

Business Plan

“Silicon Valley Affordable Home”

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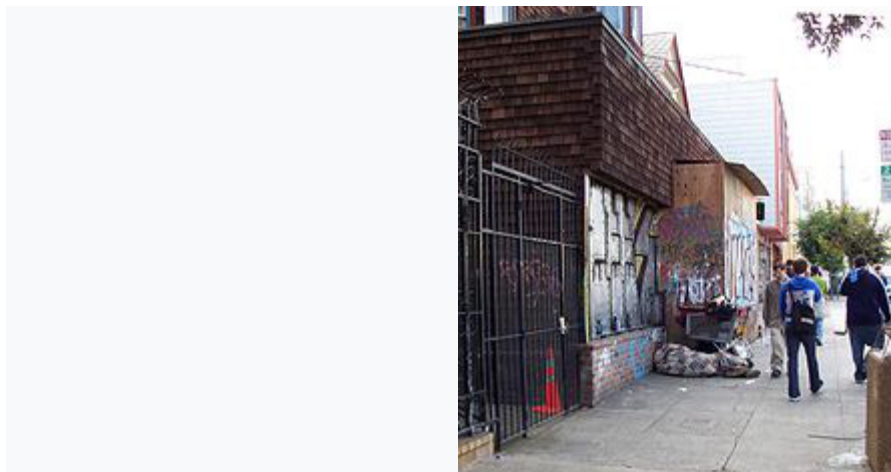
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II. Executive Summary

Homelessness in the San Francisco Bay Area

From Wikipedia, the free encyclopedia



Homeless person on Church Street in San Francisco.

The San Francisco Bay Area comprises nine northern California counties and contains four of the ten most expensive counties in the United States. Strong economic growth has created hundreds of thousands of new jobs, but coupled with severe restrictions on building new housing units, it has resulted in an extreme housing shortage which has driven rents to extremely high levels. The Sacramento Bee notes that large cities like San Francisco and Los Angeles both attribute their recent increases in homeless people to the housing shortage, with the result that homelessness in California overall has increased by 15% from 2015 to 2017. In September 2019, the Council of Economic Advisers released a report in which they stated that deregulation of the housing markets would reduce homelessness in some of the most constrained markets by estimates of 54% in San Francisco, 40 percent in Los Angeles, and 38 percent in San Diego, because rents would fall by 55 percent, 41 percent, and 39 percent respectively. In San Francisco, a minimum wage worker would have to work approximately 4.7 full-time jobs to be able to spend less than 30% of their income on renting a two-bedroom apartment.

San Francisco has several thousand homeless people, despite extensive efforts by city government to address the issue. San Francisco's dense, compact development pattern, its comparative lack of vacant land (i.e., beneath freeways, alongside creeks), and its high volumes of pedestrians tend to limit homeless encampments to the city's sidewalks and thus more readily visible to the general public. This dramatically-larger prevalence of visible homelessness in the city, relative to other large US cities, is widely noted by visitors as well as residents. As of 2018, this had begun to impact the city's largest industry, tourism (a \$9 billion industry), as one large doctors' group has decided to move their annual convention elsewhere after members' concerns about threatening behavior, mental illness, and assault on one of their board members.

The number of the people in poverty in the San Francisco Bay Area grew from 573,333 (8.6%) in 2000 to 668,876 (9.7%) in 2006-2010. While poverty rates vary greatly across the SF Bay area, in 2015, the Silicon Valley Institute for Regional Studies published that the poverty rate was 11.3%, having a slight downward trend from 12%; however, it was still above the historical average rate of 9%

III. General Company Description

Bay Area Legacy Trust Association (further BALTA) is dedicated to performing this Business Plan execution that includes but not limited to:

- arrange the philosophical content and justification
- provide web resources, digital memory, and Front-End programming
- establish and perform the Marketing Plan
- develop the Database software (MES) for Project steps
- apply the Business Offer to Bay Area Cities councils and Boards
- contacts with the City Law and Executive officials
- research the topographical and any other native factors
- create the individual projects in place, construction BOM, floor plan design, RTA furniture design and production, process, production, and the individual project process steps
- cooperate with the City to establish the individual Lot project
- employ and coordinate contractors
- perform legal support for Shareholders
- resolving financial need for this Project execution

Business Plan coverage

BALTA Business Plan is created with a goal to unite 1000 Participants who are willing to be incorporated to submit the offer to the City as a Business Proposal to create a program where social aspect and Participant's satisfaction will be covered. According to this Business Proposal for the funds of each Participant will be created two buildings as a house of residents, where the 1st house will be owned by the Participant and the 2nd house will be delegated to the City needs, and for that the City sells the improved land with the utility hookups as a property to the Participant for \$1.

BALTA goal is to provide to the Bay Area market the product value of \$5 billion and at the same time to resolve some social issues with potential cost of \$2 billion.

The potential Bay Area market for this class product exceed of \$10 billion per year.

Our innovative technology will expand and extend the scope of our product application until every customer could find the solution to use it as a convenient and simplest way to realize their own ideas and simplify their job.

BALTA Co-founder, Board of Directors' Chairman and CEO Alex Kor, MS is saying – “A good deal is when you did well for yourself and at the same time helped others”. This is a motto of BALTA.

BALTA incorporated the efforts of the participants for a decent life and the desire to help others in this. BALTA By-Law is composed in accordance with the community needs and California Commonwealth Laws and Orders. Articles of Incorporation will be filed with California Secretary of State and registered as a domestic “C” Corporation. The structure “C” was chosen in planning to reinvest earnings in Company’s growing. BALTA Common Stock is fixed with issuance the Common Shares \$100 value each in quantity of 1000 (one thousand). The Privileged Shares \$1000 value in quantity of 100 (one hundred) will be distributed upon request for BALTA business. The Participants of the BALTA Affordable Home Project will be granted one Common Share \$100 value to the first 100 Participants for free. Market value of the Common Share may increase up to predictable \$10,000 worth. Those Participants, therefore, become the Shareholders of BALTA with the right to control the BALTA business based on the BALTA By-Law and collect the profit in accordance with the Board of Director’s Meeting’s Minutes and Articles rules of profit distribution. One hundred Common Shares (the same as One Privileged Share) has one voice, may have one representative in the BALTA Board of Directors and has a right to be nominated to the BALTA Executive Board. The board of directors of the company consists of 6 members among the most significant incorporators and the President of BALTA, each of whom has one vote.

Incorporators and Stockholders:

Alex Kor, BALTA President, CEO – 1 (one) Common Share and 90 (ninety) Privileged Shares

Svetlana Ermoshina, BALTA Secretary, CEO – 1 (one) Common Share and 10 (ten) Privileged Shares

Participants (Incorporators with Contract) – 998 (nine hundred ninety-eight) Common Shares of One Share for each Participant

The Corporate Capital will be filled with \$200’000.00 by the Shareholder’s investments including IP, manufacturing equipment and supply.

BALTA Board of Directors and Executives:

Alex Kor – Director, CEO

Alex Kor – Treasurer, CEO

Svetlana Ermoshina – Secretary, CEO

IV. Products and Services

BALTA is dedicated to arrange the philosophical content and justification; provide web resources, digital memory, and Front-End programming; establish and perform the Marketing Plan; develop the Database software (MES) for Project steps; apply the Business Offer to Bay Area Cities Councils and Boards; contacts with the City Law and Executive officials; research the topographical and any other native factors; create the individual projects in place, construction BOM, floor plan design, RTA furniture design and production, process, production, and the individual project process steps; cooperate with the Cities to establish the individual Lot project; employ and coordinate contractors; perform legal support for Shareholders; resolving financial need for this Project execution and other activities requiring by this Business Plan business.

BALTA Business Plan of “Silicon Valley Affordable Home” consists of 2000 individual independent but similar projects combined to one BOM and one Contractor’s Plan. The Individual Project BOM example in the Table below.

Bill of Material, BALTA Business Plan of “Silicon Valley Affordable Home”, One of 2000 Individual Projects

Property and Product	Cost, \$	Retail, \$
Residential Lot (Land) with Utility Hookups	\$1.00	\$200,000.00
Land Exam	\$2,000.00	\$10,000.00
Topography expertise	\$2,000.00	\$20,000.00
Property design	\$1.00	\$5,000.00
Furniture design	\$1.00	\$10,000.00
Piles and Loft for House	\$50,000.00	\$100,000.00
Piles and Loft for Cars (2 cars)	\$30,000.00	\$80,000.00
Construction Materials	\$60,000.00	\$10,000.00
Furniture	\$10,000.00	\$50,000.00
Appliances	\$10,000.00	\$25,000.00
Work (contract)	\$75,000.00	\$200,000.00
Landscaping (contract)	\$5,000.00	\$10,000.00
Licenses and admissions	\$1,000.00	\$50,000.00
BALTA management and other compensations	\$5,000.00	\$50,000.00
Total estimate	\$250,003.00	\$820,000.00

V. Marketing Plan

Marketing Plan consists of six main components:

1. Market research and analysis
2. Marketing and financial goals and objectives
3. Marketing mix like strategies to implement to reach the target audience, entice the target audience, and create a desire in them to expand their experience. Strategies covering the 4 P's of marketing (product, price, place, and promotion) are developed.
4. Marketing budget to plan for marketing expenditures.
5. Monitoring and evaluating market response to monitor and evaluate the market response to used marketing strategies. Evaluating the effectiveness of marketing plan will allow to adjust and meet the goals to attract qualified participants.
6. Contingency plan that describes possible adjustments to the strategies if marketing tactics are less effective than originally planned.

Marketing plan includes:

- Google search in Silicon Valley areas for the first page listing by key words and/or hashtags #prefab #new construction and other # related
- LinkedIn forum and discussion “The homeless issue can be resolved! Who slows it down and why?”
- Brochure with Business Plan coverage:

We are a group of Bay Area residents who are interested in getting a decent housing in Bay Area, Silicon Valley in particular. We know that in every town of Silicon Valley there is plenty of available land that is not used anyhow. This land is mostly located on the slope. And we have resources to build foundation for prefabricated houses on these slopes. The problem that it's impossible to get the lots as an individual because the utility hookups are expensive if used individually and the City is not interested in such small individual projects. According to our Business Plan, our goal is to unite at least 1000 Participants who are willing to incorporate to offer the City a Business Proposal which City can use to create a program with the social content where Participant invests funds in creation of two buildings as a house of residents, where the 1st house will be owned by the Participant and the 2nd house will be delegated to the City needs, and for that the City sells the improved land with the utility hookups as a real-estate property to the Participant for \$1.

Economics

Facts about BALTA Business Plan “Silicon Valley Affordable Home” Project property cost with comparison:

Property name	Silicon Valley Market average, \$	BALTA Project, \$
Single Family Home, Residential Property, average age, 1br1bt 400 sq ft with lot 2000 sq ft	\$1,000,000.00	\$500,000.00
Single Family Home, Residential Property, new construction, 1br1bt 400 sq ft with lot 2000 sq ft	\$2,000,000.00	\$500,000.00
Condo, Residential Property, not furnished, average age, 1br1bt 400 sq ft	\$600,000.00	\$500,000.00
Condo, Residential Property, not furnished, new construction, 1br1bt 400 sq ft	\$800,000.00	\$500,000.00
Condo, Residential Property, furnished, new construction, 1br1bt 400 sq ft	\$850,000.00	\$500,000.00

Product

BALTA Business Plan “Silicon Valley Affordable Home” Project based on Laplanda Tiny House Design. The substrate as a Loft on piles is required for the House installation. The constructor consists of modern materials and technology. The aluminum structure with special designed brackets for assembly allows to avoid many steps required in regular constructions. The Fiber grids will increase the structural tensility. The California weather allows to use light heat insulation and huge floor-to-roof windows, and the property placement allows to use the light noise protection materials. Due to big quantity of the construction sites the cost of the materials will be considerably less than regular retail market price, and this is showed in the table above (see BOM)

The Laplanda Tiny House Design is an IP and all details will be exposed to Participants or Investors.

The Brief characterization and look may be found at the BALTA web page (www.baltausa.com)

Customers

BALTA Business Plan “Silicon Valley Affordable Home” Project is expecting to be very attractive for residents of Silicon Valley who experience difficulties with affording the current available property on the local market so we may expect the huge interest to this business.

Officials

San Francisco Bay Area Officials are working hard on social programs helping to resolve the homelessness problem. Therefore, no resistance expected in this Business Plan as a base for variation of methods. The City council may suggest the City to consider this Business Plan on the regular Board of Director’s meeting as a base for new program and to establish the Executive Order for this Business Plan evaluation for suggestion of the necessary steps to move this Business Plan forward.

In the case this Business Plan is denied by formal reason, BALTA may sue the City to get the Court Order to highlight the actual reason for denial to fix it in this Business Plan and to get a compensation for the time and performed work in the interest of the homeless people who are waiting for their issues to be resolved.

The example of the BALTA Business Proposal:

Business Proposal

Prepared for Santa Clara County Council, County of Santa Clara Office of the County Counsel, 70 West Hedding Street, East Wing, 70 W Hedding St 9th Floor, San Jose, CA 95110

Prepared by Alex Kor, San Francisco Bay Area Legacy Trust Association (DBA: BALTA) BALTA CEO BALTA, 1525 Gold St., #441, Alviso, CA 95002

Description: BALTA is seeking funding as a land on a slope along the roads for “Silicon Valley Affordable home” Business Plan execution. This Business Plan based on the Project, Bank Credit and Good Will and efforts of the people of Bay Area with a goal to bring the hope of decent life to thousands of residents who pay taxes and to people who have been dependent on the government.

Brief of Proposal: The City will have the half of new construction according to the Project for City needs and/or for distribution to people in need. As a contribution, the City sells the property - the land on a slope along the roads divided on residential lots improved by established utility hookups - for \$1 per lot.

Consideration: To prepare the full scope of the Business Proposals the volume and evaluation are required.

Please consider this Business Proposal and let us know the steps that the Council may suggest to move this business forward.

By Alex Kor, the Citizens and representatives of interested participants signed _

Dated: 11/01/2022

Santa Clara County

Competition

No competitors, but ALL Competitors are welcome because all people of California wish to eliminate homeless issue.

Niche

BALTA Business Plan “Silicon Valley Affordable Home” Project is created as a reflection of the people needs materialized in theses described here. To improve those theses in real life the work with Officials, engineers, contractors, vendors, people incorporated, people in need and other society groups to correct those theses to make the Project steps correlated with the current Laws, Rules, Orders, wishes and reality. This work requires the cooperation and good will of the society and society representatives in Power.

As this project has a social vector of realization, and touching the interests of the existed homeowners and real-estate commercial agencies, the niche is between commercial builders and social programs, and here are some interference that may have the negative impact on this Business Plan moving forward. Some groups will see in this Project a threat of their existence. The goal of this Business Plan to create such a Business Proposal that will highlight the main goal mainly to help people to get affordable home and at the same time to get City the resources to create the programs for people in need.

BALTA Business Plan has a combination of unique business advantages that give a good impression in the sales impact and at the same time realize the social bonuses.

Summary: BALTA Business Plan Niche is to be a jumper between Taxpayers and People in need with maximum economical impact for both groups.

Strategy

BALTA will start with uniting Participants to incorporate into this Business. When 1000 Participants join the Meeting will be held to summarize in Minutes the requirements to By-Law, Articles of the Incorporation, to fill in the Corporate Lager, then to distribute the Shares, register with California Franchise Board, IRS for EIN, Sacramento City Office for DBA name registration and other formality for implementation of the law procedures.

To unite Participants, the marketing business plan will be executed (see Marketing Business Plan section)

After the BALTA incorporation, the investor or groups of investors (further Investor) will be engaged. Investor will create their own rules for financing and legal assistance. Investor may buy the Privileged Shares to be involved in the Business Plan discussion, correction and control (see III. General Company Description)

Investor may add the funding to force some Business Plan steps. This funding approval is the subject of the Board of Directors' decision.

The team of the engineers and activists will be formed for Business Proposals filing to the San Francisco Bay Area Cities for consideration.

Upon the City (Cities) will approve the BALTA Business Proposal, the budget for BALTA work will be formed. This budget will be funded by the Participants on a voluntary basis and will be exchanged on privileges in getting the priority on the Lot selection and additional bonuses during construction, like modifying the major Laplanda Tiny House design. The character of the funding and volume will be discussed on the Board of Directors and this funding becomes the part of the Business Plan Budget for further distribution and taxation.

Upon the BALTA Budget will be formed, the BALTA Officers and Executors will be nominated according to the HR staffing.

The rent of the Business property with Utility, Insurance, and services may cost about \$5'000-7'000. The rented space may be located in Sunnyvale, CA as the most ergonomic place.

Travel expenses may be required to establish the relationships with manufacturers and retailers. For that purpose the budget is predicted as \$10'000. Sales agents or Contractors can be used for representation purposes. The budget for this purpose is fixed as \$50,000 for 6 month contract plus commission.

The list of employees, contractors with a salary and their duties and responsibilities stated below.

- President (hiring, bookkeeping, reports, legal, customer support, competitors, ordering, shipping, customs) 135k/year
- Bookkeeper - 110k/year
- Process Engineer (software and hardware, electrical and mechanical design, architecture) – 135k/year
- General Manager (Managerial functions of all staff, customer support, WEB design, quality control) - \$135/year
- Technician (customer support, assembly, service, repair) – \$100k/year
- Office Manager (customer support, document processing, schedules, phone, office work) – 60k/year
- Warehouse worker (warehouse work, repair, tech support, loading/unloading, cleaning) – 80k/year

- Structural Engineer - 135k/year
- Building Engineer - 135k/year
- Programmer - 135k/year
- Typist - 80k/year
- Helper -80k/year
- Contractors (any help that requested) - about \$200k

Total HR inventory 1.5M/ year

Promotion

BALTA website should offer the special promotion for a start period. It may be any type of discount or bonuses.

Work with Real-Estate companies and involve them to the promotion and sales.

Facebook BALTA page creation, invitation to potential Participants, advertising and ideas popularization.

BALTA will start advertise on Google, Amazon, eBay, Facebook, Instagram and other domestic social media. In parallel, the work with manufacturers and retailers will be started.

BALTA has a potential wholesale vendor's list. Vendors will be interested to support the Ads and to create their own advertising plan.

BALTA website needs to be advertised with Google by special keywords.

The advertising should be placed in local newspaper "San Jose Mercury News".

BALTA will use other low-cost methods to get the most valuable advertising effect such as trade shows, catalogs, dealer incentives, word of mouth (we need to stimulate it with bonuses, rewards and presents) and network of friends and professionals.

Those above are low-cost methods to get the most out of our promotional budget.

BALTA wants to be recognizable. This project should have some images for customers to recognize us. This image must show our ability, logo and specialization. The website design and fliers will be constantly improved.

To keep the data recorded in order BALTA management will use Laplanda Database SQL Connect software (MES).

Promotional Budget

BALTA should have a budget for promotion. Total amount of spending may be about \$10'000-\$50'000. This budget needs to be distributed for items listed above when started.

Funding

Budget of funds distributed to the next categories:

1. Substructure. Loft on piles as a substrate for Laplanda Tiny House. This work is performed by professional contractor with experience to create the substructure on a slope of the hill.
2. Laplanda Tiny House. Laplanda Tiny House concept and design is created by LAPLANDA. All documentation is an IP of LAPLANDA and must be open to Participants only. Participant may request the BOM, floor plan, technical characteristics, equipment and appliances list, RTA furniture documentation and characteristics, basic constructor's steps, insurance options and other related documents.
3. Services. This category includes the payment for licenses, performed job, delivery, storage, service and fees.
4. Payment to the City. This payment includes the cost of Land of lot and utility hookups preparation and City fees.
5. Taxes.

Total estimate budget is \$500'000 (five hundred thousand US dollars). This budget formed for creation of two properties that are two Laplanda Tiny Houses (see **Business Plan coverage**)

BALTA Business Plan "Silicon Valley Affordable Home" Project main goal is to create the Real-Estate property as a Laplanda Tiny House with participation of the City that sells the improved land for that, and that will be own by the Participant. Once construction is completed, the Participant as a Buyer and the City as a Land and utility owner, and BALTA as a Project Manager namely a Seller will gather altogether at the closing table. This is when the deed to the home is transferred from the Seller to the Buyer. Every transaction will vary and require to sign a ton of paperwork. An attorney or settlement agent will guide Participant through the process. Then Participant will officially be a homeowner and receive the keys to a new home. New House Delivery lead time is expected to be 3 month from the moment of Offer to the moment of settlement.

The BALTA's funding starts when Participant becomes a BALTA's Partner. As a confirmation of the participation to the BALTA Business Plan the Participant will receive the BALTA Common Share value of \$100 for free.

The Participant's funding starts when BALTA prepare the Offer for Participant and Participant accepts this Offer.

Upon the BALTA incorporation completed (see **III. General Company Description**) Participant will be offered by BALTA Proposal. This Proposal will include the financing plans and requirements to ensure funding. Participant may finance the Project with no help of any financial institution or may partially use financial help. The types of the Contract are described in **Payment Option** section below. These funds will be used for BALTA Business Plan “Silicon Valley Affordable Home” Project execution (see **IV. Product and Services**)

When Proposal is completed, BALTA prepares the Offer. Offer includes the details about the property and terms. Offer may include additional service fee (see **Delivery Process** section)

The priority has a Participant that may finance the funds with no help of Investor or Financial institutions. BALTA established the discount for those Participants. Participant may wish to fund the Project by one, two or three installments. The discount for such payments determined in the table below. The discount is possible due to the terms used with vendors and contractors that include the discount for payment in advance.

Discount type Table:

Discount, %	Amount, USD	Payment Type	Payments
1	167,000.00	Cash	3
2	250,000.00	Cash	2
3	500,000.00	Cash	1

Delivery Process

BALTA Business Plan “Silicon Valley Affordable Home” Project is developed to be executed for 2000 properties. Each property has distinctions so the delivery time will vary. The delivery time estimate is 3 month. Documents preparation and the Land lot nature evaluation are not included in this estimate. According to the Project, the Delivery term is started with the data of Constructors. Contract starts concurrent with the first installment of funding by the Participant.

Participant has a right to inspect the construction process, but all complaints should be addressed to the BALTA as a managing organization. BALTA may penalize the contractors for terms of the contract violations in case of no excuse in a favor of Participant.

Participant may request additional services. Most typical services and the service prices will be determined.

Every City has its own process of legislature, Statues, Executive Orders, Executive rules and other discrepancies. For some cases the legal service may be requested. The legal service for non standard cases may cost additional financing and use it up to the Participant. Participant may choose the most advanced service if the Lot offered requires this involvement.

Payment types

BALTA Business Plan “Silicon Valley Affordable Home” Project defines the Type of the Contract that includes the next payment options listed in the table below.

Option	Description	Document
A	Participant funds in full in the moment of Offer or uses the option of two or three installments (see Discount type Table)	Contract #A
B	Participant’s financing approved by credit institution	Lender’s decision
C	Participant’s financing approved by BALTA	Contract #C

Quotation

Quotation includes the following terms and conditions:

- Total Funding
- Contract Type
- Delivery Date
- Discount
- Additional Services Cost
- Payment dates
- BOM
- Taxes

Invoices

Participant empowers BALTA to hire contractors, issue invoices, perform payments for delivered material and job, and control the Project execution and all related work. BALTA keeps all Contracts and Invoices as an accountable documents and Participant may request them and control the document flow. The request of any document may have the service fee due to additional burden on staff. The Invoice shell includes the following information:

- Invoice Number
- Quotation Number
- PO Number
- Delivery Date
- Additional Services Cost
- Payment date
- Type of Payment

- Purchased Item, description, quantity, price.
- Total Items price
- Discount
- Quantity discount
- After discount Price
- Tax (or Resale Cert Copy)
- Final Price
- Services, description, Service Price
- Total Pay
- Customer notes

VI. Operational Plan

LAPLANDA Tiny House Design and Production

Design and concept of the product is created by LAPLANDA. All documentation is an IP of LAPLANDA and must be open to Participants only. Participant may request the BOM, floor plan, technical characteristics, equipment and appliances list, RTA furniture documentation and characteristics, basic contractor's steps, insurance options and other related documents.

Proposed Office Location and terms

BALTA Office, Showroom and Warehouse located in **the San Francisco Bay Area, CA.**

Visitors may come to the Office during business hours. Building has a visitor's parking, office furnished and visitor can be offered some beverages and snacks. There is a small relocation area and convenient relaxation upholstery furniture. Big monitor located in this area for presentation of actual information. Visitor may use some office equipment, like printer and coffee maker and also may have the wi-fi access. This will help the customer to concentrate and make the proper decision.

The common leased area space is around 5'000.00 sq ft. Office has 3 phases of electricity, hot and cold water, restrooms.

Access: Location of the BALTA facility is convenient to transportation and suppliers, close to the freeway, airport within 10 miles, railroad station within 2 miles, and shopping center within 1 mile.

Cost: Occupation Expenses: rent and water and sewer - \$5'000.00, electricity \$350-550/month, insurance \$7600/year.

BALTA Office Business hours: 9am-6pm Mon-Fri

BALTA Business license will be issued.

Distribution Channels

BALTA may act as a distribution center for satellites that will support this Business Plan execution. Real-Estate agencies, Builders, Vendors or other useful resources may be nominated as a satellite.

BALTA may offer the right of Project distribution to the professionals, who can prove their ability to provide quality service in support of this Business Plan.

BALTA can attract agents. Agent will act as a contractor.

Inventory

BALTA keeps the inventory of three types: materials, supplies, finished goods and equipment.

Average value of stock:

Materials – \$20'000.00

Supplies - \$20'000.00

Finished goods - \$40'000.00

Equipment - \$50'000.00

Suppliers

BALTA has a number of suppliers. All suppliers require approvals. Most valuable suppliers will be determined.

BALTA approved suppliers are stable and solid companies. Their product has a quality certificate or certificate of origin. BALTA may use the product from not approved suppliers in case of emergency only. BALTA is constantly testing the market for better price and quality suppliers.

Accounts Receivable

BALTA is using Laplanda MES SQL Connect software for tracking documents and monetary transactions. Account Receivable has limits defined in the table below:

	Total	Current	30 Days	60 Days	90 Days	Over 90 Days
Accounts Receivable Aging	50'000.00	10'000.00	20'000.00	10'000.00	5'000.00	5'000.00
Company A		5'000.00				
Company C			5'000.00			5'000.00
Company E				10'000.00		
Company J			5'000.00			
Company K					5'000.00	
Individual A		5'000.00				
Individual B			10'000.00			

BALTA has a Policy for dealing with slow-paying customers. This Policy describes 1) When to make a phone call; 2) When to send a letter; 3) When to get the attorney to threaten.

Managing Accounts Payable

BALTA ages the accounts payable, what is owed to the suppliers. This is the plan of whom to pay and when. Paying too early depletes cash, but paying late can cost valuable discounts and can damage a credit. BALTA also proposes vendors an offer with prompt payment discounts.

A payable aging prognoses is in the following table:

	Total	Current	30 Days	60 Days	90 Days	Over 90 Days
Accounts Payable Aging	1'800.00	1'000.00	700.00		100.00	
Vendor A		1'000.00				
MasterCard			500.00			
Vendor C					100.00	
Vendor D			200.00			

VII. Management and Organization

Alex Kor MS, BALTA President and CEO, is an experienced Business founder and provider. He is a founder and CEO of BALTA Inc, PA (since 1999); BALTA SIA, Latvia, EU (since 1995); “BALTA INTERNATIONAL SIA”, Latvia, EU (since 2007); BRW Furniture Inc, PA (since 2001); Precision Design and Machine, INC, Santa Clara, CA DBA: PDM (since 2012), performed valuable Engineering and Manufacturing job for Genapsys Inc (PaloAlto, CA); Soraa Inc (Fremont, CA), Glo-USA, Inc (Sunnyvale, CA), Coherent Inc (San Jose, CA), Kyocera Inc (Fremont, CA). He is also a father of two kids and good family man, reputable USA Citizen and resident of Sunnyvale, CA.

Professional and Advisory Support

Lawyer

David W. Anderson, Esq., SBN 167862
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Facsimile: (925) 954-6789

Insurance agent

Mike Clauson

510-839-3276 (Office)
510-839-3275 (Fax)
859 Clay St.
Oakland, CA 94607
farmersinsuranceoakland.com

VIII. Personal Financial Statement

Upon special request

IX. Expenses and Capitalization

This Business Plan is created for projected of BALTA business. All expenses are covered by Alex Kor and Capitalization expected as a Funding of the Participants incorporated and with financial support of the Investor involved.

X. Financial Plan

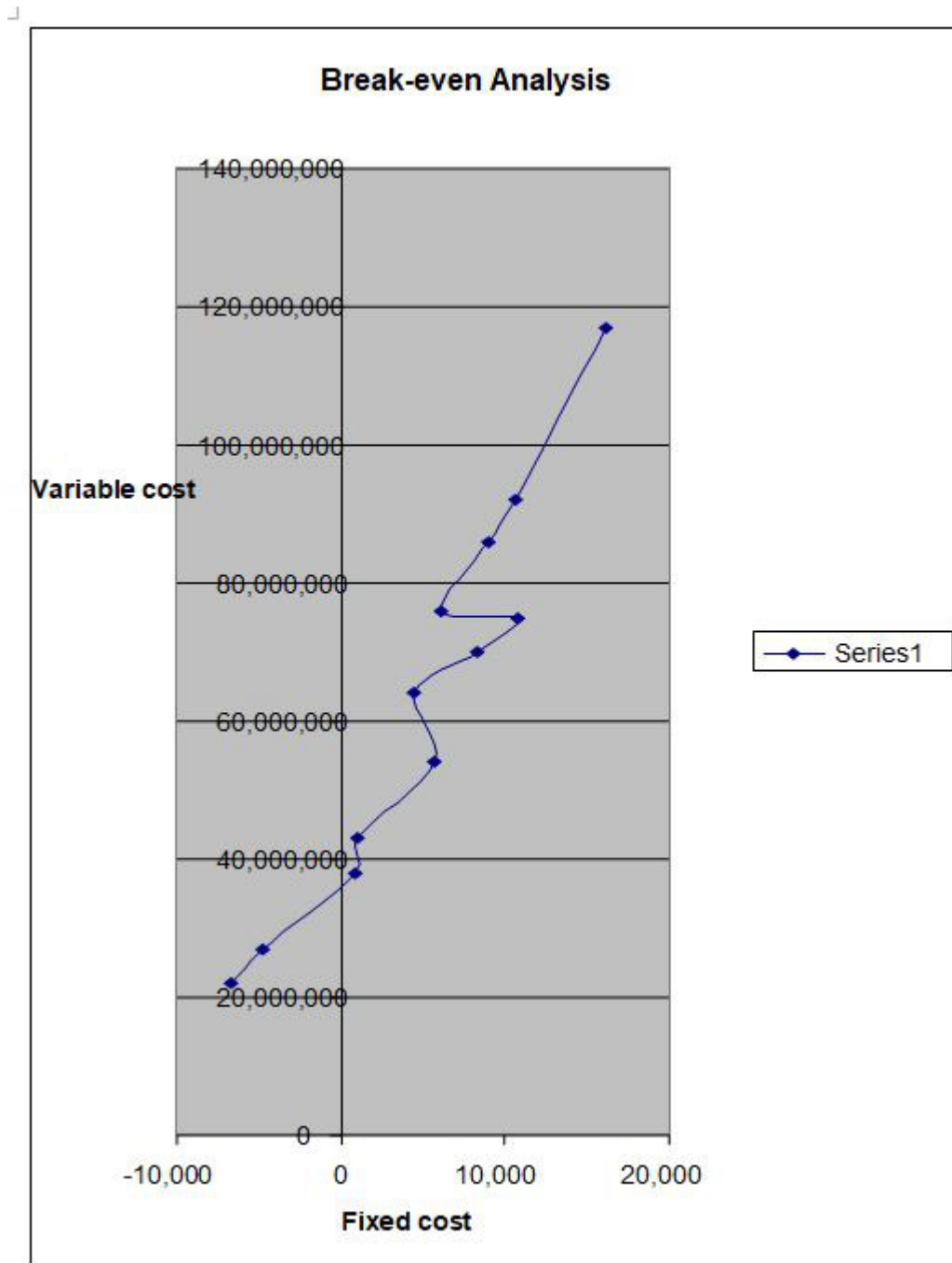
Five-Year Profit Projection (Upon request)

Projected Cash Flow

BALTA Cash Flow. 2023	Operating Expenses	Inventory	Materials	Shipment and Custom Duties	Delivery	Total	Revenue (estimate)	Cash Flow estimate
January	190,500	72,330	7,233	14,466	4,822	289,351	220,000	69,351
February	201,000	98,974	5,240	10,480	3,493	319,187	270,000	49,187
March	208,000	138,346	7,324	14,648	4,883	373,201	380,000	-6,799
April	233,000	158,585	8,396	16,791	5,597	422,369	430,000	-7,631
May	250,000	197,948	10,480	20,959	6,986	486,373	540,000	-53,627
June	310,000	242,684	12,848	25,696	8,565	599,793	640,000	-40,207
July	307,000	262,922	13,919	27,839	9,280	620,960	700,000	-79,040
August	307,000	285,294	15,104	30,208	10,069	647,675	750,000	-102,325
September	364,000	285,294	15,104	30,208	10,069	704,675	760,000	-55,325
October	384,000	327,896	17,359	34,718	11,573	775,546	860,000	-84,454
November	401,000	350,268	18,544	37,087	12,362	819,261	920,000	-100,739
December	482,000	447,117	23,671	47,342	15,781	1,015,910	1,170,000	-154,090
Total	3,637,500	2,867,657	155,221	310,442	103,481	7,074,300	7,640,000	-565,700

Break-Even Analysis

The break-even point (BEP) \$35,000,000.00



XI. Appendices

- Presentation

XII. Refining the Plan

For Raising Capital

BALTA is looking for financing institution. The Business Plan requires the funding of Project for each Participant who does not have \$500,000.00 cash. The financial institution will cover the funding to BALTA

Participants/Shareholders according to the financial institution rules and order. Capitalization can be made using the private funds or Bank loans for funding each individual Project for every Participant in amount of \$500,000.00 for each of 1000 Participants.

For Bankers

- Potential maximum funds required: \$5 billions
- How the funds will be used: The funds will be used for BALTA Business Plan execution.
- What this will accomplish: Bay Area taxpayers will have the decent lifestyle and people in need will be compensated equally
- Requested repayment terms: Offer dependent
- Collateral offered: Mortgaged Property

For Investors

- Funds needed short-term: \$0
- Funds needed in two to five years:\$5 billions
- How the company will use the funds, and what this will accomplish for growth? The funds will be used for BALTA Business Plan execution.
- Estimated return on investment: Investor's Offer dependent
- Exit strategy for investors: Mortgaged Real-estate re-sale to another Participant
- Percent of ownership that BALTA will give up to investors: up to 49%
- Milestones or conditions that can be accepted: Negotiable
- Financial reporting may be provided
- Involvement of investors on the Board or in Management