Relations Commission | |
| 10:00am | Session I Workshops | | |
| Workshop 1 | Housing Development | | |
| <u>Facilitators</u> | Fannie Corbett | Lori Gibbs | |
| Workshop 2 | Commercial Development | | |
| <u>Facilitators</u> | Irvin Henderson | Greg Chen | |
| Workshop 3 | Community Organizing | | |
| <u>Facilitators</u> | Isaiah Madison | Forrest Toms, Ph.d. | |
| Workshop 4 | Child Care Development Micro Enterprise Loan Fund Consumer Involvement Office | | |
| <u>Facilitators</u> | Diana Wilson | James R. Grace | Lee Faye Mack |
| 12:15 | Luncheon | | |
| 1:30 pm | Session II Workshops | (See Above) | |
| 3:30 pm | Summary/Close | James R. Grace, Executive Director East Winston Community Development Corporation | |
| Benediction | | Dr. Sereneus Churn, Sr. Mt. Zion Baptist Church | |

Economic Development Key to Black Community

By JOHN HINTON
Chronicle Senior Staff Writer

African Americans are still enslaved in America because they have failed to take advantage of the economic opportunities in their communities, The Rev. William Stephen Fails said recently at a local conference.

"African American consumers must support African American producers," said Fails, the luncheon speaker at the Church and Community Economic Development Conference at Mt. Zion Baptist Church in Winston-Salem. "Churches and CDCs can lump their little pieces together and make one big piece."

African Americans must level its access to capital and invest in projects throughout the black community, said Fails, the pastor of First United Baptist Church in High Point. "Church must foster investment clubs and credit unions so their parishioners will control their destinies."

Economic development in the black community is hindered because the African American race is divided, Fails said. He urged blacks to respect their community leaders even if they don't like them.

Fails' remarks highlighted a day of candid discussion about the economic development within Winston-Salem's African American community.

The Ministers Conference of Winston Salem and Vicinity and the East Winston Community Development Corp. organized



Rev. William Stephen Fails

the conference that attracted nearly 100 people. The theme of the conference was "A Time to Build." Its purpose was to bring church leaders and lay people together with the East Winston CDC to form an alliance that would support community economic development at the neighborhood level.

The conference was also designed to develop strategies to utilize resources that local African Americans control and access resources outside their control. James Grace, executive director of the East Winston CDC, said that African Americans must be willing to gain access to public and private funds by meeting with government and business leaders.

"We have to sit at the table, plan, and be bored," Grace said at the plenary session. "At every meeting, something gets accomplished."

The participants attended four concurrent workshops on housing, commercial develop-

ment, community organizing, child care, the Microenterprise Loan Fund, and consumer involvement. Fannie Corbett, the executive director of the Wilson Community Improvement Association, and Lori Jones Gibbs, the vice president of real estate for the N.C. Community Development Initiative, discussed ways community residents can work to create affordable housing in their neighborhoods.

Irvin Henderson, president of Irvin M. Henderson & Associates, and Greg Chen, special projects coordinator for the East Winston CDC discussed strategies to pursue community development.

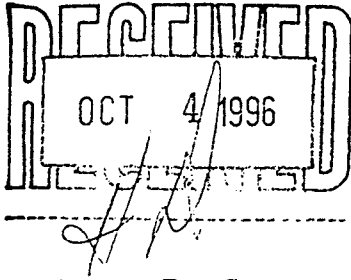
Isaiah Madison, the executive director of the Institute for Southern Studies, Forest Toms, a training and developmental specialist in Hickory, told participants how community organizations could move towards positive changes.

Diana Wilson, the project director for the Church Child Care Initiative sponsored by the N.C. Rural Economic Development Center, talked about how churches could apply for grants to obtain state funds for day care centers. Lee Faye Mack of the CDC's Consumer Involvement Office told conferees about the functions of her office. Grace spoke about the Micro Enterprise Loan Fund created to make funds more accessible for small businesses. The next conference will be held in September.

"We cannot afford to get bored with the process," Grace said. "The process is killing us."



DEPARTMENT OF HEALTH & HUMAN SERVICES



ADMINISTRATION FOR CHILDREN AND FAMILIES
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

SEP 30 1996

Mr. James R. Grace
Executive Director
East Winston Community Development Corporation
1225 E. Fifth Street
Winston-Salem, North Carolina 27101

RE: Grant No. 90EE0202

Dear Mr. Grace:

It is a pleasure to inform you that your application to the Office of Community Services, Urban and Rural Community Economic Development/Pre-Development Set-Aside Grants has been approved for funding. The number referenced above is assigned to your grant and should be used on all related correspondence. The Financial Assistance Award which specifies the amount and duration of the award is enclosed.

The Office of Community Services Program Specialist responsible for monitoring and assisting in the programmatic activities of the project is:

Mr. Joseph Carroll
Program Specialist
Administration for Children and Families/HHS
Office of Community Services
370 L'Enfant Promenade, SW 5th Floor
Washington, DC 20447
Telephone: (202) 401-9354

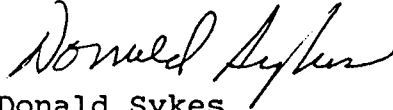
The Grants Management Specialist assigned to your project and available to assist you in the non-programmatic aspects of the grant is:

Ms. Lorraine Berry
Grants Management Specialist
Administration for Children and Families/HHS
Division of Discretionary Grants
370 L'Enfant Promenade, SW 6th Floor
Washington, DC 20447
Telephone: (202) 260-5473

In accordance with regulations of the Department of Health and Human Services, grantees are required to submit semi-annual financial status reports (SF-269) and semi-annual performance reports. All correspondence and reports related to your grant should be transmitted to the Grants Management Specialist.

I wish you success in the operation of your project.

Sincerely,

A handwritten signature in cursive script, appearing to read "Donald Sykes".

Donald Sykes
Director
Office of Community Services

Enclosure

1 RECIPIENT
DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
FINANCIAL ASSISTANCE AWARD

SAI NUMBER:

PMS DOCUMENT NUMBER:

01 90EE020201

| | | | |
|---|---|---|----------------|
| 1. AWARDING OFFICE: OFFICE OF COMMUNITY SERVICES (OCS) | 2. ASSISTANCE TYPE: GRANT | 3. AWARD NO.: 90EE0202/01 | 4. AMEND. NO.: |
| 5. TYPE OF AWARD: SERVICE | 6. TYPE OF ACTION: NEW | 7. AWARD AUTHORITY: PL 97-35 SEC 681 | |
| 8. BUDGET PERIOD: 09/30/96 THRU 09/29/97 | 9. PROJECT PERIOD: 09/30/96 THRU 09/29/97 | 10. CAT. NO.: 93. | |

| | |
|---|---|
| 11. RECIPIENT ORGANIZATION: EAST WINSTON COMMUNITY DEVELOPMENT CORP. 1225 E. FIFTH STREET WINSTON-SALEM NC 27101 JAMES R. GRACE, EXECUTIVE DIRECTOR | 12. PROJECT/PROGRAM TITLE: URBAN AND RURAL ECONOMIC DEVELOPMENT |
|---|---|

| | | |
|-----------------------------|------------------------|---|
| 13. COUNTY: EAST WINSTON | 14. CONGR. DIST.: 0 | 15. PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR: JAMES R. GRACE |
|-----------------------------|------------------------|---|

| | | | |
|--|--------|---|---------------|
| 16. APPROVED BUDGET: | | 17. AWARD COMPUTATION: | |
| PERSONNEL.....\$ | 36,000 | A. NON-FEDERAL SHARE.....\$ | 0 0.0% |
| FRINGE BENEFITS..... | 0 | B. FEDERAL SHARE.....\$ | 75,000 100.0% |
| TRAVEL..... | 0 | 18. FEDERAL SHARE COMPUTATION: | |
| EQUIPMENT..... | 0 | A. TOTAL FEDERAL SHARE.....\$ | 75,000 |
| SUPPLIES..... | 0 | B. UNOBLIGATED BALANCE FEDERAL SHARE.....\$ | 0 |
| CONTRACTUAL..... | 0 | C. FED. SHARE AWARDED THIS BUDGET PERIOD.....\$ | 75,000 |
| OTHER..... | 39,000 | 19. AMOUNT AWARDED THIS ACTION: \$ 75,000 | |
| TOTAL DIRECT COSTS.....75,000 | | 20. FEDERAL \$ AWARDED THIS PROJECT PERIOD: | |
| TOTAL INDIRECT COSTS CALCULATED.....\$ | 0 | 21. AUTHORIZED TREATMENT OF PROGRAM INCOME: ADDITIONAL COST | |
| AT % OF \$ | | 22. APPLICANT EIN: 1581804407A1 | |
| TOTAL IN-KIND CONTRIBUTIONS.....\$ | 0 | 23. PAYEE EIN: 1581804407A1 | |
| TOTAL APPROVED BUDGET (*) \$ | 75,000 | 24. OBJECT CLASS: 41.51 | |

| | | | | | | |
|--------------|---------------|----------------------------|----------|----------|----------|-------|
| DOCUMENT NO. | | 25. FINANCIAL INFORMATION: | | | | |
| ORGN | PROG | APPROPRIATION | CAN NO. | NEW AMT. | UNOBLIG. | NONFE |
| OCS | 01-90EE020201 | 7561536 | 66994001 | 75,000 | | |

26. REMARKS: THIS GRANT IS PAID BY THE DHHS PAYMENT MGT. SYS., SEE ATTACHED PAYMENT INFO. ATTACHED ARE TERMS AND CONDITIONS, INSTRUCTIONS FOR REQUESTING FUNDS, REPORTING REQUIREMENTS, 45 CFR PART 74, 45 CFR PART 92 (FOR STATE, LOCAL, AND FEDERALLY RECOGNIZED TRIBAL GOVERNMENTS ONLY), A COPY OF THE ANTI-LOBBYING NOTICE, AND OTHER GRANT INFORMATION. THE INITIAL EXPENDITURE OF FUNDS BY THE GRANTEE CONSTITUTES ACCEPTANCE OF THIS AWARD. NO FUTURE SUPPORT IS ANTICIPATED. ALL CORRESPONDENCE/RPTS MUST REFERENCE THE AWARD NO (BLOCK 3).
(*) REFLECTS ONLY FEDERAL SHARE OF APPROVED BUDGET

| | | | |
|--|--------------------------------|--|---------------|
| 27. SIGNATURE - HHS GRANTS OFFICER <i>Chris B. Hodge</i> CHRIS B. HODGE | DATE: 9/28/96 | 28. SIGNATURE(S) CERTIFYING FUND AVAILABILITY <i>Donald Sykes</i> | DATE: 9.28.96 |
| 29. SIGNATURE AND TITLE - PROGRAM OFFICIAL(S) <i>Donald Sykes</i> DONALD SYKES | DATE: 9-28-96 DIRECTOR, OCS | | |

910 725-4275
910 725-1264 .

However, estimates of "eating and drinking" sales generated by residents are much higher and better reflect, in my opinion, a level of food and drink expenditures from which a cafeteria on site could realistically capture a sizable share. For example, 10 percent of the estimated \$13.6 million "eating and drinking" sales within the two-mile radius of the site would be \$1.36 million, which is more than the sales estimates being achieved by any of the five fast food restaurants covered in our survey. But, I expect a cafeteria on the subject site could easily capture the 10 percent figure and more when "sales inflow" was considered.

Ms. Janet A. DeCreny
January 11, 1995
Page 2

Table 2: Survey of Restaurant Competition (with Map 1) -- the results of our Task 2 survey of major restaurant operations in the site vicinity that are competing for "eating and drinking" expenditures by East Winston residents.

In summary, the indicated sales figures are quite strong and above what I expected for the Burger King, the new Bojangle's and Kentucky Fried Chicken on New Walkertown Road. Sales estimates for the McDonald's and Kentucky Fried Chicken on Liberty and 12th Streets are disappointing but not surprising, particularly for the KFC given its location; McDonald's reportedly has experienced some "operating problems" which is the "kiss of death" for a restaurant.

I say the sales figures are "strong," even though Burger King, McDonald's and Kentucky Fried Chicken on Liberty and 12th are below "national sales averages," simply because most chains in the southeast also are below national averages. However, the store sizes (square feet) and number of seats at all five restaurants surveyed also are below national averages for each chain and this obviously is a significant, limiting factor to sales. Sales at Burger King and KFC on New Walkertown Road are particularly impressive, especially in view of their limited seating.

Re: K & W Cafeteria, my discussion with top management indicated the following:

1. **East Winston interest** -- yes, they had and still have an interest, but the "timing" was not right when discussion occurred with William Brandon re: Eastway Plaza. This was because of their lease negotiations re: their Coliseum location and the feeling that Coliseum now serves some East Winston residents for dinner and downtown workers at lunch and that an East Winston K & W would therefore attrition sales from Coliseum for both of these sources of sales.
2. **New locations and coverage patterns** -- K & W's Coliseum lease is up in 1995 and they will not likely renew it. A new, 12,000 square foot K & W is under construction on Hanes Mill Road Extension behind Wal-Mart at Oak Summit and it will open in 1995; they expect this store to attrition sales at Coliseum which is one reason for not renewing. With this new northside location and existing K & Ws in South Park on Peters Creek Parkway and Healy Drive, they want to wait and see if these three locations are perhaps sufficient to serve the Winston-Salem/Forsyth County market.
3. **Coliseum store** -- with 500 seats and two serving lines, this is an "operating anachronism" in the food service business, even though its estimated sales exceed \$4 million (40 percent at lunch). Excluding the new store on Hanes Mill Road, their current store "prototype" is 8,500 square feet with 225 seats.

Ms. Janet A. DeCreny
January 11, 1995
Page 3

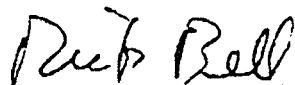
Re: the new cafeteria at WSSU the facility will have 400 to 500 seats (designed to accommodate 1,200-1,500 students in "shifts"), be available only to students and is scheduled to open August, 1996. As a result of its "students only" policy, it will not likely "attrition" potential cafeteria sales to East Winston residents who are not students. In fact, the opposite may be true if there was a cafeteria in East Winston.

In summary, cafeteria sales potentials within the two-mile radius and sales estimates for the five competitive restaurants surveyed indicate to me, on a preliminary basis, that a cafeteria in East Winston on the subject site or nearby is likely feasible. However, further research is suggested to refine these "preliminary" numbers, both for demand and supply, and to identify the specific characteristics of a cafeteria the market can support (size, number of seats, sales forecasts, etc.).

Please review and call.

Sincerely,

BELL & GARDNER, INC



Rick Bell
President

RB/bb
Enclosures



Cafeteria Project

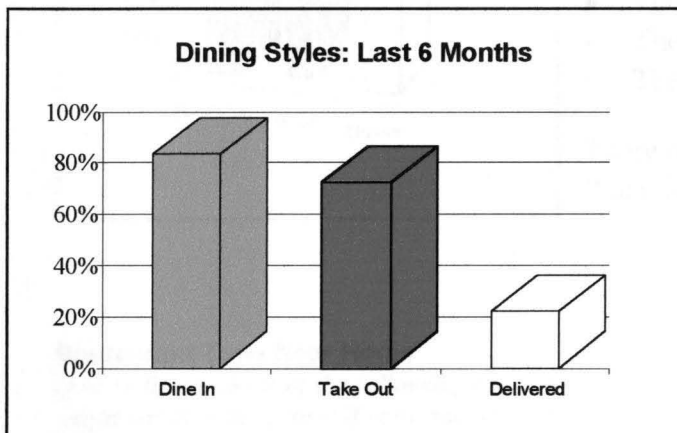
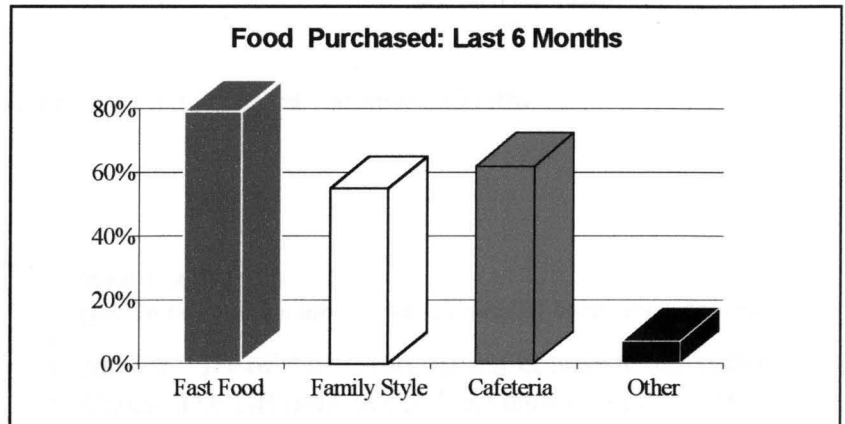
Marketing Surveys
March - June, 1997

A Survey of East Winston residents living in a three mile radius of the proposed cafeteria site was conducted in March, 1997 and yielded these results

Food Preferences

Q1: In the past six months have you purchased food from any of the following?

While there are multiple fast food and family restaurants, there is a single sizable local cafeteria business -and it is clearly competitive with both other types. ("Other" represents several types; Chinese, seafood, health food; etc.)



Dining Modes

Q.2: Did you dine in? ..eat out? ..have delivered ?

The numbers show that food delivery is not a popular choice for our respondents.

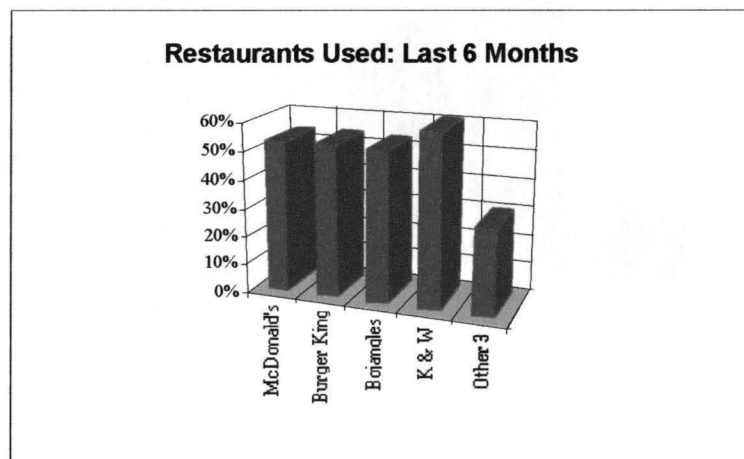
This has ramifications for the cafeteria project. There are 58% who believe that we should offer delivery service - and only 46% would use it!

It is clearly not a high priority service.

Business Support

Q3: Where did you purchase the food?

In the six month preceding the survey the most popular of the existing restaurant types (albeit by only a seven percent margin), is the cafeteria. And the nearest location is substantially farther from our anticipated customer population than the proposed **EastSide Cafeteria**.



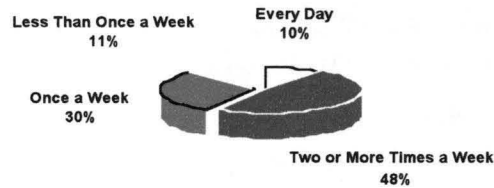
Frequency

Q.4: How often did you purchase food from any of the above?

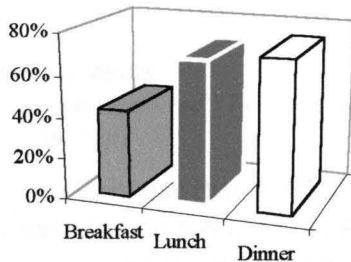
Note that almost 60% of the respondents eat out at least twice a week. This suggests a substantial customer base for the cafeteria.

This is supported by another question showing that 90% of the respondents would eat at the new cafeteria.

Frequency of Use



Meals Eaten



Meal Preference

Q.5: In the past six months which meal(s) have you eaten out?

Almost 75% of those who eat out choose lunch and/or dinner. The DB underlying these data was queried for each meal about:

- The preferred price range
- The preferred restaurant style
- The preferred days

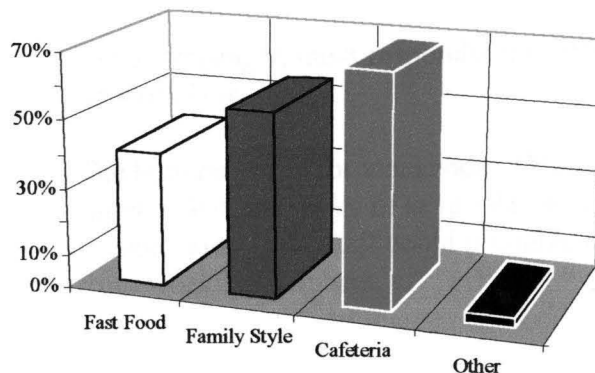
There is no statistically significant difference between those data and the results for the whole population.

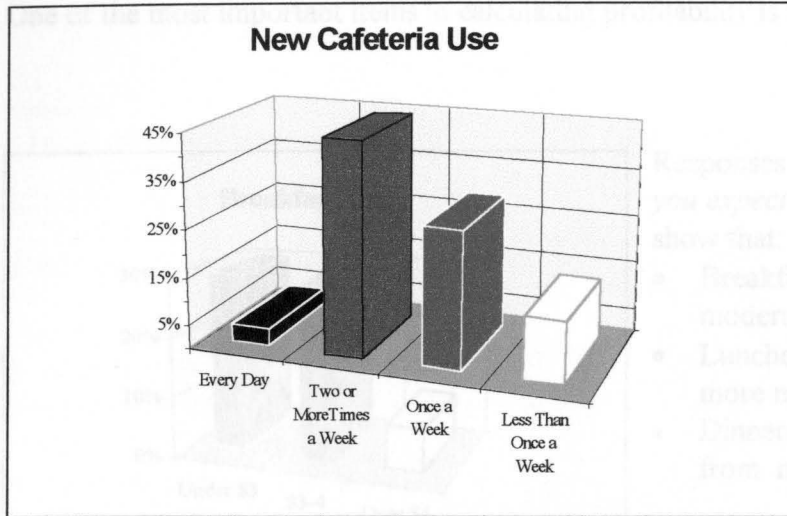
Restaurant Type Near Home

Q.6: Indicate which of the following you might eat at in the future if conveniently located near your home.

More than two-thirds of the respondents would like a cafeteria nearby. This is reflected also in the preferred type near work (67%) and the type most used in the past six months (62%). These results offer strong support for the proposed **E**astside Cafeteria Project.

Restaurant Type Nearby





Frequency of Use

Q.9a: Would you eat at this cafeteria? "Yes" (720) 90%!

Q9b: If so, how often?

Nearly half of the respondents (48%) would use the new cafeteria two or more times a week.

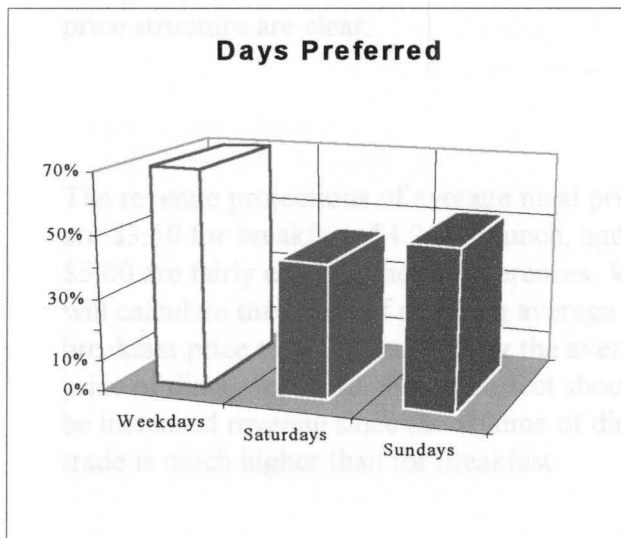
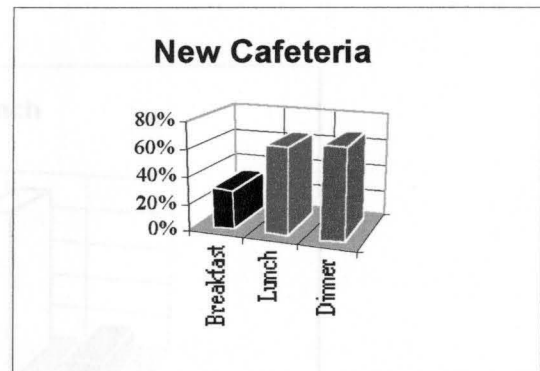
These will be correlated with:

- Preferred day(s)
- Preferred meal(s)
- Preferred price range

Preferred Meals

Q.10: If you answered "Yes" to Question 9, which meals would you buy?

The only light use that would be made is at breakfast (which has the lowest price meals). For the more expensive meals, use be at or near two-thirds. This could affect the price structure.



Days Used

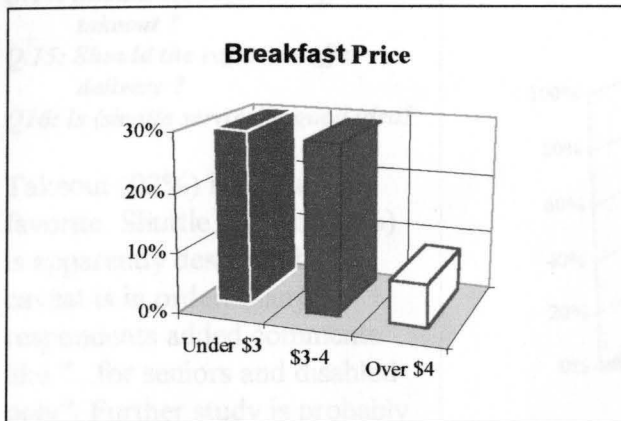
Q.13: Which day(s) of the week would you prefer to eat at the cafeteria?

Not surprisingly, most respondents (560) would eat on workdays.

The high response for weekends (43% and 52%) suggest that the policy of seven-day service is feasible. However, staff could probably be reduced from weekday numbers.

Meal Prices

One of the most important items in calculating profitability is the price charged for a meal.

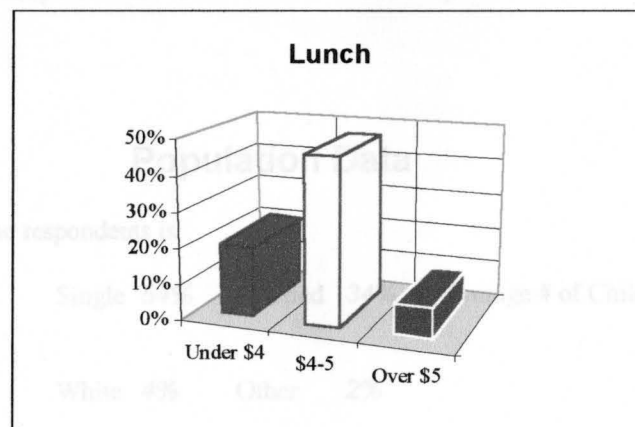


Responses to Question 11 "*How much would you expect to pay for a meal in the cafeteria?*" show that:

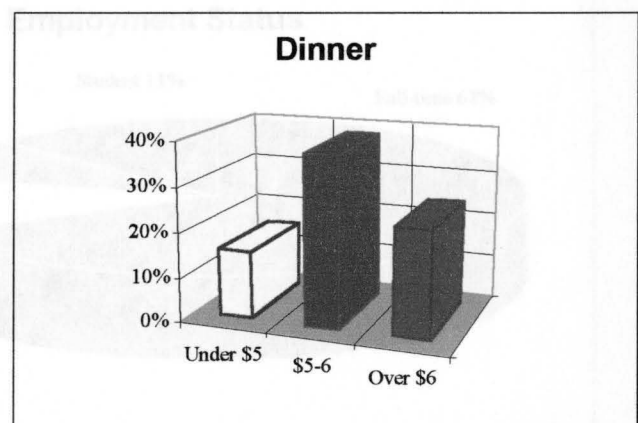
- Breakfast prices should range from low to moderate
- Lunches should be priced similarly, with more mid-range
- Dinners, the most expensive, should range from middle up

Responses to a similar question (Q.12 "*How much do you (spend) now?*") showed that only 11-12% would pay for a high priced breakfast or lunch but 33% buy higher priced dinners.

The guidelines for a price structure are clear.



The revenue projections of average meal price are \$3.50 for breakfast, \$4.25 for lunch, and \$5.00 are fairly close to these preferences. We will calculate the effect of reducing average breakfast price to \$3.00 and raising the average price of dinner to \$5.50. The net effect should be increased revenue since the volume of dinner trade is much higher than for breakfast.



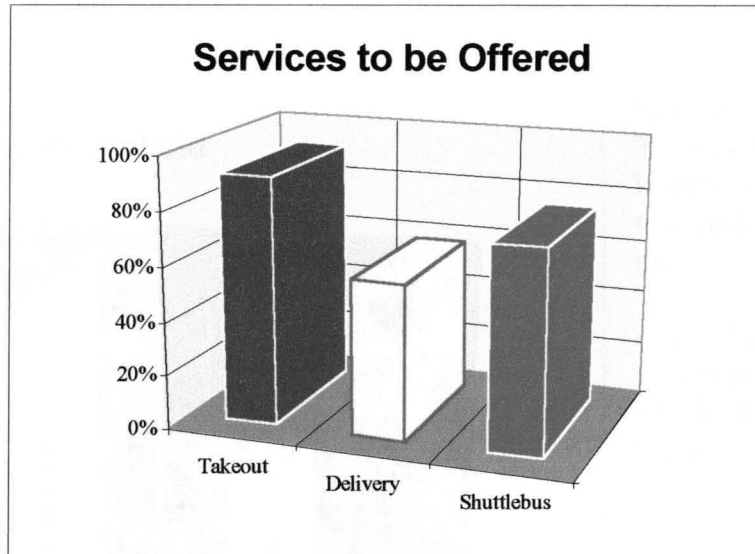
Services

Q.14: Should the cafeteria offer takeout ?

Q.15: Should the cafeteria offer delivery ?

Q.16: Is (shuttle service) a good idea?

Takeout (92%) is a clear favorite. Shuttle service (75%) is apparently desirable but a caveat is in order: many respondents added comments like "...for seniors and disabled only". Further study is probably desirable. Delivery is low at 58% *and*, if available, would only be used by 46% of the respondents. Cost effectiveness requires a careful analysis of profitability.



Population Data

The personal information for the respondents is:

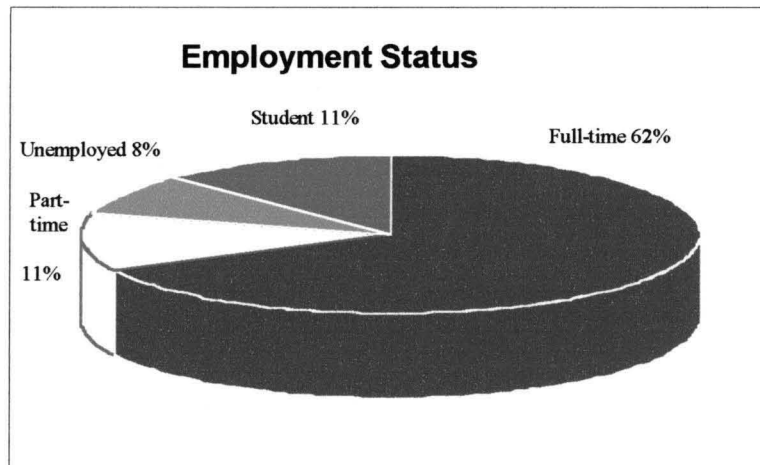
Male 31% Female 62% Single 54% Married 34% Average # of Children 0.85

African-American 88% White 4% Other 2%

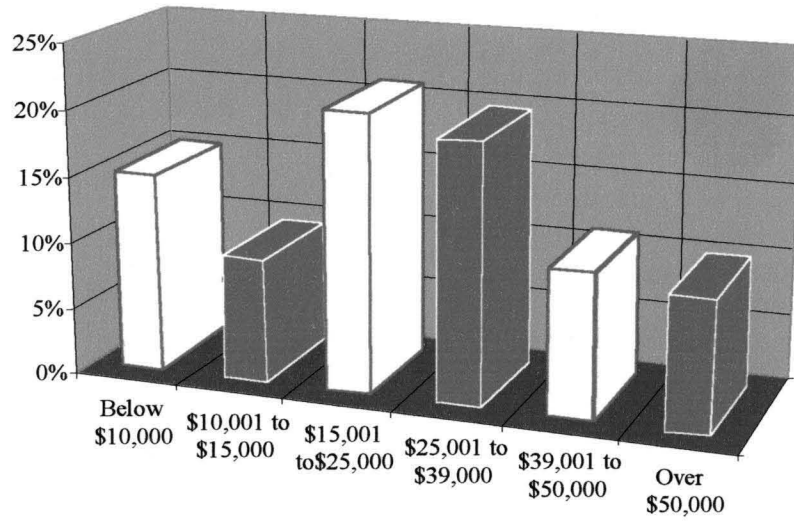
Employment Status

The numbers here are not too revealing, except that the unemployed number for the respondents is considerably below that of the entire East Winston community.

(There were a number of retired persons who are not included.)



Annual Household



Income

The income level is fairly well spread out.

(A number of retired persons left this item blank.)

TECHNOMIC

INC.

Food Industry Group

March 14, 1997

Mr. James Grace
Executive Director
East Winston CDC
1225 E. 5th Street
Winston Salem, NC 27101

Dear James:

In response to your request, TECHNOMIC, INC. has performed certain due diligence procedures regarding your plans for the development of a cafeteria foodservice concept in East Winston. This due diligence was limited to a strategic market evaluation of the proposed concept and location, including the following topics:

- Price/value position
- Service and menu offering strategy
- Location
- Area customer base size and profile
- Existing competition
- Marketing and business support systems

In addition, we have prepared a financial analysis of the proposed project, including:

- Hypothetical sales projections (Year 1)
- Likely range of operating incomes and expenses (Year 1)
- Proposed labor, cost analysis (Average week)
- Cafeteria concept, productivity measurements (National benchmarks)

The scope of our assignment did not include any verification of data provided to us by either Claritas, the National Restaurant Association, or the East Winston CDC. As such, we can neither vouch for or imply accuracy of the information provided.

Mr. James Grace, Executive Director

March 14, 1997

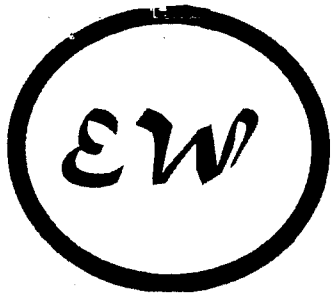
Page 2.

Our opinions expressed in this report are in no way to be implied as any guarantee of current or future events on the economy or the proposed cafeteria operations.

We appreciate the opportunity to be of assistance to East Winston CDC and will be pleased to answer any questions which you may have regarding the scope of our assignment or the contents of this report.

Respectfully submitted,

TECHNOMIC

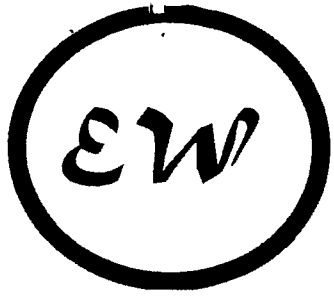


THE EASTSIDE CAFETERIA PROJECT

A PARTNERSHIP BETWEEN THE MINISTERS
CONFERENCE OF WINSTON SALEM
AND VICINITY

&

THE EAST WINSTON COMMUNITY
DEVELOPMENT CORPORATION



CAFETERIA PROJECT

- Total Development Cost \$2,500,000
 - 15,000 square feet
 - Seating for 150 Café, 300 Banquet
 - Serving over 350,000 meals in year 1
 - Aver. cost of meal (B)\$3.50(L)\$5.5(D)\$6.5
 - Open 364 days a year
 - creating 40-50 full and part-time jobs
-



PROJECT IMPLEMENTATION

- full service cafeteria
- offering incentives to employees (stock option, first time homeownership)
- offering healthier food alternatives
- permanent training for employees
- take out counter
- construction start-up March 2000



Sources of Capital

| | |
|------------------|--------------------|
| • HHS | \$ 250,000 |
| • City of W-S | 350,000 |
| • Bank | 650,000 |
| • CDC Funder | 250,000 |
| • Stock Offering | <u>\$1,000,000</u> |
| • TOT SOURCES | \$ 2,500,000 |



USES OF CAPITAL

| | |
|-----------------------|--------------------|
| • Startup Fees | 60,000 |
| • Building | 1,600,000 |
| • Equipment Fur.Fix . | 400,000 |
| • Inventory | 10,000 |
| • Land | 150,000 |
| • Contingency | 50,000 |
| • Work/Cap | 200,000 |
| • Interest (Const.) | 30,000 |
| • Total | \$2,500,000 |



MARKET RESEARCH & EVALUATION

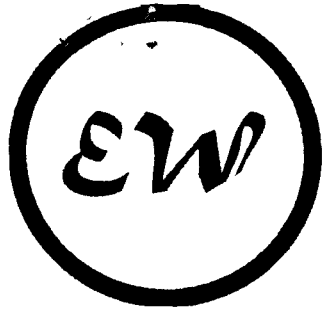
- 36,000 people within a two mile radius
- average per- capita income of \$14,220
- 61,000 within a 3 mile radius per capita income of \$18,042.
- a daily customer base of 65,000 within area
- Triad 4% of restaurant sales vs. 1% nationally
- McDonalds's gross \$2.5M sales w/2000 square feet of space



(IPO)

INITIAL PRIVATE OFFERING

- Community owned
- “David Capital, Inc.”
- 9 member BOD
- Distribution of stock, churches and EWCDC
- Offering is a 504
- Share value @ \$10.00
- Special for CDC
- Sanford & Holshouser
- Stock Prospectus
- \$100 minimum
- Open BOD meetings quarterly
- Goal to raise \$1M
- Retain community ownership



OPERATIONS PLAN

- 9 member board of directors
- Experienced Management Team
- Recruiting and training employee's
- 75% of employees low income residents
- Tight inventory control
- Conquer service problem w/training
- New industry training model

DAVID CAPITAL

INCORPORATED

In 1995 the East Winston Community Development Corporation and the Ministers Conference of Winston-Salem and vicinity met in an all day conference and reached a consensus on a project that each felt was wanted and needed. The two decided to form a partnership (the Partnership) to develop a full-service cafeteria in the East Winston community.

David Capital, Inc. (DCI) is a for profit corporation created by the Partnership. DCI is organized under a special 504 Rule in the laws of the state of North Carolina. It permits the Partnership to operate a community-owned cafeteria style restaurant (EastSide Cafeteria) and provides for the sale of stock to community residents. The Ministers Conference and East Winston CDC are the sole owners of DCI and will be governed by a nine member board of directors, who are elected annually by the stock holders. DCI was created by the Partnership to manage and operate the business affairs of the EastSide Cafeteria.

The goal is to connect the company, David Capital, Inc., with

the people and opportunities to create businesses, wealth, and new jobs in the community. Broad-based support for the cafeteria serves to raise the confidence of residents and foster a progressive political and economic environment.

David Capital's goal is to connect the small investor with opportunities that are identified within the community and to successfully develop those projects to benefit the whole community. By working in concert with our existing institutions-churches, by using our leverage as a collective-politics-combined with our willingness to love and care for those that are distressed, the road to community revitalization will be one filled with success and joy.

Church Investment Consideration

The price of one (1) share of stock in the EastSide Cafeteria is \$10. You cannot purchase less than ten (10) shares, or \$100.

David Capital, Inc. will not and cannot set the amount that a church can invest in the EastSide Cafeteria Project. However, we can share methods other churches are using to determine the size of their investment.

1. The size of a congregation
 - Members volunteer to give a certain amount to their Church to be invested in the cafeteria project
 - Each member is assessed a certain amount that would go toward the purchase of stock in the name of the church
 - The church makes a decision that they will invest a certain amount per member, and is paid from the general fund of the church
2. The size of the annual operating budget
 - This may be determined by a certain percentage (%) of the annual budget
 - From the budget, invest an amount per member
 - Determine the amount of investment under the guidelines specified in the chart to the right

| BUDGET: | INVESTMENT: |
|-------------------------|--------------------|
| \$10,000 - \$75,000 | \$500 - \$1,000 |
| \$75,000 - \$250,000 | \$1,000 - \$2,500 |
| \$250,000 - \$500,000 | \$1,500 - \$3,500 |
| \$500,000 - \$1,000,000 | \$2,000 - \$5,000 |
| \$1,000,000 and up | \$2,500 - \$10,000 |

Individual Church Member Investment

Individual church members who want to invest may do so through their church. When you purchase your individual shares, regardless of in whose name the purchase is made, you will be asked "what church you are a member?"

The information above is not meant to limit the size of your church investment, which is unlimited, nor to encourage you to invest beyond the capacity of your institution. The project is a community effort, and nothing like it has ever been done. We encourage you to please consider and deliberate the issue in that context.

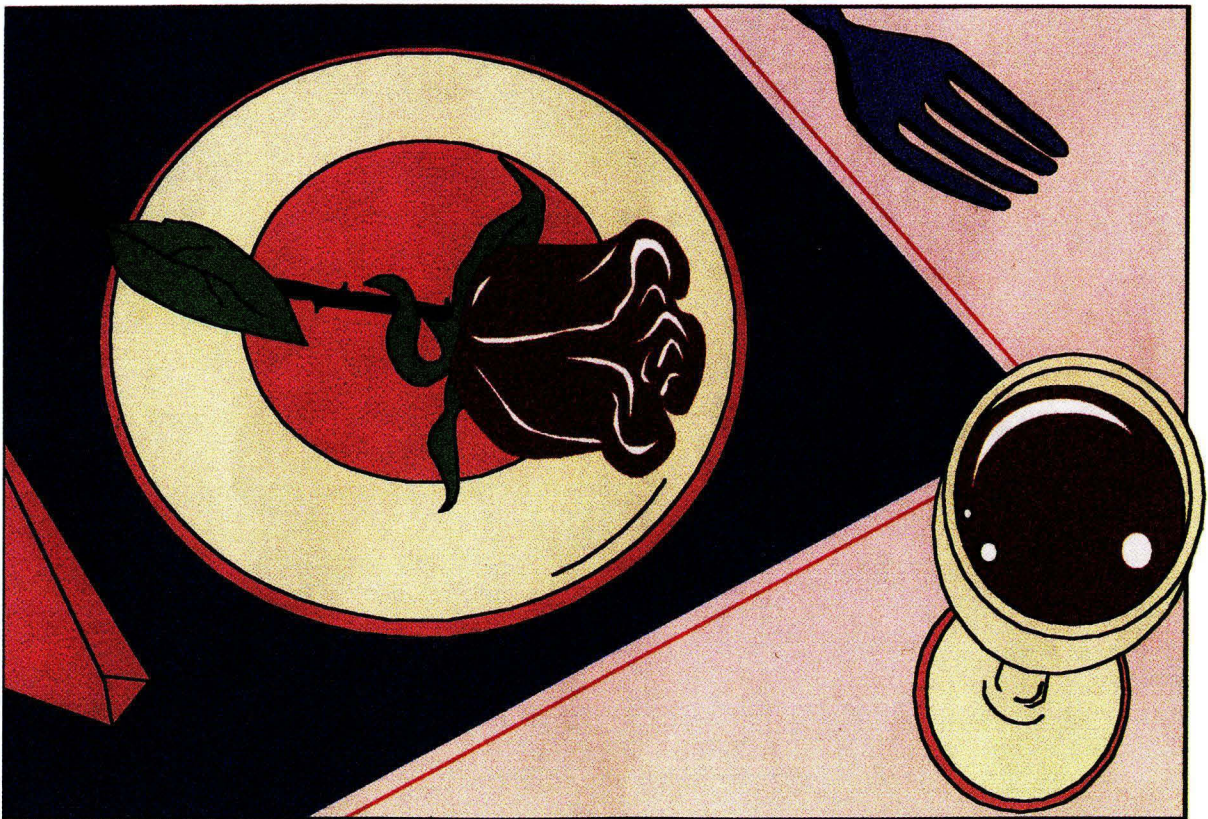
Thank you.

Important Facts

- Any individual, organization, or institution is not required to pay the full amount of their purchase, only 25% down. If you purchase less than 50 shares (\$500), you will have 90 days to pay the full amount. If you purchase 50 shares or more, you will have six months to pay in full. If not paid in full by the end of the six month period, you give David Capital, Inc. the right to sell the number of shares that have not been purchased.
- Victory-Masonic Mutual Credit Union has initiated a loan program especially designed for this project. (See brochure enclosed for details.)
- The 504 securities offering prohibits the sale of stock outside the state of North Carolina
- Method of payment: Visa, Master Card, American Express, or Discover Card or by personal check

DAVID CAPITAL, INC.

DOING BUSINESS AS:



"EASTSIDE CAFETERIA"

David Capital, Inc.
doing business as:

EastSide Cafeteria

David Capital, Inc. ("David Capital" or the "Company") is a for-profit corporation organized under the laws of the State of North Carolina to own and operate a community-owned commercial cafeteria-style restaurant to be known as the *EastSide Cafeteria*. This project addresses the pressing need in the East Winston community for job creation, local ownership, moderately-priced food service and development opportunities. The project is an outgrowth of community support for the concept developed by a consortium of local churches.

This document offers subscriptions for a minimum of 25,000 shares up to a maximum of 100,000 shares of Common Stock of David Capital at a Subscription Price of \$10.00 Per share of common stock. If all the shares are sold, David Capital will have capital of \$1,000,000. The minimum number of shares that each person must subscribe is 10 shares through February 26, 1999. After this date, the minimum number of shares that each person must be subscribed is 50 shares. Unless terminated earlier, subscriptions will be accepted until 5:00 p.m. Eastern Time on May 31, 1999. If the Company fails to receive subscriptions for at least 25,000 shares of Common Stock during this period, it will abandon the offering.

IN THE OPINION OF DAVID CAPITAL'S ATTORNEYS, THE OFFERING AND SALE OF THE COMMON STOCK OF DAVID CAPITAL IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, AND THE NORTH CAROLINA SECURITIES ACT. NO REGISTRATION STATEMENT HAS OR WILL BE FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR WITH THE SECRETARY OF STATE OF NORTH CAROLINA OR ANY OTHER STATE IN CONNECTION WITH THIS OFFERING.

INVESTMENT IN SMALL BUSINESS INVOLVES A HIGH DEGREE OF RISK. INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFERING UNLESS THEY CAN AFFORD TO LOSE ALL OF THEIR INVESTMENT. INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THIS PROPOSAL, OF THIS COMPANY AND OF THE TERMS OF THIS OFFERING, INCLUDING THE RISKS OF THE PROPOSAL. THE STOCK OFFERED IN THIS DOCUMENT HAS NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AGENCY. NONE OF THESE AGENCIES REVIEW OR APPROVE THE MERITS OF THESE OR ANY OTHER SECURITIES, NOR DO THEY PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR OTHER SELLING LITERATURE. ANY SUCH STATEMENT IS A CRIMINAL OFFENSE.

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November 1, 1998

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THE SHARES ARE OFFERED SUBJECT TO PRIOR SALE, ACCEPTANCE, AND REJECTION OF ANY OFFER TO PURCHASE. THE OFFERING IS ALSO SUBJECT TO WITHDRAWAL OR CANCELLATION WITHOUT NOTICE.

PLEASE REFER TO THE SECTION OF THIS OFFERING CIRCULAR ENTITLED "CRITICAL RISKS" FOR A DISCUSSION OF THE MATERIAL RISKS IN CONNECTION WITH THE PURCHASE OF THE COMMON STOCK OF DAVID CAPITAL.

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SUMMARY

The following is a brief summary of certain information contained elsewhere in this Offering Circular. It is not intended to be a summary of all material information, and investors should review the more detailed information appearing elsewhere in this Offering Circular.

DAVID CAPITAL: David Capital, Inc. ("David Capital") is a for-profit corporation organized under the laws of the State of North Carolina to own and operate a community-owned commercial cafeteria-style restaurant to be known as the EastSide Cafeteria. This project addresses the pressing need in the East Winston community for job creation, local ownership, moderately-priced food service and development opportunities. The project is an outgrowth of community support for the concept developed by a group of local churches. See "THE COMPANY."

SECURITIES OFFERED: A minimum of 25,000 shares and a maximum of 100,000 shares of Common Stock are being offered at a purchase price of \$10.00 per share. The minimum subscription per subscriber is 10 shares through February 26, 1999 and 50 shares after that date. See "OFFERING AND METHOD OF SUBSCRIPTION."

TERMS OF OFFERING: The Board of Directors reserves the right to terminate this offering without notice. Unless terminated earlier, subscriptions will be accepted until 5:00 p.m. Eastern Time on May 31, 1999. If the Company fails to receive subscriptions for at least 25,000 shares of Common Stock during this period, it will abandon the offering. See "OFFERING AND METHOD OF SUBSCRIPTION."

MANAGEMENT: Proposed development management of the Company is currently the East Winston Community Development Corporation, which will act a project manager. Once the Company is funded, it is anticipated that additional, experienced management personnel will be employed to operate the Company. See "MANAGEMENT OF THE COMPANY."

**CERTAIN
CONSIDERATIONS:** Investment in the Common Stock involves certain risks. No trading market for the Common Stock exists or is expected to develop in the near future. See "CRITICAL RISKS ."

A. THE COMPANY

This project addresses the pressing need in the East Winston community for job creation, local ownership, moderately-priced food service and development opportunities. The project is an outgrowth of community support for the concept in partnership developed by a consortium of local churches. The project will provide several benefits including:

- Creating 30 full-time equivalent jobs for the East Winston community.
- Inspiring confidence in other investors about the area.
- Offering a healthier alternative to fast food dining.
- Providing adult and youth training in food service.
- Creating assets and net worth in a declining community.
- Offering ownership incentives to employees (stock options).

EastSide Cafeteria will offer high-quality meals at a budget price serving breakfast, lunch and dinner. More importantly, it will be a place where local families can dine in a safe, friendly environment. At the same time the project serves our larger goals. It not only revitalizes our depressed community but also provides life and skills training for its employees. Pre-opening training for employees will be supplemented by 8 hours of monthly mandatory Continuing Education courses designed by Winston-Salem State University. This effort is supported by the East Winston Community Development Corporation, Goodwill Industries, Job Link Office, Forsyth County Social Services, Forsyth Technical Community College, and the City of Winston-Salem.

The market in the neighborhood is considerably larger than the population living within a two-mile radius because of the many people working in the vicinity of the proposed site who live elsewhere. A total of some 125,000 people, residents and daily workers, easily serves as a customer base for the cafeteria. Market research has found that most residents are eager for an alternative to fast food in the community.

The building will be a renovation of an existing site in the East Winston Shopping Plaza and will seat approximately 200 customers at a time.

The Company is fortunate that an experienced restaurant industry manager and an assistant manager have already indicated they want to be a part of EastSide Cafeteria. Their experience is critical to achieving our goals in recruiting and training local residents for the project. The training will be both job skills and life skills. The project will not be considered a success unless we can break the cycle of poverty and provide these new employees with self-esteem and a means to build assets for their futures.

The project is feasible because we have the backing of the community and an impressive array of local institutions that support the Company's effort to create this much needed economic development project. The project not only directly benefits the low-income residents who will be employed but creates additional benefits for the entire community through the opportunity to become owners of the project by investing in the Common Stock.

1. The Business and Its Industry

The U.S. restaurant industry has undergone many changes. Since 1976, it has exhibited real growth every year except the two minor recessionary years of 1980 and 1991. Recently the traditional fast food of the McDonald's, Burger King and Wendy's chains has been challenged by alternatives, epitomized by Boston Market, whose menu provides a higher quality and a broader menu choice at only a slightly higher price than the fast food restaurants.

The restaurant industry itself grew from \$164 billion in 1990 to a predicted \$224 billion in sales in 1997. In the commercial restaurant segment (quick service, full service, cafeterias, buffets, bars and taverns), patterns of long-term growth are expected to remain constant.

The Company believes that the industry will continue to grow in the near future due to demographic and life style factors that place a premium on prepared over home-cooked meals and the industry benefitted from these changes:

- The U.S. population is expected to increase at an annual rate between 1997 and 2005 that parallels the growth rate over the past ten years.
- Some life style changes include:
 - The increase of women in the workforce, creating more dual incomes families
 - The increase in single-parent households
 - Decrease in discretionary time
 - Increase in demand for convenience

Barring an unforeseen recession, the industry should continue to experience real growth. Basic consumer trends and life style patterns indicate that demand for food prepared away from home will continue to grow.

2. Products and Services

EastSide Cafeteria's function is to serve the community and ultimately help employees achieve self-sufficiency and a better life. The cafeteria will offer high-quality meals at budget prices, and will be a place where any member of the family can dine in a safe, friendly environment. Its location in the East Winston Shopping Center is well-lit with abundant parking. Since the site is at the intersection of two major municipal thoroughfares it should attract appreciable drive-by custom. Take-out will be available, and the company believes it will attract an increased market of the growing Hispanic and elderly population within the five-mile radius. It is the desire of the Company to add delivery service at a later date to also serve these community elements.

A for-profit corporation, "David Capital Inc." (as in David and Goliath), will be operated through a nine-member Board of Directors, elected by the stock holders. As a partial goal, the cafeteria will provide state-of-the-art comprehensive job training in a program including both life skills and job skills. The background and experience of candidate employees (public assistance recipients and at-risk people) will require far more extensive training than is normally provided. However, without it, our job candidates are likely to remain people without choices or opportunities, contributing to the "depressed area" problem. This training will enable the new employees to break the cycle of poverty and move toward self-sufficiency and asset accumulation. And the incentives and opportunities for self-improvement (education and entrepreneurial training) and capital gain (stock options) will make the EastSide Cafeteria a unique and desirable employer.

The building will seat approximately 200 people in 10,000 square feet of space. This ratio of people to space will give customers a feeling of ample room in the dining area. The cafeteria will be open seven days a week, 360 days a year. Breakfast will be served from 6:00 a.m. to 9:00 a.m. three working days weekly (until business warrants expanded service), lunch from 11:00 a.m. to 2:30 p.m., and dinner from 4:00 p.m. to 8:30 p.m.

The menu will be broad, offering at least ten entrees for lunch and dinner with eight choices of for vegetables, salads, desserts and beverages. Menu choices will include items appealing to the local populace, including ethnic selections. Low fat and healthy-heart menu items will be featured with special signs to alert customers to these choices. Signature salads and on-premise baking will also be featured. Healthy choices will also be offered at breakfast.

A full take-out service will be available whenever the cafeteria is open. Weekday lunch local delivery service will be available once the on-site dining patterns have been determined. Delivery service availability will be dictated solely by the initial success of the enterprise.

3. Market Research and Evaluation

There are approximately 36,000 people living within a two-mile radius of the proposed EastSide Cafeteria location, with an average per capita income of \$14,220. The population grows to 61,000 with an average per capita income of \$18,042 within a three-mile radius, and within a five-mile radius, 41% Black, 5 % Hispanic and 2% "Other."

The percentage of households by household income is:

| Household Income | Percent |
|----------------------|---------|
| Under \$10,000 | 17.0% |
| \$10,000 to \$19,999 | 17.3% |
| \$20,000 to \$34,999 | 24.0% |
| \$35,000 to \$49,999 | 16.4% |
| \$50,000 to \$74,999 | 14.4% |
| \$75,000 and over | 10.7% |

The potential customer base grows with the addition of daily workers. There are 64,923 employees in 3,598 businesses within the target area. These include the Forsyth County Department of Social Services, Winston-Salem State University, Sara Lee Corporation, R.J. Reynolds Tobacco and the North Carolina Baptist Hospital. The breakdown of major businesses is:

| Businesses by Type | Percent |
|------------------------------------|---------|
| Professional and Religious | 25.2% |
| Manufacturing | 21.8% |
| Finance, Insurance and Real Estate | 15.4% |
| Retail Trade (incl. restaurants) | 14.7% |

There are 51,455 private sector and 13,073 public sector workers, with 395 working at home. The average annual household expenditure for food away from home averaged \$661 for lunch and \$942 for dinner.

Average meal ticket prices are projected at \$3.50 for breakfast, \$4.50 for lunch and \$5.50 for dinner, matching those at the two K&W Cafeterias. (Note that K&W does not serve breakfast. EastSide Cafeteria will begin by serving breakfast three workdays per week and expand, as and if business warrants.)

The target audience for the cafeteria is the 16-and-over population who either live or work within a five-mile radius of the cafeteria, which includes 126,000 residents and 65,000 daily workers (191,000 total, some of whom are residents). This includes all income levels, although high income customers may be less likely to choose dining in a middle class environment. We anticipate that this resistance will not apply to the take-out service.

In the market, national cafeteria and buffet concepts average a 1% sales share of the total restaurant food service dollar. The competition varies widely. The nearest dine-in or take-out facilities include:

McDonald's.
Burger King.
Bojangles.
Kentucky Fried Chicken.
Mr. Lu Chinese.
Campus Pizza and Sub.
K&W Cafeteria (about 6 miles away).
Bell Brothers Cafeteria.
Winston-Salem State University cafeteria (students only).

EastSide Cafeteria will not compare directly in price or menu with the nearby fast food outlets. The closest direct competition is the University's cafeteria, but it only serves students. The two nearest public cafeterias are K&W and Bell Brothers.

4. Marketing Plan

The EastSide Cafeteria project will employ a comprehensive marketing strategy to ensure awareness of the cafeteria, its importance in the community, its menu, hours of operation and unique take-out and shuttle services.

Several mass advertising options will be employed to carry out the strategy. Print media, including *The Winston-Salem Journal*, *The Winston-Salem Chronicle*, and Winston-Salem State University campus publications will be used for dissemination of the information. The same information will be broadcast on radio stations before, during, and for a week after the opening, with the possibility of a live remote broadcast from the cafeteria on opening day.

Flyers will be a major means of promotion. Large local businesses such as R..J. Reynolds, Wachovia and Sara Lee will be targeted as well through direct mail.

Promotional tie-ins will be made with major events such as basketball tournaments at the Coliseum and the semiannual Furniture Mart held in nearby High Point.

The unique features of this cafeteria, its local support, its hiring and training policies, and the personalities involved should generate news stories that will receive coverage in local media during and after the opening date. Media kits will be distributed several weeks before the opening and interviews with designated personnel will be encouraged.

5. Development Plans

EastSide Cafeteria will be a completely rehabilitated structure located in the East Winston Shopping Center at the intersection of two major thoroughfares. The single-story building of 10,000 square feet will provide adequate space to serve approximately 200 customers. There is ample parking space even when the cafeteria is full.

An architect firm will develop the site plan, floor plan, elevation drawings and detailed construction plans. The interior design of the cafeteria will be designed to be attractive to all income levels and ages. Materials chosen for the customer areas of the building will be selected to create a friendly, inviting atmosphere. There will be a mixture of booths and freestanding tables. The tables can be moved together to accommodate larger groups. Highchairs will be provided for children. There will be movable workstations for contracted special events (wedding receptions, business breakfasts, etc.).

The cafeteria layout will be designed to handle a large volume of customers with a minimum delay, with staff in the dining room to control customer flow. There will be a single entrance leading directly into the food line and a single exit positioned near the cashier's station.

The menu and prices will be displayed in two places in the cafeteria; at the entrance to the customer line and immediately before the customer makes selections from the food service counters. This information should speed up the customer line during peak periods.

6. Operations Plan

Critical to achieving the project's goals are the employee recruiting and training programs in food service preparation, management and administration. Hiring projections are for 30 full-time employees. The cafeteria will recruit at least 75% of the projected employees from low-income residents, including public assistance recipients and at-risk youth. These residents will be recruited both through existing channels in conjunction with the Department of Social Services and the Housing Authority of Winston-Salem. The overall goal of the training program is to provide customers with the highest possible level of service and satisfaction.

For EastSide Cafeteria to be successful and competitive it must have employees who want to improve work processes and enhance product quality. To be effective, these employees need to know not only technical skills but how to provide feedback (both written and oral), participate in problem analysis and solutions, work as team members, and lead others in supervisory situations. They also need to understand the concepts of quality and continuous improvement and how to attain quality and customer satisfaction.

The program will provide mandatory training of up to eight hours per month after the initial training, to provide employees with the skills needed to be both productive employees and better citizens. Incentives will be established and employees rewarded for going beyond the call of service in training, performance and commitment. Cash bonuses and stock options will be offered.

Our job skills training program will be implemented on and off site in conjunction with Job Links, Forsyth Technical Community College and Winston-Salem State University.

7. Management Team

Directors

The Company's Articles of Incorporation provide for a Board of Directors consisting of a minimum of five and a maximum of nine directors, with the actual number being set and changed from time to time by the Board of Directors. The membership of the initial Board of Directors is currently set at five. The number of directors, however, may be increased in the future, before or after the Company commences operations. The initial directors will serve until the first meeting of the shareholders at which time successor directors will be elected. The first meeting of the shareholders is expected to be held in April 1999. The initial Board of Directors is authorized to act in all matters relating to the business of the Company which are necessary to its organization and commencement of business. The Articles of Incorporation will also provide certain limits on the liability of directors for their actions as directors as permitted by law.

The following is a list of the initial directors of the Company, each of whom was an incorporator of the Company:

| Name | Age at 12/31/97 | Business Experience for last five years |
|----------------------------|----------------------------|---|
| Cornelius Elroy Battle | 39 | President, Freedom Insurance Corporation (life insurance agency); loan originator, Triad Mortgage; Pastor, Mount Moriah Missionary Baptist Church, all of Winston-Salem. |
| Ruben J. Gilliam, Sr. | 63 | Pastor, North Winston Baptist Church, Winston-Salem. |
| James R. Grace, Jr. | 53 | Executive Director, East Winston Community Development Corporation, Winston-Salem. |
| Joseph Jones | 53 | Pastor, Zion Memorial Baptist Church, Winston-Salem. |
| Marguerite Epps Landingham | 43 | Controller, Greensboro News & Record since 1997; prior to that, General Accounting Manager, Lucent Technologies since 1995; prior to that, Senior Accounting Specialist, AT&T Secure Communications Systems, all of Greensboro. |

Officers

Proposed management to develop the Company is currently the East Winston Community Development Corporation ("East Winston CDC"), which will act as project manager. James R. Grace, Jr., is the executive director of the East Winston CDC and Marguerite Epps Landingham also serves as a Director of the East Winston CDC. Both serve as directors of the Company and their business experience is listed above under "Directors".

Once the Company has been funded, operational management will be hired. The four key staff positions for ongoing management, training and supervision at EastSide Cafeteria are the general manager, two assistant managers and a secretary. Management, hired by the Board of Directors of David Capital, will oversee daily operations, including marketing strategies, promotions, advertising, human resources (staffing, federal and state regulatory compliance, wages and benefits, operating schedules, training, and food service operations), finance and administration (financial planning and control, purchasing, payroll, accounts payable, lease and utilities, taxes, freight, depreciation, interest and systems support).

The project will employ a general manager who is experienced in cafeteria operations. He will be responsible for public relations, oversee assistant managers, and he will conduct weekly staff meetings and all in-service training. The First Assistant Manager will oversee food production in the cafeteria, meet with production staff in the mornings about menus and production, oversee the ordering of all food and other products, submit orders for approval to the general manager, control china and small wares accrual, disbursements and reorders, and write bakeshop and bread menus, and set daily production levels. The Board of Directors believes it has identified candidates for these two positions.

The Second Assistant Manager will oversee building sanitation, kitchen storage rooms, coolers, dining rooms and loading dock. This manager will supervise the serving line to ensure that all workers are in proper uniform and that the lines are clean. In addition, the person selected will check portion size, monitor staff behavior, check food quality, and work with employees on problems.

The Secretary will be responsible for bookkeeping, ensure that all reports are produced on time, keep unit operations records and manuals updated, work with management to ensure maintenance of employees files, do the payroll, and keep records of accounts payable and receivable.

8. Overall Schedule

The major stages of the project are pre-development, construction, furnishings, recruitment, training, and on-going management. Pre-development includes the financing, securing a lease, and architectural design and drawings. Construction tasks include interior finish and leasehold improvements.

The final phase includes purchasing the equipment and furniture, refining the training curriculum and recruiting employees.

| Task | Projected Date |
|---------------------------------|------------------------|
| Finalize Lease | November 1998 |
| Engineering Survey | November 1998 |
| Architectural Designs | November 1998 |
| Groundbreaking | January 1999 |
| Renovation of Building | January to May 1999 |
| Recruitment/Assessment | February to March 1999 |
| Training | March to May 1999 |
| Order Furniture and Equipment | June 1999 |
| Interior Finish | June 1999 |
| Install Furniture and Equipment | July - August 1999 |
| Grand Opening | September 1999 |

9. Community Benefits

The objectives of East Winston CDC for the EastSide Cafeteria are to create jobs and benefits for residents, improve income distribution, produce and offer goods and services for residents, involve community resources in a self-sustaining process, revitalize depressed local communities, and stimulate both self-reliance and independence. We intend to find our primary resources among local people and sources and to use our profits to reinvest in the community for more job creation, education, health care and recreation. Decision making in our economic development projects will require community initiative and community control.

The cafeteria will provide for increased economic and social self-sufficiency in several ways. Overall, we expect that the project will create at least 30 full-time equivalent jobs for the East Winston community. At least 75% of these jobs (more likely 90%), will be filled by low-income residents of East Winston, including public-assistance recipients and at-risk people. These will receive extensive and ongoing training in basic employability and occupational skills to enable them to remain employed and accept increasing levels of responsibility in management. We have obtained the assistance of Job Link, Forsyth Technical Community College, Goodwill Industries, and Winston-Salem State University for the training phase of this project. With opportunities for employment and extensive job-based training, these residents can again have hope for career development and better pay.

Because of the serious unemployment and underemployment situation in our area, this job training and employment opportunity will be targeted to those currently unemployed or underemployed. Candidates will be selected with the help of the Workforce Development Department (City of Winston-Salem), Goodwill Industries, and the Forsyth County Department of Social Services. We will encourage people to pursue their own restaurant or retail operations ideas and will offer the training needed to become highly qualified employees and entrepreneurs. This will help EWDC meet our ultimate goal of developing self-sufficiency among our residents.

10. Sources and Uses of Capital Funds

| Sources | Amount |
|---|--------------------|
| Office of Community Services — Grant | \$250,000 |
| NC Community Development Initiative — low-interest loan | 200,000 |
| City of Winston-Salem — low-interest loan | 250,000 |
| Bank Loan | 241,500 |
| This Offering (at the minimum) | 250,000 |
| Total | \$1,191,500 |
| Uses | |
| Equipment | \$177,000 |
| Furniture and Fixtures | 65,000 |
| Leasehold Improvements | 664,000 |
| Start-up Expenses | 70,000 |
| Inventory | 15,000 |
| Working Capital | 180,000 |
| Construction Interest | 20,000 |
| Total | \$1,191,500 |

If this Offering raises more than the minimum (\$250,000), the Company will not be required to obtain the Bank Loan. A grant from the Office of Community Services of the United States Department of Health and Human Services ("DHHS") has been approved for \$250,000. The low-interest loans from the NC Community Development Initiative ("NCCDI") and the City of Winston-Salem are contingent on approval of this grant. Although the Company is taking the actions it believes are necessary to obtain the low-interest loans from NCCDI and the City of Winston-Salem now that the DHHS grant has been approved, there can be no assurances that NCCDI or the City of Winston-Salem will approve the low-interest loans. Even if the Company receives the necessary approvals, it may be several months beyond the expected opening date before the Company is able to commence operations.

B. SIGNIFICANT AND BENEFICIAL IMPACTS

1. Impact

The EastSide Cafeteria project will produce lasting, measurable benefits that will reduce the incidence of poverty in this community.

The most direct effect of the project will be employment of 30 full-time equivalent local residents, most of whom are unemployed or underemployed, many on public assistance. All of the cafeteria workers will be given not only training but also continued support to achieve their goals of self-sufficiency and asset accumulation to break the cycle of poverty. The training will include both personal-skills and job-specific skills.

Overall the community will benefit by having a new gathering place that is safe and reflective of more good things to come. The increase in income accruing to the newly employed will also boost the local economy and improve other businesses indirectly.

The sales generated at the cafeteria and the newly employed workers wages will add revenues to Federal, State and City operations. Property taxes will rise with the addition of a newly renovated building to the neighborhood. Public assistance payments will be reduced as residents move to self-sufficient lives.

The community is enhanced by construction of a new business in the area that will help restore pride and confidence. The project also benefits the community by offering residents the help they need to become productive and self-sufficient.

2. Community Empowerment

East Winston is a community in crisis. With census figures showing 43% of our residents living below the poverty level, 13% unemployed, 52% on some form of public assistance and more than twice the crime and homicide of the overall city, the Company believes this project as a catalyst for permanent, measurable benefits. EastSide Cafeteria will be an asset developed, owned, and operated by the community.

3. Career Development Opportunities

This project is a means to help our residents increase their income and positive net worth. The training provided is not just job-specific but will offer life skills that will remediate some of the needs not provided by their experience and environment. Such preparation will encourage employees to continue their education and prepare for richer career opportunities. Our goal is to offer these low-income residents a sense of hope that will lead to a safe place to live, meaningful work, a sense of security and community involvement. We also envision this opportunity as one that will allow employees to develop their entrepreneurial skills. We view EastSide Cafeteria as a stepping stone for local residents to achieve self-sufficiency and a better quality of life.

C. CRITICAL RISKS AND ASSUMPTIONS

Construction Costs and Delays. Delays in the planning and construction phase could lead to cost overruns and thus materially increase the cost of the cafeteria.

Dependence on Management. Failure of the project to attract a sufficiently qualified manager to oversee the entire project or failure of the manager to conform to required performance standards could have a material adverse effect on the project.

Staff and Training. An inability to attract and thoroughly train the staff to ensure a top-quality operation when the Company opens the cafeteria could have an adverse affect on the financial success of the proposal.

Lack of Operating History. The Company does not have an operating history. As a consequence, prospective subscribers of the Common Stock will have limited financial information on which to base an investment decision. The Company's proposed operations will be subject to other risks inherent in the establishment of a new business and, specifically, of a new restaurant.

Grant and Loan Approvals. The Company must apply to NCCDI and the City of Winston-Salem for approval of low interest loans and must receive approval of the low interest loans from NCCDI and the City of Winston-Salem to commence its business. While such approvals will be sought and are expected to be obtained, no assurance can be given that they will be received. Even if the Company receives the necessary loan approvals, it may be several months beyond the expected opening date before the Company is able to commence operations.

Absence of Trading Market. There currently is no trading market for the Common Stock. There can be no assurances that an active trading market will develop for the Common Stock. Therefore, there is no assurance that subscribers will be able to resell their shares of Common Stock should they need to liquidate their investment. Subscribers be financially prepared and able to hold their shares for an indefinite period.

Determination of Offering Price. The offering price of \$10.00 per share was arbitrarily established. No particular factors or negotiations played a role in setting the offering price. The minimum aggregate amount of the offering was

established by the Board of Directors to assure the minimum capital required by the projected business plan of the Company. Since this is an initial offering for a start-up restaurant, the aggregate purchase price for the stock (net of offering and organizational expenses and interest income) is essentially the same as the Company's initial book value. There is no assurance that subscribers will be able to resell their shares of the Common Stock at any time in the future for a price per share that is equal to or more than the offering price.

No Dividends. It is expected that any Company earnings will be required for the development of the Company's business. The payment of dividends either in cash or stock will be considered by the Board of Directors when it is deemed prudent to do so. Further, the Company's ability to declare and pay future cash dividends will be dependent upon, among other things, the Company's income and fiscal condition, tax considerations, and general business conditions. It is not anticipated that the Company can or will declare or pay cash dividends in the immediate future. Therefore, investors should not purchase shares with a view for a current return on their investment in the form of dividends.

Competition. It is anticipated that the Company will encounter strong competition from other restaurants operating in the surrounding area. Many of these competitors have substantially greater resources than the Company and offer certain products and services that the Company will not provide. While the Board of Directors believes that there is a need and a demand for the Company's services, there is no assurance that the Company will be an effective competitor.

Economic Conditions. The Company intends to be a community institution and anticipates the majority of its customers will be located in and doing business within a ten-mile radius of its proposed. Any factors adversely affecting the economy of the community could, in turn, adversely affect the ability of the Company to attract customers. Unfavorable economic conditions in the community could therefore have a material adverse effect on the profitability of the Company.

D. OFFERING AND METHOD OF SUBSCRIPTION

To Subscribe

Complete the attached Subscription Offer and forward it with your payment to the Company.

Terms of the Offering

The Company is hereby offering subscribers a minimum of 25,000 shares up to a maximum of 100,000 shares of its Common Stock at a sales price of \$10.00 per share.

The Company reserves the right to terminate this offering at any time without notice. Unless terminated at an earlier date, subscriptions will be accepted by the Company until 5:00 p.m. Eastern Time on March 31, 1999.

A minimum purchase of 10 shares (a minimum investment of \$100) will be required of each subscriber until February 28, 1999. After that date, the minimum subscription will be 50. The Company may raise or make exceptions to the minimum and maximum shares offered should the Company determine that such action would be in the Company's best interests.

This offer is being made only in North Carolina where the securities are exempt from securities registration. Offers and sales of the Common Stock may be made by certain of the Company's officers and directors in reliance on applicable securities laws. Such officers and directors will receive no additional compensation for such services but may be reimbursed for reasonable expenses. Salaries for Company personnel employed in connection with this offering and the costs of organizing and opening the Company and for professional and consulting fees will be incurred and charged against the funds collected for the Common Stock.

Each Subscription Offer will be held until it is accepted, rejected, or accepted in part. The Company may reject any offer to subscribe in whole or in part for any reason or no reason or may cancel acceptance of Subscription Offers in whole or in part for any reason or no reason until the date the shares purchased through this offering are issued, whether or not other subscribers are treated differently. If a subscription or any part thereof is not accepted by the Company, the unaccepted payment, without interest, shall be promptly returned to the subscriber. Certificates representing the shares of Common Stock purchased through this offering will be issued to subscribers as soon as practicable following the conclusion of the offering.

If the Company is not organized for any other reason, all subscription proceeds after payment of expenses (but including any interest income earned on such funds), will be promptly returned pro rata to subscribers.

Any interest income accruing on deposited funds will be the property of the Company. While held by the Company, deposited funds may be subject to claims of creditors of the Company. Subscribers will not be permitted access to their funds unless and until the offering is terminated.

The terms of this offering may be modified by the Company at any time without notice.

SUBSCRIPTION OFFER

DAVID CAPITAL, INC. WINSTON-SALEM, NORTH CAROLINA

I have received and reviewed the Offering Circular dated November 1, 1998 (the "Offering Circular") of David Capital, Inc., a corporation organized under the laws of the State of North Carolina (the "Company"), and in sole reliance on the information contained therein, I hereby subscribe for shares of the common stock of the Company (the "Common Stock") at a price of \$10.00 per share.

In making this Subscription Offer, I acknowledge and agree that:

1. This Subscription Offer may not be canceled, terminated or revoked by me unless the offering is terminated as described in Paragraph 4.
2. The Company reserves the right to accept this Subscription Offer for a lesser number of shares than the number noted below or to reject it altogether, for any reason or no reason, whether or not the subscriptions of other subscribers are treated differently. Subscriptions may be accepted at any time. Acceptances must be in writing and are legally effective and binding on me when mailed to the address shown on this Subscription Offer, or if my address has changed and I have provided the new address to the Company in writing, to my new address. If the subscription is accepted in part, I agree to purchase the accepted number of shares subject to the terms of this Subscription Offer. A refund, with no interest or income thereon, will be made of all amounts received for Subscriptions Offers not accepted.
3. The Company reserves the right to cancel accepted Subscription Offers for any reason or no reason until the date the shares purchased through this offering are issued, which may be several months after the offering ends.
4. If the Company has not received Subscription Offers for at least 25,000 shares of its Common Stock by May 31, 1999, then the subscription funds paid under this Subscription Offer, after deduction of the expenses of the offering, shall be returned pro rata to all subscribers, together with any interest income thereon (if any), provided that the distribution of interest income shall be weighted based upon the time elapsed from the date the subscription payment was made.
5. All terms of the Offering Circular of the Company are incorporated herein by reference. I have read the Offering Circular and understand it, or have had it explained to me by my legal representative, and I acknowledge the terms and conditions under which this offering is made as more fully set forth in the Offering Circular. In making my decision to purchase the Common Stock, I am relying solely upon the representations contained in the Offering Circular, and I confirm by my signature below that this Subscription Offer is made in accordance therewith.
6. This subscription is nonassignable and nontransferable, except with the written consent of the Company.

Substitute Form W-9; Under penalties of perjury, I certify that: (1) the Social Security number or Taxpayer Identification Number given below is correct; and (2) I am not subject to backup withholding. **(INSTRUCTION: YOU MUST CROSS OUT #2 ABOVE IF YOU HAVE BEEN NOTIFIED BY THE INTERNAL REVENUE SERVICE THAT YOU ARE SUBJECT TO BACKUP WITHHOLDING BECAUSE OF UNDERREPORTING INTEREST OR DIVIDENDS ON YOUR TAX RETURN.)**

VOID

My subscription for _____ shares of the Common Stock is payable in the amount of \$ _____ (~~\$10.00~~ per share subscribed). A check in the full amount is included. All payments shall be made in United States currency by check, draft or money order payable to "David Capital, Inc."

I HAVE READ AND UNDERSTAND THIS SUBSCRIPTION OFFER.

Signature (SEAL) Date

Additional Signature (SEAL) Date

STOCK REGISTRATION INFORMATION
PLEASE PRINT

Name(s) in which stock is to be registered

Address (Street or P.O. Box)

VOID

City, State and Zip Code

() ()
Daytime Phone Evening Phone Taxpayer I.D.
or Social Security Number

Legal form of ownership:

- | | |
|-----------------------|--|
| () Individual | () Joint Tenants with Right of Survivorship |
| () Tenants in Common | () Uniform Transfers to Minors |
| () Other _____ | |

Please complete all blanks on this Subscription Offer, make check or money order in the amount of \$10.00 for each share payable to "David Capital, Inc." and mail subscription and check to:

David Capital, Inc.
Post Office Box 20279
Winston-Salem, North Carolina 27101

Any questions concerning subscriptions or the offering may be directed to the above address or to (336) 723-1733.

FOR OFFICE USE ONLY (DO NOT FILL IN)

No. of Shares Requested _____

No. of Shares Accepted _____

VOID

Paid with Subscription \$ _____

Refund (if any) \$ _____

Balance due (if any) \$ _____

Q&A
for people interested in buying the common stock of David Capital

Q. What is David Capital, Inc.?

- A.** David Capital, Inc., is a company that hopes to set up and operate a new restaurant, tentatively called the Eastside Cafeteria, in the East Winston Shopping Plaza. The company was organized by the East Winston community and religious leaders, for two purposes: (1) to establish a cafeteria to serve healthy food in our community, and (2) to provide jobs for local residents. The board of directors will include five local people who are business and religious leaders. The East Winston Community Development Corporation will manage the restaurant.

Q. Tell me about the cafeteria.

- A.** It will be located in renovated space in the East Winston Shopping Plaza. The cafeteria intends to serve three meals a day and seat 200 people. If this offering succeeds, the cafeteria should open in September 1999.

Q. Tell me about the stock that is for sale.

- A.** The stock price is \$10 a share. We have a total of 100,000 shares, and we must sell at least 25,000 shares in order to raise enough money to begin operations. If we sell only 25,000 shares, we may operate the company, but we will have to get a commercial bank loan.

Q. What are the risks of buying this stock?

- A.** The risks are great, and *you should not buy this stock if you cannot afford to lose the total amount you paid*. Here are some of the reasons: We may not be able to find an experienced manager. We may not be able to find good employees. We will depend on loans for much of our budget, and these may not come through. There is a lot of competition in the restaurant business, especially from the many fast food restaurants in the area. Most importantly, there is no market for this stock, should you decide to sell.

Q. How much stock can I buy?

- A.** If you buy before February 26, 1999, you must buy at least 10 shares (a total of at least \$100). If you buy after that time, you must buy 50 shares (a total of at least \$500). We will stop selling stock when all the stock is sold or on May 31, 1999, whichever happens first.

Q. If I buy stock, will the company definitely start operating the cafeteria?

- A.** We hope so, but we cannot promise. We have to sell 25,000 shares. If we don't sell that many, we will not have enough money to start the business. If you subscribe and we do not sell enough stock to begin operations, you will receive most, but not all, of your money back. We will deduct the costs related to making this offering from each share proportionately.

Q. How do I buy stock?

- A.** Use the Subscription Form at the back of this Offering Circular.



May 11, 1997

Mr. Floyd D. Young
President & CEO
FDY, Incorporated
3401 St Vardell Lane, Suite-B
Charlotte, NC 28217-0800

To Whom It May Concern:

This letter is to confirm the agreement between Floyd D. Young, Jr., Incorporated (FDY, Inc.) and the East Winston Community Development Corporation, too manage the EastSide Cafeteria Catering and Banquet facility. FDY is currently under contract to operate and manage the EastSide Cafeteria.

FDY, Incorporated, a minority owned company, was founded in 1982 to meet the growing demands for quality food management and vending services in the Carolinas. Since the company's inception, its services have grown to include all aspects of contract food and vending services. To date, FDY employs 325 career-minded men and women.

The business and Industrial Division provides full line cafeteria, catering and vending services to the businesses in the community. The commitment to excellence, quality and customers service is the responsibility of this division. Some of our business and industrial sites (some as large as 2,200 employees) are at Fortune 100 companies.

Our managers' expertise, professionalism, and attention for detail and sanitation, along with the support of over three hundred (300) employees ensure successful operations throughout the company. Currently, FDY, Inc. serves over 7,000 customers daily at eight different Businesses and Industrial facilities.

We are excited about this new venture. The Winston-Salem/Forsyth County minority market is virtually untapped for catering and affords many new opportunities. Also, the market for a quality banquet and meeting facility is unmet in a community where African Americans enjoy 43% of the city's population. We stand ready to work with East Winston CDC to make this project successful.

Sincerely,

Floyd D. Young, Jr.
President/CEO

FDY, Inc., A Food Service Management Company
3401 ST. VARDELL LANE . SUITE B . CHARLOTTE, NC 28217 . (704) 523-6605



Change of Pace: *Offers an ever-changing selection of regional specialties, Mexican/South American Foods, Taco Bar, Pasta Bar, and other ethnic cuisines.*

Main Street Grill: *Breakfast/Brunch offers eggs cooked to order. Lunch offers made-to-order char-grilled burgers, steaks, chicken, and other hot sandwiches.*

Tomatoes: *Offers an enormous selection of garden fresh items, soup of the day, chili, specialty salads, and more.*

*These stations permit us to serve **more** students **more** quickly while offering **more** variety and **more** quantity.*

The addition of the branded concept, like lil Dino's, also added variety and boosted participation. Confidently we are providing a variety of satisfying, well-balanced, and nourishing meals to over 11,000 campus residents, faculty, and staff members, at five major colleges/universities in North Carolina.

BUSINESS AND INDUSTRY DIVISION

The Business and Industrial Division provides full line cafeteria, catering and vending services to the businesses in the community. The same commitment to excellence, quality and customer service is given in this division. Frequent customer surveys feedback from this area help us deliver the latest trends and preferences to our Business and Industrial accounts.

Some of our business and industrial sites (some as large as 2,200 employees) are at Fortune 100 companies. Our well-trained staff develops menus that provide well-balanced, nourishing, and attractive meals. Our overall business structure allows us to provide meals to our clients at competitive prices. Clients have the option of choosing either a profit/loss or fully-subsidized accounts.

Currently, FDY, Inc. serves over 7,000 employees daily at eight different Business and Industrial facilities.

Application for Employment

EastSide Cafeteria

An Equal Opportunity Employer

Please Print In Pencil

Date ____/____/____

Position Applying For: _____

Acceptable Salary: \$_____ per _____
HOUR/YEAR

For Office Use Only

Name _____
Last First M.I.Type of Work Seeking: ____ Full-Time ____ Part-Time ____ Temporary
Check One

Hire Decision _____

Start Date _____

End Date _____

Social Security Number ____-____-____

Birth Date ____/____/____

Circle Any Days That You Cannot Work: Sun Mon Tues Wed Thur Fri Sat

Start Position _____

End Position _____

Address _____
Street Address

City, State Zip

County

List Any Hours you Cannot Work

| Sun | Mon | Tues | Wed | Thur | Fri | Sat |
|-----|-----|------|-----|------|-----|-----|
| | | | | | | |

Beginning Rate _____

Ending Rate _____

Telephone () ____-____

Person To Notify In Case Of Emergency Phone: _____

First Last Relationship

EMPLOYMENT HISTORY

Start With Present or Last Job and work Back, Ask for Additional Sheets if Necessary

| SCHOOL | NAME & ADDRESS OF SCHOOL | DID YOU GRADUATE | DEGREE & MAJOR |
|------------------------------------|--------------------------|------------------|----------------|
| HIGH SCHOOL | | | |
| | | | |
| | | | |
| TECHNICAL BUSINESS OR TRADE SCHOOL | | | |
| | | | |
| | | | |
| COLLEGE | | | |
| | | | |
| | | | |

Special Qualifications And Skills

Certificates or Special Training _____

Restaurant Equipment Used _____

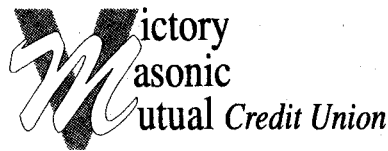
Employer _____ Job Title _____
Address _____ Duties _____
Dates _____
Start _____ End _____ Beginning Salary _____
Supervisor _____ Ending Salary _____
Reason For Leaving _____

Employer _____ Job Title _____
Address _____ Duties _____
Dates _____
Start _____ End _____ Beginning Salary _____
Supervisor _____ Ending Salary _____
Reason For Leaving _____

Employer _____ Job Title _____
Address _____ Duties _____
Dates _____
Start _____ End _____ Beginning Salary _____
Supervisor _____ Ending Salary _____
Reason For Leaving _____

Employer _____ Job Title _____
Address _____ Duties _____
Dates _____
Start _____ End _____ Beginning Salary _____
Supervisor _____ Ending Salary _____
Reason For Leaving _____

May We Contact Your Present Employer? Yes No



Victory MMCU and David Capital, Inc.

Working Together To Build A Better Community The Eastside Cafeteria

Victory MMCU and David Capital Inc. have united in an effort to increase community participation in the Eastside Cafeteria. As Winston-Salem's oldest black owned financial institution, Victory-MMCU has played a crucial role in assisting many in the black community to accumulate wealth and gain access to capital. Since 1946, Victory has provided loans and savings accounts to serve the needs of the often neglected and underappreciated people. Today, this desire to be of service to the community is evidenced through its partnership with David Capital, Inc. to develop the Eastside Cafeteria.

David Capital Equity Accumulation Financing Program

Individuals, churches, businesses and non-profit organizations can purchase a greater number of shares in David Capital and reduce initial

outlay of cash by financing their stock purchase through a David Capital Loan from Victory Masonic Mutual Credit Union.

David Capital Equity Loan Features:

Loan Amounts: \$2,000 through \$30,000
Loan terms: Up to 5 years
Interest Rate: 9.95% Fixed
Application Fee: \$0
Loan Fees: \$0
Membership Fee: \$5
Collateral: David Capital Stock at 90% loan margin or other acceptable collateral
Other Requirements: 10% of loan Amount shall be maintained in savings account at Victory. (\$15.00 minimum balance to maintain credit union membership)

Financing Examples: *SEE LOAN
TABLE ON REVERSE SIDE*

| | | | | | | | |
|-------------------------|-----------|-------------|-------------|-------------|-------------|-------------|--------------|
| Loan Amount | \$2,000 | \$5,000 | \$10,000 | \$15,000 | \$20,000 | \$25,000 | \$30,000 |
| 10% Savings Requirement | \$200 | \$500 | \$1,000 | \$1,500 | \$2,000 | \$2,500 | \$3,000 |
| Payment Amounts | | | | | | | |
| 3 year term | \$65 / m | \$161 / m | \$322 / m | \$484 / m | \$645 / m | \$806 / m | \$968 / m |
| | \$780 / y | \$1,932 / y | \$3,864 / y | \$5,808 / y | \$7,740 / y | \$9,672 / y | \$11,616 / y |
| 5 year term | \$43 / m | \$106 / m | \$212 / m | \$318 / m | \$424 / m | \$531 / m | \$637 / m |
| | \$516 / y | \$1,272 / y | \$2,544 / y | \$3,816 / y | \$5,088 / y | \$6,372 / y | \$7,644 / y |

Qualification Criteria:

- Participants must live within a 50-Mile radius of Winston-Salem
- Individuals must meet Victory's standard loan underwriting guidelines
- Churches, businesses and non-profit organizations must be at least 5 years old with 3 credit references and 2 years financial statements

**FOR MORE INFORMATION OR TO PARTICIPATE CALL
OR COME BY:**

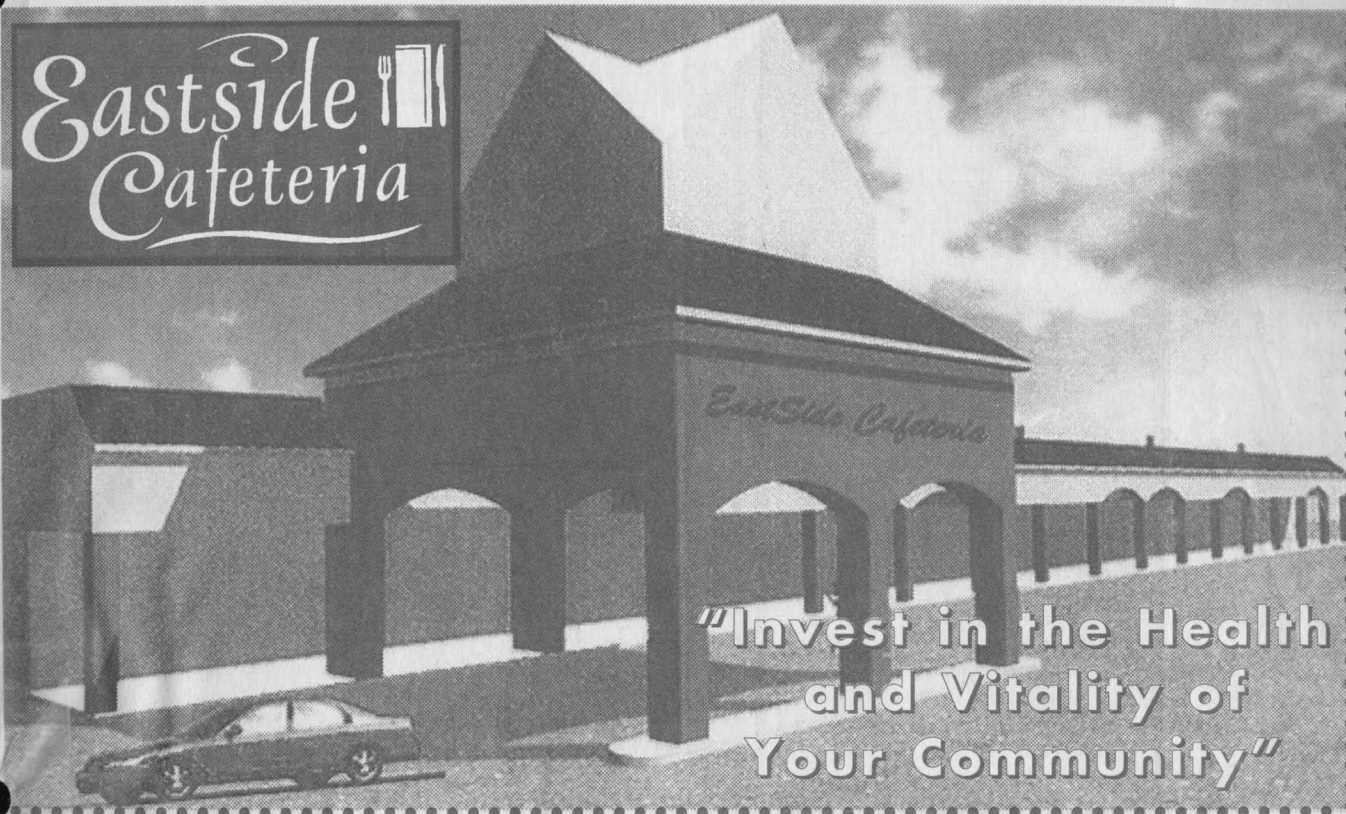
**VICTORY MASONIC MUTUAL CREDIT UNION AT
1225 E 25 TH STREET
WINSTON-SALEM, NC 27101
(336) 724-9081 FAX (336) 724-6014**

**OFFICE HOURS – MONDAY THROUGH FRIDAY
10:AM TO 5:00 P.M.**





CHURCHES PROMOTE EASTSIDE CAFETERIA PLAN



Dear Pastor and Congregation:

The East Winston Community Development Corporation and the Ministers Conference have created a for-profit corporation called David Capital (as in David and Goliath), that will start a promotional blitz to get 300 churches to invest in the EastSide Cafeteria Project. Each evening for a two week period, beginning Monday, February 1st, through Sunday, February 13th, a presentation will be given nightly concerning investing in the cafeteria. We are asking each church to send at least 3 representatives (if possible) to at least one of these meetings. The 13 churches that are to host the nightly presentations are listed with the date and time of the presentation at each church. The purpose of these meetings are to enlighten churches and residents about the stock offering and how they can invest. It will not be necessary to call in advance to attend a meeting.

IMPORTANT FACTS:

- Any individual, organization, or institution is not required to pay the full amount of their purchase, only 25% down. If you purchase less than 50 shares (\$500) you will have 90 days to pay the full amount. If you purchase 50 share or more you will have 6 months to pay in full, if not you give David Capital, Inc. the right to sell the number of shares that have not been paid for.
- Victory-Masonic Mutual Credit has initiated a loan program especially designed for this project.
- Method of payment: Visa, MasterCard, American Express, Discover Card or by personal check.

DAY AND DATE OF CHURCH MEETING SELECTIONS

| Date | Day | Time | Church | Loaction | Phone |
|-----------|--------|----------|--------------------------|----------------------|----------|
| Feb. 1st | Mon. | 6:30p.m. | United Cornerstone | 2745 Patria Street | 785-1268 |
| Feb. 2nd | Tues. | 6:30p.m. | Mount Zion Baptist | 350 File Street | 722-2325 |
| Feb. 3rd | Wed. | 7:00p.m. | Goler Metropolitan | 1435 E. 4th Street | 723-2325 |
| Feb. 4th | Thurs. | 7:00p.m. | North Winston Bapt | 1097 Nancy Lane | 767-8446 |
| Feb. 5th | Fri. | 7:00p.m. | Goler Memorial | 630 N. Patterson | 724-9411 |
| Feb. 6th | Sat. | | TO BE ANNOUNCED | | |
| Feb. 7th | Sun. | 7:00p.m. | St. Andrews United Meth. | 1840 Butler Street | 788-3421 |
| Feb. 8th | Mon. | 7:00p.m. | Grace Presbyterian | 3901 Caver Road | 767-7530 |
| Feb. 9th | Tues. | 6:30p.m. | Pine Grove Baptist | 4715 Indiana Avenue | 767-4044 |
| Feb. 10th | Wed. | 6:00p.m. | Hanes Mem. CME | 819 N. Highland Ave. | 724-7175 |
| Feb. 11th | Thurs. | 6:30p.m. | Mount Pleasant Bapt. | 795 NW Crawford | 725-9623 |
| Feb. 12th | Fri. | 6:30p.m. | Pleasant Abyssinia | 414 Mason Street | 723-4983 |
| Feb. 13th | Sat. | 1:00p.m. | First Waugh-town Baptist | 838 Moravia Street | 784-7386 |

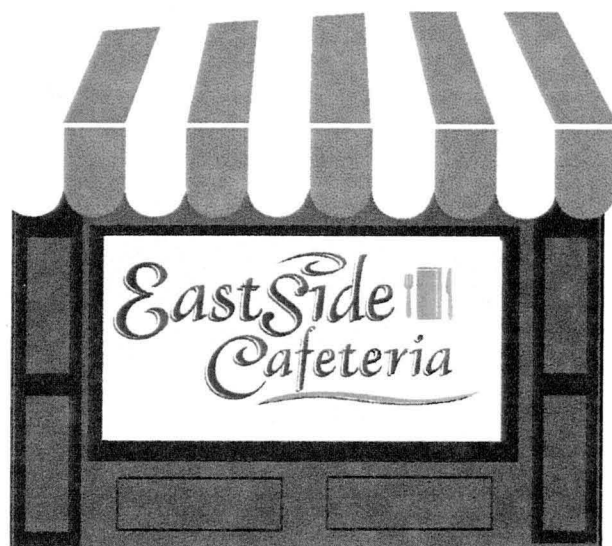
Stop by David Capital, Inc. Located at 1225 E. Fifth Street Suite 400
(Winston Mutual Building)
or Call 723-1733 (or) 723-1730

Eastside
Cafeteria

"Million Dollar Day"

"Invest in Yourself and Your
Community"

- ⇒ **Date:** September 25, 1999
- ⇒ **Time:** 1:00 - 7:00 PM
- ⇒ **Place:** Aegis Family Health Center
- ⇒ 2298 East 14th Street
- ⇒ Off New Walkertown Road
- ⇒ **Contact:** East Winston CDC 723-1783



Gospel Choirs/Food
A Community Play

Vendors / Entertainment / Kids Tent
DAVID CAPITAL, INCORPORATED

Invest In "The Eastside Cafeteria"

THE TIME TO INVEST IS NOW

Featured Speaker: Reverend John Mendez



September 15, 1999

Dear Sir or Madam:

On September 25, 1999, at Aegis Family Center, 2295 East 14th Street, David Capital will host "Million Dollar Investment Day." The purpose of this event is to extend an invitation to the faith-based community, and to **all** North Carolina residents, an opportunity to purchase stock in the EastSide Cafeteria.

The East Winston Community Development Corporation and the Ministers Conference of Winston-Salem and Vicinity formed a partnership called David Capital, to develop a full-service cafeteria in East Winston. The goal is to connect David Capital with the small investor and to give him/her the opportunity to create business wealth and new job opportunities in the community.

We are asking for donation of services, and of merchandise that can be given away as prizes or taken as gifts for this event--Million Dollar Investment Day. Please complete and return the attached form with your donation. Our contact person, Georgia Smith, will be contacting you by phone during the week of September 20th to arrange for your donation to be picked up.

Please complete the attached form and fax it to 761-8014, or you may mail it to:

David Capital, Incorporated
1225 East 5th Street
Winston-Salem, NC 27101

Your contribution could greatly increase our chances for success and exposure throughout this very diverse community. Thank you.

Respectfully,

A handwritten signature in cursive script that reads "James R. Grace, Jr.".

James R. Grace, Jr.
Director/David Capital

The Ministers Conference of Winston-Salem and East Winston CDC cordially extends and invitation to your gospel, young adult or inspirational choirs to perform at the "Million Dollar Day" community event, an occasion to conclude the stock sale for the EastSide Cafeteria Project. We are asking local church choirs to volunteer their services. If you are willing to help this most worthy effort, and contribute to it's success, please fill out and return the information card included. Thank you for your time & consideration.

EastSide Cafeteria
"Million Dollar Investment Day"

September 25, 1999

1:00Pm - 6:00Pm

Aegis Health Center
(Parking Lot)

2295 East 14th Street

Winston-Salem, NC

R.S.V.P. 9-16-99

(The rain date will be the following Saturday, October 2, 1999)

The New Eastside Cafeteria. Join us.

It is rare that we find the occasion to relax and enjoy the many relationships that we share. Please join us for a relaxing afternoon that will feature "an original comedic sketch, food vendors, games for children and music by some of the areas best. You will also have the opportunity to have your question answered regarding the purchase of stock in the project.

EastSide Cafeteria

"Million Dollar Investment Day"

September 25, 1999

1:00Pm - 6:00Pm

*Aegis Family Health Center
(Parking Lot)*

2295 East 14th Street

Winston-Salem, NC

R.S.V.P. 9-16-99

(The rain date will be the following Saturday, October 2, 1999)

| | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Percentage of Business Per Month -----> | 7.40% | 7.40% | 8.33% | 9.02% | 9.02% | 9.30% | 9.30% | 9.10% | 8.33% | 7.70% | 7.70% | 7.40% |

Meals Per Day

Breakfast

| | | | | | | | | | | | | |
|--------|----|----|----|-----|-----|-----|-----|-----|----|----|----|----|
| Year 1 | 66 | 66 | 75 | 81 | 81 | 83 | 83 | 82 | 75 | 69 | 69 | 66 |
| Year 2 | 76 | 76 | 86 | 93 | 93 | 96 | 96 | 94 | 86 | 79 | 79 | 76 |
| Year 3 | 84 | 84 | 95 | 103 | 103 | 106 | 106 | 104 | 95 | 88 | 88 | 84 |

Lunch

| | | | | | | | | | | | | |
|--------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Year 1 | 332 | 332 | 374 | 405 | 405 | 417 | 417 | 408 | 374 | 345 | 345 | 332 |
| Year 2 | 377 | 377 | 425 | 460 | 460 | 474 | 474 | 464 | 425 | 393 | 393 | 377 |
| Year 3 | 423 | 423 | 476 | 515 | 515 | 531 | 531 | 520 | 476 | 440 | 440 | 423 |

Dinner

| | | | | | | | | | | | | |
|--------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Year 1 | 264 | 264 | 297 | 322 | 322 | 332 | 332 | 325 | 297 | 275 | 275 | 264 |
| Year 2 | 302 | 302 | 340 | 368 | 368 | 380 | 380 | 372 | 340 | 315 | 315 | 302 |
| Year 3 | 339 | 339 | 381 | 413 | 413 | 426 | 426 | 417 | 381 | 353 | 353 | 339 |

Total (B+L+D)

| | | | | | | | | | | | | |
|--------|-----|-----|-----|-------|-------|-------|-------|-------|-----|-----|-----|-----|
| Year 1 | 662 | 662 | 746 | 807 | 807 | 833 | 833 | 815 | 746 | 689 | 689 | 662 |
| Year 2 | 756 | 756 | 851 | 921 | 921 | 950 | 950 | 930 | 851 | 787 | 787 | 756 |
| Year 3 | 846 | 846 | 952 | 1,031 | 1,031 | 1,063 | 1,063 | 1,040 | 952 | 880 | 880 | 846 |

Average Number of Customers

Per Day

| | Breakfast | Lunch | Dinner | Total | Total Customers Per Year | Breakfast | Lunch | Dinner | Total |
|--------|-----------|-------|--------|-------|--------------------------|-----------|---------|---------|-----------|
| Year 1 | 75 | 374 | 298 | 746 | 268,560 | \$ 93,961 | 571,241 | 534,822 | 1,200,023 |
| Year 2 | 86 | 425 | 340 | 851 | 306,450 | 111,099 | 664,707 | 624,213 | 1,400,019 |
| Year 3 | 95 | 476 | 382 | 953 | 343,020 | 124,672 | 761,986 | 713,419 | 1,600,077 |

Average Ticket

| | <u>Breakfast</u> | <u>Lunch</u> | <u>Dinner</u> |
|--------|------------------|--------------|---------------|
| Year 1 | \$ 3.50 | \$ 4.25 | \$ 5.00 |
| Year 2 | 3.60 | 4.35 | 5.10 |
| Year 3 | 3.65 | 4.45 | 5.20 |

Days Open Per Year 360

Hours of Operation

| | | | |
|-----------|------------|----|------------|
| Breakfast | 6:30 A.M. | to | 10:30 A.M. |
| Lunch | 11:00 A.M. | to | 2:30 P.M. |
| Dinner | 4:30 P.M. | to | 8:30 P.M. |

| | | | | | | | | | | | | | | | |
|---------------------------|--|---------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|--|
| Eastside Cafeteria | | Note 1: | 650,000 | Term: | 15 | Years | Rate: | 10.0% | | | | | | Prepared By: | |
| | | Note 2: | 200,000 | Term: | 15 | Years | Rate: | 6.0% | | | | | | SBTDC | |
| Year 1 | | Note 3 | 350,000 | Term: | 20 | Years | Rate: | 6.0% | | | | | | 3/6/00 | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | Total | |
| | | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | | |
| Cash on Hand | | 355,000 | 346,548 | 339,803 | 335,866 | 338,626 | 342,986 | 345,392 | 353,210 | 359,644 | 362,670 | 359,414 | 356,158 | | |
| Sales | | 88,914 | 91,878 | 96,752 | 108,379 | 108,379 | 104,294 | 111,744 | 109,341 | 103,425 | 92,519 | 92,519 | 91,878 | 1,200,023 | |
| Other | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Cash Available | | 443,914 | 438,426 | 436,556 | 444,245 | 447,005 | 447,280 | 457,136 | 462,551 | 463,069 | 455,189 | 451,933 | 448,037 | | |
| Cash Paid Out: | | | | | | | | | | | | | | | |
| Food | | 32.0% | 28,453 | 29,401 | 30,961 | 34,681 | 34,681 | 33,374 | 35,758 | 34,989 | 33,096 | 29,606 | 29,401 | 384,007 | |
| Management | | | 4,792 | 4,792 | 4,792 | 4,792 | 4,792 | 4,792 | 4,792 | 4,792 | 4,792 | 4,792 | 4,792 | 57,498 | |
| Supervisor | | | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 90,000 | |
| Gross Wages | | | 21,000 | 21,000 | 21,000 | 21,000 | 21,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 246,000 | |
| Payroll Tax | | 10.5% | 3,496 | 3,496 | 3,496 | 3,496 | 3,496 | 3,391 | 3,391 | 3,391 | 3,391 | 3,391 | 3,391 | 41,317 | |
| Health Insurance | | | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 48,000 | |
| Insurance | | | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 | |
| Worker's Comp | | | 499 | 499 | 499 | 499 | 499 | 484 | 484 | 484 | 484 | 484 | 484 | 5,902 | |
| Equip Service Contract | | | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 24,000 | |
| Utilities | | 2.8% | 2,490 | 2,573 | 2,709 | 3,035 | 3,035 | 2,920 | 3,129 | 3,062 | 2,896 | 2,591 | 2,573 | 33,601 | |
| Telephone | | | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 | |
| Trash | | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 12,000 | |
| Accounting & Legal | | | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 9,000 | |
| Travel | | | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 2,400 | |
| Supplies - Operation | | 2.6% | 2,312 | 2,389 | 2,516 | 2,818 | 2,818 | 2,712 | 2,905 | 2,843 | 2,689 | 2,405 | 2,389 | 31,201 | |
| Advertising/Marketing | | | 6,446 | 6,594 | 6,838 | 7,419 | 5,819 | 5,215 | 5,587 | 5,467 | 5,171 | 4,626 | 4,594 | 68,401 | |
| Laundry | | | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 6,000 | |
| Interest | | | 8,167 | 8,146 | 8,126 | 8,105 | 8,085 | 8,064 | 8,043 | 8,022 | 8,000 | 7,979 | 7,957 | 96,628 | |
| Depreciation/Amortization | | | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 65,226 | |
| Equipment Lease | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Miscellaneous | | | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 1,800 | |
| Taxes | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Subtotal | | | 99,788 | 101,025 | 103,071 | 107,980 | 106,359 | 104,206 | 106,224 | 105,184 | 102,654 | 98,009 | 97,987 | | |
| Loan Principal | | | 3,013 | 3,034 | 3,054 | 3,075 | 3,096 | 3,116 | 3,137 | 3,159 | 3,201 | 3,223 | 3,245 | 37,534 | |
| Equipment | | | | | | | | | | | | | | | |
| Total Cash Paid | | | 102,802 | 104,058 | 106,125 | 111,055 | 109,455 | 107,323 | 109,361 | 108,343 | 105,834 | 101,210 | 100,938 | | |
| Cash Position | | | 346,548 | 339,803 | 335,866 | 338,626 | 342,986 | 345,392 | 353,210 | 359,644 | 362,670 | 359,414 | 356,158 | | |
| (Add back depreciation) | | | | | | | | | | | | | | | |
| Operating Income | | | -10,874 | -9,147 | -6,319 | 399 | 2,020 | 88 | 5,520 | 4,157 | 771 | -5,490 | -5,468 | -30,158 | |
| Taxes | | 35% | | | | | | | | | | | | 0 | |
| Net Income / Loss | | | -10,874 | -9,147 | -6,319 | 399 | 2,020 | 88 | 5,520 | 4,157 | 771 | -5,490 | -5,468 | -30,158 | |
| Annual Sales -----> | | | 1,200,023 | | | | | | | | | | | | |
| Annual Expenses -----> | | | 1,230,181 | | | | | | | | | | | | |
| Net Income -----> | | | -30,158 | | | | | | | | | | | | |

| Name Of Business | | | | | | | | | | | Prepared By: SBTDC | | | 3/6/00 |
|---------------------------|-------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|-----------------------|---------|---------|-----------|
| Year 2 | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | Total |
| Cash on Hand | | 352,534 | 350,777 | 351,046 | 354,648 | 366,199 | 372,641 | 379,054 | 388,769 | 397,407 | 405,571 | 406,279 | 406,986 | |
| Sales | | 103,733 | 107,191 | 112,877 | 126,442 | 126,442 | 121,676 | 130,367 | 127,563 | 120,662 | 107,938 | 107,938 | 107,191 | 1,400,019 |
| Other | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Cash Available | | 456,266 | 457,968 | 463,924 | 481,090 | 492,641 | 494,317 | 509,421 | 516,332 | 518,069 | 513,509 | 514,217 | 514,177 | |
| Cash Paid Out: | | | | | | | | | | | | | | |
| Food | 31.0% | 32,157 | 33,229 | 34,992 | 39,197 | 39,197 | 37,719 | 40,414 | 39,545 | 37,405 | 33,461 | 33,461 | 33,229 | 434,006 |
| Management | | 4,900 | 4,900 | 4,900 | 4,900 | 4,900 | 4,900 | 4,900 | 4,900 | 4,900 | 4,900 | 4,900 | 4,900 | 58,800 |
| Supervisor | | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 93,600 |
| Gross Wages | | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 | 294,000 |
| Payroll Tax | 10.5% | 3,906 | 3,906 | 3,906 | 3,906 | 3,906 | 3,906 | 3,906 | 3,906 | 3,906 | 3,906 | 3,906 | 3,906 | 46,872 |
| Health Insurance | | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 51,600 |
| Insurance | | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 |
| Worker's Comp | | 558 | 558 | 558 | 558 | 558 | 558 | 558 | 558 | 558 | 558 | 558 | 558 | 6,696 |
| Equip Service Contract | | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 24,000 |
| Utilities | 2.8% | 2,905 | 3,001 | 3,161 | 3,540 | 3,540 | 3,407 | 3,650 | 3,572 | 3,379 | 3,022 | 3,022 | 3,001 | 39,201 |
| Telephone | | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 |
| Trash | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 12,000 |
| Accounting & Legal | | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 9,600 |
| Travel | | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 |
| Supplies - Operation | 2.6% | 2,697 | 2,787 | 2,935 | 3,287 | 3,287 | 3,164 | 3,390 | 3,317 | 3,137 | 2,806 | 2,806 | 2,787 | 36,401 |
| Advertising/Marketing | 5.0% | 5,187 | 5,360 | 5,644 | 6,322 | 6,322 | 6,084 | 6,518 | 6,378 | 6,033 | 5,397 | 5,397 | 5,360 | 70,001 |
| Laundry | | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 6,600 |
| Interest | | 7,913 | 7,891 | 7,869 | 7,847 | 7,824 | 7,801 | 7,778 | 7,755 | 7,732 | 7,709 | 7,685 | 7,661 | 93,465 |
| Depreciation/Amortization | | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 65,226 |
| Equipment Lease | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 1,800 |
| Taxes | | 0 | 0 | 0 | 0 | 5,109 | 2,345 | 4,136 | 3,569 | 0 | 0 | 0 | 714 | 15,873 |
| Subtotal | | 107,658 | 109,068 | 111,400 | 116,993 | 122,079 | 117,320 | 122,686 | 120,935 | 114,485 | 109,194 | 109,171 | 109,552 | |
| Loan Principal | | 3,267 | 3,289 | 3,311 | 3,334 | 3,356 | 3,379 | 3,402 | 3,425 | 3,448 | 3,472 | 3,495 | 3,519 | 40,697 |
| Equipment | | | | | | | | | | | | | | |
| Total Cash Paid | | 110,925 | 112,357 | 114,711 | 120,327 | 125,435 | 120,699 | 126,088 | 124,360 | 117,934 | 112,666 | 112,666 | 113,071 | |
| (Add back depreciation) | | 350,777 | 351,046 | 354,648 | 366,199 | 372,641 | 379,054 | 388,769 | 397,407 | 405,571 | 406,279 | 406,986 | 406,542 | |
| Operating Income | | -3,925 | -1,877 | 1,478 | 9,449 | 9,472 | 6,701 | 11,817 | 10,197 | 6,176 | -1,256 | -1,233 | -1,647 | 45,353 |
| Taxes | 35% | | | | | 5,109 | 2,345 | 4,136 | 3,569 | | | | 714 | 15,873 |
| Net Income / Loss | | -3,925 | -1,877 | 1,478 | 9,449 | 4,363 | 4,356 | 7,681 | 6,628 | 6,176 | -1,256 | -1,233 | -2,361 | 29,479 |
| Annual Sales -----> | | 1,400,019 | | | | | | | | | | | | |
| Annual Expenses -----> | | 1,370,540 | | | | | | | | | | | | |
| Net Income -----> | | 29,479 | | | | | | | | | | | | |

| Name Of Business | | | | | | | | | | | | Prepared By: SBTDC | | |
|---------------------------|-------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------------------|---------|-----------|
| Year 3 | | | | | | | | | | | | | | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | Total |
| Cash on Hand | | 406,542 | 408,996 | 412,963 | 419,423 | 431,843 | 444,255 | 454,561 | 468,681 | 481,560 | 491,393 | 495,620 | 499,837 | |
| Sales | | 118,556 | 122,508 | 129,007 | 144,510 | 144,510 | 139,063 | 148,996 | 145,792 | 137,904 | 123,362 | 123,362 | 122,508 | 1,600,077 |
| Other | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Cash Available | | 525,098 | 531,504 | 541,970 | 563,933 | 576,353 | 583,318 | 603,556 | 614,473 | 619,464 | 614,755 | 618,982 | 622,345 | |
| Cash Paid Out: | | | | | | | | | | | | | | |
| Food | 31.0% | 36,752 | 37,977 | 39,992 | 44,798 | 44,798 | 43,109 | 46,189 | 45,195 | 42,750 | 38,242 | 38,242 | 37,977 | 496,024 |
| Management | | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 60,000 |
| Supervisor | | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 96,000 |
| Gross Wages | | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 336,000 |
| Payroll Tax | 10.5% | 4,305 | 4,305 | 4,305 | 4,305 | 4,305 | 4,305 | 4,305 | 4,305 | 4,305 | 4,305 | 4,305 | 4,305 | 51,660 |
| Health Insurance | | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 55,200 |
| Insurance | | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 |
| Worker's Comp | 1.5% | 615 | 615 | 615 | 615 | 615 | 615 | 615 | 615 | 615 | 615 | 615 | 615 | 7,380 |
| Equip Service Contract | | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 24,000 |
| Utilities | 2.8% | 3,320 | 3,430 | 3,612 | 4,046 | 4,046 | 3,894 | 4,172 | 4,082 | 3,861 | 3,454 | 3,454 | 3,430 | 44,802 |
| Telephone | | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 |
| Trash | | 1200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 14,400 |
| Accounting & Legal | | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 10,000 |
| Travel | | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 4,200 |
| Supplies - Operation | 2.6% | 3,082 | 3,185 | 3,354 | 3,757 | 3,757 | 3,616 | 3,874 | 3,791 | 3,586 | 3,207 | 3,207 | 3,185 | 41,602 |
| Advertising/Marketing | 4.4% | 5,187 | 5,359 | 5,644 | 6,322 | 6,322 | 6,084 | 6,518 | 6,378 | 6,033 | 5,397 | 5,397 | 5,359 | 70,000 |
| Laundry | | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 7,200 |
| Interest | | 7,637 | 7,613 | 7,589 | 7,564 | 7,540 | 7,515 | 7,490 | 7,465 | 7,440 | 7,414 | 7,388 | 7,362 | 90,018 |
| Depreciation/Amortization | | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 5,435 | 65,226 |
| Equipment Lease | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 2,100 |
| Taxes | | 302 | 1,130 | 2,486 | 5,708 | 5,716 | 4,596 | 6,664 | 6,008 | 4,382 | 1,377 | 1,386 | 1,218 | 40,973 |
| Subtotal | | 117,994 | 120,409 | 124,391 | 133,910 | 133,894 | 130,527 | 136,620 | 134,633 | 129,766 | 120,805 | 120,789 | 120,246 | |
| Loan Principal | | 3,543 | 3,567 | 3,591 | 3,616 | 3,640 | 3,665 | 3,690 | 3,715 | 3,741 | 3,766 | 3,792 | 3,818 | 44,144 |
| Equipment | | | | | | | | | | | | | | |
| Total Cash Paid | | 121,537 | 123,976 | 127,982 | 137,525 | 137,534 | 134,193 | 140,310 | 138,349 | 133,506 | 124,571 | 124,580 | 124,064 | |
| Cash Position | | 408,996 | 412,963 | 419,423 | 431,843 | 444,255 | 454,561 | 468,681 | 481,560 | 491,393 | 495,620 | 499,837 | 503,716 | |
| (Add back depreciation) | | | | | | | | | | | | | | |
| Operating Income | | 864 | 3,228 | 7,102 | 16,308 | 16,333 | 13,131 | 19,039 | 17,167 | 12,521 | 3,934 | 3,959 | 3,479 | 117,065 |
| Taxes | 35% | 302 | 1,130 | 2,486 | 5,708 | 5,716 | 4,596 | 6,664 | 6,008 | 4,382 | 1,377 | 1,386 | 1,218 | 40,973 |
| Net Income / Loss | | 562 | 2,099 | 4,616 | 10,600 | 10,616 | 8,535 | 12,376 | 11,158 | 8,138 | 2,557 | 2,574 | 2,261 | 76,092 |
| Annual Sales -----> | | 1,600,077 | | | | | | | | | | | | |
| Annual Expenses -----> | | 1,523,985 | | | | | | | | | | | | |
| Net Income -----> | | 76,092 | | | | | | | | | | | | |

Pro-Forma Balance Sheet
Opening and First Three Years

| | [----- Year Ending -----] | | | |
|---|---------------------------|------------------|------------------|------------------|
| | Opening | Year 1 | Year 2 | Year 3 |
| Assets | | | | |
| [Current Assets] | | | | |
| Cash | 355,000 | 352,534 | 406,542 | 503,716 |
| Accounts Receivable | - | - | - | - |
| Inventory | 10,000 | 10,000 | 10,000 | 10,000 |
| Prepaid Expenses | - | - | - | - |
| Other Current Assets | - | - | - | - |
| Total Current Assets | 365,000 | 362,534 | 416,542 | 513,716 |
| [Fixed Assets] | | | | |
| Land | 170,000 | 170,000 | 170,000 | 170,000 |
| Equipment & Machinery | 310,000 | 310,000 | 310,000 | 310,000 |
| Furniture & Fixtures | - | - | - | - |
| Building | 720,000 | 720,000 | 720,000 | 720,000 |
| Accumulated Depreciation | - | 54,226 | 108,452 | 162,677 |
| Total Fixed Assets | 1,200,000 | 1,145,774 | 1,091,548 | 1,037,323 |
| [Other Assets] | | | | |
| Start-up Expenses | 60,000 | 60,000 | 60,000 | 60,000 |
| Contingency | 50,000 | 50,000 | 50,000 | 50,000 |
| Accumulated Amortization | - | 11,000 | 22,000 | 33,000 |
| Total Other Assets | 110,000 | 99,000 | 88,000 | 77,000 |
| Total Assets | 1,675,000 | 1,607,308 | 1,596,090 | 1,628,039 |
| Liabilities and Shareholders' Equity | | | | |
| [Current Liabilities] | | | | |
| Accounts Payable | - | - | - | - |
| Current LTD | 37,534 | 40,697 | 44,144 | 47,901 |
| Other Current Liabilities | - | - | - | - |
| Total Current Liabilities | 37,534 | 40,697 | 44,144 | 47,901 |
| [Non-Current Liabilities] | | | | |
| Note(s) | 1,162,466 | 1,121,769 | 1,077,626 | 1,029,724 |
| Total Long Term Debt | 1,162,466 | 1,121,769 | 1,077,626 | 1,029,724 |
| Shareholders' Equity | | | | |
| Common Stock | 475,000 | 475,000 | 475,000 | 475,000 |
| Retained Earnings | - | - | (30,158) | (679) |
| Current Earnings | - | (30,158) | 29,479 | 76,092 |
| Total Equity | 475,000 | 444,842 | 474,321 | 550,413 |
| Total Liabl. & Equity | 1,675,000 | 1,607,308 | 1,596,090 | 1,628,039 |

| | [----- Year Ending -----] | | | |
|-----------------|---------------------------|---------|---------|---------|
| Ratios | Opening | Year 1 | Year 2 | Year 3 |
| Current | 9.7 | 8.9 | 9.4 | 10.7 |
| Quick | 9.5 | 8.7 | 9.2 | 10.5 |
| Working Capital | 327,466 | 321,837 | 372,398 | 465,815 |
| Debt / Equity | 2.5 | 2.6 | 2.4 | 2.0 |

| | | Depreciation & Amortization | | |
|-----------------------|-----|-----------------------------|----------|--------|
| Depreciation: | Yrs | Amount | Per Year | |
| Equipment & Machinery | 10 | 310,000 | 31,000 | |
| Furniture & Fixtures | 7 | - | - | |
| Building | 31 | 720,000 | 23,226 | 54,226 |
| Contingency | 10 | 50,000 | 5,000 | |
| Start-up Expenses | 10 | 60,000 | 6,000 | 11,000 |
| | | | 65,226 | |

Opening and Post Loan Balance Sheet

| | Period: | 30-Sep | DEBIT | CREDIT | PRO-FORMA |
|---|---------|----------------|------------------|------------------|------------------|
| Assets | | | | | |
| [Current Assets] | | | | | |
| Cash | | 475,000 | | 120,000 | 355,000 |
| Accounts Receivable | | | | | - |
| Inventory | | | 10,000 | | 10,000 |
| Prepaid Expenses | | | | | - |
| Other Current Assets | | | | | |
| Total Current Assets | | 475,000 | 10,000 | 120,000 | 365,000 |
| [Fixed Assets] | | | | | |
| Land | | | 170,000 | | 170,000 |
| Equipment & Machinery | | | 310,000 | | 310,000 |
| Furniture & Fixtures | | | - | | - |
| Building | | | 720,000 | | 720,000 |
| Accumulated Depreciation | | | | | - |
| Total Fixed Assets | | | 1,200,000 | | 1,200,000 |
| [Other Assets] | | | | | |
| Start-up Expenses | | | 60,000 | | 60,000 |
| Contingency | | | 50,000 | | 50,000 |
| Accumulated Amortization | | | | | |
| Total Other Assets | | | 110,000 | | 110,000 |
| Total Assets | | - | 1,320,000 | 120,000 | 1,675,000 |
| Liabilities and Shareholders' Equity | | | | | |
| [Current Liabilities] | | | | | |
| Accounts Payable | | | | | |
| Current LTD | | | | 37,534 | 37,534 |
| Other Current Liabilities | | | | | |
| Total Current Liabilities | | | | 37,534 | 37,534 |
| [Non-Current Liabilities] | | | | | |
| Note(s) | | | | 1,162,466 | 1,162,466 |
| Total Long Term Debt | | | | 1,162,466 | 1,162,466 |
| Shareholders' Equity | | | | | |
| Common Stock | | 475,000 | | | 475,000 |
| Retained Earnings | | | | | |
| Current Earnings | | | | | |
| Total Equity | | 475,000 | | | 475,000 |
| Total Liabl. & Equity | | 475,000 | | 1,200,000 | 1,675,000 |

Debt to Equity = 2.5 to 1

Project Cost

| | |
|----------------------------|------------------|
| Startup Fees | 60,000 |
| Building | 720,000 |
| Equipment Furn & Fix | 310,000 |
| Land | 170,000 |
| Inventory | 10,000 |
| Contingency | 50,000 |
| Other | |
| Total Startup Costs | 1,320,000 |

Working Capital 355,000

Total Project Cost -----> 1,675,000

CAPITALIZATION

| | |
|-----------------------------|------------------|
| Loans: | |
| Bank(s) | 650,000 |
| CDC FOUNDERS | 200,000 |
| City: Winston-Salem | 350,000 |
| Total Loans-----> | 1,200,000 |

| | |
|------------------------------|----------------|
| Equity: | |
| Grants | 325,000 |
| Churches (Shareholder) | 100,000 |
| Private Donations | 50,000 |
| Foundations | |
| Total Equity-----> | 475,000 |

Total Capitalization 1,675,000

Income Statement

| | Year 1 | Year 2 | Year 3 | Year 1 | Year 2 | Year 3 |
|---------------------------|-----------|-----------|-----------|--------|--------|--------|
| Sales | 1,200,023 | 1,400,019 | 1,600,077 | 100.0% | 100.0% | 100.0% |
| Food | 384,007 | 434,006 | 496,024 | 32.0% | 31.0% | 31.0% |
| Management | 57,498 | 58,800 | 60,000 | 4.8% | 4.2% | 3.7% |
| Supervisor | 90,000 | 93,600 | 96,000 | 7.5% | 6.7% | 6.0% |
| Gross Wages | 246,000 | 294,000 | 336,000 | 20.5% | 21.0% | 21.0% |
| Payroll Tax | 41,317 | 46,872 | 51,660 | 3.4% | 3.3% | 3.2% |
| Health Insurance | 48,000 | 51,600 | 55,200 | 4.0% | 3.7% | 3.4% |
| Insurance | 3,600 | 3,600 | 3,600 | 0.3% | 0.3% | 0.2% |
| Worker's Comp | 5,902 | 6,696 | 7,380 | 0.5% | 0.5% | 0.5% |
| Equip Service Contract | 24,000 | 24,000 | 24,000 | 2.0% | 1.7% | 1.5% |
| Utilities | 33,601 | 39,201 | 44,802 | 2.8% | 2.8% | 2.8% |
| Telephone | 3,600 | 3,600 | 3,600 | 0.3% | 0.3% | 0.2% |
| Trash | 12,000 | 12,000 | 14,400 | 1.0% | 0.9% | 0.9% |
| Accounting & Legal | 9,000 | 9,600 | 10,000 | 0.7% | 0.7% | 0.6% |
| Travel | 2,400 | 3,600 | 4,200 | 0.2% | 0.3% | 0.3% |
| Supplies - Operation | 31,201 | 36,401 | 41,602 | 2.6% | 2.6% | 2.6% |
| Advertising/Marketing | 68,401 | 70,001 | 70,000 | 5.7% | 5.0% | 4.4% |
| Laundry | 6,000 | 6,600 | 7,200 | 0.5% | 0.5% | 0.4% |
| Depreciation/Amortization | 65,226 | 65,226 | 65,226 | 5.4% | 4.7% | 4.1% |
| Equipment Lease | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| Miscellaneous | 1,800 | 1,800 | 2,100 | 0.1% | 0.1% | 0.1% |
| Operating Expenses | 1,133,553 | 1,261,202 | 1,392,994 | 94.5% | 90.1% | 87.1% |
| Operating Profits | 66,470 | 138,818 | 207,083 | 5.5% | 9.9% | 12.9% |
| Interest | 96,628 | 93,465 | 90,018 | 8.1% | 6.7% | 5.6% |
| Profits B4 Tax | -30,158 | 45,353 | 117,065 | -2.5% | 3.2% | 7.3% |
| Tax | 35% | 15,873 | 40,973 | 0.0% | 1.1% | 2.6% |
| Profit After Tax | -30,158 | 29,479 | 76,092 | -2.5% | 2.1% | 4.8% |

Cash Flow From Operations:

| | | | |
|---|---------|--------|---------|
| Profits | -30,158 | 29,479 | 76,092 |
| Depreciation | 65,226 | 65,226 | 65,226 |
| Cash Flow | 35,067 | 94,705 | 141,318 |
| Interest | 96,628 | 93,465 | 90,018 |
| Principal | 37,534 | 40,697 | 44,144 |
| Cash Flow to Interest and Current Total Debt | 0.26 | 0.71 | 1.05 |
| EBIT to Interest Expense | 0.69 | 1.49 | 2.30 |
| EBIT to Inter & CMTD | 0.50 | 1.03 | 1.54 |

Income Statement
by Quarter

| | YEAR 1 | | | | | YEAR 2 | | | | |
|---------------------------|----------|---------|---------|----------|-----------|---------|---------|---------|----------|-----------|
| | First | Second | Third | Fourth | Total | First | Second | Third | Fourth | Total |
| Sales | 277,545 | 321,053 | 324,509 | 276,916 | 1,200,023 | 323,801 | 374,560 | 378,592 | 323,067 | 1,400,019 |
| Food | 88,814 | 102,737 | 103,843 | 88,613 | 384,007 | 100,378 | 116,113 | 117,364 | 100,151 | 434,006 |
| Management | 14,375 | 14,375 | 14,375 | 14,375 | 57,498 | 14,700 | 14,700 | 14,700 | 14,700 | 58,800 |
| Supervisor | 22,500 | 22,500 | 22,500 | 22,500 | 90,000 | 23,400 | 23,400 | 23,400 | 23,400 | 93,600 |
| Gross Wages | 63,000 | 63,000 | 60,000 | 60,000 | 246,000 | 73,500 | 73,500 | 73,500 | 73,500 | 294,000 |
| Payroll Tax | 10,487 | 10,487 | 10,172 | 10,172 | 41,317 | 11,718 | 11,718 | 11,718 | 11,718 | 46,872 |
| Health Insurance | 12,000 | 12,000 | 12,000 | 12,000 | 48,000 | 12,900 | 12,900 | 12,900 | 12,900 | 51,600 |
| Insurance | 900 | 900 | 900 | 900 | 3,600 | 900 | 900 | 900 | 900 | 3,600 |
| Worker's Comp | 1,498 | 1,498 | 1,453 | 1,453 | 5,902 | 1,674 | 1,674 | 1,674 | 1,674 | 6,696 |
| Equip Service Contract | 6,000 | 6,000 | 6,000 | 6,000 | 24,000 | 6,000 | 6,000 | 6,000 | 6,000 | 24,000 |
| Utilities | 7,771 | 8,989 | 9,086 | 7,754 | 33,601 | 9,066 | 10,488 | 10,601 | 9,046 | 39,201 |
| Telephone | 900 | 900 | 900 | 900 | 3,600 | 900 | 900 | 900 | 900 | 3,600 |
| Trash | 3,000 | 3,000 | 3,000 | 3,000 | 12,000 | 3,000 | 3,000 | 3,000 | 3,000 | 12,000 |
| Accounting & Legal | 2,250 | 2,250 | 2,250 | 2,250 | 9,000 | 2,400 | 2,400 | 2,400 | 2,400 | 9,600 |
| Travel | 600 | 600 | 600 | 600 | 2,400 | 900 | 900 | 900 | 900 | 3,600 |
| Supplies - Operation | 7,216 | 8,347 | 8,437 | 7,200 | 31,201 | 8,419 | 9,739 | 9,843 | 8,400 | 36,401 |
| Advertising/Marketing | 19,877 | 18,453 | 16,225 | 13,846 | 68,401 | 16,190 | 18,728 | 18,930 | 16,153 | 70,001 |
| Laundry | 1,500 | 1,500 | 1,500 | 1,500 | 6,000 | 1,650 | 1,650 | 1,650 | 1,650 | 6,600 |
| Depreciation/Amortization | 16,306 | 16,306 | 16,306 | 16,306 | 65,226 | 16,306 | 16,306 | 16,306 | 16,306 | 65,226 |
| Equipment Lease | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous | 450 | 450 | 450 | 450 | 1,800 | 450 | 450 | 450 | 450 | 1,800 |
| Operating Expenses | 279,445 | 294,292 | 289,998 | 269,818 | 1,133,553 | 304,452 | 325,466 | 327,136 | 304,148 | 1,261,202 |
| Operating Profits | (1,900) | 26,761 | 34,511 | 7,098 | 66,470 | 19,349 | 49,093 | 51,457 | 18,919 | 138,818 |
| Interest | 24,439 | 24,254 | 24,064 | 23,871 | 96,628 | 23,673 | 23,472 | 23,265 | 23,055 | 93,465 |
| Profits B4 Tax | (26,339) | 2,507 | 10,447 | (16,773) | (30,158) | (4,325) | 25,622 | 28,191 | (4,136) | 45,353 |
| Tax | 35% | | | | | | 7,454 | | 8,419 | 15,873 |
| Profit After Tax | (26,339) | 2,507 | 10,447 | (16,773) | (30,158) | (4,325) | 18,168 | 28,191 | (12,555) | 29,479 |

Income Statement
by Quarter

| | YEAR 3 | | | | |
|------------------------|---------|---------|---------|---------|-----------|
| | First | Second | Third | Fourth | Total |
| Sales | 370,071 | 428,083 | 432,692 | 369,232 | 1,600,077 |
| Food | 114,722 | 132,706 | 134,134 | 114,462 | 496,024 |
| Management | 15,000 | 15,000 | 15,000 | 15,000 | 60,000 |
| Supervisor | 24,000 | 24,000 | 24,000 | 24,000 | 96,000 |
| Gross Wages | 84,000 | 84,000 | 84,000 | 84,000 | 336,000 |
| Payroll Tax | 12,915 | 12,915 | 12,915 | 12,915 | 51,660 |
| Health Insurance | 13,800 | 13,800 | 13,800 | 13,800 | 55,200 |
| Insurance | 900 | 900 | 900 | 900 | 3,600 |
| Worker's Comp | 1,845 | 1,845 | 1,845 | 1,845 | 7,380 |
| Equip Service Contract | 6,000 | 6,000 | 6,000 | 6,000 | 24,000 |
| Utilities | 10,362 | 11,986 | 12,115 | 10,339 | 44,802 |

| | | | | | |
|---------------------------|---------|---------|---------|---------|-----------|
| Telephone | 900 | 900 | 900 | 900 | 3,600 |
| Trash | 3,600 | 3,600 | 3,600 | 3,600 | 14,400 |
| Accounting & Legal | 2,500 | 2,500 | 2,500 | 2,500 | 10,000 |
| Travel | 1,050 | 1,050 | 1,050 | 1,050 | 4,200 |
| Supplies - Operation | 9,622 | 11,130 | 11,250 | 9,600 | 41,602 |
| Advertising/Marketing | 16,190 | 18,728 | 18,929 | 16,153 | 70,000 |
| Laundry | 1,800 | 1,800 | 1,800 | 1,800 | 7,200 |
| Depreciation/Amortization | 16,306 | 16,306 | 16,306 | 16,306 | 65,226 |
| Equipment Lease | - | - | - | - | - |
| Miscellaneous | 525 | 525 | 525 | 525 | 2,100 |
| Operating Expenses | 336,037 | 359,691 | 361,571 | 335,695 | 1,392,994 |
| Operating Profits | 34,034 | 68,391 | 71,121 | 33,537 | 207,083 |
| Interest | 22,839 | 22,619 | 22,395 | 22,165 | 90,018 |
| Profits B4 Tax | 11,194 | 45,772 | 48,726 | 11,372 | 117,065 |
| Tax | 3,918 | 16,020 | 17,054 | 3,980 | 40,973 |
| Profit After Tax | 7,276 | 29,752 | 31,672 | 7,392 | 76,092 |

| | January | February | March | April | May | June | July | August | September | October | November | December |
|---|---------|----------|-------|-------|-------|-------|-------|--------|-----------|---------|----------|----------|
| Percentage of Business Per Month -----> | 7.40% | 7.40% | 8.33% | 9.02% | 9.02% | 9.30% | 9.30% | 9.10% | 8.33% | 7.70% | 7.70% | 7.40% |
| Meals Per Day | | | | | | | | | | | | |
| <u>Morning</u> | | | | | | | | | | | | |
| Year 1 | 41 | 41 | 46 | 50 | 50 | 51 | 51 | 50 | 46 | 42 | 42 | 41 |
| Year 2 | 56 | 56 | 62 | 68 | 68 | 70 | 70 | 68 | 62 | 58 | 58 | 56 |
| Year 3 | 67 | 67 | 75 | 81 | 81 | 84 | 84 | 82 | 75 | 69 | 69 | 67 |
| <u>Mid-Day</u> | | | | | | | | | | | | |
| Year 1 | 130 | 130 | 146 | 158 | 158 | 163 | 163 | 159 | 146 | 135 | 135 | 130 |
| Year 2 | 205 | 205 | 231 | 250 | 250 | 258 | 258 | 253 | 231 | 214 | 214 | 205 |
| Year 3 | 275 | 275 | 309 | 335 | 335 | 345 | 345 | 338 | 309 | 286 | 286 | 275 |
| <u>Evening</u> | | | | | | | | | | | | |
| Year 1 | 227 | 227 | 256 | 277 | 277 | 286 | 286 | 279 | 256 | 236 | 236 | 227 |
| Year 2 | 302 | 302 | 340 | 368 | 368 | 380 | 380 | 372 | 340 | 315 | 315 | 302 |
| Year 3 | 339 | 339 | 381 | 413 | 413 | 426 | 426 | 417 | 381 | 353 | 353 | 339 |
| <u>Total (B + L + D)</u> | | | | | | | | | | | | |
| Year 1 | 397 | 397 | 447 | 484 | 484 | 499 | 499 | 489 | 447 | 413 | 413 | 397 |
| Year 2 | 563 | 563 | 634 | 686 | 686 | 708 | 708 | 693 | 634 | 586 | 586 | 563 |
| Year 3 | 680 | 680 | 766 | 829 | 829 | 855 | 855 | 837 | 766 | 708 | 708 | 680 |

| Average Number of Meals Per Day | | | | | Revenue | | | | |
|---------------------------------|---------|---------|---------|-------|--------------------------|------------|---------|-----------|-----------|
| | Morning | Mid-Day | Evening | Total | Total Customers Per Year | Morning | Mid-Day | Evening | Total |
| Year 1 | 46 | 146 | 256 | 448 | 161,100 | \$ 103,159 | 393,251 | 1,011,817 | 1,508,227 |
| Year 2 | 63 | 231 | 340 | 634 | 228,300 | 143,083 | 644,370 | 1,407,540 | 2,194,993 |
| Year 3 | 75 | 310 | 382 | 766 | 275,820 | 182,019 | 890,471 | 1,646,352 | 2,718,842 |

| Average Ticket | Breakfast | Lunch | Dinner |
|----------------|-----------|---------|----------|
| Year 1 | \$ 6.26 | \$ 7.50 | \$ 11.00 |
| Year 2 | 6.50 | 7.75 | 11.50 |
| Year 3 | 6.75 | 8.00 | 12.00 |

EastSide Catering & Banquet
Prepared by: Jrgrace
Version #5

Days Open Per Year 360

Hours of Operation

| | | | |
|---------|------------|----|------------|
| Morning | 6:30 A.M. | to | 10:30 A.M. |
| Mid-Day | 11:00 A.M. | to | 2:30 P.M. |
| Evening | 4:30 P.M. | to | 8:30 P.M. |

Revenue: Year 1

| | | | | | | | | | | | | |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| Morning | 7,643 | 7,898 | 8,317 | 9,317 | 9,317 | 8,966 | 9,606 | 9,399 | 8,891 | 7,953 | 7,953 | 7,898.24 |
| Mid-Day | 29,138 | 30,109 | 31,706 | 35,516 | 35,516 | 34,178 | 36,619 | 35,831 | 33,893 | 30,319 | 30,319 | 30,109 |
| Evening | 74,969 | 77,468 | 81,578 | 91,382 | 91,382 | 87,937 | 94,218 | 92,192 | 87,204 | 78,009 | 78,009 | 77,468 |
| Total | 111,750 | 115,475 | 121,602 | 136,215 | 136,215 | 131,080 | 140,443 | 137,423 | 129,988 | 116,281 | 116,281 | 115,475 |
| <u>Year 2</u> | | | | | | | | | | | | |
| Morning | 10,823 | 11,183 | 11,777 | 13,192 | 13,192 | 12,695 | 13,601 | 13,309 | 12,589 | 11,261 | 11,261 | 8,201 |
| Mid-Day | 47,744 | 49,335 | 51,953 | 58,196 | 58,196 | 56,002 | 60,002 | 58,712 | 55,536 | 49,679 | 49,679 | 49,335 |
| Evening | 104,290 | 107,766 | 113,484 | 127,121 | 127,121 | 122,329 | 131,067 | 128,249 | 121,310 | 108,518 | 108,518 | 107,766 |
| Total | 162,856 | 168,285 | 177,213 | 198,509 | 198,509 | 191,026 | 204,671 | 200,269 | 189,434 | 169,459 | 169,459 | 165,303 |
| <u>Year 3</u> | | | | | | | | | | | | |
| Morning | 13,487 | 13,936 | 14,675 | 16,439 | 16,439 | 15,819 | 16,949 | 16,585 | 15,687 | 14,033 | 14,033 | 13,936 |
| Mid-Day | 65,978 | 68,178 | 71,795 | 80,422 | 80,422 | 77,391 | 82,919 | 81,136 | 76,746 | 68,653 | 68,653 | 68,178 |
| Evening | 121,985 | 126,051 | 132,738 | 148,689 | 148,689 | 143,085 | 153,305 | 150,008 | 141,892 | 126,930 | 126,930 | 126,051 |
| Total | 201,449 | 208,164 | 219,208 | 245,551 | 245,551 | 236,295 | 253,173 | 247,728 | 234,326 | 209,616 | 209,616 | 208,164 |

Revenue: Year 1

| | | | | | | | | | | | | | | |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|-----------|----------|
| Morning | 7,643 | 7,898 | 8,317 | 9,317 | 9,317 | 8,966 | 9,606 | 9,399 | 8,891 | 7,953 | 7,953 | 7,898.24 | 103,159 | 0.068398 |
| Mid-Day | 29,138 | 30,109 | 31,706 | 35,516 | 35,516 | 34,178 | 36,619 | 35,831 | 33,893 | 30,319 | 30,319 | 30,109 | 393,251 | 0.260737 |
| Evening | 74,969 | 77,468 | 81,578 | 91,382 | 91,382 | 87,937 | 94,218 | 92,192 | 87,204 | 78,009 | 78,009 | 77,468 | 1,011,817 | 0.670865 |
| Total | 111,750 | 115,475 | 121,602 | 136,215 | 136,215 | 131,080 | 140,443 | 137,423 | 129,988 | 116,281 | 116,281 | 115,475 | 1,508,227 | |
| Year 2 | | | | | | | | | | | | | | |
| Morning | 10,823 | 11,183 | 11,777 | 13,192 | 13,192 | 12,695 | 13,601 | 13,309 | 12,589 | 11,261 | 11,261 | 8,201 | 143,083 | |
| Mid-Day | 47,744 | 49,335 | 51,953 | 58,196 | 58,196 | 56,002 | 60,002 | 58,712 | 55,536 | 49,679 | 49,679 | 49,335 | 644,370 | |
| Evening | 104,290 | 107,766 | 113,484 | 127,121 | 127,121 | 122,329 | 131,067 | 128,249 | 121,310 | 108,518 | 108,518 | 107,766 | 1,407,540 | |
| Total | 162,856 | 168,285 | 177,213 | 198,509 | 198,509 | 191,028 | 204,671 | 200,269 | 189,434 | 169,459 | 169,459 | 165,303 | 2,194,993 | |
| Year 3 | | | | | | | | | | | | | | |
| Morning | 13,487 | 13,936 | 14,675 | 16,439 | 16,439 | 15,819 | 16,949 | 16,585 | 15,687 | 14,033 | 14,033 | 13,936 | 182,019 | |
| Mid-Day | 65,978 | 68,178 | 71,795 | 80,422 | 80,422 | 77,391 | 82,919 | 81,136 | 76,746 | 68,653 | 68,653 | 68,178 | 890,471 | |
| Evening | 121,985 | 126,051 | 132,738 | 148,689 | 148,689 | 143,085 | 153,305 | 150,008 | 141,892 | 126,930 | 126,930 | 126,051 | 1,646,352 | |
| Total | 201,449 | 208,164 | 219,208 | 245,551 | 245,551 | 236,295 | 253,173 | 247,728 | 234,326 | 209,616 | 209,616 | 208,164 | 2,718,842 | |
| | | | | | | | | | | | | | 1,508,227 | |

| | | | | | | | | | | | | | | | |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|--------------|---------|---------|---------|---------|-----------|--------|------|
| Eastside Catering | Note 1: | 250,000 | Term: | 5 | Years | Rate: | 114.0% | Prepared By: | | | | | | | |
| | Note 2: | 200,000 | Term: | 15 | Years | Rate: | 6.0% | EWDCD | | | | | | | |
| Year 1 | Note 3: | 50,000 | Term: | 15 | Years | Rate: | 7.2% | 3/6/00 | | | | | | | |
| EASTSIDE CATERING & BANQUET | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | Total | | |
| | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | | | |
| Cash on Hand | 10,000 | 7,688 | 7,411 | 10,478 | 21,524 | 34,170 | 44,412 | 59,767 | 73,473 | 83,119 | 85,281 | 87,443 | | | |
| Sales | 111,750 | 115,475 | 121,602 | 136,215 | 136,215 | 131,080 | 140,443 | 137,423 | 129,988 | 116,281 | 116,281 | 115,475 | 1,508,227 | 100.0% | |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% | |
| Total Cash Available | 121,750 | 123,164 | 129,012 | 146,693 | 157,739 | 165,250 | 184,855 | 197,190 | 203,460 | 199,400 | 201,562 | 202,918 | | | |
| Cash Paid Out: | | | | | | | | | | | | | | | |
| Food | 35.0% | 39,113 | 40,416 | 42,561 | 47,675 | 47,675 | 45,878 | 49,155 | 48,098 | 45,496 | 40,698 | 40,416 | 527,880 | 35.0% | |
| Management | | 4,792 | 4,792 | 4,792 | 4,792 | 4,792 | 4,792 | 4,792 | 4,792 | 4,792 | 4,792 | 4,792 | 57,498 | 3.8% | |
| Supervisor | | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 90,000 | 6.0% | |
| Gross Wages | | 28,833 | 28,833 | 28,833 | 28,833 | 28,833 | 28,833 | 28,833 | 28,833 | 28,833 | 28,833 | 28,833 | 345,996 | 22.9% | |
| Payroll Tax | 10.5% | 4,318 | 4,318 | 4,318 | 4,318 | 4,318 | 4,318 | 4,318 | 4,318 | 4,318 | 4,318 | 4,318 | 51,817 | 3.4% | |
| Health Insurance | | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 48,000 | 3.2% | |
| Insurance | | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 | 0.2% | |
| Worker's Comp | | 617 | 617 | 617 | 617 | 617 | 617 | 617 | 617 | 617 | 617 | 617 | 7,402 | 0.5% | |
| Equip Service Contract | | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 24,000 | 1.6% | |
| Utilities | 2.8% | 3,129 | 3,233 | 3,405 | 3,814 | 3,814 | 3,670 | 3,932 | 3,848 | 3,640 | 3,256 | 3,256 | 42,230 | 2.8% | |
| Telephone | | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 | 0.2% | |
| Trash | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 12,000 | 0.8% | |
| Accounting & Legal | | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 9,000 | 0.6% | |
| Travel | | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 2,400 | 0.2% | |
| Supplies - Operation | 2.6% | 2,906 | 3,002 | 3,162 | 3,542 | 3,542 | 3,408 | 3,652 | 3,573 | 3,380 | 3,023 | 3,023 | 39,214 | 2.6% | |
| Advertising/Marketing | | 7,588 | 7,774 | 8,080 | 8,811 | 7,211 | 6,554 | 7,022 | 6,871 | 6,499 | 5,814 | 5,774 | 83,811 | 5.6% | |
| Laundry | | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 6,000 | 0.4% | |
| Interest | | 3,675 | 3,666 | 3,658 | 3,649 | 3,640 | 3,631 | 3,621 | 3,612 | 3,602 | 3,592 | 3,582 | 43,498 | 2.9% | |
| Depreciation/Amortization | | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 68,866 | 4.6% | |
| Equipment Lease | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 12,000 | 0.8% | |
| Miscellaneous | | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 1,800 | 0.1% | |
| Taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% | |
| Subtotal | | 118,408 | 120,091 | 122,863 | 129,489 | 127,880 | 125,139 | 129,381 | 128,000 | 124,615 | 118,382 | 117,995 | | | |
| Loan Principal | | 1,393 | 1,401 | 1,410 | 1,419 | 1,428 | 1,437 | 1,447 | 1,456 | 1,466 | 1,476 | 1,486 | 17,315 | 1.1% | |
| Equipment | | | | | | | | | | | | | | | |
| Total Cash Paid | | 119,801 | 121,492 | 124,273 | 130,908 | 129,308 | 126,576 | 130,827 | 129,456 | 126,081 | 119,858 | 119,492 | | | |
| Cash Position | | 7,688 | 7,411 | 10,478 | 21,524 | 34,170 | 44,412 | 59,767 | 73,473 | 83,119 | 85,281 | 87,443 | 89,165 | | |
| (Add back depreciation) | | | | | | | | | | | | | | | |
| Operating Income | | -6,658 | -4,615 | -1,262 | 6,726 | 8,335 | 5,941 | 11,062 | 9,423 | 5,373 | -2,101 | -2,091 | -2,520 | 27,614 | 1.8% |
| Taxes | 35% | | | | | | | | | | | | | 0 | 0.0% |
| Net Income / Loss | | -6,658 | -4,615 | -1,262 | 6,726 | 8,335 | 5,941 | 11,062 | 9,423 | 5,373 | -2,101 | -2,091 | -2,520 | 27,614 | 1.8% |

Annual Sales -----> 1,508,227
Annual Expenses -----> 1,480,613
Net Income -----> 27,614

| EASTSIDE CATERING & BANQUET | | | | | | | | | | | Prepared By: | | 3/6/00 | | |
|-----------------------------|---------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|---------|-----------|---------|-------|
| Year 2 | | | | | | | | | | | EWDCD | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | Total | | |
| Cash on Hand | 89,165 | 121,007 | 156,030 | 196,285 | 249,020 | 234,714 | 267,601 | 305,682 | 342,081 | 389,498 | 425,209 | 460,920 | | | |
| Sales | 162,856 | 168,285 | 177,213 | 198,509 | 198,509 | 191,026 | 204,671 | 200,269 | 189,434 | 169,459 | 169,459 | 165,303 | 2,194,993 | 100.0% | |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% | |
| Total Cash Available | 252,022 | 289,292 | 333,243 | 394,794 | 447,528 | 425,740 | 472,272 | 505,951 | 531,515 | 558,956 | 594,667 | 626,223 | | | |
| Cash Paid Out: | | | | | | | | | | | | | | | |
| Food | 31.0% | 50,485 | 52,168 | 54,936 | 61,538 | 61,538 | 59,218 | 63,448 | 62,084 | 58,725 | 52,532 | 52,532 | 51,244 | 680,448 | 31.0% |
| Management | | 4,900 | 4,900 | 4,900 | 4,900 | 4,900 | 4,900 | 4,900 | 4,900 | 4,900 | 4,900 | 4,900 | 4,900 | 58,800 | 2.7% |
| Supervisor | | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 93,600 | 4.3% |
| Gross Wages | | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 360,000 | 16.4% |
| Payroll Tax | 10.5% | 4,484 | 4,484 | 4,484 | 4,484 | 4,484 | 4,484 | 4,484 | 4,484 | 4,484 | 4,484 | 4,484 | 4,484 | 53,802 | 2.5% |
| Health Insurance | | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 51,600 | 2.4% |
| Insurance | | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 | 0.2% |
| Worker's Comp | | 641 | 641 | 641 | 641 | 641 | 641 | 641 | 641 | 641 | 641 | 641 | 641 | 7,686 | 0.4% |
| Equip Service Contract | | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 24,000 | 1.1% |
| Utilities | 2.8% | 4,560 | 4,712 | 4,962 | 5,558 | 5,558 | 5,349 | 5,731 | 5,608 | 5,304 | 4,745 | 4,745 | 4,628 | 61,460 | 2.8% |
| Telephone | | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 | 0.2% |
| Trash | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 12,000 | 0.5% |
| Accounting & Legal | | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 9,600 | 0.4% |
| Travel | | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 | 0.2% |
| Supplies - Operation | 2.6% | 4,234 | 4,375 | 4,608 | 5,161 | 5,161 | 4,967 | 5,321 | 5,207 | 4,925 | 4,406 | 4,406 | 4,298 | 57,070 | 2.6% |
| Advertising/Marketing | 5.0% | 8,143 | 8,414 | 8,861 | 9,925 | 9,925 | 9,551 | 10,234 | 10,013 | 9,472 | 8,473 | 8,473 | 8,265 | 109,750 | 5.0% |
| Laundry | | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 6,600 | 0.3% |
| Interest | | 3,561 | 3,550 | 3,538 | 3,526 | 3,514 | 3,502 | 3,489 | 3,476 | 3,462 | 3,447 | 3,432 | 3,416 | 41,913 | 1.9% |
| Depreciation/Amortization | | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 68,866 | 3.1% |
| Equipment Lease | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 12,000 | 0.5% |
| Miscellaneous | | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 1,800 | 0.1% |
| Taxes | | 0 | 0 | 0 | 0 | 67,041 | 15,462 | 18,265 | 17,367 | 0 | 0 | 0 | 47,486 | 165,620 | 7.5% |
| Subtotal | | 135,246 | 137,482 | 141,167 | 149,972 | 217,000 | 162,311 | 170,750 | 168,017 | 146,150 | 137,866 | 137,851 | 183,600 | | |
| Loan Principal | | 1,507 | 1,518 | 1,530 | 1,541 | 1,553 | 1,566 | 1,579 | 1,592 | 1,606 | 1,621 | 1,636 | 1,652 | 18,901 | 0.9% |
| Equipment | | | | | | | | | | | | | | | |
| Total Cash Paid | | 136,753 | 139,001 | 142,697 | 151,513 | 218,554 | 163,877 | 172,329 | 169,609 | 147,756 | 139,487 | 139,487 | 185,252 | | |
| Cash Position | | 121,007 | 156,030 | 196,285 | 249,020 | 234,714 | 267,601 | 305,682 | 342,081 | 389,498 | 425,209 | 460,920 | 446,710 | | |
| (Add back depreciation) | | 5,739 | | | | | | | | | | | | | |
| Operating Income | | 27,610 | 30,803 | 36,046 | 48,537 | 48,549 | 44,177 | 52,185 | 49,619 | 43,284 | 31,593 | 31,608 | 29,188 | 473,199 | 21.6% |
| Taxes | 35% | | | | | 67,041 | 15,462 | 18,265 | 17,367 | | | | 47,486 | 165,620 | 7.5% |
| Net Income / Loss | | 27,610 | 30,803 | 36,046 | 48,537 | -18,492 | 28,715 | 33,920 | 32,253 | 43,284 | 31,593 | 31,608 | -18,297 | 307,579 | 14.0% |
| Annual Sales -----> | | 2,194,993 | | | | | | | | | | | | | |
| Annual Expenses -----> | | 1,887,413 | | | | | | | | | | | | | |
| Net Income -----> | | 307,579 | | | | | | | | | | | | | |

| EASTSIDE CATERING & BANQUET | | | | | | | | | | | | | Prepared By: SBTDC | | |
|--|-------|-----------|---------|---------|---------|---------|---------|---------|-----------|-----------|-----------|-----------|-----------------------|-----------|--------|
| Year 3 | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | Total | |
| Cash on Hand | | 446,710 | 482,612 | 521,094 | 563,820 | 616,681 | 669,535 | 718,818 | 774,590 | 828,259 | 876,759 | 915,737 | 954,705 | | |
| Sales | | 201,449 | 208,164 | 219,208 | 245,551 | 245,551 | 236,295 | 253,173 | 247,728 | 234,326 | 209,616 | 209,616 | 208,164 | 2,718,842 | 100.0% |
| Other | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Cash Available | | 648,159 | 690,777 | 740,302 | 809,371 | 862,231 | 905,829 | 971,991 | 1,022,319 | 1,062,584 | 1,086,375 | 1,125,353 | 1,162,870 | | |
| Cash Paid Out: | | | | | | | | | | | | | | | |
| Food | 31.0% | 62,449 | 64,531 | 67,954 | 76,121 | 76,121 | 73,251 | 78,484 | 76,796 | 72,641 | 64,981 | 64,981 | 64,531 | 842,841 | 31.0% |
| Management | | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 60,000 | 2.2% |
| Supervisor | | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 96,000 | 3.5% |
| Gross Wages | | 31,500 | 31,500 | 31,500 | 31,500 | 31,500 | 31,500 | 31,500 | 31,500 | 31,500 | 31,500 | 31,500 | 31,500 | 378,000 | 13.9% |
| Payroll Tax | 10.5% | 4,673 | 4,673 | 4,673 | 4,673 | 4,673 | 4,673 | 4,673 | 4,673 | 4,673 | 4,673 | 4,673 | 4,673 | 56,070 | 2.1% |
| Health Insurance | | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 55,200 | 2.0% |
| Insurance | | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 | 0.1% |
| Worker's Comp | 1.5% | 668 | 668 | 668 | 668 | 668 | 668 | 668 | 668 | 668 | 668 | 668 | 668 | 8,010 | 0.3% |
| Equip Service Contract | | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 24,000 | 0.9% |
| Utilities | 2.8% | 5,641 | 5,829 | 6,138 | 6,875 | 6,875 | 6,616 | 7,089 | 6,936 | 6,561 | 5,869 | 5,869 | 5,829 | 76,128 | 2.8% |
| Telephone | | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 | 0.1% |
| Trash | | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 14,400 | 0.5% |
| Accounting & Legal | | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 10,000 | 0.4% |
| Travel | | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 4,200 | 0.2% |
| Supplies - Operation | 2.6% | 5,238 | 5,412 | 5,699 | 6,384 | 6,384 | 6,144 | 6,582 | 6,441 | 6,092 | 5,450 | 5,450 | 5,412 | 70,690 | 2.6% |
| Advertising/Marketing | 4.4% | 8,813 | 9,107 | 9,590 | 10,742 | 10,742 | 10,337 | 11,076 | 10,838 | 10,251 | 9,170 | 9,170 | 9,107 | 118,944 | 4.4% |
| Laundry | | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 7,200 | 0.3% |
| Interest | | 3,400 | 3,382 | 3,364 | 3,345 | 3,325 | 3,304 | 3,281 | 3,257 | 3,232 | 3,205 | 3,176 | 3,146 | 39,416 | 1.4% |
| Depreciation/Amortization | | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 5,739 | 68,866 | 2.5% |
| Equipment Lease | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 12,000 | 0.4% |
| Miscellaneous | | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 2,100 | 0.1% |
| Taxes | | 17,140 | 18,538 | 20,834 | 26,301 | 26,308 | 24,397 | 27,903 | 26,783 | 24,014 | 18,901 | 18,911 | 18,621 | 268,652 | 9.9% |
| Subtotal | | 169,618 | 173,736 | 180,517 | 196,706 | 196,693 | 190,986 | 201,352 | 197,988 | 189,729 | 174,514 | 174,495 | 173,582 | | |
| Loan Principal | | 1,668 | 1,685 | 1,704 | 1,723 | 1,743 | 1,764 | 1,787 | 1,811 | 1,836 | 1,863 | 1,892 | 1,922 | 21,397 | 0.8% |
| Equipment | | | | | | | | | | | | | | | |
| Total Cash Paid | | 171,286 | 175,422 | 182,220 | 198,429 | 198,436 | 192,751 | 203,139 | 199,799 | 191,565 | 176,377 | 176,387 | 175,505 | | |
| Cash Position (Add back depreciation) | | 482,612 | 521,094 | 563,820 | 616,681 | 669,535 | 718,818 | 774,590 | 828,259 | 876,759 | 915,737 | 954,705 | 993,104 | | |
| Operating Income | | 48,972 | 52,966 | 59,525 | 75,146 | 75,166 | 69,705 | 79,724 | 76,523 | 68,611 | 54,004 | 54,032 | 53,203 | 767,577 | 28.2% |
| Taxes | 35% | 17,140 | 18,538 | 20,834 | 26,301 | 26,308 | 24,397 | 27,903 | 26,783 | 24,014 | 18,901 | 18,911 | 18,621 | 268,652 | 9.9% |
| Net Income / Loss | | 31,832 | 34,428 | 38,691 | 48,845 | 48,858 | 45,308 | 51,821 | 49,740 | 44,597 | 35,102 | 35,121 | 34,582 | 498,925 | 18.4% |
| Annual Sales -----> | | 2,718,842 | | | | | | | | | | | | | |
| Annual Expenses -----> | | 2,219,917 | | | | | | | | | | | | | |
| Net Income -----> | | 498,925 | | | | | | | | | | | | | |

Opening and Post Loan Balance Sheet

| Period: | 30-Sep | DEBIT | CREDIT | PRO-FORMA |
|---|----------------|------------------|----------------|------------------|
| Assets | | | | |
| [Current Assets] | | | | |
| Cash | 950,000 | | 820,000 | 130,000 |
| Accounts Receivable | | | | - |
| Inventory | | 15,000 | | 15,000 |
| Prepaid Expenses | | | | - |
| Other Current Assets | | | | |
| Total Current Assets | 950,000 | 15,000 | 820,000 | 145,000 |
| [Fixed Assets] | | | | |
| Land | | 150,000 | | 150,000 |
| Equipment & Machinery | | 225,000 | | 225,000 |
| Furniture & Fixtures | | 135,000 | | 135,000 |
| Building | | 700,000 | | 700,000 |
| Accumulated Depreciation | | | | - |
| Total Fixed Assets | | 1,210,000 | | 1,210,000 |
| [Other Assets] | | | | |
| Start-up Expenses | | 25,000 | | 25,000 |
| Contingency | | 20,000 | | 20,000 |
| Accumulated Amortization | | | | |
| Total Other Assets | | 45,000 | | 45,000 |
| Total Assets | 130,000 | 1,270,000 | 820,000 | 1,400,000 |
| Liabilities and Shareholders' Equity | | | | |
| [Current Liabilities] | | | | |
| Accounts Payable | | | | |
| Current LTD | | 17,315 | | 17,315 |
| Other Current Liabilities | | | | |
| Total Current Liabilities | | 17,315 | | 17,315 |
| [Non-Current Liabilities] | | | | |
| Note(s) | | 426,835 | | 426,835 |
| Total Long Term Debt | | 426,835 | | 426,835 |
| Shareholders' Equity | | | | |
| Common Stock | 950,000 | | | 950,000 |
| Retained Earnings | | | | |
| Current Earnings | | | | |
| Total Equity | 950,000 | | | 950,000 |
| Total Liabl. & Equity | 950,000 | 444,150 | | 1,394,150 |

Debt to Equity = 0.5 to 1 5,850

Project Cost

| | |
|----------------------------|------------------|
| Startup Fees | 25,000 |
| Building | 700,000 |
| Equipment Furn & Fix | 225,000 |
| Land | 150,000 |
| Inventory | 15,000 |
| Contingency | 20,000 |
| Other | |
| Total Startup Costs | 1,135,000 |

Working Capital 90,000

Total Project Cost -----> 1,225,000

CAPITALIZATION

| | |
|-----------------------------|----------------|
| Loans: | |
| Bank(s) | 25,000 |
| CITY OF W-S | 200,000 |
| FUNDERS | 50,000 |
| Total Loans-----> | 275,000 |

| | |
|------------------------------|----------------|
| Equity: | |
| Grants | 450,000 |
| Churches (Shareholder) | 500,000 |
| Private Donations | |
| Foundations | |
| Total Equity-----> | 950,000 |

Total Capitalization 1,225,000

**Pro-Forma Balance Sheet
Opening and First Three Years**

| | [----- Year Ending -----] | | | |
|---|---------------------------|------------------|------------------|------------------|
| | Opening | Year 1 | Year 2 | Year 3 |
| Assets | | | | |
| [Current Assets] | | | | |
| Cash | 130,000 | 89,165 | 446,710 | 993,104 |
| Accounts Receivable | - | - | - | - |
| Inventory | 15,000 | 15,000 | 15,000 | 15,000 |
| Prepaid Expenses | - | - | - | - |
| Other Current Assets | - | - | - | - |
| Total Current Assets | 145,000 | 104,165 | 461,710 | 1,008,104 |
| [Fixed Assets] | | | | |
| Land | 150,000 | 150,000 | 150,000 | 150,000 |
| Equipment & Machinery | 225,000 | 225,000 | 225,000 | 225,000 |
| Furniture & Fixtures | 135,000 | 135,000 | 135,000 | 135,000 |
| Building | 700,000 | 700,000 | 700,000 | 700,000 |
| Accumulated Depreciation | - | 64,366 | 128,733 | 193,099 |
| Total Fixed Assets | 1,210,000 | 1,145,634 | 1,081,267 | 1,016,901 |
| [Other Assets] | | | | |
| Start-up Expenses | 25,000 | 25,000 | 25,000 | 25,000 |
| Contingency | 20,000 | 20,000 | 20,000 | 20,000 |
| Accumulated Amortization | - | 4,500 | 9,000 | 13,500 |
| Total Other Assets | 45,000 | 40,500 | 36,000 | 31,500 |
| Total Assets | 1,400,000 | 1,290,299 | 1,578,977 | 2,056,505 |
| Liabilities and Shareholders' Equity | | | | |
| [Current Liabilities] | | | | |
| Accounts Payable | - | - | - | - |
| Current LTD | - | - | - | - |
| Current LTD | 17,315 | 18,901 | 21,397 | 26,447 |
| Other Current Liabilities | - | - | - | - |
| Total Current Liabilities | 17,315 | 18,901 | 21,397 | 26,447 |
| [Non-Current Liabilities] | | | | |
| Note(s) | 257,685 | 238,784 | 217,386 | 190,939 |
| Total Long Term Debt | 257,685 | 238,784 | 217,386 | 190,939 |
| Shareholders' Equity | | | | |
| Common Stock | 950,000 | 950,000 | 950,000 | 950,000 |
| Retained Earnings | - | - | 27,614 | 335,193 |
| Current Earnings | - | 27,614 | 307,579 | 498,925 |
| Total Equity | 950,000 | 977,614 | 1,285,193 | 1,784,118 |
| Total Liabl. & Equity | 1,225,000 | 1,235,299 | 1,523,977 | 2,001,505 |
| | (175,000) | (55,000) | (55,000) | (55,000) |

| | [----- Year Ending -----] | | | |
|-----------------|---------------------------|--------|---------|---------|
| Ratios | Opening | Year 1 | Year 2 | Year 3 |
| Current | 8.4 | 5.5 | 21.6 | 38.1 |
| Quick | 7.5 | 4.7 | 20.9 | 37.6 |
| Working Capital | 127,685 | 85,264 | 440,312 | 981,657 |
| Debt / Equity | 0.3 | 0.3 | 0.2 | 0.1 |

| | Yrs | Amount | Depreciation & Amortization Per Year | |
|-----------------------|-----|---------|--------------------------------------|--------|
| <u>Depreciation:</u> | | | | |
| Equipment & Machinery | 10 | 225,000 | 22,500 | |
| Furniture & Fixtures | 7 | 135,000 | 19,286 | |
| Building | 31 | 700,000 | 22,581 | 45,081 |
| Contingency | 10 | 20,000 | 2,000 | |
| Start-up Expenses | 10 | 25,000 | 2,500 | 4,500 |
| | | | 68,866 | |

| Note 1 BANK | Loan Interest Periods | \$25,000 9.50% 60 | 114.0% Per Annum 5 Years | | Repayment Of Principal | Remaining Balance | | Month | Payment | Interest | Principal | Repayment Of Principal | Remaining Balance |
|----------------|-----------------------------|-------------------------|-----------------------------|--------|------------------------------|----------------------|----|-------|---------|----------|-----------|------------------------------|----------------------|
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | Month | Payment | Interest | | | | | | | | | | |
| | 0 | 0 | 0 | 0 | 25,000 | | 49 | 2,385 | 1,583 | 803 | 15,856 | | |
| | 1 | 2,385 | 2,375 | 10 | 24,990 | | 50 | 2,385 | 1,506 | 879 | 14,977 | | |
| | 2 | 2,385 | 2,374 | 11 | 24,978 | | 51 | 2,385 | 1,423 | 963 | 14,014 | | |
| | 3 | 2,385 | 2,373 | 12 | 24,966 | | 52 | 2,385 | 1,331 | 1,054 | 12,960 | | |
| | 4 | 2,385 | 2,372 | 14 | 24,953 | | 53 | 2,385 | 1,231 | 1,154 | 11,806 | | |
| | 5 | 2,385 | 2,370 | 15 | 24,938 | | 54 | 2,385 | 1,122 | 1,264 | 10,543 | | |
| | 6 | 2,385 | 2,369 | 16 | 24,922 | | 55 | 2,385 | 1,002 | 1,384 | 9,159 | | |
| | 7 | 2,385 | 2,368 | 18 | 24,904 | | 56 | 2,385 | 870 | 1,515 | 7,644 | | |
| | 8 | 2,385 | 2,366 | 19 | 24,884 | Inter_Yr 5 | 57 | 2,385 | 726 | 1,659 | 5,984 | | |
| Interest Yr 1 | 9 | 2,385 | 2,364 | 21 | 24,863 | 11,965 | 58 | 2,385 | 569 | 1,817 | 4,168 | | |
| 28,410 | 10 | 2,385 | 2,362 | 23 | 24,840 | Princ_Yr 5 | 59 | 2,385 | 396 | 1,989 | 2,178 | | |
| Principal Yr 1 | 11 | 2,385 | 2,360 | 26 | 24,814 | 16,659 | 60 | 2,385 | 207 | 2,178 | 0 | | |
| 214 | 12 | 2,385 | 2,357 | 28 | 24,786 | | 61 | 2,385 | 0 | 2,385 | -2,385 | | |
| | 13 | 2,385 | 2,355 | 31 | 24,756 | | 62 | 2,385 | -227 | 2,612 | -4,997 | | |
| | 14 | 2,385 | 2,352 | 34 | 24,722 | | 63 | 2,385 | -475 | 2,860 | -7,857 | | |
| | 15 | 2,385 | 2,349 | 37 | 24,686 | | 64 | 2,385 | -748 | 3,132 | -10,989 | | |
| | 16 | 2,385 | 2,345 | 40 | 24,645 | | 65 | 2,385 | -1,044 | 3,429 | -14,418 | | |
| | 17 | 2,385 | 2,341 | 44 | 24,601 | | 66 | 2,385 | -1,370 | 3,755 | -18,173 | | |
| | 18 | 2,385 | 2,337 | 48 | 24,553 | | 67 | 2,385 | -1,726 | 4,112 | -22,285 | | |
| | 19 | 2,385 | 2,333 | 53 | 24,500 | | 68 | 2,385 | -2,117 | 4,502 | -26,787 | | |
| | 20 | 2,385 | 2,328 | 58 | 24,443 | Inter_Yr 6 | 69 | 2,385 | -2,545 | 4,930 | -31,717 | | |
| Interest Yr 2 | 21 | 2,385 | 2,322 | 63 | 24,379 | -20,877 | 70 | 2,385 | -3,013 | 5,398 | -37,116 | | |
| 27,989 | 22 | 2,385 | 2,316 | 69 | 24,310 | Princ_Yr 6 | 71 | 2,385 | -3,526 | 5,911 | -43,027 | | |
| Principal Yr 2 | 23 | 2,385 | 2,309 | 76 | 24,234 | 49,500 | 72 | 2,385 | -4,088 | 6,473 | -49,500 | | |
| 635 | 24 | 2,385 | 2,302 | 83 | 24,151 | | 73 | 2,385 | -4,703 | 7,088 | -56,588 | | |
| | 25 | 2,385 | 2,294 | 91 | 24,060 | | 74 | 2,385 | -5,376 | 7,761 | -64,349 | | |
| | 26 | 2,385 | 2,286 | 100 | 23,961 | | 75 | 2,385 | -6,113 | 8,498 | -72,848 | | |
| | 27 | 2,385 | 2,276 | 109 | 23,852 | | 76 | 2,385 | -6,921 | 9,306 | -82,153 | | |
| | 28 | 2,385 | 2,266 | 119 | 23,733 | | 77 | 2,385 | -7,805 | 10,190 | -92,343 | | |
| | 29 | 2,385 | 2,255 | 131 | 23,602 | | 78 | 2,385 | -8,773 | 11,158 | -103,501 | | |
| | 30 | 2,385 | 2,242 | 143 | 23,459 | | 79 | 2,385 | -9,833 | 12,218 | -115,719 | | |
| | 31 | 2,385 | 2,229 | 157 | 23,302 | | 80 | 2,385 | -10,993 | 13,379 | -129,098 | | |
| | 32 | 2,385 | 2,214 | 172 | 23,130 | Inter_Yr 7 | 81 | 2,385 | -12,264 | 14,650 | -143,747 | | |
| Interest Yr 3 | 33 | 2,385 | 2,197 | 188 | 22,942 | -118,464 | 82 | 2,385 | -13,656 | 16,041 | -159,788 | | |
| 28,737 | 34 | 2,385 | 2,180 | 206 | 22,737 | Princ_Yr 7 | 83 | 2,385 | -15,180 | 17,565 | -177,354 | | |
| Principal Yr 3 | 35 | 2,385 | 2,160 | 225 | 22,511 | 147,087 | 84 | 2,385 | -16,849 | 19,234 | -196,588 | | |
| 1,887 | 36 | 2,385 | 2,139 | 247 | 22,265 | | 85 | 2,385 | -18,676 | 21,061 | -217,649 | | |
| | 37 | 2,385 | 2,115 | 270 | 21,995 | | 86 | 2,385 | -20,677 | 23,062 | -240,711 | | |
| | 38 | 2,385 | 2,089 | 296 | 21,699 | | 87 | 2,385 | -22,868 | 25,253 | -265,963 | | |
| | 39 | 2,385 | 2,061 | 324 | 21,375 | | 88 | 2,385 | -25,267 | 27,652 | -293,615 | | |
| | 40 | 2,385 | 2,031 | 355 | 21,020 | | 89 | 2,385 | -27,893 | 30,279 | -323,894 | | |
| | 41 | 2,385 | 1,997 | 388 | 20,632 | | 90 | 2,385 | -30,770 | 33,155 | -357,049 | | |
| | 42 | 2,385 | 1,960 | 425 | 20,206 | | 91 | 2,385 | -33,920 | 36,305 | -393,354 | | |
| | 43 | 2,385 | 1,920 | 466 | 19,741 | | 92 | 2,385 | -37,369 | 39,754 | -433,108 | | |
| | 44 | 2,385 | 1,875 | 510 | 19,231 | Inter_Yr 8 | 93 | 2,385 | -41,145 | 43,531 | -476,639 | | |
| Interest Yr 4 | 45 | 2,385 | 1,827 | 558 | 18,673 | -408,440 | 94 | 2,385 | -45,281 | 47,666 | -524,305 | | |
| 23,017 | 46 | 2,385 | 1,774 | 611 | 18,061 | Princ_Yr 8 | 95 | 2,385 | -49,809 | 52,194 | -576,499 | | |
| Principal Yr 4 | 47 | 2,385 | 1,716 | 669 | 17,392 | 437,064 | 96 | 2,385 | -54,767 | 57,153 | -633,651 | | |
| 5,606 | 48 | 2,385 | 1,652 | 733 | 16,659 | | | | | | | | |
| | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 | | | | | | | | |
| Current LTD | 214 | 635 | 1,887 | 5,606 | 16,659 | | | | | | | | |
| LTD | 24,786 | 24,151 | 22,265 | 16,659 | 0 | | | | | | | | |
| Total Debt | 25,000 | 24,786 | 24,151 | 22,265 | 16,659 | | | | | | | | |

Income Statement

| | Year 1 | Year 2 | Year 3 | Year 1 | Year 2 | Year 3 |
|---------------------------|-----------|-----------|-----------|--------|--------|--------|
| Sales | 1,508,227 | 2,194,993 | 2,718,842 | 100.0% | 100.0% | 100.0% |
| Food | 527,880 | 680,448 | 842,841 | 35.0% | 31.0% | 31.0% |
| Management | 57,498 | 58,800 | 60,000 | 3.8% | 2.7% | 2.2% |
| Supervisor | 90,000 | 93,600 | 96,000 | 6.0% | 4.3% | 3.5% |
| Gross Wages | 345,996 | 360,000 | 378,000 | 22.9% | 16.4% | 13.9% |
| Payroll Tax | 51,817 | 53,802 | 56,070 | 3.4% | 2.5% | 2.1% |
| Health Insurance | 48,000 | 51,600 | 55,200 | 3.2% | 2.4% | 2.0% |
| Insurance | 3,600 | 3,600 | 3,600 | 0.2% | 0.2% | 0.1% |
| Worker's Comp | 7,402 | 7,686 | 8,010 | 0.5% | 0.4% | 0.3% |
| Equip Service Contract | 24,000 | 24,000 | 24,000 | 1.6% | 1.1% | 0.9% |
| Utilities | 42,230 | 61,460 | 76,128 | 2.8% | 2.8% | 2.8% |
| Telephone | 3,600 | 3,600 | 3,600 | 0.2% | 0.2% | 0.1% |
| Trash | 12,000 | 12,000 | 14,400 | 0.8% | 0.5% | 0.5% |
| Accounting & Legal | 9,000 | 9,600 | 10,000 | 0.6% | 0.4% | 0.4% |
| Travel | 2,400 | 3,600 | 4,200 | 0.2% | 0.2% | 0.2% |
| Supplies - Operation | 39,214 | 57,070 | 70,690 | 2.6% | 2.6% | 2.6% |
| Advertising/Marketing | 83,811 | 109,750 | 118,944 | 5.6% | 5.0% | 4.4% |
| Laundry | 6,000 | 6,000 | 7,200 | 0.4% | 0.3% | 0.3% |
| Depreciation/Amortization | 68,866 | 68,866 | 68,866 | 4.6% | 3.1% | 2.5% |
| Equipment Lease | 12,000 | 12,000 | 12,000 | 0.8% | 0.5% | 0.4% |
| Miscellaneous | 1,800 | 1,800 | 2,100 | 0.1% | 0.1% | 0.1% |
| Operating Expenses | 1,437,115 | 1,679,881 | 1,911,849 | 95.3% | 76.5% | 70.3% |
| Operating Profits | 71,112 | 515,111 | 806,993 | 4.7% | 23.5% | 29.7% |
| Interest | 43,498 | 41,913 | 39,416 | 2.9% | 1.9% | 1.4% |
| Profits B4 Tax | 27,614 | 473,199 | 767,577 | 1.8% | 21.6% | 28.2% |
| Tax | 35% 9,665 | 165,820 | 268,652 | 0.6% | 7.5% | 9.9% |
| Profit After Tax | 17,949 | 307,579 | 498,925 | 1.2% | 14.0% | 18.4% |

Cash Flow From Operations:

| | | | |
|--|--------|---------|---------|
| Profits | 17,949 | 307,579 | 498,925 |
| Depreciation | 68,866 | 68,866 | 68,866 |
| Cash Flow | 86,815 | 376,446 | 567,791 |
| Interest | 43,498 | 41,913 | 39,416 |
| Principal | 17,315 | 18,901 | 21,397 |
| Cash Flow to Interest and Current Total Debt | 1.43 | 6.19 | 9.34 |
| EBIT to Interest Expense | 1.63 | 12.29 | 20.47 |
| EBIT to Inter & CMTD | 1.17 | 8.47 | 13.27 |

Income Statement

by Quarter

| | YEAR 1 | | | | | YEAR 2 | | | | |
|---------------------------|---------|---------|---------|---------|-----------|---------|---------|---------|---------|-----------|
| | First | Second | Third | Fourth | Total | First | Second | Third | Fourth | Total |
| Sales | 348,827 | 403,509 | 407,854 | 348,037 | 1,508,227 | 508,354 | 588,044 | 594,375 | 504,220 | 2,194,993 |
| Food | 122,090 | 141,228 | 142,749 | 121,813 | 527,880 | 157,590 | 182,294 | 184,256 | 156,308 | 680,448 |
| Management | 14,375 | 14,375 | 14,375 | 14,375 | 57,498 | 14,700 | 14,700 | 14,700 | 14,700 | 58,800 |
| Supervisor | 22,500 | 22,500 | 22,500 | 22,500 | 90,000 | 23,400 | 23,400 | 23,400 | 23,400 | 93,600 |
| Gross Wages | 86,499 | 86,499 | 86,499 | 86,499 | 345,996 | 90,000 | 90,000 | 90,000 | 90,000 | 360,000 |
| Payroll Tax | 12,954 | 12,954 | 12,954 | 12,954 | 51,817 | 13,451 | 13,451 | 13,451 | 13,451 | 53,802 |
| Health Insurance | 12,000 | 12,000 | 12,000 | 12,000 | 48,000 | 12,900 | 12,900 | 12,900 | 12,900 | 51,600 |
| Insurance | 900 | 900 | 900 | 900 | 3,600 | 900 | 900 | 900 | 900 | 3,600 |
| Worker's Comp | 1,851 | 1,851 | 1,851 | 1,851 | 7,402 | 1,922 | 1,922 | 1,922 | 1,922 | 7,686 |
| Equip Service Contract | 6,000 | 6,000 | 6,000 | 6,000 | 24,000 | 6,000 | 6,000 | 6,000 | 6,000 | 24,000 |
| Utilities | 9,767 | 11,298 | 11,420 | 9,745 | 42,230 | 14,234 | 16,465 | 16,642 | 14,118 | 61,460 |
| Telephone | 900 | 900 | 900 | 900 | 3,600 | 900 | 900 | 900 | 900 | 3,600 |
| Trash | 3,000 | 3,000 | 3,000 | 3,000 | 12,000 | 3,000 | 3,000 | 3,000 | 3,000 | 12,000 |
| Accounting & Legal | 2,250 | 2,250 | 2,250 | 2,250 | 9,000 | 2,400 | 2,400 | 2,400 | 2,400 | 9,600 |
| Travel | 600 | 600 | 600 | 600 | 2,400 | 900 | 900 | 900 | 900 | 3,600 |
| Supplies - Operation | 9,070 | 10,491 | 10,604 | 9,049 | 39,214 | 13,217 | 15,289 | 15,454 | 13,110 | 57,070 |
| Advertising/Marketing | 23,441 | 22,575 | 20,393 | 17,402 | 83,811 | 25,418 | 29,402 | 29,719 | 25,211 | 109,750 |
| Laundry | 1,500 | 1,500 | 1,500 | 1,500 | 6,000 | 1,650 | 1,650 | 1,650 | 1,650 | 6,600 |
| Depreciation/Amortization | 17,217 | 17,217 | 17,217 | 17,217 | 68,866 | 17,217 | 17,217 | 17,217 | 17,217 | 68,866 |
| Equipment Lease | 3,000 | 3,000 | 3,000 | 3,000 | 12,000 | 3,000 | 3,000 | 3,000 | 3,000 | 12,000 |
| Miscellaneous | 450 | 450 | 450 | 450 | 1,800 | 450 | 450 | 450 | 450 | 1,800 |
| Operating Expenses | 350,362 | 371,588 | 371,160 | 344,004 | 1,437,115 | 403,247 | 436,239 | 438,860 | 401,536 | 1,679,881 |
| Operating Profits | (1,535) | 31,921 | 36,693 | 4,033 | 71,112 | 105,107 | 151,805 | 155,515 | 102,684 | 515,111 |

| | | | | | | | | | | | | |
|------------------|-----|----------|--------|--------|---------|--------|--|--------|---------|---------|--------|---------|
| Interest | | 10,999 | 10,919 | 10,835 | 10,745 | 43,498 | | 10,648 | 10,543 | 10,426 | 10,295 | 41,913 |
| Profits B4 Tax | | (12,534) | 21,002 | 25,858 | (6,712) | 27,614 | | 94,459 | 141,262 | 145,089 | 92,389 | 473,199 |
| Tax | 35% | | | | | | | | 82,502 | | 83,117 | 165,620 |
| Profit After Tax | | (12,534) | 21,002 | 25,858 | (6,712) | 27,614 | | 94,459 | 58,760 | 145,089 | 9,272 | 307,579 |

Income Statement
by Quarter

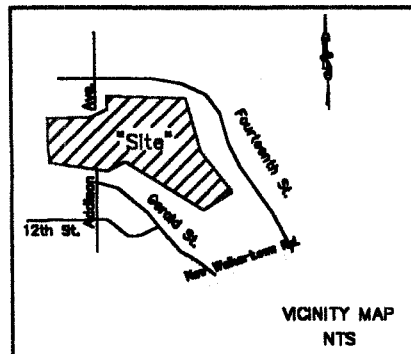
| | YEAR 3 | | | | |
|---------------------------|---------|---------|---------|---------|-----------|
| | First | Second | Third | Fourth | Total |
| Sales | 628,822 | 727,396 | 735,227 | 627,397 | 2,718,842 |
| Food | 194,935 | 225,493 | 227,920 | 194,493 | 842,841 |
| Management | 15,000 | 15,000 | 15,000 | 15,000 | 60,000 |
| Supervisor | 24,000 | 24,000 | 24,000 | 24,000 | 96,000 |
| Gross Wages | 94,500 | 94,500 | 94,500 | 94,500 | 378,000 |
| Payroll Tax | 14,018 | 14,018 | 14,018 | 14,018 | 56,070 |
| Health Insurance | 13,800 | 13,800 | 13,800 | 13,800 | 55,200 |
| Insurance | 900 | 900 | 900 | 900 | 3,600 |
| Worker's Comp | 2,003 | 2,003 | 2,003 | 2,003 | 8,010 |
| Equip Service Contract | 6,000 | 6,000 | 6,000 | 6,000 | 24,000 |
| Utilities | 17,607 | 20,367 | 20,586 | 17,567 | 76,128 |
| Telephone | 900 | 900 | 900 | 900 | 3,600 |
| Trash | 3,600 | 3,600 | 3,600 | 3,600 | 14,400 |
| Accounting & Legal | 2,500 | 2,500 | 2,500 | 2,500 | 10,000 |
| Travel | 1,050 | 1,050 | 1,050 | 1,050 | 4,200 |
| Supplies - Operation | 16,349 | 18,912 | 19,116 | 16,312 | 70,690 |
| Advertising/Marketing | 27,510 | 31,822 | 32,165 | 27,447 | 118,944 |
| Laundry | 1,800 | 1,800 | 1,800 | 1,800 | 7,200 |
| Depreciation/Amortization | 17,217 | 17,217 | 17,217 | 17,217 | 68,866 |
| Equipment Lease | 3,000 | 3,000 | 3,000 | 3,000 | 12,000 |
| Miscellaneous | 525 | 525 | 525 | 525 | 2,100 |
| Operating Expenses | 457,212 | 497,406 | 500,599 | 456,632 | 1,911,849 |
| Operating Profits | 171,609 | 229,990 | 234,628 | 170,766 | 806,993 |
| Interest | 10,146 | 9,973 | 9,770 | 9,527 | 39,416 |
| Profits B4 Tax | 161,463 | 220,017 | 224,858 | 161,239 | 767,577 |
| Tax | 56,512 | 77,006 | 78,700 | 56,434 | 268,652 |
| Profit After Tax | 104,951 | 143,011 | 146,158 | 104,805 | 498,925 |



EAST SIDE CAFETERIA

SITE AMENITIES AND SITE IMPROVEMENT DOCUMENTS

TABLE OF CONTENTS



Date: 8-17-99

| | |
|-------|---|
| | COVER SHEET |
| SP-1 | SITE PLAN / REZONING PLAN |
| SP-2 | STAGING/LAYOUT PLAN |
| SP-3 | GRADING AND STORM DRAINAGE |
| SP-4 | SEDIMENT + EROSION CONTROL PLAN |
| SP-5 | AREA LIGHTING PLAN WITH DETAILS |
| SP-6 | UTILITY PLAN (WATER + SEWERS) |
| SP-7 | BUFFER + PARKING LOT PLANTING PLAN |
| SP-8 | PLANTING PLAN AT CAFETERIA BUILDING |
| SP-9 | PLANT LIST W/ DETAILS |
| SP-10 | CONSTRUCTION DETAILS FOR SITE IMPROVEMENT WORK |
| SP-11 | CONSTRUCTION DETAILS FOR SITE IMPROVEMENT WORK |
| SP-12 | CONSTRUCTION DETAILS FOR SEDIMENT + EROSION CONTROL |
| SP-13 | SITE BOUNDARY + TOPOGRAPHIC SURVEY |

FOR REVIEW ONLY
NOT FOR CONSTRUCTION

DESIGNER:

JORDAN CONSULTANTS

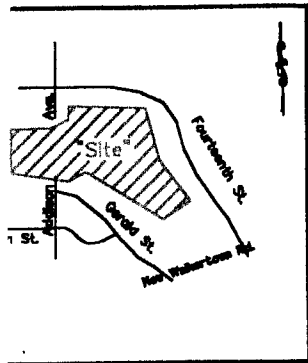
- LANDSCAPE ARCHITECTURE
 - LAND DEVELOPMENT
 - SITE PLANNING
- 3714 EL SANTOS COURT
WINSTON-SALEM, NC 27105
336-777-8006 • (FAX) 336-777-1908

DEVELOPER:

THE MILLENNIUM GROUP

DEVELOPMENT, LLC

102 WEST THIRD STREET- SUITE 522
WINSTON-SALEM, NC 27101
336-725-9425 • (FAX) 336-721-1176



VICINITY MAP
NTS

MH TOP 881.48
INV 848.48
SHELF 848.38

MH TOP 848.03
INV 837.83
SHELF 838.08

MH TOP 834.47
INV 828.98
SHELF 828.84

Water Park
Station 2
RE 111.10.08

NOTE: Existing trees within the 15' buffer zone are eligible for tree credits.

NOTE: See sheet 50-1 for planting details for shrubs, trees + ground covers. Also see sheet 50-1 for all planting notes, plant schedule and tree protection details. / 50-1



0 30 60 90
Scale: 1" = 30'-0"

FOURTEENTH STREET OUTFALL
18" EASEMENT 8" VC PIPE

JORDAN CONSULTANTS

Landscape Architecture
Land Development
Land Planning

DR. R. J. JORDAN, P.E.
1011 W. 3rd Street, Suite 202
Weston, MA 02459
Tel: (508) 772-8000
Fax: (508) 772-8000



Project Name
EAST BEE CAFETERIA

PREPARED BY + PROPERTY OWNER
The Millbrook Group
Development, LLC

103 W. 3rd Street
Suite 202
Weston, MA 02459
Tel: 336-728-4488
Fax: 336-721-1176

DATE: 08/11/2011

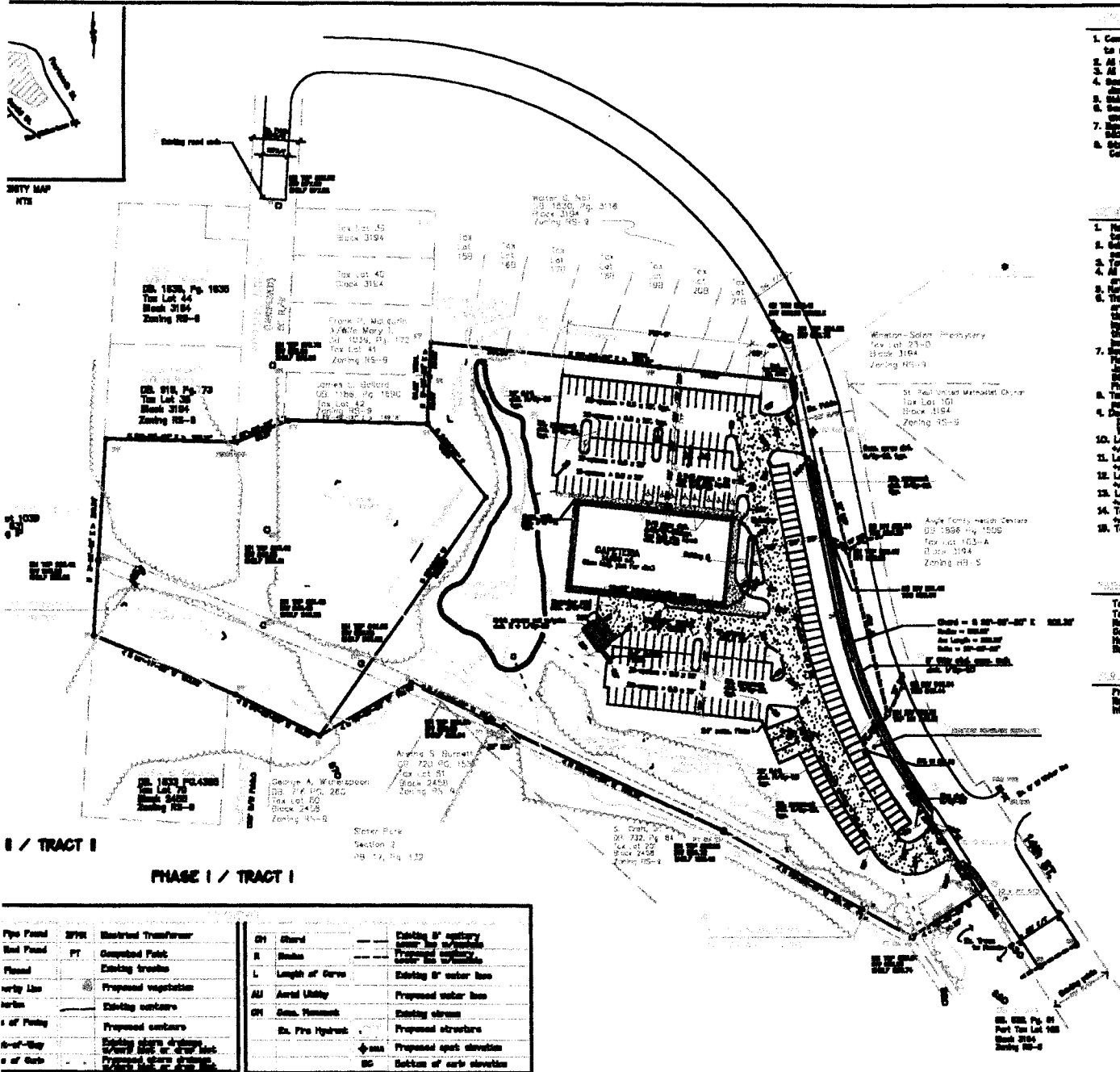
Sheet No.

Scale

Notes

Project Number
990917

Sheet Number



1. Contractor shall verify all dimensions and locations prior to any construction.
2. All signs are 90" wide unless otherwise noted.
3. All dimensions are measured to the face of curb unless noted.
4. See architect's grading plan for all measurements and dimensions for and to all structures and elevations.
5. See grading plan for all measurements and elevations.
6. See grading plan for all measurements and elevations.
7. See grading plan for all measurements and elevations.
8. See grading plan for all measurements and elevations.

1. Note topographic information taken from city county topographic map.
2. Subject site to be served by public water and public sewer.
3. Total developed graded area +/- 258,700 sq. ft. as +/-.
4. All landscape plant materials shall meet local landscape standards.
5. Note all signs by construction by lead engineer.
6. The property is subject to any easements, agreements or right-of-way of record. If any prior to the date of the plan and which are not within of the time of preparation by lead engineer. Distribution is made to original proprietor of the property. It is not transferable to additional owners or successors.
7. Property Survey by:
 - Topography Land Surveying P.C.
 - 101 W. 1st St. - 1010, Suite 2-7-91
 - 101 W. 1st St. - 1010, Suite 2-7-91
 - Phone 336-661-1111
8. The Block Map 3074 Lots 102, 103 and part of 104.
9. Total lot area 3074 sq. ft. 0.050 and part of 104.
10. Lot area = Lot 102 37,045 sq. ft. +/- 0.846 acres Zoned RS-4
11. Lot area = Lot 103 27,027 sq. ft. +/- 0.621 acres Zoned RS-4
12. Lot area = Part of Lot 104 3,364 sq. ft. +/- 0.076 acres Zoned RS-4
13. Lot area = Balance of Lot 104 6,434 sq. ft. +/- 0.148 acres Zoned RS-4
14. Total lot area for development 233,006.40 sq. ft. +/- 5.34 acres Zoned RS-4
15. Total lot area 3074 sq. ft. +/- 0.076 acres

Total plot space required 3074 sq. ft. +/- 0.076 acres
 Total plot space shown for structures = 200
 Total plot space shown for parking = 175
 Total plot space shown for landscaping = 15
 Total plot space shown for other = 15
 Total plot space shown for other = 15

Front yard setback = 40'
 Side yard setback = 40'
 Rear yard setback = 40'

JORDAN CONSULTANTS

101 W. 1st Street
 Suite 202
 Winston-Salem, NC 27101
 Tel: 336-728-1458
 Fax: 336-728-1176

Project Name
 101 W. 1st Street
 Winston-Salem, NC 27101

Client Name
 101 W. 1st Street
 Winston-Salem, NC 27101

Project Number
 101 W. 1st Street
 Winston-Salem, NC 27101

Project Date
 101 W. 1st Street
 Winston-Salem, NC 27101

Project Status
 101 W. 1st Street
 Winston-Salem, NC 27101

Project Location
 101 W. 1st Street
 Winston-Salem, NC 27101

Project Description
 101 W. 1st Street
 Winston-Salem, NC 27101

Project Notes
 101 W. 1st Street
 Winston-Salem, NC 27101

Project Contact
 101 W. 1st Street
 Winston-Salem, NC 27101

