

CAZ Holdings, LLC

*Passion for People and
Professional Service*

**Industry: Real
Estate / Hospitality**

Management:

Carol Zelmores – CEO
Erich Reinecker – CFO

Board of Advisors:

(proposed)
Michael Zelinski - Esq
John Witkowski - CPA

Revenues:

2006 Actual	\$ 1.2M
2007 Actual	\$ 1.2M
2008 Actual	\$ 1.2M
2009 projected	\$ 1.2M
2010 projected ¹	\$ 1.3M
2011 projected	\$ 1.7M
2012 projected	\$ 1.9M

¹Assumes May acquisition

Acquisition Cost:

\$ 5.5M

Appraised Market

Value: \$10.5M

Planned Debt:

1 st Mortgage	\$ 4.1M
Sellers Note	\$ 0.8M

Financing Sought:

20% Equity \$ 1.0M

Use of Proceeds:

Purchase the turnkey
Seaside Inn
Back office Upgrades
Online Reservations
Luxury Amenities

Business Description:

CAZ Holdings, LLC is seeking capital to acquire this Award-Winning Bed and Breakfast Inn ideally located in the National Historic Landmark Resort City of Cape May, NJ. We will be providing upscale lodging accommodations to the affluent market with personalized guest experiences. The Inn is a profitable on-going concern with 20 years of goodwill established and a high repeat business, yet we believe with an upgrade to EXCELLENT guest service and purchasing some operational systems, we will grow the business.

Unique Value Proposition:

The Inn's serene location and its Historic Victorian charm, plus Carol's excellent intuitive sense of guest's needs and extensive experience as an Innkeeper/ General Manager will create a winning combination to pamper the high-end clientele and personalize their stay to give them maximum enjoyment and relaxation.

The ambiance of the inn will be one of romance, rejuvenation and relaxation enhanced by the peace and tranquility of the ocean in the foreground. All guests can enjoy the ocean views from the verandas while reading favorite books, visiting with newly acquainted friends or drinking a favorite beverage.

Our "Guest Vision" is to create a compassionate ambiance and a feeling of genuine caring while delivering excellent professional service; also to anticipate our guest's needs before they know they have them and to exceed their expectations.

During our wine and cheese hour, the guests have an opportunity to visit with each other and the Host always facilitates introductions, since she has the gift of remembering guest's names. This ambiance creates a sense of wellbeing and adds one more memorable experience for each guest. The affluent traveler who is looking for more than just a bed and breakfast will certainly experience enjoyable memories in this serene resort setting.

Key Success Factors:

- Because Carol has such unique intuitive abilities to know what guests need, she makes them feel special and pampered in her role as the Owner/ Operator/ Innkeeper. Her previous guest's testimonials reflect how they LOVE her passion for hospitality excellence while she provides them with genuine caring and compassion. Her attention to detail and agility for improving processes combined with her extensive experience with high-end guests qualifies her to provide memorable, customized guest experiences.
- This award-winning Bed and Breakfast Sea Inn has a prime location in the National Historic Landmark City of Cape May, New Jersey
- The \$3.5 million dollar renovation of the property won the Historic Preservation Award from the National Trust for Historical Preservation in Washington, DC for the most complete Victorian restoration in New Jersey.



- The Inn located in Cape May, NJ, is within 150 miles of three (3) metropolitan areas, NY/Northern New Jersey, Philadelphia, PA and Wilmington, DE. The area has a strong tourism business with over 44 B&B Inns, 33 Restaurants and 52 cultural venues and events annually with over 5 million visitors according to NJ Office of Travel and Tourism.
- We already know which operational systems need to be implemented. These include online reservations and a Property Management System (PMS) to enable us to record individual guest's preferences for future use.
- Local zoning prevents new competition from entering the market.

Key Risk Factors:

- Competition could impact sales temporarily until management reacts
- The economy can impact revenues
- Weather can impact occupancy
 Note: With the marginal weather and economy during the 2009 season, sales were only down 1.9%

Status:

- Sweet deal to purchase this unique opportunity negotiated pending finalization of investor commitment letters. Present owner has agreed to hold a 15% interest free second mortgage.
- Carol brings expertise, the passion to drive the Inn to the next level and a mailing list of several hundred potential guests.
- The business will be purchased early enough to reap the benefits of the high season business allowing self financing of improvements and the creation of ample cash reserves.

Funding structure preferred:

- 1) Equity ownership in CAZ Holdings, LLC at a rate of 2% per \$100K invested
- 2) Investors will receive free room nights, at a rate of 1 for each \$25K invested. Use of rooms is subject to limitations.
- 3) Investors receive a 15% discount for additional rooms.
- 4) Bragging rights as owner of this seaside Inn

Investor ROI: The management team plans to begin making disbursements in year two by exercising buy-out options based on a predetermined minimum period of ownership and return on investment. Additionally, investors can opt to receive additional compensation based on appreciation of the business. Hospitality perks remain in effect the entire period of ownership.

Documents Available: Business Plan, Offering Memorandum and Operating Agreement

Revenue & Forecast	FY 2008 ²	FY 2010 ³ Year 1	FY 2011 Year 2	FY 2012 ⁴ Year 3
With out Funding	1,226,075	253,642		
With Funding		1,224,224	1,735,747	1,867,289
EBITDA	343,759	439,345	642,858	707,620

² FY 2009 financials not yet available ³ Assumes May 2010 acquisition

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