

Business Plan
For a
Nonprofit Expanding Opportunities for Local
Agricultural Producers
For
Blue Ridge Plateau Initiative, Inc.

8784 Spring Valley Road
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EXECUTIVE SUMMARY

Blue Ridge Plateau Initiative, Inc. is a Virginia-based, nonprofit organization seeking to facilitate efficient and sustainable use of agricultural resources in a way that benefits the public, local farmers, and the environment. After years of planning and development, we are ready to achieve this goal by providing access to services such as farmer development and certification training, as well as increasing market opportunities for local farmers. The ultimate goal of this project is to establish a sustainable, profitable, and environmentally conscious local food system in the region and strengthen public awareness of the benefits of sustainable, local agriculture.

Through our programs, we strive to connect farmers, investors, cooperative extensions, local governments, entrepreneurs, and state and federal agriculture agencies to improve the agriculture industry as a whole. As part of our social mission, we provide the following programs and services:

- Food Safety Service Training
- Marketing Company
- Land and Natural Resource Management and Marketing Service
- Abattoir
- Sustainable Agricultural Practices
- Investment Management Services and Regional Business development

To properly facilitate our programs, Blue Ridge Plateau Initiative (BRPI) will work with partners such as private enterprises, Virginia Tech, the Virginia Departments of Agriculture & Consumer Services, of Conservation and Recreation, and of Forestry to benefit the community. Since Southwest Virginia's economy is closely linked to its rich agricultural heritage, these programs could potentially increase the viability of local producers in the modern agricultural market.

As shown in our business plan, we will begin providing these services in stages as we continue to expand our capacity and reach a larger portion of the community. During the startup period, we will focus on building and establishing an abattoir and processing facility to serve local cattle farmers. We have identified that there is a need for this type of facility in the Southwestern region of Virginia, but many farmers are not able to start and sustain a facility on their own. BRPI will build and equip a processing facility that a separate entity will operate. Total estimated initial cost for the facility, equipment, and startup is about \$2.9 million.

After the facility is established and operations are fully transitioned to the contracted entity, we will begin providing other mission-based services and education such as farmer development and networking. These services are expected to be funded by a combination of grants, economic development sources, local foundations, and an individual donor campaign. These services will not only benefit the farmers using the processing facility, but they will also be available to other farmers in the community and surrounding areas.

In the first year of our plan, we expect to generate revenue from the processing facility through a leasing agreement with Mountain Fresh Meats, LLC. We will also generate revenue by acquiring grants and donations and offering nonprofit activities to the local agricultural community. The regional development beneficial nature of these programs will allow us to look for funding from the Go Virginia Foundation, Appalachia Region Commission, Virginia Tobacco Commission, Virginia DHCD Community Development Block Grant, EDA, and Mary Reynolds Babcock Foundation.

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PROJECT AND INDUSTRY BACKGROUND

The Blue Ridge Plateau area of Virginia is rich with good soil, adequate rainfall, and hardworking people. Many of the people of this region have been involved in agriculture for generations. Not only is the food grown here healthy and nutrient dense, but it is farmed with low amounts of pesticides, antibiotics, and chemical fertilizer. Sustainable agricultural practices are the norm for this area. However, with the dominance of large-scale, industrial food production around the world, and the globalized corporate food industry, many of our local farmers are struggling to make a living. Cheap food of poor nutritional quality made with massive amounts of chemicals and unsustainable amounts of water contributes to one third of the excess carbon that is currently leading to climate change. This type of food is the national norm and a national problem.

We in Southwest Virginia are prepared to lead the change toward growing an abundance of healthy food by using techniques that do not contribute to climate change or to national obesity. To do this, we need to create a quality, integrated food system in our region by training producers and attracting investment. With support from various institutes such as Virginia Tech, we have the necessary resources to provide these beneficial programs.

Blue Ridge Plateau Initiative is a nonprofit organization hoping to better the community through preservation of the land's health by teaching farmers more efficient and sustainable agricultural methods and practices. The organization was founded by Danny Boyer, Jack Walls, and Jerry Moles. Blue Ridge Plateau was created in 2016 to connect farmers and entrepreneurs with other industry players and to create an integrated food system in the region. We work with a broad community bringing together (1) local fertile land, (2) skillful farmers, (3) government (local, state, and national), (4) local knowledge, wisdom, and entrepreneurial spirit, (5) Virginia Tech, our land grant university, and (6) a major injection of social entrepreneurial capital to create a productive and profitable Local Food System.

We have determined the need for farmer development programs and a small-scale beef processing facility within Carroll County, Virginia. There is an ample population of farmers in this region that would benefit from these programs and facilities. We will reach out to farmers in the region to better determine which training programs and investments would allow the community to transition to healthy sustainable agriculture and build a strong local food system. We expect that these efforts will grow to reach beyond the community in Carroll County to include farmers from surrounding counties in the region.

We have started developing an environmentally conscious local food system by providing farmer training, regional business development, certificate training, partnering with institutions, seeking donors, and obtaining the land for the facility. While Blue Ridge Plateau Initiative will own the beef processing facility, Mountain Fresh Meats, LLC will lease the facility and use it for cattle slaughter purposes.

Industry Background

The agricultural industry in the Commonwealth of Virginia has a long tradition and is an important source of revenue for producers. The following Virginia market information was taken in large part from reports from the USDA's National Agricultural Statistical Service (NASS).

Agriculture is Virginia's largest and oldest industry and has been the backbone of the state economy for almost four centuries. Overall, the industry has an economic impact of about \$52 billion each year, and when combined with forestry, the impact increases to \$70 billion annually. The industry also provides over 300,000 jobs to Virginia, and every job in agriculture and forestry supports 1.6 jobs in other industries.

Over the past 20 years, the number of farms in the state has generally increased and has only recently begun a slow decline. The commonwealth currently has about 44,800 farms with an average size of about 181 acres. Virginia farms cover about 8.1 million acres of land, which equates to about 32 percent of Virginia's total land area. While the number of farms has decreased slightly, the average size of an individual farm has increased. In 2012, USDA census reports 1,631,882 cattle and calves in Virginia, with 657,320 of these being beef cattle. This represents an increase of over 4 percent from 2007 reported inventory figures for the commonwealth.

Due to growing consumer demand for local healthy food, Virginia's immense agricultural industry would benefit from the creation of sustainable local food systems. Creating a healthy local food system would require the forging of partnerships with various relevant institutions and educating local farmers in agricultural methods that are environmentally friendly.

County Profiles

The nonprofit will be located in Hillsville, Virginia, which is in Carroll County. The county's estimated 2016 population was just over 29,500 and the county had a population density of about 62 people per square mile. The median household income for 2016 was \$40,390, and the county had a poverty rate of 16.3 percent. The unemployment rate for the same year was 5.1 percent, about 1.1 percent higher than the state's unemployment rate.



According to the 2012 Census of Agriculture, Carroll County had 980 farms that equated to slightly over 140,000 acres of land. While the number of farms in the county has slightly decreased from 2007, the total amount of land used by farms has increased by 14 percent or 16,796 acres. While there are fewer farms than in previous years, the county's agricultural industry is growing.

GENERAL OPERATING PROCEDURES

At Blue Ridge Plateau Initiative, our focus is on improving the community by organizing it to work collaboratively and cooperatively through service and education. To achieve this we invite people and organizations to join in projects that benefit themselves as well as the common good. The greatest way to benefit the community is by establishing a regional food system. There are many challenges that stand in the way including lack of trained farmers, production land, production volume, certification of locally produced food, and coordinated transportation structure. With the help of local leadership, we have identified multiple programs and services that we will offer as we grow and expand to remove these challenges to the forging of a local food system.

Producers from the local area have already expressed interest in these programs, and we have already established contact with pertinent groups including Virginia Tech, and the Virginia Departments of Agriculture & Consumer Services, of Conservation and Recreation, and of Forestry.

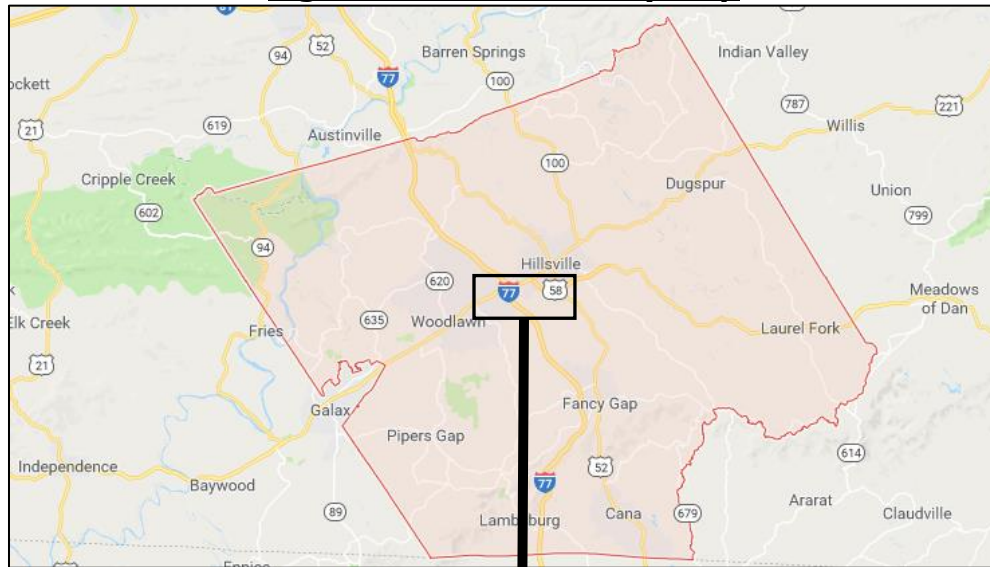
Abattoir

As previously mentioned, our initial focus will be to open a beef processing facility. The function of this facility will be to provide farmers with local access to slaughterhouse and meat cutting services. This service will be provided in response to a 2011 survey conducted by the Virginia Tech Business Technology Center which states that there is adequate demand for these services. This will also help the local agricultural community by giving beef producers a way to add value to their products.

Abattoir Location and Layout

The construction and establishment of the abattoir facility represents a major project for our non-profit and will be the initial focus of our efforts to improve the community. Since we will be taking on the startup costs for the facility, including the costs to purchase the land, build the facility, and purchase equipment, we have provided a brief overview of the facility's expected location and layout. The intent for this facility is to serve local farmers, but we also expect that this project will act as an example to other development organizations. While Mountain Fresh Meats, LLC will use the facilities, Blue Ridge Plateau Initiative will maintain control of the facilities. The reason for this arrangement is to make sure that the for-profit entity will continue to work for the benefit of the local agricultural community and support it.

A number of possible sites in Southwest Virginia were reviewed for the business. These sites focused on properties close to Interstate 77 in the Hillsville (Carroll County) area. These locations are close to important transportation systems. In addition, the 2030 Carroll County Plan, adopted by the Board of Supervisors in December 2010, encourages agricultural business within the county. The following map shows an overview of Carroll County along with the anticipated location for the facility in relation to the interstate and other wholesale businesses.

Figure 1: Carroll County Map**Figure 2: Facility Site Location**

Carroll County has made a parcel of land available to be used for the processing facility site. Blue Ridge Plateau will lease the land from the county. The land contains 20 acres, which is more than enough room for the facility's infrastructure. The parcel is located at 700 Block Expansion Drive, Hillsville, VA, which is less than one mile from Interstate 77. The area is industrial with the road infrastructure necessary to move large distribution trucks in and out of the area. The facility will use these existing roads and infrastructure, reducing construction and site preparation costs. Our location is strategic in partnering with local businesses and farmers.

Facility Layout

We have determined the necessary facility requirements and the basic equipment needed for our expected level of operations. While we will lease the land from the county, Blue Ridge Plateau Initiative will be responsible for building and equipping the facility. Encompass Integrated Building Solutions, an engineering company with expertise in new construction and project

management, reviewed the design requirements for the planned facility and prepared an initial plant layout. The design was reviewed with Virginia Department of Agriculture & Consumer Services personnel, meat processing specialists at Virginia Tech, owners of existing meat slaughter and processing facilities, and local producers to ensure it meets the requirements and needs of the local community.

Product flow through the facility—including space for animal holding, slaughter, inedible collection and storage, processing, storage of product and supplies, receiving and shipping, and employee health—was a major consideration in the design review process. The facility was also designed in accordance with *Recommended Animal Handling Guidelines & Audit Guide: A Systematic Approach to Animal Welfare* (2010 Edition), published by the American Meat Institute.

The plant will be a 160' x 80' enclosed steel building with a 22-foot height at the center line of the roof. The following facility layout was created by Encompass based on this information. More details of this design are included in Appendix B.

Processing Facility Ownership

The processing facility will be owned by Blue Ridge Plateau Initiative. Carroll County currently owns the property on which the abattoir and processing facility will be located. The county intends to lease the land to Blue Ridge Plateau Initiative, who will be responsible for the construction of the facility. BRPI will maintain ownership of the facility, but will lease it to Mountain Fresh Meats, LLC, who will operate and manage the slaughter and processing business.

Additional Non-Profit Activities

While we expect to offer all of the services and implement additional services as needs, we will first focus on establishing an abattoir and a processing facility. The facility is expected to help preserve the land by giving local cattle producers a close facility to add value to their products. We will build the facility and cover the expenses for the startup period. The operations will then transfer to the for-profit entity, and we will continue to lease the facility to this entity. Income received from the leasing agreement will help cover the costs of building the facility and other initial operational costs. Mountain Fresh Meats, LLC has already been identified as the for-profit entity to operate the business.

Once the abattoir has fully transitioned to the operation over to Mountain Fresh Meats, we will begin providing the additional services and programs identified. We will hire specific staff to work directly with farmers to identify their development needs, as well as coordinate and provide training, certification classes, networking opportunities, etc.

- **Food Safety Service-** Due to new regulations that will take effect next year, there will be new certifications that will be required in order to handle food. These regulations will affect food handlers at every segment of the supply process in some way. Through cooperation with Virginia Tech, we will provide food safety service programs in this area to improve the appeal and marketability of local products.

- **Marketing Company**- Since one of our project's goals is to teach local farmers how to produce high-quality and value-added products, we will help them establish relationships with buyers interested in these goods. For our beef processing facility, we have already been in contact with a chain grocery store, Food City, located throughout Georgia, Kentucky, Tennessee, and Virginia. They have expressed interest in procuring high-quality beef products from local producers.
- **Land and Natural Resource Management and Marketing Service**- The relative unproductive and inefficient use of land in the area has prompted us to educate local farmers about land and natural resource management. By partnering with groups such as Virginia Tech and Grayson LandCare, Inc., we will educate landowners or designate better resource management and production techniques. We will also discuss options such as placing land under contract for crops that have strong market demand. Regardless of management changes, the marketing service will continue. Through this program, land will be used more effectively which will open up more production land.
- **Sustainable Agricultural Practices**- This program will involve many different aspects through which we will educate local farmers. As the name suggests, we will work with other organizations to teach local farmers about sustainable agricultural practices. This will include teaching resource management, organic farming, enhancement of water quality, and promoting sustainable resource harvesting. These practices will preserve the regions farm land for future use.
- **Regional Business Development**- The purpose of this part of the business will be to facilitate strong regional businesses that would benefit the community and environment. Such development would allow local agricultural producers to add value to their product and stay competitive in the modern market. Possible business projects include teaching beef grading, and cattle herding and penning space. Another business possibility would be raising animals, like sheep, and crops, like hemp, for medical purposes.

While leasing the processing plant will help fund our valuable training programs and better the local agricultural community, the nonprofit will obtain further funding from a combination of donations, investments, and charity from individuals, governmental programs, and community organizations. With this funding, we will provide programs that teach more sustainable agriculture methods and attempt to influence the industry as a whole to better the agricultural community.

Blue Ridge Plateau Initiative Organizing Group

In addition to the hired staff, the founding group of our non-profit will continue to serve in an advisory and directorial capacity even after the facility is constructed. The following profiles highlight the experience and qualifications of these founding members.

Danny Boyer: Danny has earned a wealth of relevant experience by hold positions such as Farm Owner-Operator, Grazing Consultant, Water System Specialist, and the USDA Natural Resource Conservation Service in Galax, Virginia (retired). In total, Danny possesses thirty years of experience in conservation planning and in implementing conservation practices with particular emphasis on grassland management. This emphasis on grassland management has provided useful experience in regards to planning, managing, and promoting intensive grazing systems. He has also accumulated a wealth of experience in the installation of vital infrastructure and has designed and supervised the installation of more than 6,000 farm watering systems.

Beyond donating many volunteer hours, Danny actively serves on a wide variety of boards and committees, acting either as a resource or as a member within the Natural Resource Conservation Service. Such activities include Boyer serving on the Board of Directors of the Virginia Forage and Grassland Council and acting as an advisor to the Carroll Grayson Cattle Producers Association, the Grayson County Extension Leadership Council, and the Galax High School Agricultural Council. He has also served as President of Grayson County Farm Bureau, Chair of Grayson LandCare Processing Committee, a committee member of Southwest Virginia Agricultural Association Crops, and a charter member and President of Grayson LandCare. In 2013, the Virginia Forage and Grassland Council awarded Danny Forage Person of the Year. Danny has directed case studies on the economic and environmental impacts of Managed Grazing Systems including Beef Stocker, Beef Cow-Calf, and Grazing Dairies. This experience, combined with his role as a leader in the promotion and sale of Grassfed Beef, makes Danny Boyer essential to this project's success.

Jack Wall: A Floyd County social entrepreneur who, with his wife Kamala Bauers, owns several businesses. Mr. Wall's businesses, Wall Residences, Hotel Floyd, and Floyd EcoVillage, are all built on principles of the triple bottom line with concern for the community, the environment, and the development of a committed, creative, and valued workforce. He believes that success comes from caring for all people and responding to true human need as the first priority. Income earned through Mr. Wall's success is now being reinvested in local community development by supporting Springhouse Community School, Spikenard Farm and Bee Sanctuary, and multiple other nonprofits in the Floyd area. Mr. Wall's belief that the need to adapt for the 21st century will come from grassroots community action that will develop resilient communities where food, finance, and energy come primarily from local sources while forming connections to other global efforts to improve the lives of all world citizens.

Jerry Moles: Jerry Moles' impressive résumé makes him a perfect asset for this project. He has served as a faculty member of the University of California, Davis College, and Pomona College. He has also acted as an invited lecturer for the University of California, Berkeley University, and Stanford University. Jerry Moles is also a community organizer for Action for Appalachian Youth (Kanawa County, West Virginia), and Co-founder of NeoSynthesis Research Centre, Ltd., (NSRC) (Sri Lanka) which develops financially beneficial and environmentally sensitive

enterprises. As a Founding Board Member of Watershed Research & Training Center, Inc. in Hayfork, California, he has helped develop collaborative ventures among local entrepreneurs, state and federal agencies, local governments, and financiers.

Other positions that Jerry Moles holds include Founder of Grayson LandCare, Inc., and Founding Board Member of both SustainFloyd, Inc., and International Analog Forestry Network (Costa Rica). He is on advisory boards and committees with the Secretariat for International Landcare, Ltd. (Australia) as well as at Virginia Tech for the Appalachian Foodshed Project, the Virginia Beginning Farmer & Rancher Coalition, and the Center for Natural Resource Evaluation and Decision Support. Moles has also written successful proposals and organized meetings for the United Nations' effort in protecting global natural resources so as to include the world's indigenous peoples. This deep well of knowledge and experience related to sustainable environmental activities designates Jerry Moles as an integral part of this operation.

Personnel

For the first three years of operations, we expect our personnel staff to be minimal as we continue to grow. We will increase our staff as we expand our programs and begin working with more farmers, both local and regional.

The following list the anticipated positions and number of employees for the facility :

General Manager (1): Ensure all facility operations are efficiently run, maintain communication with departments, oversee all staff, and communicate with the board/ BRPI. Minimum of a Bachelor's degree is required, and at least 10 years of management or related experience. \$65,000-\$80,000

Operations/ Facility Manager (1): Oversee all aspects of plant management, lead food safety, provide direction, and effectively communicate between all departments. Manage the Line Supervisors and provide reports on operations to General Manager. Minimum high school diploma, but Bachelor's degree in related field preferred and 5 years management experience. \$40,000-\$60,000.

Line Supervisor (1): Manage all line workers and butcher; oversee all aspects of beef processing: slaughter, packaging and processing; and maintain safety and sanitation regulations. Coordinate facility operations and production schedules with Operations/ Facility Manager. Minimum high school diploma or equivalent, and some management experience required. \$35,000- \$45,000.

Line Workers/General Laborers/Butchers (15): Participate in beef processing chain from creating cuts of beef to placing them on pallets. Other general labor activities may be required. Requirements include ability to lift 50 pounds, work at line speed, and work in a variable temperature environment. Minimum of high school diploma required. \$28,000 - \$37,500.

Shipping and Receiving (2): Manage aspects of the facility's shipping and receiving operations. Ensure accuracy of inventory records, create shipping labels, prepare packages, process orders, schedule shipping, and update higher management about business operations. \$25,000 - \$35,000.

Delivery/ Pick-Up Driver (2): Transport and deliver final beef product, and potentially pick up cattle for delivery to the facility. Follow proper product transportation procedures, load and unload deliveries, comply with road laws, perform basic vehicle maintenance tasks, and maintain detailed driving logs. Requirements include ability to lift 50 pounds, operate a delivery vehicle; meet proper licensing requirements, strong time management skills, and communicate effectively with management and clients. Minimum of high school diploma or equivalent. \$27,000 - \$37,000.

Business and Sales (2): Establish, achieve, and grow sales-plan goals; maintain existing accounts and find and develop new business relationships. A minimum of a Bachelor's degree is required, along with a successful record of sales. \$50,000-\$65,000. This position will be integrated into the business once the facility assumes sales of the beef product in the future.

Farmer Coordinator (1): Promote and organize operations between the beef processing facility and local cattle farmers. Maintain and strengthen business operations between current and new customers. Coordinate operations and meetings with facility management and farmers. Minimum education requirement is a high school diploma, and experience working with farmers. The expected salary range for this position is \$35,000 - \$45,000. The facility currently has commitments from farmers who will provide cattle to the operation, but a Farmer Coordinator will be hired in the future when the facility's production exceeds the supply from these commitments.

Maintenance/ Repair Personnel (1): Inspect and test equipment and facility structures to check for any damaged, defective, or worn equipment. Conduct facility maintenance ensuring equipment and facilities are clean, undamaged, and properly working. Requirements include the ability to perform strenuous physical activities, identify and correct mechanical issues, and maintain strong communication with supervisors and subordinates. Minimum educational requirement is vocational school training, or related job experience. \$40,000 - \$50,000

Record/Bookkeeper (1): Manage and organize records and financial activities. Duties will consist of updating, processing, destroying, and storing files and information as needed. Develop systems to record financial transactions and create financial reports; maintain and balance subsidiary accounts and general ledgers; report the financial records to upper management and other important operation management. \$30,000 - \$40,000.

Office Administration/ Reception (3): Provide administrative assistance to all manager and personnel in the building. Perform clerical functions such as greeting and interacting with visitors, correspondence through email and phone, scheduling appointments, inputting data, operating office equipment, and other duties as assigned. May also be responsible for completing compliance paperwork and reporting as needed. Minimum education requirement is a high school diploma or equivalent. \$25,000 - \$35,000.

This project expects to create at least 30 jobs at the facility location, and at least 51% of these jobs are available to Low to Moderate Income persons. Each full-time employee will be provided employment benefits that include medical coverage and insurance, vacation and sick leave, and retirement benefits. The minimum wage in Virginia is \$7.25 per hour; as shown from the expected wage ranges above, this project will provide wages at least 1.5 times the minimum wage to at least 90% of the expected employees. The anticipated wage ranges are based on the

average wages for similar positions in Virginia as reported by the Bureau of Labor Statistics through O*Net OnLine.

While not included for the specific job creation on-site at the facility, this project will increase the sustainability of multiple farms in the region and help famers continue to grow their operations, creating more jobs on their own farms and in the community. According to an article in Harvesting Opportunity published by the Federal Reserve Bank of St. Lois, for every \$1 million generated from direct marketing on the farm level, 32 jobs are created in the local economy. Additionally, it will lead to several transport positions in support of the facility, as well as positions within Blue Ridge Plateau Imitative as the nonprofit works with the processing facility on educational and community endeavors.

MARKETING PLAN

For the public good of Carroll County, our operation's main goal is to establish an environmentally sustainable Local Food System that will ultimately benefit the community. To accomplish this noble goal, we will provide local farmers with training and education that will allow them to be more productive and competitive in the current market. These programs will consist of farmer training, certificate training, land management, marketing, and beef processing. By providing these services, local farmers will be able to produce higher-quality goods that the market demands, such as sustainably sourced or organic produce. More importantly, the success of this type of agriculture can help influence the agricultural industry as a whole. The public good we hope to provide should not only attract farmers to our cause but also investors.

By building a marketing campaign that emphasizes the important financial, environmental, and communal good that our programs may provide, we hope to successfully reach our intended audience. Our services will be based around a commitment to serve the public good by strengthening sustainability, quality, and responsibility. Through our marketing services, we will match farmers with buyers that seek these higher quality products.

Other Non-Profits

While our processing facility will be a major component of our offered services, our main objective is to educate farmers on sustainable and environmentally friendly farming practices. As such, we must be aware of other entities that provide similar programs. While it is possible that these other entities could pose a threat of competition to our services, they may also serve as partners. We have identified other similar facilities that could offer form of competition or partnerships with our project. The following table lists some of other organizations that have education programs focusing on sustainable agricultural practices in the state of Virginia.

Table 1: Similar Farmer Development Entities

Name	Location
Southern Sustainable Agriculture Working Group	Fayetteville, AR
Virginia Association for Biological Farming	Red Oak, VA
Virginia State University	Petersburg, VA
Virginia Tech: Virginia Cooperative Extension	Multiple

Through much observation, we have determined that local farmers would benefit from educational services and programs. We will emphasize a customer oriented strategy that is beneficial to regional producers. We also believe in maintaining accountability throughout the process and will make this apparent in our marketing.

Promotional Plan

As a non-profit organization, it is vital for us to have a promotional strategy and materials that clearly express our mission and goals. As discussed in our funding strategy below, we will seek funding from grant programs and donors, and a strong promotional plan will help support these efforts. While we have not yet fully established our promotional materials, we expect to use the following initiatives to market and promote our non-profit efforts.

- **Blue Ridge Plateau Initiative Website:** We do not currently have a website for our business, but we are featured on other sites, such as F6S and Virginia related sites. We intend to establish our own website to highlight our mission and activities. The site will showcase our current projects, available trainings, resources, and our partnerships. The website will be a powerful tool not only to help farmers, but also to convey our business to potential donors or grant reviewers. The site will provide information on how interested parties can donate, as well as information on any special events.
- **Social Media:** We also expect to utilize popular social media sites, like Facebook, to further promote our business. These sites offer a quicker and more personal connection with farmers, partners, donors, and others. We have been featured on the Grayson LandCare Facebook page but having a page of our own will allow us to post updates, pictures, links to resources, events, and other communications directly to our community. Many donors enjoy transparency from a business and see social media as a positive promotional tool.
- **Printed Materials:** As part of our promotional materials, we will also use printed materials that can be provided directly to people at events, meetings, workshops, etc. These materials can include business cards, brochures, flyers, and other printed materials. These items offer a great way to easily provide our contact information in person and provide something for interested parties to take home.

Funding Strategy

As a non-profit organization, we will rely on various sources to fund different pieces of our operations. Maintaining a consistent stream of funding will be vital to our ability to remain operational and continue to grow. We have already identified multiple sources of funding, and we will continue to explore sources as we expand and our needs increase. Below is an outline of our funding strategy for the first three years of operations.

- **Abattoir Services:** During the first year and a half of our business plan, we will be responsible for the operational expenses of the abattoir and processing facility. Once the abattoir operations are transferred to Mountain Fresh Meats, they will provide income through the provided services and a leasing agreement.
- **Facility Lease:** After the abattoir operations are no longer under Blue Ridge Plateau Initiative, we will begin to receive lease payments from the contracting for-profit. These payments will cover the expenses related to the building's maintenance, the construction and equipment loan, and depreciation. The lease amount will also include a nominal additional amount, which will be used to help cover unexpected issues and other expenses. We will begin receiving these lease payments in the latter half of year two.
- **Grants:** As a non-profit organization, we will be eligible for some federal, state, and community grant programs. Grants offer a great source of funding that will help us provide many of the services that will benefit farmers in our community and region. We have already identified one program that could provide funding for the initial construction and establishment of the abattoir. We will continue to seek additional programs that specifically

support our other programs. Below is a list of funding or grant organization that we will apply to:

- **Go Virginia Foundation**
 - **Appalachia Region Commission**
 - **Virginia Tobacco Commission**
 - **Mary Reynolds Babcock Foundation**
 - **EDA Public Works and Economic Adjustment Assistance Program**
 - **Virginia DHCD Community Development Block Grant**
- **Donations:** Another piece of our funding strategy includes the solicitation of donations from philanthropic individuals and organizations. We are currently developing a campaign targeted toward donors that will showcase our mission and programs.

FINANCIAL PLAN AND PROJECTIONS

The following section is the financial plan and presents projected calculations. It should be noted that even if assumptions used to formulate projections are met, there will usually be variances between projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. The financial projections found in the following charts and tables are based on best market information as well as experience in the industry.

The nonprofit entity will purchase the building and equipment and maintain responsibility for the operation during startup. Responsibility for all these items will transfer to Mountain Fresh Meats after the conclusion of the startup period. The for-profit will pay a premium to the nonprofit entity. The lease fee will cover building and equipment costs, depreciation, and a 10% markup for a return so that the nonprofit can focus on its goals.

After transferring control to the for profit entity, Mountain Fresh Meats, the nonprofit will generate revenue in three expected ways: donations, grants, and the lease fee from the for-profit entity. It will use this revenue to pay for minor expenses such as a small office space and several employees. Its focus, as discussed elsewhere, will be on agricultural education, certifications, classes, and other community welfare initiatives.

Equipment and Building

We have received a cost estimate for our building at just under \$2.4 million from the H.S. Williams Company. The chart below details estimated costs. In March 2018, President Trump announced plans for a 25% tariff on steel imports and a 10% tariff on aluminum imports. As a result, our contractors have estimated the costs of the building will increase by about 17%. This increase has been included in our financial projections. We are aware that these estimates could change depending on the economy and other factors as our project progresses.

Table 2: Building Cost Estimate

Building Design (Final)	\$64,000
Primary Shell Building, including Interior & Flooring	\$1,086,840
Electrical Installation	\$200,000
Plumbing	\$189,600
HVAC Equipment (Initial)	\$126,000
Rails	\$114,000
Coolers & Freezer	\$366,000
Refrigeration Unit (Inedible Area)	\$55,200
Subtotal	\$2,201,640
Contingency (8.5%)	\$187,139
Total for Facility	\$2,388,779

Koch Equipment was asked to prepare a cost estimate for the required kill floor and fabrication room equipment. The list of required equipment was prepared with the assistance of the same advisors who helped in the development of the plant design. The listing is provided in the Appendix, and the total equipment cost is estimated to be nearly \$278,000.

An estimate of the other startup costs for the facility is \$122,373:

Table 3: Estimated Startup Costs

General Manager for 6 mo. (salary & benefits)	\$60,625
Management Assistants and General Laborers	\$50,000
Supplies	\$15,786
Subtotal	\$126,411
Miscellaneous (15%)	\$15,962
TOTAL	\$142,373

Finally, the cost of land for the facility and the associated site preparation is estimated at \$120,000. Site prep is expected to cost \$120,000. We have been working with the local county to secure a parcel of land that would be suitable for our operations. The county has generously allowed us to lease the land at \$1 per year.

Table 4: Land and Site Prep Cost

Land Cost	\$1
Site Preparation at \$4.00 per sq. ft.	\$120,000
TOTAL	\$ 120,001

The business will be housed in a specially built 160' x 80' (12,800 square feet) enclosed steel building that includes room for the planned business expansion during the first five years of operations. The total cost of the building, startup expenses, equipment, and site preparation is estimated at \$2.9 million. Additionally, the operation will need \$25,000 in startup equity to offset cash flow deficits in the first year as the operation gets underway. Total estimated initial cost is about \$2.93 million.

Table 5: Total Estimated Costs

Total Equipment Costs	\$277,810
Startup Costs	\$122,373
Facility	\$2,388,778
Land	\$1
Site Prep	\$120,000
Cash Infusion	\$25,000
TOTAL	\$ 2,933,962

Sources of Project Funding

Blue Ridge Plateau Initiative will seek multiple opportunities and programs to fund the project, including federal, state, and local grants, as well as conduct a capital campaign to attract donors. The initiative has secured \$500,000 from the Virginia Tobacco Region Revitalization Commission and is seeking additional funding of \$700,000 from the Community Development Block Grant in partnership with Carroll County. Additional funding will be sought from Go Virginia Region One grants for \$950,000, as well as EDA's Public Works and Economic Adjustment Assistance funds of \$950,000.

BRPI Sales Outlook

Blue Ridge Plateau Initiative projects stable revenue generation, with financial stability being the primary goal. As mentioned throughout the business plan, during month one of the operation, the nonprofit will transfer responsibility for the processes to the for-profit company. At this time, the for-profit will pay a lease fee to the BRPI that will cover building and equipment payments, depreciation, and a slight return to cover other costs and fund community outreach. It is anticipated that this fee will be about \$282,000 per year.

Year One Revenue

Responsibility for operations will begin to transfer to the for-profit entity as soon as doors open. This lease will cover the nonprofit's building and equipment payments, depreciation, and a nominal return to account for other smaller expenses. This fee will total about \$282,000 per year for the foreseeable future until the building and equipment are paid off. The entity is also expecting to receive donations and grants (grant amounts to be determined at a later date). Donations are expected to total about \$75,000.

In total, anticipated revenues in year one are about \$357,000. This includes the lease fee from the for-profit, totaling about \$282,000 with grants and donations of about \$75,000.

Year Two Revenue

Total revenue for this year will be about \$369,000.

Year Three Revenue

Revenue in year three will be provided by the lease agreement with the for-profit entity. Total revenues for the three year period are about \$1.1 million.

Blue Ridge Plateau Initiative may also receive income from other sources that are yet to be explored. These may include additional donations, other grant programs besides the Tobacco Commission, and other opportunities as they arise.

Expense and Revenue

The expenses include the variable and fixed costs of the business. Variable costs are those that change with production level and are directly associated with the sales of the venture. In the case of this business, the variable costs are currently estimated to be zero due to the nature of the nonprofit's function. It will not be doing any actions such as processing. Fixed costs are the overhead and other static costs are required for the business to exist and function.

Fixed costs are those costs that do not vary directly with sales and are typically static throughout the year. There are five main categories of fixed expenses: equipment, facility, selling and marketing, general and administrative, and unforeseen and contingency.

Of these five expenses, the largest incurred by this operation is general and administrative expenses. Items within general and administrative expenses include: payroll, overhead, professional fees, computer and telecommunication services, office supplies, etc. Salaried labor accounts for the largest portion of this category with overhead for these employees being the second largest. Overall, salaried labor and overhead accounts for about (30%) of sales in year

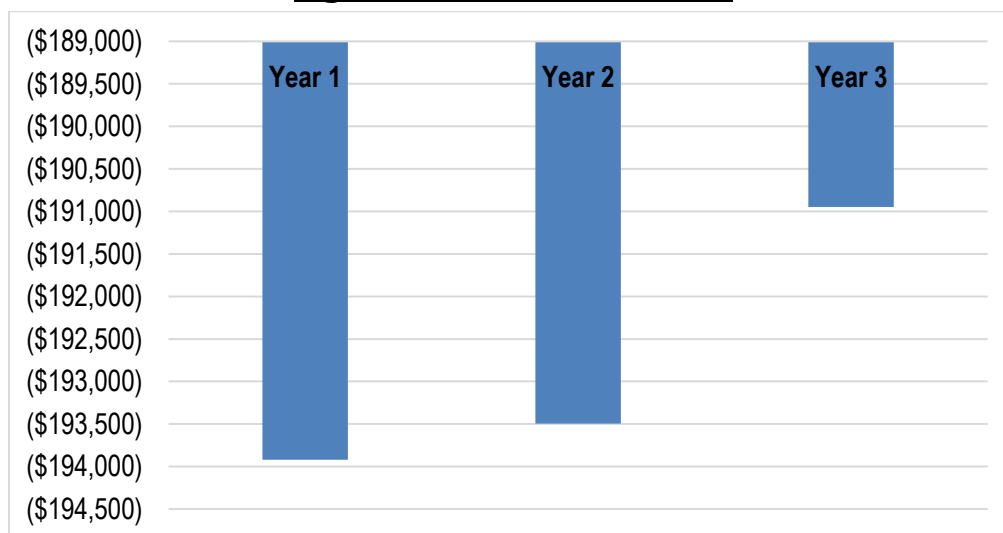
one. This category remains stagnant in dollar value but falls in percentage. The nonprofit is expected to retain several salaried employees who will conduct administrative duties as well as schedule/teach the educational aspects of the business. The other general and administrative categories are significantly smaller and account for miniscule amounts of sales dollars.

The second largest fixed cost category is that of unforeseen expenses. These are calculated as (3%) of sales each year and is intended to provide a reserve for any unexpected expenses, or expenses that are higher in actuality than they were in estimation. This total is about (\$11,000) in year one, rising slightly to (\$11,500) in year three.

Another fixed cost is that of equipment expenses. Equipment costs about (1%) of sales in year one and totals (\$3,500). The only item within equipment costs is equipment loan interest payments. These expenses decrease incrementally as principal payments are made on the equipment, thus lowering the overall payment.

Facilities cost is another fixed expense category of the hub. This entire category is equivalent to about (18%) of sales each year and includes three of sub-categories. Total cost for this category is about (\$66,000) yearly, falling slightly each year. These categories are facility loan interest payments, utilities, and other smaller categories such as pest control. As with equipment, payments on the building lower the subsequent payments for the facility each year.

Figure 3: Total Fixed Costs



In total, it is anticipated that the business will spend (\$194,000) on fixed costs during year one operations. This cost falls in year two to about (\$191,000) by year three. Once these costs have been accounted for, an average of 48% of sales remain to cover noncash expenses such as depreciation and interest. Depreciation is a significant expense for this operation. Between the building and equipment, depreciation costs are about (\$103,000) yearly.

EBITDA

Operational profits/losses, or EBITDA, which means earnings before interest, taxes, depreciation, and amortization, is a measure of profitability that does not take into account certain noncash expenses such as interest and depreciation. Because there are a variety of

methods for calculating these noncash expenses, EBITDA is an important measure of assessing profitability projections for a venture. The *Pro Forma* Income Statement below presents EBITDA for years one through three.

Table 6: Pro Forma Income Statement

	Year 1	Year 2	Year 3
Revenues [Sales]	\$356,560	\$369,110	\$382,346
Total Variable Operations Costs	\$0	\$0	\$0
Variable Margin (Loss)	\$356,560	369,110	\$382,346
Total Equipment Costs	(\$3,473)	(\$3,197)	(\$3,197)
Total Facilities Costs	(\$66,812)	(\$65,911)	(\$65,982)
Total Selling and Marketing Costs	\$0	\$0	\$0
General and Administrative Expenses	(\$112,938)	(\$113,313)	(\$110,300)
Unforeseen and Contingency Expenses	(\$10,697)	(\$11,073)	(\$11,470)
EBITDA (Loss)	\$162,641	\$175,616	\$191,396
Interest Expense	\$0	\$0	\$0
Depreciation Expense	(\$103,111)	(\$103,111)	(\$103,111)
Net Venture Income (Loss)	\$59,530	\$72,505	\$88,285

Ownership of operations will transfer to the for-profit entity at the beginning of year one. This will cover the cost of equipment and building payments, depreciation, and a return to cover other costs. Any gains obtained by the nonprofit will be used to further the nonprofit's intention of sustainable agriculture and education. In year one, the business anticipates experiencing an operational gain of around \$163,000. This is an operational gain of about 46%. By the second year of operations, EBITDA has risen to about \$176,000. This is an operational gain of about 48%. By year three the operation will have an operational gain of \$191,000.

Once the business has accounted for an accounts receivable interest expense, calculated based upon a 30-day period and an interest rate of 8.5%, and depreciation calculated using the straight-line method, it is expected to experience a net gain of around \$56,000 in year one. Profit margin in year one is about 17%.

Year two operations will show an increase in profit, totaling about \$73,000. This is in conjunction with a revenue level of about \$370,000. Total profit margin for year two is about 20%. "Sales" (in this case, the lease fee plus donations) will be about \$383,000. This will cover all costs and provide a slight return for the nonprofit to further invest in sustainable practices and education. Year three profit totals about \$88,000.

Balance Sheet

The following balance sheet shows a slight increase in total asset value over the three year period of the business plan from about \$2.46 million in year one to just over \$2.5 million in year three.

Table 7: Balance Sheet

	Year 1	Year 2	Year 3
ASSETS			
Cash and Equivalents	\$156,075	\$305,507	\$357,892
Accounts Receivables	\$0	\$0	\$0
TOTAL CURRENT ASSETS	\$156,075	\$305,507	\$357,892
BUILDINGS AND EQUIPMENT, net of depr.	\$2,305,419	\$2,225,922	\$2,146,425
OTHER ASSETS, net of amortization			
TOTAL ASSETS	\$2,461,494	\$2,531,429	\$2,504,316
LIABILITIES AND MEMBERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	\$0	\$0	\$0
Accrued interest	\$0	\$0	\$0
Current maturities of long-term debt	(\$24,938)	(\$26,184)	(\$26,184)
TOTAL CURRENT LIABILITIES	(\$24,938)	(\$26,184)	(\$26,184)
LONG-TERM DEBT			
Senior debt	\$1,334,473	\$1,308,289	\$1,280,795
Less current maturities of long-term debt	(\$24,938)	(\$26,184)	(\$26,184)
MEMBERS' EQUITY			
Member Equity and equity equivalents	\$1,117,366	\$1,203,004	\$1,187,605
Dispersed Member Equity	\$0	\$0	\$0
Retained earnings (losses)	\$59,530	\$72,505	\$88,285
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$2,461,494	\$2,531,429	\$2,504,316

Liability and equity values move in conjunction with assets, increasing very slightly over the three years of the plan to a combined high of \$2.5 million in year three.

The business plan projections show that Blue Ridge Plateau Initiative will obtain gains of around \$220,000 over the life of the plan.

These projections are designed to provide information for potential lenders and company planning and are for illustrative purposes only. The assumptions disclosed herein are those that Blue Ridge Plateau Initiative believes are significant to the projections. **Even if financing is obtained, assumptions are met, and sales goals are reached, there are usually differences between projected and actual results, because events and circumstances frequently do not occur as expected.**

APPENDIX A: PERSONNEL RESUMES

Daniel Boyer

776 Triangle Street Blacksburg, VA 24060
(276) 233-4091
bdaniel1@vt.edu

EDUCATION

Bachelor of Science: Agricultural Sciences – Minor in Agribusiness Management – Minor in Civic Agriculture and Food Systems Fall 2015, **GPA: 3.18/4.0**

Virginia Tech, College of Agriculture and Life Sciences, Blacksburg, VA

Associates of Arts and Science - 2013, **GPA: 3.64/4.0**

Wytheville Community College, Wytheville, VA

WORK EXPERIENCE

Assistant Manager, Virginia Tech Meat Center, Blacksburg, VA 2014 - 2017

- HACCP Team Member
- Conduct daily HACCP procedures and recordkeeping
- Humane handling and harvesting of livestock
- Experience with further processing and smokehouse operations
- Understanding of meat processing equipment functions, assembly, and safety
- Fabrication and packaging of whole carcasses and retail cuts of beef, pork, and lamb
- Knowledgeable in food safety
- Experience in sales and public relations

Landscaper/Mower/Trimmer, Halsey Landscaping and Lawn Care, Galax, VA 2014

- Landscaping, mowing, and trimming of residential and commercial properties
- Pruning, maintenance, a removal of trees and shrubs
- Control of pests and weeds

Construction Helper, Harmon's Construction, Galax, VA 2007-2008

- Assisted in all tasks involved in the development of springs, drain lines, water lines, and watering troughs
- Operation of some equipment
- Understanding of layout and planning of farm infrastructure

OTHER EXPERIENCE

Grayson County Farm Bureau Young Farmer Chair, Grayson County FFA member, Grayson County Land Stewardship Fair – 1st, 2nd, and 3rd place winner, Judge Matthew's Living History Farm Board member

APPENDIX B: BUILDING & EQUIPMENT ESTIMATES



Mr. Richard Daugherty
Director, Strategic Services
VT KnowledgeWorks
2200 Kraft Drive, Suite 1000
Blacksburg, VA 24060
540-443-9100, Ext. 4
dick.daugherty@vtnknowledgeworks.com

December 5, 2011

Re: Grayson Land Care Meat Processing Plant

Dick:

I have been working with the LeFiell Company, Inc for the past week going over the rail system and kill room. Dean Johnson called me back at lunch time, and we spent 45 minutes on the phone going over your equipment list, the Kill room and the Railing requirements. He has recommended we do the following for our budget and our final design:

1. They can work with our General Contractor to install the railing, basic I beam system, support beam system and a hoist in the Kill area for a combined cost of approximately \$95,000.00. (Note: I know Danny had a budget cost of approximately \$75,000.00, but I can't find it on your equipment list provided at the last meeting.)
2. In that cost, they will also provide custom design services for the Kill room and the railing system to be provided on the final drawings.
3. The above would also place the support steel back inside the rooms and coolers versus being hung from the steel supporting the roof.

Regarding the balance and future part of the project, we would make the following comments and recommendations:

4. The prices we have provided to construct the building is an estimate and not a final proposal cost. As you know, construction materials and equipment are subject to commodity price increases. Second, the final design may reflect changes not anticipated.
5. We strongly recommend the Equipment provider be responsible for the interior design layouts to make sure the project is properly drawn and the work completed. This is standard procedure for most projects of this nature, commercial projects and institutional projects. LeFiell offers these services for a fee with their equipment. Therefore, I would recommend you budget \$10,000.00 for this line item. (Note: \$5,000.00 of this fee has been included in item 1 of this letter.)

6. We recommend a site be chosen so you can get a firm price on site work and the time required to complete said work. As you know, we recommended you increase the current price you have on your budget if GLC picks a site without nearby utility connections, slope of the grade and a rock contingency.
7. It would also be helpful to have a discussion with Mark Stevenson, Barry Jones, Danny Boyer and Mike Lorentz regarding the kill room to confirm the current list of equipment vs. a more efficient manner suggested by LeFiell. LeFiell thinks there equipment list is fine if they don't want to slaughter more than 3 steers an hour. Any more than that amount, they suggest you budget an additional \$50,000.00 to \$75,000.00 to the "kill room" budget.
8. Regarding renewable energy systems for this project, we recommend the following:
 - a. Do not move forward with the Anaerobic Digestion system on the first phase of this project since you will not have enough raw material and waste to justify its cost of installation and operation.
 - b. Solar PV/Thermal is a viable option. However, we would need to confirm the site location and the operating hours to confirm this system would meet your required ROI on this project.

We hope the above has been helpful, and contact us if you have any further questions and, or comments

Best Regards,

John M. Largent

Encompass Integrated Building Solutions, Inc.

Senior Vice President

Cell: (301) 602.4257

Email: john@encompassibs.com



H. S. WILLIAMS COMPANY

INCORPORATED
GENERAL CONTRACTORS

1320 HIGHWAY SIXTEEN / P.O. BOX 888 / MARION, VIRGINIA 24354 / PHONE 276-783-3185 / FAX 276-783-4002

November 8, 2011

Mr. John Largen
Encompas Integrated Building solutions, Inc.
7061 Deepage Dr. Suite 103
Columbia, MD 21045

RE: GLC Meat Processing Plant Shell

Dear John:

We are pleased to present Encompas Integrated Building Solutions with a Budget Estimate for construction of a small meat packing plant. The project would be located in Grayson or Carroll Counties, Virginia.

The project would consist of the construction of a building shell including concrete foundations and slabs, carpentry, doors and windows, interior stud walls with both gypsum dry wall and FRP finishes, acoustic and FRP ceiling systems, toilet accessories and a pre-engineered building system. A more complete scope of work is included as an attachment to this Budget Estimate.

We estimate the building as described in our scope of work could be provided for approximately NINE HUNDRED FIVE THOUSAND SEVEN HUNDRED DOLLARS (\$905,700.00). As this is a Budget Estimate and not an offer, it should be reviewed as the scope of the project is finalized. Both you and your client should be aware that while labor costs have been stable or declining over the last 2 years, material costs have seen some periods of dramatic inflation. We have no way to predict these periods of materials cost increases. Also, the Budget Estimate does not include Davis-Bacon wage rates. If federal funds are anticipated, some extra funds should be budgeted.

We look forward to working with you and your team to see this project to its completion.

Sincerely,

H. S. WILLIAMS COMPANY, INC.



Marty Britt
President

enc.



A COMPLETE SERVICE IN INDUSTRIAL AND COMMERCIAL CONSTRUCTION

BUDGET ESTIMATE
GRAYSON LAND CARE MEAT PROCESSING PLANT SHELL

November 8, 2011

1

GENERAL DESCRIPTION

The work will consist of the construction of a 12,800 sf meat processing plant in Grayson County or Carroll County, Virginia. The specific location has not been determined as of the date of this Budget Estimate. The Budget estimate includes supervision and general conditions, concrete, doors and windows interior finishes and a pre-engineered building system. Design, site development, coolers and freezers, plumbing, mechanical and electrical work will be estimated by others and are not included. This Budget Estimate is for planning purposes only and is not an offer. Due to unstable materials markets, this Budget Estimate should be reviewed after 30 days. The budget estimate is based on standard labor rates. Davis-Bacon wage rates are not included.

1 GENERAL CONDITIONS

- 1) Supervision for all aspects of the work including grading, mechanical and electrical work.
- 2) Temporary facilities including job site trailer, storage containers as required, temporary toilets, temporary utilities, etc.
- 3) Permits
- 4) Insurance

3 SITE DEVELOPMENT

By others.

3 CONCRETE

- 1) Building foundations are based on 2500 psf soils and the use of 3000 psi concrete. A grade beam would be constructed around the perimeter of the building. The budget estimate Includes the cost of foundation design.
- 2) Exterior docks:
 - A) Entrance dock on left end wall. 12' x 18' x 4' high. 5" slab. The dock will include a dock leveler pit and safety railing.
 - B) Receiving dock at right end wall. 18' x 38'. The dock is under roof. An 18' section would be at tractor trailer dock height (48") with a dock leveler. The cattle loading dock pad, 18 x 38, will be at delivery truck height (36"). Provide cattle resistant railing entire perimeter of the area (less gate at dock height side and openings to the knock our area and pits 118 and 119).
- 3) Concrete curb adjacent to the building wall to receive cattle resistant fencing at receiving dock and in room 121. No other curbing is included.
- 4) Door pads: 1 @ 5' x 5', 4 @ 8' x 5. All other exterior concrete, such as sidewalks and curbing shall be by others.
- 5) Gravel base (6") for 18' x 24' covered storage area located on right end wall adjacent to the cattle unloading area.
- 6) The office, utility room, future room, processing, future, slaughter, inedibles and knock area to receive a 4" floor slab over 6" stone base, reinforced with 6 x 6 x 6/6 WWF, approximately 6,800 sf less pits.
- 7) Sloped slab to drain in room 115 Processing/Fabrication and 117 Slaughter Floor.
- 8) Cooler room floor in 162' x 32' cooler area less freezer area, but including a 12' x 5'3" extension, consisting of 4" slab, (2) 1" layers of insulation board, lapped, 4" sub floor slab, .006 poly vinyl vapor barrier and 6" compacted stone base. Under floor drain system by others. Sub floor slab to be thickened at partition walls. In-slab heating, if required, and subsurface drainage system by others.
- 9) Freezer room floor 18' x 31'7" consisting of 4" slab, 2, 2" layers insulation board, lapped, 4" sub floor slab, .006 poly vinyl vapor barrier and 6" compacted stone base. In-slab heating, if required, and subsurface drainage system by others.



H. S. WILLIAMS COMPANY, INC. GENERAL CONTRACTOR
MARION, VIRGINIA

BUDGET ESTIMATE**2****GRAYSON LAND CARE MEAT PROCESSING PLANT SHELL****November 8, 2011**

10) Pits. 2 @ 12' x 6' x 5' deep (Rooms 118 and 119). There will be a cast wall between the two adjacent pits.

11) All interior floor slab joints to be caulked.

4 MASONRY

Not required.

5 METALS

1) Miscellaneous metals, angles, etc.

2) Two sets steel exterior stairs at the loading areas, 4' high, galvanized.

3) Railing for 12' x 18' loading dock area.

4) Cattle resistant railing at loading dock pad, 112 lf with (2) 6' gates, (3) 4' gates.

6 CARPENTRY

1) Base cabinet with high pressure laminate top and cut out for sink in women's room, 5'8" x 2'10".

2) Base cabinet with high pressure laminate top and cut outs for 2 sinks in men's room, 5'8" x 2'-10".

3) Base Cabinet with high pressure laminate top and cut out for double bowl sink with matching wall cabinets in break room, 14'-8" long.

4) Miscellaneous blocking as required in stud/GWB walls.

8 DOORS, WINDOWS AND GLASS

1) Interior solid core wood doors, pre-finished, in hollow metal frames for administrative area.

2) Interior FRP doors in FRP frames for processing areas where FRP walls occur.

3) Overhead coiling insulated doors in powder coat finish, 2 @ 4' x 10', 1 @ 5' x 10'.

4) All sliding FRP doors in the cooler and freezer areas by others.

5) Total of seven (7), 2' x 6' fixed, insulated windows in the office area.

9 FINISHES

1) Gypsum drywall systems for administrative area. 5/8" GWB on steel studs. Rooms 100, 101, 102, 103, 104, 105, 106, 108, 109, 110, 111. Moisture resistant wall board to be used in shower areas.

2) Fire rated GWB on studs, Room 113.

3) Steel stud walls with moisture resistant wall board to 2' above finished floor (AFF) and FRP panels, Rooms 114, 115, 116, 117, 118, 119, 120, 121 and encasing building columns in these area.

4) VCT floors in administrative area with matching vinyl base. All processing area floors to be concrete. Special concrete coatings are not included.

5) Acoustic ceiling tile in 2' x 4' grid in administrative areas. Include insulation above.

6) Processing area ceilings to be FRP panels in fiberglass grid.

7) Paint GWB walls, one coat primer, 2 coats latex enamel. Paint all hollow metal door frames. Paint miscellaneous metals as required.

8) All freezer and cooler walls to be provided and installed by others.

10 SPECIALTIES

1) Toilet accessories including Toilet paper holders, paper towel holders, soap dispensers, handicapped grab bars and mirrors.

2) Toilet partitions in men's and women's rooms including handicapped stalls. See floor plan for locations and quantities.



H. S. WILLIAMS COMPANY, INC. GENERAL CONTRACTOR
MARION, VIRGINIA

**BUDGET ESTIMATE
GRAYSON LAND CARE MEAT PROCESSING PLANT SHELL**

November 8, 2011

3

11 EQUIPMENT

- 1) Dock levelers: 2, manually operated, 6' x 6' boards, 25,000 lb capacity.

12 FURNISHINGS

Not required.

13 PRE-ENGINEERED BUILDING

- 1) Pre-engineered building system, 60' x 160' x 22' eave, one interior column.
- 2) Loadings to meet or exceed building code requirements for the final location chosen (Grayson or Carroll Counties).
- 3) Loadings and support beams to allow installation of the meat rail conveying system.
- 4) Loadings, support beam and suspended beam for hoist system at the inedibles pit area.
- 5) Standing seam roof system, R-19 insulation.
- 6) Metal wall panels, 26 ga., R-13 insulation.
- 7) One 60' x 18' section to be open to 12' for passage on three sides. The roof insulation in this area will receive poultry wire to help protect it from birds. No wall insulation will be required in the open bay.
- 8) Below eave canopy system above the shipping dock.
- 9) Exterior hollow metal doors in the sizes and locations shown on the preliminary floor plan.

14 CONVEYING SYSTEMS

All conveying systems by others.

15 MECHANICAL SYSTEMS

All mechanical systems by others.

16 ELECTRICAL SYSTEMS

All electrical systems by others.

- End of Budget Estimate Scope of Work -



H. S. WILLIAMS COMPANY, INC. GENERAL CONTRACTOR
MARION, VIRGINIA

**BUDGETARY QUOTATION**

20 March 2018

Blue Ridge Plateau
8784 Spring Valley Road
Fries, VA 24330-3880

Kill Floor Equipment

Page 1 of 9 Pages

Line #	Quantity	Item #	Description	Each Price	Total Price
			Kill Floor Equipment (1 to 4 Beef or Pigs Per Hour):		
1	1 Each	10 00 42	Vertical stunning pen gate with overlapping frame, 12 gauge sheet steel, furnished with counterweight, painted, 37-in. wide overall x 9-ft. high frame		\$1,155.00
2	1 Each	10 00 41	Vertical pen door with walk, heavy duty steel with Grip Strut grating and safety hand rail, 8-ft. wide overall x 5-ft. high frame, painted		2,945.00
			OR		
3	1 Each	10 23 89	Beef restrainer with drop floor and side discharge panel, includes manual head lock device and slide up entrance gate, stainless steel construction. Overall dimensions: 8-ft. 2-in. long x 2-ft 9-in. wide x 6-ft. 9-in. high		20,895.00
4	2 Each	10 04 02	"Budgit" 2,000-lb. load capacity hoist with hook mount, 2½ horsepower motor, 230 volt, 60 Hertz, 3 phase, 32 f.p.m. lifting speed, 20-ft. chain, 3-ft. power inlet cable and 16-ft. electric control cable	3,250.00	6,500.00
5	2 Each	01 11 80	2,000-lb. I-beam trolley for hoist, adjustable to fit 2.3- to 8.7-in. flange width	225.00	450.00
6	1 Each	10 02 26	Heart and chain shackle, 46-in. long overall		196.00
7	1 Each	10 04 24	Guide plate and rail section for 12-in. hangers (lander)		395.00
8	1 Each	10 04 25	Spreader for lander		395.00
9	1 Each	10 14 68	Model 'MS-202' digital rail scale with Model 'IQ480' electronic weight indicator, 750-lb. x 0.5-lb. graduation, furnished with pound/kilogram conversion switch, 110 volt, 60 Hertz, single phase, field programmable, cross-tare-net computation, digital readout is in NEMA 4 stainless steel enclosure, wall-mounted, pre-calibrated for field installation		2,495.00
10	1 Each	01 70 10	EFA Model '63' breaking saw, 115 volt		2,295.00
11	1 Each	011231-200	Beef skinning cradle, includes: stainless steel tube frame with six plated casters with plastic wheels, floor lock, overall size: 24-in. wide x 96-in. long x 13-in. high.		1,995.00
12	1 Each	10 00 75	30-in. stainless steel head flushing cabinet, 5-ft./6-in. high, furnished with stainless steel head hook, 6-ft. of ¾-in neoprene hose with valve and 18-in. long brass nozzle		2,495.00

THIS PROPOSAL IS SUBJECT TO THE TERMS AND CONDITIONS SET FORTH ON THE ATTACHED TERMS AND CONDITIONS

UltraSource LLC • 1414 West 29th Street • Kansas City, MO 64108-3604 USA • P: 816.753.2150 • F: 816.753.4976
 THE NEW STANDARD FOR INNOVATION • info@UltraSourceUSA.com • UltraSourceUSA.com

**BUDGETARY QUOTATION**

20 March 2018

Blue Ridge Plateau
8784 Spring Valley Road
Fries, VA 24330-3880

Kill Floor Equipment

Page 2 of 9 Pages

Line #	Quantity	Item #	Description	Each Price	Total Price
13	1 Each	100748-100	Elevating paunch truck with pluck inspection pan and bracket, includes two 10-in. wheels and one 5-in. swivel caster, 42-in. long x 30-in. wide x 8-in. high offal tray, water operated cylinder raises tray from 16-in. to 37-in. high, stainless steel construction (recommended +50 psi water pressure)		5,500.00
14	1 Each	10 02 84	30-in. x 30-in. head table with "Durasan" top and two removable cattle loops, hot-dip galvanized frame		1,260.00
15	1 Each	10 00 99	Viscera inspection table with two stainless steel pans, galvanized/welded frame, 31-in. wide x 38-in. long x 36-in. high		2,075.00
16	1 Each	10 09 83	Stainless steel pan sterilizer, 32-in. long x 12-in. wide x 30-in. deep inside, 38-in. high overall, for electric heat		1,340.00
17	1 Each	10 14 05	Heating element for sterilizer, 240 volt, 60 Hertz, single phase		1,850.00
18	1 Each	10 07 46	Portable blood funnel, includes 12½ gallon stainless steel tub on casters, with 48-in. diameter funnel		2,595.00
19	1 Each	50 98 33	.25 CASH Cowpuncher Penetrating Captive Bolt Stunner		1,495.00
20	2 Box	50 99 15	.25 Black Powerload 4G Cartridge (1,000 per box)	124.95	249.90
21	1 Each	01 85 05	"Kentmaster" Model 'BM-V-SD' band-splitting saw with 117-in. blade, 2 horsepower motor, 230 volt, 60 Hertz, 3 phase		4,250.00
22	1 Each	01 08 06	Magnetic starter with overloads for Model '75' splitting saw		486.00
23	1 Each	10 24 78	Spring balancer with 8-ft. cable travel, 154- to 176-lb. balancing range (#7100450)		1,495.00
24	1 Each	01 11 81	I-beam trolley, 1,000-lb. capacity, fits beam flanges 2-in. to 8.7-in.		199.00
25	1 Each	01 01 96	"Weasand" rod, 5-in. long x 1-in. diameter welded handle, 5/16-in. diameter rod, 24-in. overall length, 304 stainless steel construction		68.50
Rail Components:					
26	Each	10 04 58	Unfabricated round edge bar stock (track), 20-ft. x ½-in. x 2½-in., mill finish (black)	85.00	

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Line #	Quantity	Item #	Description	Each Price	Total Price
27	Each	10 04 61	Forged steel hanger, 10-in. drop, 3/8-in. x 2 1/2-in., mill finish (black)	8.95	
28	Each	10 05 11	Code "1L" automatic track switch for 1/2-in. x 2 1/2-in. track size, 500-lb. capacity, electro-galvanized finish	310.00	
29	Each	105110-100	Fabricated track section consisting of 1/2-in. x 2 1/2-in. x 8-ft. long round edge bar stock (mill finish, black), bent 90° at center (no mounting holes)	68.00	
Total - Kill Floor Equipment:					<u>\$65,074.40</u>

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Line #	Quantity	Item #	Description	Each Price	Total Price
			Processing Equipment:		
30	1 Each	10 07 43	Model 'EZ' carcass dropper, right-hand model, 4-ft. maximum drop, up to 750-lbs.		\$1,585.00
31	1 Each	01 28 28	Double station table, 96-in. long x 48-in. wide overall, 2-ft. wide stainless steel center strip, stainless steel frame		2,385.00
32	16 Each	01 14 25	¾-in. thick "Sani-plas" cutting board for table, white	14.95	239.20
33	2 Each	51 30 72	Stainless steel boning table with ¾-in. poly top and 6-in. stainless steel backsplash, 72-in. long x 30-in. wide	479.70	959.40
34	3 Each	53 30 72	30-in. x 72-in. long stainless steel table with 6-in. backsplash	554.40	1,663.20
35	2 Each	52 12 72	Stainless steel table mount cantilever over shelf, 72-in. x 12-in.	196.00	392.00
36	1 Each	310010-100	Thompson 3000P Automatic Mixer/Grinder , 12.5 horsepower grinding motor for frozen or tempered meat applications, includes extension cover for larger gear box, thrust bearing cover and carrier, and bowl reinforcing Features: <ul style="list-style-type: none"> • #52 (5-1/8") size grinding head • Seamless, fully welded heavy duty stainless steel construction • Automatic forward/reverse mixing action • Solid stainless steel feedscrew and ribbon-style mixing paddle • Stainless steel counterbalanced interlocking dome-shaped lid with viewing slots so spices or other ingredients can be added while mixing. Mixing action stops when safety lock on lid is released. 		24,895.00

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Line #	Quantity	Item #	Description	Each Price	Total Price
			<ul style="list-style-type: none"> Two independent helical gear motors for mixing and grinding Heavy duty locking casters <p>Options:</p> <ul style="list-style-type: none"> Footswitch Feedscrew knife and plate cart Connections for tandem (Gemini) production Bone removal system Ingredients chute <p>Specifications:</p> <p>Production Capacity: Up to 6,613-lbs. (3,000 kilograms) per hour depending on plate size, product, and product temperature</p> <p>Hopper Volume: 300lbs</p> <p>Mixing Capacity: 220-lbs. (100 kilograms)</p> <p>Grinding Head Size: #52 (3.94-in./90mm)</p> <p>Gear Motor (grinding): 12.5 horsepower</p> <p>Gear Motor (mixing): 1.5 horsepower</p> <p>Electrical: 208/230 volt, 60 Hertz, 3 phase</p> <p>Net Shipping Weight: 881-lbs.</p>		
37	2 St		Customer selected Plates and Knives		495.00
38	1 Each	01 66 23	Model 'CW-90X' stainless steel digital over/under check weigh bench scale, 12-in. x 12-in. platform, 50-lb. x 0.1-lb. capacity, 115 volt or 10 volt DC power, legal for trade		1,995.00
39	1 Each	58 01 04	F-Line F-40 A, Vacuum Stuffer with 40 liter hopper for straight filling, portioning, and twist linking up to 1,900 kilograms per hour capacity and up to 300 portions per minute, with up to 30 bar operating pressure. DHGA twist linker sold separately.		37,995.00
40	1 Each	52 10 30	Stainless steel stuffing table, 33-in. wide x 58-in. long with cut-out for operator, plus adjustable legs and drain in top		1,060.00
41	1 Each	29 19 10	"Colosimo's Press™" Nr. '200' press for making skinless product such as breakfast sausage, beef sticks or fabricated beef jerky. Attached to stuffer. Thirteen designs. Details available upon request.		695.00

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Line #	Quantity	Item #	Description	Each Price	Total Price
42	1 Each	29 19 09	"Colosimo's Press™" adapter to mount press onto a 'KF-50' stuffer. Adapters are available to fit some other brands of stuffers (at extra cost).		No charge
43	1 Each	29 19 18	"Colosimo's Press™" paper with portion bars every four inches. Case has eighteen rolls of paper (4,320-ft. total), FDA accepted.		139.00
44	1 Each	50 15 01	Stainless steel clipper for bags or casings, holds over 200 clips		950.00
45	2 Box	50 15 03	Aluminum staples, 9/16-in., 5,000 per box	41.60	83.20
46	1 Each	90 30 03	Ultravac® 2100 Double Chamber Vacuum Packaging Machine Features/Specifications: ➤ <i>Designed</i> with pivoting chamber for cleaning and improved access for inspection and maintenance of vacuum pump ➤ <i>Constructed</i> with corrosion-resistant industrial grade aluminum and stainless steel, which provides a safe, sanitary surface for packaging ➤ <i>Special</i> valving and unique chamber design reduce evacuation times ➤ <i>ETL-approved</i> , dependable American-made electronic components ➤ <i>USDA-acceptable</i> for use in federally-inspected meat and poultry plants ➤ <i>Moisture resistant</i> electronic controls designed to safeguard against cold temperature or high humidity ➤ <i>Pozi-Pressure™</i> seal system means better seals with fewer leaks. Seal surface is rounded to push away any contaminants for a better, more consistent seal ➤ Machine Speed: • Fifteen to twenty seconds per cycle; three to four cycles per minute (depending on product) ➤ Machine Dimensions: • 66-in. wide x 42-in. long x 51-in. high (1,676mm x 1,067mm x 1,295mm)		16,995.00

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Line #	Quantity	Item #	Description	Each Price	Total Price
			<ul style="list-style-type: none"> ➤ Chamber Dimensions: <ul style="list-style-type: none"> • Each chamber 27-in. wide x 31-in. long x 12-in. deep (686mm x 787mm x 305mm) ➤ Product Positioning: <ul style="list-style-type: none"> • Filler boards constructed of solid white, USDA-accepted HDPE material, four per chamber, eight total 		
47	1 Each	90 30 10	Wheel caster assembly with mounting hardware allows machine to be rolled into place		600.00
48	1 Each	90 30 31	Patented pre-cut evacuation system allows pouch to drape on the outside of machine for faster loading. Comes standard with digital panel. (Note: Compressed air required)		1,000.00
49	1 Each	90 30 42	10mm (0.39-in.) extra-wide band seal for difficult materials (Note: Compressed air required)		1,500.00
50	1 Each	24 49 12	"Protégé" tabletop patty forming machine. Unit includes choice of one round mold and standard transition plate to match. Former also includes heater with control to prevent patty from sticking to the mold. Electrical: 120 volt, 60 Hertz, single phase.		6,795.00
51	1 Each	244914-100	Additional round mold for patty forming machine		349.00
52	1 Each	24 49 15	Standard transition plate (specify thickness)		199.00
53	1 Box	244916-200	Paper for Protégé (5½-in. square) (paper is drilled and slotted). Box has 14,000 pieces.		164.00
Total – Processing Room Equipment:					<u>\$103,133.00</u>

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Line #	Quantity	Item #	Description	Each Price	Total Price
			Supplies:		
54	4 Each	01 11 35	Floor mount lavatory, stainless steel, 14-in. x 17-in. x 7-in. deep, 10-in. high back-splash, complete (#3013 0501)	699.00	\$2,796.00
55	3 Each	50 55 56	Deluxe knife sterilizer, 6-in. wide x 12-in. high x 12-in. deep, 16 gauge stainless steel, overflow drain	137.66	412.98
56	3 Each	50 55 12	Stainless steel heating element, 1500W, 7-in., adjustable dial, stainless steel heating rod and case, 6-ft. grounded cord and plug	89.06	267.18
57	40 Each	10 22 65	Heavy galvanized trolley with 3 ⁷ / ₈ -in. diameter wheel and 3/8-in. x 1 ¹ / ₂ -in. frame	22.50	900.00
58	40 Each	01 07 61	Stainless steel trolley hook, 6-in. long x 1/2-in. diameter	9.95	398.00
59	20 Each	10 22 40	Stainless steel trolley hook, 24-in. long, 1/2-in. diameter	12.95	259.00
60	20 Each	01 30 04	Stainless steel hog gambrel, 5/8-in. diameter, 21 ¹ / ₂ -in. long	23.65	473.00
61	8 Each	01 11 25	Stainless steel meat tree, round rod, 45"-in. long overall, ten in-line hooks, 8-in. between hooks	55.45	443.60
62	4 Each	01 70 12	EFA MOD 63 S/S BLADE -003009201	95.25	381.00
63	6 Each	01 85 07	Replacement blade for Model 'BM-V-SD' band-splitting saw, 117-in.	14.95	89.70
64	5 Each	50 90 37	Mix Master '3000TG' mixing station, dial thermometer, requires 25 to 150 psi water pressure, maximum operating temperature 200° F	477.33	2,386.65
65	1 Each	50 90 14	General purpose hose, 25-ft., synthetic high tensile textile cord		49.46
66	4 Each	50 90 15	General purpose hose, 50-ft., synthetic high tensile textile cord	71.69	286.76
67	5 Each	01 26 20	Swivel GHT adapter for "Strahman" spray nozzle, 3/4-in. (#3566 26201)	16.95	84.75
68	5 Each	01 95 29	Lightweight aluminum "Streamline" nozzle (#3566 01511)	74.95	374.75
			Total - Supplies:		<u>\$9,602.83</u>
			Rollstock Equipment:		
69	1 Each		Bulldog™ 10-Foot Non-Expandable Frame Rollstock Packaging Machine with 2 die sets (estimated price)		<u>\$100,000.00</u>

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Kill Floor Equipment

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Line #	Quantity	Item #	Description	Base Price	Total Price
			<u>Summary Sheet:</u>		
			Kill Floor Equipment:	\$65,074.40	
			Processing Room Equipment:	\$103,133.00	
			Supplies:	\$9,602.83	
			Rollstock Equipment:	<u>\$100,000.00</u>	
			Total - Proposed by UltraSource:	<u>\$277,810.23</u>	

NOTES: Items quoted are priced Ex Works Kansas City, Missouri. Prices and terms hereon are valid for thirty days from date. Shipping dates are based on recent availability of material and production facilities. All prices are exclusive of any Federal, state, local or foreign taxes, duties, and customs or like charges, including state and local sales or use taxes. If applicable, state and local sales tax will be added to the total unless Customer provides UltraSource with a tax-exempt certificate.

SHIPMENT: To be determined after receipt of signed UltraSource sales agreement terms and conditions and down payment.

PAYMENT TERMS: As noted on attached Terms and Conditions that apply hereto.

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APPENDIX C: EXPENSE AND REVENUE

Year 1 Revenue and Expenses	Startup	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	First Year Annual Total
# of Head Entering Facility														
Income														
Donations		6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	75,000
Lease Fee to For Profit Entity		23,463	23,463	23,463	23,463	23,463	23,463	23,463	23,463	23,463	23,463	23,463	23,463	281,560
Total Sales All Types		\$29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 356,560
Variable Costs														
Supplies	(\$15,786)													\$0
Variable Labor	(\$50,000)													\$0
Total Variable Operations	(\$65,786)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Variable Costs	(\$65,786)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Variable Margin	(\$65,786)	\$29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$356,560
Fixed Costs														
Equipment Loan Int. Pmnts.		(\$289)	(\$289)	(\$289)	(\$289)	(\$289)	(\$289)	(\$289)	(\$289)	(\$289)	(\$289)	(\$289)	(\$289)	(\$3,473)
Total Equipment Costs		(\$289)	(\$289)	(\$289)	(\$289)	(\$289)	(\$289)	(\$289)	(\$289)	(\$289)	(\$289)	(\$289)	(\$289)	(\$3,473)
Facilities														
Facility Loan Int. Pmnts.		(\$5,375)	(\$5,375)	(\$5,375)	(\$5,375)	(\$5,375)	(\$5,375)	(\$5,375)	(\$5,375)	(\$5,375)	(\$5,375)	(\$5,375)	(\$5,375)	(\$64,498)
Utilities		(\$143)	(\$143)	(\$143)	(\$143)	(\$143)	(\$143)	(\$143)	(\$143)	(\$143)	(\$143)	(\$143)	(\$143)	(\$1,714)
Pest Control		(\$50)	(\$50)	(\$50)	(\$50)	(\$50)	(\$50)	(\$50)	(\$50)	(\$50)	(\$50)	(\$50)	(\$50)	(\$600)
Total Facility Costs		(\$5,568)	(\$5,568)	(\$5,568)	(\$5,568)	(\$5,568)	(\$5,568)	(\$5,568)	(\$5,568)	(\$5,568)	(\$5,568)	(\$5,568)	(\$5,568)	(\$66,812)
Total Selling and Marketing Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

	Startup	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	First Year Annual Total
General/Administrative														
Salaries (Mgmt./Admin. Support)	(\$40,625)	(\$6,771)	(\$6,771)	(\$6,771)	(\$6,771)	(\$6,771)	(\$6,771)	(\$6,771)	(\$6,771)	(\$6,771)	(\$6,771)	(\$6,771)	(\$6,771)	(\$81,250)
Fringe and Overhead (0.3)		(\$2,031)	(\$2,031)	(\$2,031)	(\$2,031)	(\$2,031)	(\$2,031)	(\$2,031)	(\$2,031)	(\$2,031)	(\$2,031)	(\$2,031)	(\$2,031)	(\$24,375)
Legal and Accounting	(\$20,000)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$1,400)
Telecommunications		(\$217)	(\$217)	(\$217)	(\$217)	(\$217)	(\$217)	(\$217)	(\$217)	(\$217)	(\$217)	(\$217)	(\$217)	(\$2,605)
Office Supplies, Comp. Service and Miscellaneous		(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$1,800)
Business Insurance		(\$126)	(\$126)	(\$126)	(\$126)	(\$126)	(\$126)	(\$126)	(\$126)	(\$126)	(\$126)	(\$126)	(\$126)	(\$1,508)
Total General/Administrative Costs	(\$60,625)	(\$9,412)	(\$9,412)	(\$9,412)	(\$9,412)	(\$9,412)	(\$9,412)	(\$9,412)	(\$9,412)	(\$9,412)	(\$9,412)	(\$9,412)	(\$9,412)	(\$112,938)
Unforeseen/Contingency														
Unforeseen Expenses (0.05)	(\$15,962)	(\$891)	(\$891)	(\$891)	(\$891)	(\$891)	(\$891)	(\$891)	(\$891)	(\$891)	(\$891)	(\$891)	(\$891)	(\$10,697)
Total Fixed Costs	(\$76,587)	(\$16,160)	(\$16,160)	(\$16,160)	(\$16,160)	(\$16,160)	(\$16,160)	(\$16,160)	(\$16,160)	(\$16,160)	(\$16,160)	(\$16,160)	(\$16,160)	(\$193,919)
EBITDA	(\$142,373)	\$13,553	\$13,553	\$13,553	\$13,553	\$13,553	\$13,553	\$13,553	\$13,553	\$13,553	\$13,553	\$13,553	\$13,553	\$162,641
Depreciation														
Equipment Depreciation		(\$1,968)	(\$1,968)	(\$1,968)	(\$1,968)	(\$1,968)	(\$1,968)	(\$1,968)	(\$1,968)	(\$1,968)	(\$1,968)	(\$1,968)	(\$1,968)	(\$23,614)
Building Depreciation		(\$6,625)	(\$6,625)	(\$6,625)	(\$6,625)	(\$6,625)	(\$6,625)	(\$6,625)	(\$6,625)	(\$6,625)	(\$6,625)	(\$6,625)	(\$6,625)	(\$79,497)
Net BRPI Income	(\$142,373)	\$4,961	\$4,961	\$4,961	\$4,961	\$4,961	\$4,961	\$4,961	\$4,961	\$4,961	\$4,961	\$4,961	\$4,961	\$59,530

	Y2Q1	Y2Q2	Y2Q3	Y2Q4	Y3Q1	Y3Q2	Y3Q3	Y3Q4	Annual Total Year 2	Annual Total Year 3
Years 2 & 3 Revenue and Expenses										
Income	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Donations	21,888	21,888	21,888	21,888	25,196	25,196	25,196	25,196	87,550	100,786
Lease Fee to For Profit Entity	70,390	70,390	70,390	70,390	70,390	70,390	70,390	70,390	281,560	281,560
Total Sales All Types	\$92,278	\$92,278	\$92,278	\$92,278	\$95,586	\$95,586	\$95,586	\$95,586	\$369,110	\$382,346
Variable Costs										
Total Variable Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Variable Margin	\$92,278	\$92,278	\$92,278	\$92,278	\$95,586	\$95,586	\$95,586	\$95,586	\$369,110	
Fixed Costs										
Equipment Loan Int. Pmnts.	(\$799)	(\$799)	(\$799)	(\$799)	(\$799)	(\$799)	(\$799)	(\$799)	(\$3,197)	(\$3,197)
Total Equipment Costs	(\$799)	(\$799)	(\$799)	(\$799)	(\$799)	(\$799)	(\$799)	(\$799)	(\$3,197)	(\$3,197)
Facilities										
Facility Loan Int. Pmnts.	(\$15,882)	(\$15,882)	(\$15,882)	(\$15,882)	(\$15,882)	(\$15,882)	(\$15,882)	(\$15,882)	(\$63,527)	(\$63,527)
Utilities	(\$441)	(\$441)	(\$441)	(\$441)	(\$455)	(\$455)	(\$455)	(\$455)	(\$2,220)	(\$1,818)
Pest Control	(\$155)	(\$155)	(\$155)	(\$155)	(\$159)	(\$159)	(\$159)	(\$159)	(\$618)	(\$637)
Total Facility Costs	(\$16,478)	(\$16,478)	(\$16,478)	(\$16,478)	(\$16,496)	(\$16,496)	(\$16,496)	(\$16,496)	(\$65,911)	(\$65,982)
General/Administrative										
Salaries (Mgmt./Admin. Support)	(\$20,922)	(\$20,922)	(\$20,922)	(\$20,922)	(\$20,922)	(\$20,922)	(\$20,922)	(\$20,922)	(\$83,688)	(\$83,688)
Fringe and Overhead (0.3)	(\$6,277)	(\$6,277)	(\$6,277)	(\$6,277)	(\$6,277)	(\$6,277)	(\$6,277)	(\$6,277)	(\$25,106)	(\$25,106)
Legal and Accounting	(\$361)	(\$361)	(\$72)	(\$72)	(\$72)	(\$72)	(\$72)	(\$72)	(\$865)	(\$288)
Telecommunications	(\$671)	(\$671)	(\$134)	(\$134)	(\$134)	(\$134)	(\$134)	(\$134)	(\$1,610)	(\$537)
Office Supplies and Miscellaneous	(\$464)	(\$464)	(\$93)	(\$93)	(\$93)	(\$93)	(\$93)	(\$93)	(\$1,112)	(\$371)
Business Insurance	(\$388)	(\$388)	(\$78)	(\$78)	(\$78)	(\$78)	(\$78)	(\$78)	(\$932)	(\$311)
Total General/Administrative Costs	(\$29,082)	(\$29,082)	(\$27,575)	(\$27,575)	(\$27,575)	(\$27,575)	(\$27,575)	(\$27,575)	(\$113,313)	(\$110,300)
Unforeseen/Contingency										
Unforeseen Expenses (0.05)	(\$2,768)	(\$2,768)	(\$2,768)	(\$2,768)	(\$2,868)	(\$2,868)	(\$2,868)	(\$2,868)	(\$11,073)	(\$11,470)
Total Fixed Costs	(\$49,127)	(\$49,127)	(\$47,620)	(\$47,620)	(\$47,737)	(\$47,737)	(\$47,737)	(\$47,737)	(\$193,494)	(\$190,949)
EBITDA	\$43,151	\$43,151	\$44,657	\$44,657	\$47,849	\$47,849	\$47,849	\$47,849	\$175,616	\$191,396
Depreciation										
Equipment Depreciation	(\$5,903)	(\$5,903)	(\$5,903)	(\$5,903)	(\$5,903)	(\$5,903)	(\$5,903)	(\$5,903)	(\$23,614)	(\$23,614)
Building Depreciation	(\$19,874)	(\$19,874)	(\$19,874)	(\$19,874)	(\$19,874)	(\$19,874)	(\$19,874)	(\$19,874)	(\$79,497)	(\$79,497)
Net Blue Ridge Plateau Initiative BP Income	\$17,373	\$17,373	\$18,880	\$18,880	\$22,071	\$22,071	\$22,071	\$22,071	\$72,505	\$88,285

APPENDIX D: CASH FLOW STATEMENTS

	Ongoing	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 1
OPERATING ACTIVITIES														Annual
Net Income (Loss)		4,961	4,961	4,961	4,961	4,961	4,961	4,961	4,961	4,961	4,961	4,961	4,961	59,530
Non cash charges to net income (loss)														
Depreciation	(23,614)	8,593	8,593	8,593	8,593	8,593	8,593	8,593	8,593	8,593	8,593	8,593	8,593	103,111
(Increase) Decrease in current assets	0													0
Accounts receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inventories	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in current liabilities														0
Accounts payable and accrued expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		13,553	13,553	13,553	13,553	13,553	13,553	13,553	13,553	13,553	13,553	13,553	13,553	162,641
INVESTING ACTIVITIES														0
Purchases of property and equipment	(2,857,726)													(2,857,726)
FINANCING ACTIVITIES														0
Grants and Donations	1,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Infusion	25,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Net borrowings (payments) on short-term loans or notes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal payments on long-term loans	(8,313)	(2,078)	(2,078)	(2,078)	(2,078)	(2,078)	(2,078)	(2,078)	(2,078)	(2,078)	(2,078)	(2,078)	(2,078)	(24,938)
Proceeds from long-term debt borrowings	1,359,411	0	0	0	0	0	0	0	0	0	0	0	0	0
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	18,372	(2,078)	(2,078)	(2,078)	(2,078)	(2,078)	(2,078)	(2,078)	(2,078)	(2,078)	(2,078)	(2,078)	(2,078)	(24,938)
NET INCREASE IN CASH	18,372	11,475	11,475	11,475	11,475	11,475	11,475	11,475	11,475	11,475	11,475	11,475	11,475	137,703
CASH -beginning of period	0	18,372	29,847	41,322	52,798	64,273	75,748	87,223	98,699	110,174	121,649	133,124	144,600	18,372
CASH - end of period	18,372	29,847	41,322	52,798	64,273	75,748	87,223	98,699	110,174	121,649	133,124	144,600	156,075	156,075

	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Annual Total Year 2	Annual Total Year 3
OPERATING ACTIVITIES										
Net Income (Loss)	17,373	17,373	18,880	18,880	22,071	22,071	22,071	22,071	72,505	88,285
Non cash charges to net income (loss)									-	-
Depreciation	25,778	25,778	25,778	25,778	25,778	25,778	25,778	25,778	103,111	103,111
(Increase) decrease in current assets										
Accounts receivable										
Inventories										
Increase (decrease) in current liabilities										
Accounts payable and accrued expenses										
Accrued interest										
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	43,151	43,151	44,657	44,657	47,849	47,849	47,849	47,849	175,616	191,396
INVESTING ACTIVITIES										
Purchases of property and equipment										
Sale of Property and Equipment										
FINANCING ACTIVITIES										
Grants and Donations										
Cash Infusion										
Net borrowings (payments) on short-term loans or notes										
Principal payments on long-term loans	(6,546)	(6,546)	(6,546)	(6,546)	(6,546)	(6,546)	(6,546)	(6,546)	(26,184)	(26,184)
Proceeds from long-term debt borrowings										
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(6,546)	(6,546)	(6,546)	(6,546)	(6,546)	(6,546)	(6,546)	(6,546)	(26,184)	(26,184)
NET INCREASE IN CASH	36,605	36,605	38,111	38,111	41,303	41,303	41,303	41,303	149,432	165,212
CASH -beginning of period	156,075	192,680	229,285	267,396					156,075	192,680
CASH - end of period	192,680	229,285	267,396	305,507	41,303	41,303	41,303	41,303	305,507	357,892

APPENDIX E: PRO FORMA OPERATING STATEMENTS

	Year 1	Year 2	Year 3
Revenues [Sales]	\$356,560	\$369,110	\$382,346
Total Variable Operations Costs	\$0	\$0	\$0
Variable Margin (Loss)	\$356,560	369,110	\$382,346
Total Equipment Costs	(\$3,473)	(\$3,197)	(\$3,197)
Total Facilities Costs	(\$66,812)	(\$65,911)	(\$65,982)
Total Selling and Marketing Costs	\$0	\$0	\$0
General and Administrative Expenses	(\$112,938)	(\$113,313)	(\$110,300)
Unforeseen and Contingency Expenses	(\$10,697)	(\$11,073)	(\$11,470)
EBITDA (Loss)	\$162,641	\$175,616	\$191,396
Interest Expense	\$0	\$0	\$0
Depreciation Expense	(\$103,111)	(\$103,111)	(\$103,111)
Net Income (Loss)	\$59,530	\$72,505	\$88,285

APPENDIX F: BALANCE SHEET

	Year 1	Year 2	Year 3
ASSETS			
Cash and Equivalents	\$156,075	\$305,507	\$357,892
Accounts Receivables	\$0	\$0	\$0
TOTAL CURRENT ASSETS	\$156,075	\$305,507	\$357,892
BUILDINGS AND EQUIPMENT, net of depr.	\$2,305,419	\$2,225,922	\$2,146,425
OTHER ASSETS, net of amortization			
TOTAL ASSETS	\$2,461,494	\$2,531,429	\$2,504,316
LIABILITIES AND MEMBERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	\$0	\$0	\$0
Accrued interest	\$0	\$0	\$0
Current maturities of long-term debt	(\$24,938)	(\$26,184)	(\$26,184)
TOTAL CURRENT LIABILITIES	(\$24,938)	(\$26,184)	(\$26,184)
LONG-TERM DEBT			
Senior debt	\$1,334,473	\$1,308,289	\$1,280,795
Less current maturities of long-term debt	(\$24,938)	(\$26,184)	(\$26,184)
MEMBERS' EQUITY			
Member Equity and equity equivalents	\$1,117,366	\$1,203,004	\$1,187,605
Dispersed Member Equity	\$0	\$0	\$0
Retained earnings (losses)	\$59,530	\$72,505	\$88,285
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$2,461,494	\$2,531,429	\$2,504,316