

1. This is an application for (Check One):

Original Certificate

050222-TS

Approval of Transfer of Existing Certificate

Example: a non-certificated company purchases a certificated company and desires to retain the original certificate of authority.

Approval of Assignment of Existing Certificate

Example: a certificated company purchases a certificated company and desires to retain the certificate of authority of that company.

Approval of transfer of control

Example: a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company or name of individual (not fictitious name or d/b/a):

ROYAL AMERICAN HOSPITALITY

3. Name under which applicant will do business (fictitious name, etc.):

SAME

4. Official mailing address (including street name & number, Post Office Box, City, State, and Zip code):

9400 S. Thomas Drive

Panama City Beach, FL 32408

5. Florida address (including street name & number, Post Office Box, City, State, and Zip code):

SAME AS MAIL

6. Structure of organization:

- | | |
|--|---|
| <input type="checkbox"/> Individual | <input checked="" type="checkbox"/> Corporation |
| <input type="checkbox"/> Foreign Corporation | <input type="checkbox"/> Foreign Partnership |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership |
| <input type="checkbox"/> Other: _____ | |

7. If individual, provide:

Name: _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

8. If incorporated in Florida, provide proof of authority to operate in Florida:

(a) Florida Secretary of State Corporate Registration
Number: 593212430

9. If a foreign corporation, provide proof of authority to operate in Florida:

(a) Florida Secretary of State Corporate Registration
Number: _____

10. **If using fictitious name d/b/a**, provide proof of compliance with the fictitious name statute (Chapter 865.09, Florida Statutes) to operate in Florida:

(a) **Florida Secretary of State Fictitious Name Registration**

Number: _____

11. **If a limited liability partnership**, provide proof of registration to operate in Florida:

(a) **Florida Secretary of State Registration**

Number: _____

12. **If partnership**, provide name, title and address of all partners and a copy of the partnership agreement:

(a) **Name:** _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ **Fax No.:** _____

Internet E-Mail Address: _____

Internet Website Address: _____

(b) **Name:** _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ **Fax No.:** _____

Internet E-Mail Address: _____

Internet Website Address: _____

13. If a foreign limited partnership, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, Florida Statutes):

(a) The Florida Registration

Number: _____

14. Provide F.E.I. Number (if applicable): _____

15. Who will bill for your services?

Name: Royal American Hospitality

Address: 9400 S. Thomas Drive

City/State/Zip: Panama City Beach, FL 32408

Telephone No.: 850-230-4603

16. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

Name: Russell M. Smith

Title: Vice President

Address: 9400 S. Thomas Drive

City/State/Zip: Panama City Beach, FL 32408

Telephone No.: 850-230-4603 Fax No.: 850-230-4697

Internet E-Mail Address: russ.smith@rahospitality.com

Internet Website Address: www.rahospitality.com

(b) Official Point of Contact for ongoing company operations including complaints and inquiries:

Name: As above

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

(c) Complaint/Inquiries from Customers:

Name: As above
Title: _____
Address: _____
City/State/Zip: _____
Telephone No.: _____ Fax No.: _____
Internet E-Mail Address: _____
Internet Website Address: _____

17. List the states in which the applicant:

(a) has applications pending to be certificated as a shared tenant service provider.

N/A

(b) is certificated to operate as a shared tenant service provider.

N/A

(c) has been denied authority to operate as a shared tenant service provider and the circumstances involved.

N/A

(d) has had regulatory penalties imposed for violations of telecommunications statutes, rules, or orders and the circumstances involved.

N/A

- (e) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

N/A

18. Indicate if any officers, directors, or any of the ten largest stockholders have previously been:

- (a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, provide explanation: _____

N/A

- (b) Officer, director, partner or stockholder and any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

N/A

****APPLICANT ACKNOWLEDGMENT STATEMENT****

- 1. REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of **0.15 of one percent** of the gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.

- 2. APPLICATION FEE:** I understand that a non-refundable application fee of **\$100.00** must be submitted with the application.

UTILITY OFFICIAL:

Russell M. Smith


Print Name

Vice President

Title

-230-4603

Telephone No.



Signature

3/30/05

Date

850-230-4697

Fax No.

Address: 9400 S. Thomas Drive

Panama City Beach, FL 32408

AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide shared tenant service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

I will comply with all current and future Commission requirements regarding shared tenant services. I understand that I am required to pay a regulatory assessment fee (minimum of \$50.00 per calendar year) and pay gross receipts tax. Furthermore, I agree to keep the Commission advised of any changes in the names or addresses listed in the application within 10 days of the change.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."

UTILITY OFFICIAL:

Russell M. Smith
Print Name



Signature

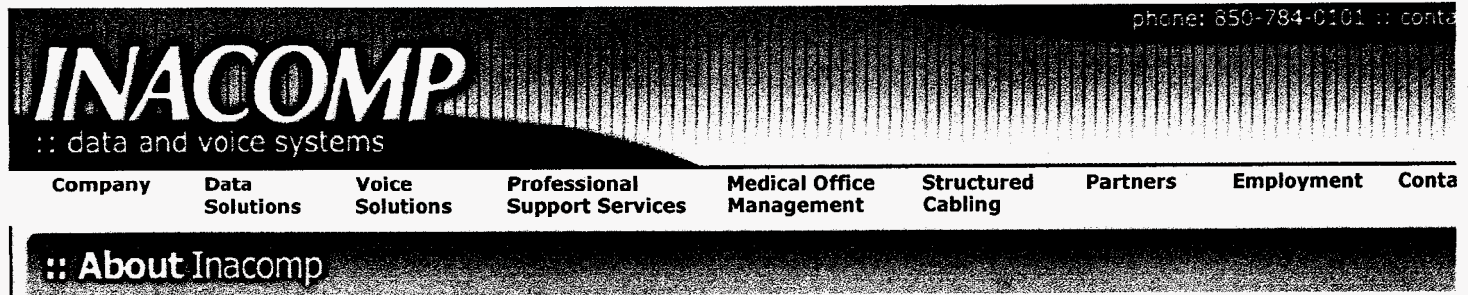
Vice President
Title

3/30/05
Date

850-230-4603
Telephone No.

850-230-4697
Fax No.

Address: 9400 S. Thomas Drive
Panama City Beach, FL 32408



Inacomp Company Information Solutions • Systems • Service • Success

Inacomp opened its doors in 1983 as a retail computer store to capitalize on IBM's introduction of the personal computer. As the industry grew and changed, so did Inacomp, with the addition of voice systems, a structured cabling division and through strong alliances and partnerships with other industry leaders. Inacomp is well-regarded as Northwest Florida's premier full-service integrator of computer networks and voice systems. We partner with our customers to focus on the most efficient, cost effective solutions to meet their technology needs for today and help them plan for the future.

Providing total computer network support along with telephone system sales and support, Inacomp's services include the following:

Data Solutions

- Networking
- Security
- Storage
- Hardware (servers, workstations, peripherals)
- Software

Voice Solutions

- Telephone Systems (Key and PBX)
- Voice Over IP
- Frame Relay

Professional Support Services

- Hardware Maintenance
- Network Engineering
- Technology Asset Management
- Remote Network Management
- Managed Support Services
- Configuration

Medical Office Management

- NDC Medisoft
- SpringCharts EMR
- HIPAA Compliance

Structured Cabling

- Cable Connections for Computer Networks
- Wiring for Business Telephone Systems
- Burglar Alarm Systems
- IPTV

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phone: 850-784-0101 :: conta

INACOMP

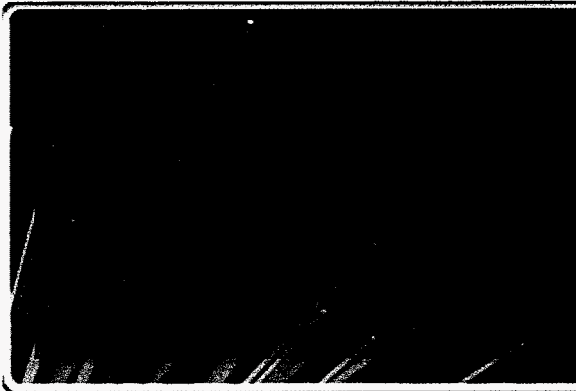
:: data and voice systems

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Since 1983, **Inacomp** has supported the technological needs of Northwest Florida. Our strength is fostered by our strategic vendor relationships with only the top manufacturers and developers in the Information Technology space today. Backed by a distribution system stocking millions of dollars worth of product worldwide, allowing **Inacomp** to deliver your solution faster and more efficiently than ever before.

Our highly trained and certified staff will work with your company to develop the best IT solutions that will help your company streamline business practices driving savings and increased profits directly to the bottom line.

For more information call: (850) 784-0101



Information on our Networking, Security & Storage, Hardware and Software data solutions can be found here.

From conventional multi-phone to Voice over IP systems, we can offer your business the appropriate solution.

Hardware maintenance & configuration are a couple of the support services we provide, click here to see what other services we provide to our clients.

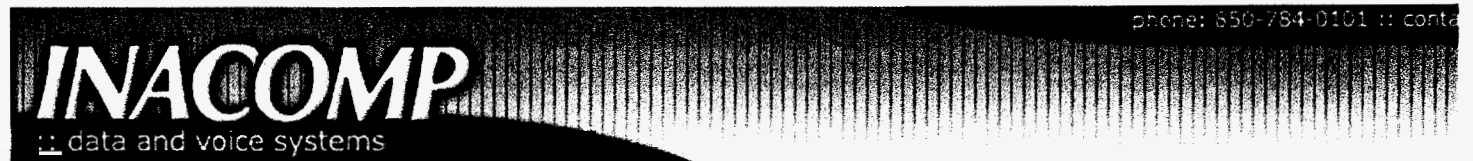
NDC Medisoft, SpringCharts EMR, & HIPAA Compliance are some of the medical office management services we provide to our clients.

Partnerships and vendor information can be accessed here, click here to see the full list of partners that we are currently working with.

Our clients can use this customer portal to reach our current information database, using ConnectWise

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:: Network Engineering Services

Inacomp's engineers are capable of completing large-scale hardware and software integration projects on time and within budget. Our service contracts provide you guaranteed onsite response or telephone support within a specified time frame.

Desktop Standardization and Deployments

- Software Configuration, Load and Test
- Ensure Component Compatibility
- Store Images for Future Deployments
- Remote Network Management
- Maintenance Contracts

LAN & WAN Design

- Firewalls and Security
- VPN Design and Deployment
- Email Systems
- Fax Servers
- Router Configuration
- Network Design & Support
- Virus / Worm Protection

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Russell M. Smith, CHA

704 Bluefish Drive, Panama City Beach, Florida 32411 (850) 258-2001

Employment History

Vice President-Royal American Hospitality, Panama City Beach, FL

760 rooms and condominiums, including the Boardwalk Beach Resort, Howard Johnson Bayside, and the Top of the Gulf Condominiums. 35,000 sq. ft. of convention space, with 8 restaurants and bars. Host to nationally televised events such as the Ironman Florida Triathlon and WCW Monday Nitro. \$14 million in annual sales volume.

General Manager – Ocean Dunes Resort & Villas, Myrtle Beach, SC

400-room hotel and condominium resort with five separate rooms buildings, five pools, 15,000 sq. ft. conference center, full service health club with 350+ membership, restaurant, lounge, pool bar, golf shop and gift shop. Additionally responsible for the Sales & Catering Department for the adjacent Sand Dunes Resort, for a total for 700 rooms.

General Manager - Lake Lanier Islands Hilton Golf Resort, Lake Lanier Islands, GA

224-room resort hotel and conference center on a 1200-acre island 45 minutes from downtown Atlanta. Features include 14,000 sq. ft. of interior banquet space plus 65,000 sq. ft. of pavilion style catering and event space, 18-hole golf course, 3 restaurants, waterpark attraction with annual attendance of 375,000, fleet of 120 rental boats, equestrian program, and a 300-site campground.

General Manager - Milford Plaza Hotel, New York, NY

1300-room transient/FIT hotel in midtown Manhattan, the second largest Ramada hotel in the world. Annual room sales of \$36 million.

General Manager - Maggie Valley Resort & Country Club, Maggie Valley, NC

Upper mid-scale golf resort with sales totaling \$4 million. Country Club membership of 350.

General Manager - Ramada Ocean Forest Resort, Myrtle Beach, SC

206-unit oceanfront all-suite condominium resort hotel. Managed all operations including the condominium homeowners association.

General Manager - Quality Inn & Conference Center, Jacksonville, FL

21-acre, 300-room full service conference and convention facility. Featured a 350-seat high energy lounge, 220-seat restaurant, 50-room concierge building, 12,000 square feet of convention/banquet space, 9,000 square feet of meeting/ board rooms and an 80-seat amphitheater

General Manager - Holiday Inn Ocean Front, Jacksonville Beach, FL

150-room property with 100-seat restaurant and 125-seat rooftop lounge. The Hotel was ranked 93rd in Lodging Hospitality Magazine's top 400 profit performers for 1984.

Associations

- Bay County Tourist Development Council, Board member, 1998-2005
- Bay County Tourist Development Council, Marketing Committee Vice-Chairman, 1999-2001
- Bay County Tourist Development Council, Spring Break Committee Chairman, 1999-2001
- Northeast U.S. Ramada Managers Association, President, 1996
- Great Smoky Mountain Golf Resorts Association, President, 1992,1993
- South Carolina Ramada Managers Association, President, 1989
- Jacksonville, FL Tourism Development Council, Board Member, 1985-1987
- Florida's First Coast Hotel and Motel Association, President, 1986
- Jacksonville Beach Hotel and Motel Association, President, 1983, 1984

Education

Cornell University School of Hotel Administration, Bachelor of Science, 1981
Certified Hotel Administrator



TO: Florida Public Service Commission

FR: Russell M. Smith
Vice President
Royal American Hospitality, Inc.



DT: Wednesday, March 30, 2005

RE: APPLICATION FOR STS LICENSE, FINANCIAL STATEMENTS

Please find attached the financial statements for the past 2 years plus 11 months of the current year ending March 31, 2005 for Resort Hospitality Enterprises, Ltd. (DBA the Boardwalk Beach Resort) (RHE) and Royal American Hospitality, Inc (RAH). These two entities make up the ownership and management of the Boardwalk Beach Resort, which is now completing the first of four 250+ unit condominium towers in Panama City Beach, Florida. RHE is the developer and owner of the community property, undeveloped land, and the telephone system for the project. RAH is the management company and general partner of RHE. As you can see from RHE's balance sheet, the company has assets totaling over \$15 million even after the current condominium tower is completed and the units closed. RAH has been in the Hotel and Condominium rental business since 1993 and currently operates 370 condominiums units in 5 locations, 400 hotel rooms in 2 locations, and 3 Community Associations.

It is our desire to offer the condominium owners the option to receive telephone service through a central switch, rather than paying for a dedicated outside line. This will allow for billable long distance usage for renters, unit to unit dialing, wake-up call service, etc. These units will primarily be used for rentals.

Thank you for your assistance with this matter.

ROYAL AMERICAN HOSPITALITY
Balance Sheet
February 28, 2005

ASSETS

	Current Month	Prior Month	Last FY End
ASSETS			
Cash & Interest Bearing Deposits	\$ 242,133	\$ 341,721	\$ 121,064
Restricted Deposits	532,886	272,365	563,038
Guest Ledger	31,549	0	0
City Ledger	6,980	1,915	7,527
Other Receivables	5,691	3,361	173,917
Prepays & Other Assets	20,535	16,744	16,349
TOTAL ASSETS	<u>\$ 839,773</u>	<u>\$ 636,106</u>	<u>\$ 881,895</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

LIABILITIES

Accounts Payable	\$ 61,587	\$ 60,446	\$ 101,935
Owners Portion Payable	102,873	70,484	221,860
Accrued Liabilities	23,155	19,503	35,363
Other Liabilities	143,008	4,115	174,395
Advance Deposits	82,789	(4,485)	176,576
Misc Current Liabilities	56,788	112,511	37,152
TOTAL LIABILITIES	<u>\$ 470,199</u>	<u>\$ 262,575</u>	<u>\$ 747,282</u>

STOCKHOLDER'S EQUITY

Capital Stock Common	\$ 100	\$ 100	\$ 100
Additional Paid in Capital	10,961	10,961	10,961
Retained Earnings	123,552	123,552	123,552
Current Year Profit (Loss)	234,961	238,917	0
TOTAL STOCKHOLDERS EQUITY	<u>\$ 369,574</u>	<u>\$ 373,531</u>	<u>\$ 134,613</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 839,773</u>	<u>\$ 636,106</u>	<u>\$ 881,895</u>

ROYAL AMERICAN HOSPITALITY
Statement of Operations
February 28, 2005

	Current Actual	Current Budget	Current Last Year	YTD Actual	YTD Budget	YTD Last Year
REVENUE						
Gross Room Revenue	191,186	156,731	134,563	2,915,021	2,775,432	2,387,281
Less: Owners Portion of Rentals	<u>142,967</u>	<u>117,548</u>	<u>100,932</u>	<u>2,183,884</u>	<u>2,081,573</u>	<u>1,763,611</u>
Net Room Revenue	<u>48,219</u>	<u>39,183</u>	<u>33,631</u>	<u>731,136</u>	<u>693,859</u>	<u>623,670</u>
Housekeeping Revenue	8,574	8,457	7,405	373,348	368,132	253,506
Maintenance Revenue	14,976	4,350	4,824	142,504	102,055	87,782
Telephone Revenue	52	309	488	27,744	26,540	26,484
Accounting Revenue	4,885	0	0	18,430	0	0
Other Income	<u>2,303</u>	<u>3,690</u>	<u>2,501</u>	<u>95,524</u>	<u>93,771</u>	<u>85,678</u>
Total Revenue	79,008	55,989	48,849	1,388,687	1,284,357	1,077,120
DEPARTMENTAL EXPENSES						
Rooms Expense	17,935	11,981	11,037	174,297	159,205	143,367
Housekeeping Expenses	15,568	22,856	14,041	353,259	374,752	266,410
Maintenance Expenses	14,324	5,713	6,935	145,691	114,290	104,049
Telephone Expenses	540	278	170	6,546	2,285	8,495
Other Income Costs	<u>1,315</u>	<u>1,384</u>	<u>285</u>	<u>58,135</u>	<u>60,253</u>	<u>48,955</u>
Total Cost of Sales	49,681	42,212	32,469	737,928	710,785	571,277
DEPARTMENTAL GROSS PROFIT						
Rooms Gross Profit	30,284	27,202	22,593	556,839	534,654	480,303
Housekeeping Gross Profit	(6,994)	(14,399)	(6,636)	20,089	(6,620)	(12,904)
Maintenance Gross Profit	652	(1,363)	(2,110)	(3,187)	(12,235)	(16,267)
Telephone Gross Profit	(488)	31	318	21,199	24,255	17,989
Accounting Gross Profit	4,885	0	0	18,430	0	0
Other Income Gross Profit	<u>988</u>	<u>2,306</u>	<u>2,216</u>	<u>37,389</u>	<u>33,518</u>	<u>36,723</u>
Total Departmental Gross Profit	29,327	13,777	16,380	650,759	573,572	505,843
ATING EXPENSES						
Insurance-Property	409	511	409	2,452	5,624	4,498
Licenses and Permits	180	0	50	1,210	0	342
Travel Agent Commission	357	247	767	9,328	4,668	4,196
License and Permits - Do Not Us	0	30	0	0	330	0
Uniform Expense	26	100	22	279	1,100	721
Promo Material	0	0	0	0	0	57
Bank Service Charges	5	0	10	845	0	165
Security	600	0	300	4,200	0	1,800
Merchant Billings	3,038	2,930	2,519	67,416	61,669	51,334
Cash Over/Short	0	0	625	6,048	0	6,240
Recording & Filing	0	0	0	159	0	159
Utilities	2,304	4,000	3,456	42,781	44,000	39,102
Legal Expense	0	0	0	180	0	0
Office Supplies/Exp	638	175	543	4,030	1,925	1,863
Postage & Freight	0	0	340	914	0	340
Rent-Bldg&Parking Lot	15,431	15,800	12,116	160,893	173,800	155,216
Contract Services	1,369	0	0	3,837	0	0
Bad Debts	0	0	141	6,534	0	17,743
Misc. Expense	<u>926</u>	<u>100</u>	<u>58</u>	<u>16,693</u>	<u>1,100</u>	<u>2,773</u>
Total Operating Expenses	25,284	23,893	21,354	327,798	294,216	286,546
NET INCOME BEFORE ALLOCATIONS	4,043	(10,116)	(4,974)	322,961	279,356	219,297
Marketing Allocation	3,500	3,500	3,500	38,500	38,500	38,500
Reservation Allocation	2,000	2,000	1,500	22,000	22,000	16,500
Accounting Allocation	<u>2,500</u>	<u>2,500</u>	<u>1,500</u>	<u>27,500</u>	<u>27,500</u>	<u>16,500</u>
NET INCOME	(3,957)	(18,116)	(11,474)	234,961	191,356	147,797

	Current Actual	Current Budget	Current Last Year	YTD Actual	YTD Budget	YTD Last Year
DEPARTMENTAL EXPENSES						
FICA Expense	2,516	1,349	1,468	23,524	16,821	19,632
Group Insurance	949	1,000	1,126	12,847	11,000	5,437
Salaries-Manager	3,788	1,848	1,794	24,946	22,044	33,086
Salaries-Front Desk	10,682	7,784	6,650	112,980	109,340	85,212
Rooms Departmental Expenses	17,935	11,981	11,037	174,297	159,205	143,367
FICA Expense	635	684	1,047	33,375	24,329	25,387
Salaries-Housekeeping	9,597	6,160	6,663	211,061	218,959	163,683
Cleaning Supplies	973	3,690	1,412	17,958	40,557	16,029
Laundry	4,363	12,322	4,920	90,865	90,907	61,311
Housekeeping Departmental Exp	15,568	22,856	14,041	353,259	374,752	266,410
FICA Expense	767	209	406	5,005	3,653	5,031
Salaries-Maintenance	678	0	0	678	0	0
Salaries-Maintenance	0	1,879	2,511	28,021	32,864	31,713
Maint. Supplies	1,034	580	380	11,580	6,334	5,649
Maint. Supplies-Billable	11,844	3,045	3,638	100,407	71,439	60,965
Equipment Rental	0	0	0	0	0	691
Maintenance Departmental Exp	14,324	5,713	6,935	145,691	114,290	104,049
Cost of Sales - Telephone	540	278	170	6,546	2,285	8,495
Telephone Departmental Exp	540	278	170	6,546	2,285	8,495
Other Cost	1,315	1,384	285	58,135	60,253	48,955
Other Income Departmental Expenses	1,315	1,384	285	58,135	60,253	48,955
Total Departmental Expenses	49,681	42,212	32,469	737,928	710,785	571,277

ROYAL AMERICAN HOSPITALITY
Balance Sheet
March 31, 2004

ASSETS

	Current Month	Prior Month	Last FY End
ASSETS			
Cash	\$ 684,100	\$ 408,458	\$ 317,674
Accounts Receivable	7,546	2,599	80
Owners Receivable	\$ 2,387	\$ 6,909	\$ 7,851
Prepaid Expenses	\$ 14,197	\$ 11,005	\$ 15,607
Trust Receivable	<u>\$ (483)</u>	<u>\$ (483)</u>	<u>\$ 0</u>
TOTAL ASSETS	<u>\$ 707,747</u>	<u>\$ 428,488</u>	<u>\$ 341,212</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

LIABILITIES			
Advance Deposits	\$ 176,576	\$ 139,568	\$ 114,175
Accounts Payable	101,935	32,835	89,544
Owners Checks Payable	224,070	93,365	119,043
Sales Tax Payable	35,363	14,434	18,396
Accounts Payable - Travel Agents	173	762	56
Other Liabilities	<u>37,152</u>	<u>(432)</u>	<u>0</u>
TOTAL LIABILITIES	<u>\$ 575,269</u>	<u>\$ 280,532</u>	<u>\$ 341,212</u>
STOCKHOLDER'S EQUITY			
Current Year Retained Earnings	\$ 132,478	\$ 147,956	\$ 0
Prior Year Retained Earnings	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL EQUITY	<u>\$ 132,478</u>	<u>\$ 147,956</u>	<u>\$ 0</u>
TOTAL LIABILITIES & EQUITY	<u><u>\$ 707,747</u></u>	<u><u>\$ 428,488</u></u>	<u><u>\$ 341,212</u></u>

ROYAL AMERICAN HOSPITALITY
Statement of Operations
For the Periods Ending
March 31, 2004

	Current Actual	Current Budget	Current Last Year	YTD Actual	YTD Budget	YTD Last Year
REVENUE						
Room Revenue	314,695	135,896	189,294	2,701,976	2,284,664	2,042,07
Housekeeping Revenue	25,165	18,248	13,959	278,671	278,027	204,95
Maintenance Revenue	5,730	8,740	10,762	93,512	65,900	68,63
Telephone Revenue	378	699	(2,644)	26,862	39,437	17,93
Other Income	<u>9,407</u>	<u>5,842</u>	<u>3,282</u>	<u>95,085</u>	<u>75,444</u>	<u>77,28</u>
Total Revenue	355,375	169,425	214,654	3,196,106	2,743,472	2,410,86
DEPARTMENTAL EXPENSES						
Rooms Expense (Owners Share)	236,272	100,789	142,983	1,999,883	1,685,825	1,541,22
Housekeeping Expenses	63,640	25,339	21,778	330,050	295,949	250,51
Maintenance Expenses	7,995	6,436	5,343	112,045	62,924	58,27
Telephone Expenses	842	277	0	9,338	3,211	12,61
Other Income Costs	<u>3,812</u>	<u>4,695</u>	<u>0</u>	<u>52,767</u>	<u>58,211</u>	<u>31,77</u>
Total Cost of Sales	312,561	137,536	170,104	2,504,082	2,106,120	1,894,40
DEPARTMENTAL GROSS PROFIT						
Rooms Gross Profit	78,423	35,107	46,311	702,093	598,839	500,85
Housekeeping Gross Profit	(38,475)	(7,091)	(7,819)	(51,379)	(17,922)	(45,56)
Maintenance Gross Profit	(2,266)	2,304	5,420	(18,533)	2,976	10,36
Telephone Gross Profit	(465)	422	(2,644)	17,524	36,226	5,32
Other Income Gross Profit	<u>5,595</u>	<u>1,147</u>	<u>3,282</u>	<u>42,319</u>	<u>17,233</u>	<u>45,50</u>
Total Departmental Gross Profit	42,814	31,889	44,550	692,024	637,352	516,48
PAYROLL						
Management	1,916	3,994	3,254	35,001	47,026	37,41
Front Desk	12,643	7,626	6,653	97,856	93,002	86,74
Security	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,53</u>
Total Salaries & Wages	14,559	11,620	9,907	132,857	140,028	125,65
Payroll Taxes	1,486	2,047	4,435	21,118	24,655	48,15
Group Insurance	<u>1,254</u>	<u>0</u>	<u>645</u>	<u>6,691</u>	<u>0</u>	<u>3,18</u>
Total Payroll Expense	17,299	13,667	14,987	160,667	164,683	177,07
OPERATING EXPENSES						
Insurance Expense	409	400	0	4,907	4,800	2,56
Travel Agent Commission	1,394	136	317	5,589	2,285	1,85
License & Permits	73	100	50	415	1,200	1,06
Uniforms	28	50	44	748	600	86
Printing & Stationaries	0	0	43	0	0	1,81
Promotional Materials	0	0	0	57	0	(6
Bank Charges	0	0	10	165	0	75
Credit Card Chargeback	0	0	0	0	0	60
Security	300	0	0	2,100	0	3,30
Merchant Discounts	4,589	2,922	4,176	55,922	49,119	45,28
Cash Over/Short	(164)	0	2,444	6,076	0	(4
Utilities	3,428	4,900	2,933	42,530	58,800	43,80
Office Supplies Exp.	119	250	269	1,982	3,000	4,41
Postage & Freight	0	0	0	340	0	11
Office Rent	13,018	12,680	11,500	168,233	160,605	135,22
Contract Services	0	0	0	0	0	8,21
Bad Debts	11,000	0	0	28,743	0	11
Misc. Expense	<u>300</u>	<u>250</u>	<u>624</u>	<u>3,073</u>	<u>3,000</u>	<u>7,30</u>
Total Operating Expenses	34,493	21,688	22,411	320,880	283,409	257,10
NET INCOME BEFORE ALLOCATIONS	(8,978)	(3,466)	7,151	210,478	189,260	82,20
Marketing Allocation	3,500	3,500	0	42,000	42,000	48,00
Reservation Allocation	1,500	1,500	0	18,000	18,000	18,00

	Current Actual	Current Budget	Current Last Year	YTD Actual	YTD Budget	YTD Last Year
Accounting Allocation	<u>1,500</u>	<u>1,500</u>	<u>0</u>	<u>18,000</u>	<u>18,000</u>	<u></u>
NET INCOME	<u>(15,478)</u>	<u>(9,966)</u>	<u>7,151</u>	<u>132,478</u>	<u>111,260</u>	<u>34,21</u>

DEPARTMENTAL EXPENSES

Owners Portion of Rentals	<u>236,272</u>	<u>100,789</u>	<u>142,983</u>	<u>1,999,883</u>	<u>1,685,825</u>	<u>1,541,21</u>
Rooms Departmental Expenses	<u>236,272</u>	<u>100,789</u>	<u>142,983</u>	<u>1,999,883</u>	<u>1,685,825</u>	<u>1,541,21</u>
Payroll Taxes	3,702	0	0	29,089	0	
Salaries - Front Desk/Hsking	31,006	19,687	18,349	194,690	235,469	196,41
Housekeeping/Cleaning Supplie	2,138	1,109	1,142	18,167	13,103	15,61
Linen Expense	0	0	0	0	0	11
Laundry	<u>26,793</u>	<u>4,543</u>	<u>2,287</u>	<u>88,103</u>	<u>47,377</u>	<u>38,31</u>
Housekeeping Departmental Exp	<u>63,640</u>	<u>25,339</u>	<u>21,778</u>	<u>330,050</u>	<u>295,949</u>	<u>250,51</u>
Payroll Taxes	239	0	0	5,270	0	
Salaries-Maintenance	0	0	2,002	0	0	11,01
Salaries - Maintenance	2,587	2,945	0	34,300	34,675	8,61
Maint. Supplies - Unbillable	1,010	432	186	6,659	5,184	1,81
Maint Supplies - Billable	4,159	3,059	2,463	65,124	23,065	30,91
Equipment Rental	<u>0</u>	<u>0</u>	<u>691</u>	<u>691</u>	<u>0</u>	<u>5,71</u>
Maintenance Departmental Exp	<u>7,995</u>	<u>6,436</u>	<u>5,343</u>	<u>112,045</u>	<u>62,924</u>	<u>58,21</u>
Telephone Cost Of Sales	<u>842</u>	<u>277</u>	<u>0</u>	<u>9,338</u>	<u>3,211</u>	<u>12,61</u>
Telephone Departmental Exp	<u>842</u>	<u>277</u>	<u>0</u>	<u>9,338</u>	<u>3,211</u>	<u>12,61</u>
Cost of Sales- Registration F	<u>3,812</u>	<u>4,695</u>	<u>0</u>	<u>52,767</u>	<u>58,211</u>	<u>31,71</u>
Other Income Departmental Expenses	<u>3,812</u>	<u>4,695</u>	<u>0</u>	<u>52,767</u>	<u>58,211</u>	<u>31,71</u>
Total Departmental Expenses	<u>312,561</u>	<u>137,536</u>	<u>170,104</u>	<u>2,504,082</u>	<u>2,106,120</u>	<u>1,894,40</u>

ROYAL AMERICAN HOSPITALITY
Balance Sheet
March 31, 2003

<u>ASSETS</u>			
	Current Month	Prior Month	Last FY End
ASSETS			
Cash	\$ 317,674	\$ 217,832	\$ 356,457
Accounts Receivable	80	2,850	9,504
Owners Receivable	\$ 7,851	\$ 10,107	\$ 110
Prepaid Expenses	\$ 15,607	\$ 9,707	\$ 2,185
Trust Receivable	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL ASSETS	<u>\$ 341,212</u>	<u>\$ 240,496</u>	<u>\$ 368,256</u>
 <u>LIABILITIES AND STOCKHOLDER'S EQUITY</u>			
LIABILITIES			
Advance Deposits	\$ 114,175	\$ 94,566	\$ 106,574
Accounts Payable	89,544	65,101	133,765
Owners Checks Payable	119,043	71,113	111,274
Sales Tax Payable	18,396	10,684	18,821
Accounts Payable - Travel Agents	56	0	0
Refunds Payable	<u>0</u>	<u>(968)</u>	<u>0</u>
TOTAL LIABILITIES	<u>\$ 341,212</u>	<u>\$ 240,496</u>	<u>\$ 370,434</u>
 STOCKHOLDER'S EQUITY			
Current Year Retained Earnings	\$ 0	\$ 0	\$ 75
Prior Year Retained Earnings	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,938</u>
TOTAL EQUITY	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,013</u>
 TOTAL LIABILITIES & EQUITY	 <u>\$ 341,212</u>	 <u>\$ 240,496</u>	 <u>\$ 374,447</u>

ROYAL AMERICAN HOSPITALITY
Statement of Operations
For the Periods Ending
March 31, 2003

	Current Actual	Current Budget	Current Last Year	YTD Actual	YTD Budget	YTD Last Year
REVENUE						
Room Revenue	189,294	163,158	186,381	2,042,076	1,709,709	472,515
Housekeeping Revenue	13,959	24,192	13,235	204,955	170,964	45,890
Maintenance Revenue	10,762	3,250	4,731	68,639	39,450	19,662
Telephone Revenue	(2,644)	6,855	734	17,936	71,797	5,087
Other Income	<u>3,282</u>	<u>6,843</u>	<u>5,326</u>	<u>77,280</u>	<u>85,315</u>	<u>28,136</u>
Total Revenue	214,654	204,298	210,407	2,410,885	2,077,235	571,290
DEPARTMENTAL EXPENSES						
Rooms Expense (Owners Share)	142,983	119,946	135,892	1,541,225	1,261,326	336,150
Housekeeping Expenses	21,778	25,536	18,729	250,516	222,525	54,928
Maintenance Expenses	5,343	2,800	2,744	58,274	32,800	18,793
Telephone Expenses	2,602	6,169	3,884	46,653	64,612	11,590
Other Income Costs	<u>0</u>	<u>3,222</u>	<u>1,245</u>	<u>31,775</u>	<u>40,059</u>	<u>10,781</u>
Total Cost of Sales	172,706	157,673	162,494	1,928,442	1,621,322	432,242
DEPARTMENTAL GROSS PROFIT						
Rooms Gross Profit	46,311	43,212	50,490	500,851	448,383	136,366
Housekeeping Gross Profit	(7,819)	(1,344)	(5,494)	(45,561)	(51,561)	(9,038)
Maintenance Gross Profit	5,420	450	1,987	10,365	6,650	869
Telephone Gross Profit	(5,246)	686	(3,150)	(28,717)	7,185	(6,503)
Other Income Gross Profit	<u>3,282</u>	<u>3,621</u>	<u>4,081</u>	<u>45,505</u>	<u>45,256</u>	<u>17,356</u>
Total Departmental Gross Profit	41,948	46,625	47,914	482,443	455,913	139,048
ROLL						
Management	3,254	5,000	0	37,410	60,000	0
Front Desk	6,653	5,100	3,241	86,748	60,462	27,502
Security	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,537</u>	<u>0</u>	<u>0</u>
Total Salaries & Wages	9,907	10,100	3,241	125,695	120,462	27,502
Payroll Taxes	4,435	0	2,378	48,194	0	10,465
Group Insurance	<u>645</u>	<u>0</u>	<u>0</u>	<u>3,188</u>	<u>0</u>	<u>0</u>
Total Payroll Expense	14,987	10,100	5,619	177,078	120,462	37,967
OPERATING EXPENSES						
Insurance Expense	0	0	0	2,562	0	0
Travel Agent Commission	317	0	0	1,850	0	0
License & Permits	50	0	0	1,087	0	372
Uniforms	44	0	0	887	0	0
Printing & Stationaries	43	0	0	1,817	0	404
Promotional Materials	0	0	0	(67)	0	4,540
Bank Charges	10	50	53	750	600	106
Credit Card Chargeback	0	0	0	661	0	0
Security	0	300	300	3,300	3,600	3,600
Merchant Discounts	4,176	0	2,555	45,283	0	9,137
Cash Over/Short	2,444	0	(1,342)	(435)	0	543
Utilities	331	1,050	425	9,823	12,600	5,100
Office Supplies Exp.	269	125	624	4,456	1,500	3,408
Postage & Freight	0	50	39	162	600	75
Office Rent	11,500	12,316	11,629	135,216	141,171	23,201
Contract Services	0	0	1,378	8,253	0	2,498
Bad Debts	0	0	(215)	158	0	2,176
Misc. Expense	<u>624</u>	<u>0</u>	<u>0</u>	<u>7,342</u>	<u>0</u>	<u>2,970</u>
Total Operating Expenses	19,809	13,891	15,445	223,106	160,071	58,130
NET INCOME BEFORE MGT FEE	7,151	22,634	26,849	82,259	175,380	42,951
Management Fees	7,151	15,934	25,289	34,259	94,928	35,316
Marketing Allocation	<u>0</u>	<u>6,000</u>	<u>1,560</u>	<u>48,000</u>	<u>72,000</u>	<u>7,560</u>
NET INCOME	0	700	0	0	8,452	75

	Current Actual	Current Budget	Current Last Year	YTD Actual	YTD Budget	YTD Last Year
DEPARTMENTAL EXPENSES						
Owners Portion of Rentals	<u>142,983</u>	<u>119,946</u>	<u>135,892</u>	<u>1,541,225</u>	<u>1,261,326</u>	<u>336,150</u>
Rooms Departmental Expenses	142,983	119,946	135,892	1,541,225	1,261,326	336,150
Salaries - Front Desk/Hsking	18,349	21,504	10,990	196,409	178,814	41,904
Housekeeping/Cleaning Supplie	1,142	0	6,517	15,660	0	7,952
Linen Expense	0	0	0	100	0	0
Laundry	<u>2,287</u>	<u>4,032</u>	<u>1,223</u>	<u>38,347</u>	<u>43,711</u>	<u>5,073</u>
Housekeeping Departmental Exp	21,778	25,536	18,729	250,516	222,525	54,928
Salaries-Maintenance	2,002	0	0	11,059	0	0
Salaries - Maintenance	0	0	175	8,687	0	1,190
Maint. Supplies - Unbillable	186	0	134	1,829	0	1,470
Maint Supplies - Billable	2,463	2,500	1,053	30,920	29,200	14,751
Equipment Rental	<u>691</u>	<u>300</u>	<u>1,382</u>	<u>5,779</u>	<u>3,600</u>	<u>1,382</u>
Maintenance Departmental Exp	5,343	2,800	2,744	58,274	32,800	18,793
Telephone Cost Of Sales	0	6,169	622	12,611	64,612	5,137
Utilities	<u>2,602</u>	<u>0</u>	<u>3,263</u>	<u>34,042</u>	<u>0</u>	<u>6,453</u>
Telephone Departmental Exp	2,602	6,169	3,884	46,653	64,612	11,590
Cost of Sales- Registration F	<u>0</u>	<u>3,222</u>	<u>1,245</u>	<u>31,775</u>	<u>40,059</u>	<u>10,781</u>
Other Income Departmental Expenses	0	3,222	1,245	31,775	40,059	10,781
Total Departmental Expenses	172,706	157,673	162,494	1,928,442	1,621,322	432,242

**BOARDWALK BEACH RESORT
PROFIT / LOSS STATEMENT
February 28, 2005**

	Current Activity	Current Budget	Same Month Last Year	YTD Activity	YTD Budget	YTD Last Year
Total Rooms Occupied	2,345	2,463	1,956	43,965	44,537	\$ 1,170,733 43,103
REVENUE						
Rooms	138,837	145,703	117,326	3,975,027	4,106,759	3,816,537
Food	100,860	68,190	76,951	1,388,720	1,219,665	1,179,312
Beverage	19,357	16,600	18,489	204,280	178,650	176,024
Telephone	7,559	6,508	7,049	92,137	78,722	54,849
Recreation				8,500	8,500	8,500
Other Income	11,258	7,359	5,116	129,120	112,891	113,778
TOTAL REVENUES	277,871	244,360	224,931	5,797,784	5,705,187	5,349,000
DEPARTMENTAL EXPENSES						
Rooms	80,334	77,484	70,192	1,183,919	1,190,230	1,158,787
Food	88,249	59,336	63,823	959,959	884,591	845,510
Beverage	13,911	13,994	15,300	168,517	158,217	140,947
Telephone	468	1,952	(893)	13,171	23,616	4,139
Recreation				8,339	12,762	8,739
Other Income						
Total Departmental Expenses	182,962	152,766	148,423	2,333,905	2,269,416	2,158,122
DEPARTMENTAL PROFIT						
Rooms	58,503	68,219	47,134	2,791,108	2,916,529	2,657,750
Food	12,611	8,854	13,128	428,761	335,074	333,802
Beverage	5,446	2,606	3,189	35,763	20,433	35,077
Telephone	7,091	4,556	7,942	78,966	55,106	50,710
Recreation				161	(4,262)	(239)
Other Income	11,258	7,359	5,116	129,120	112,891	113,778
Total Department Profit	94,909	91,594	76,509	3,463,879	3,435,771	3,190,878
OPERATING EXPENSES						
Administrative and General	58,676	61,139	60,427	828,232	780,859	774,463
Information Technology	15,933	14,652	10,895	193,009	162,905	123,797
Sales and Marketing	26,494	20,898	19,483	372,578	404,204	351,510
Maintenance	58,476	46,468	43,951	590,734	581,696	568,803
Heat, Light & Power	37,329	36,774	36,246	519,000	510,803	503,467
Security	9,137	6,910	7,652	111,660	113,601	85,396
Insurance	35,574	20,167	19,982	175,880	221,837	222,281
Property Taxes	794	24,500	24,477	186,149	269,500	269,248
Franchise Fees	20,900	21,553	21,239	238,371	237,083	237,435
Management Fees	6,222	7,331	6,849	178,371	171,156	168,015
Total Operating Expenses	269,535	260,392	251,201	3,393,984	3,453,644	3,304,415
Net Operating Inc (Loss)	(174,626)	(168,798)	(174,692)	69,895	(17,873)	(113,537)
Mortgage Expense	88,433	62,500	62,243	779,688	687,500	689,613
Capital Leases						
F F & E Reserve	27,662	42,098	9,660	285,563	300,000	472,941
Casualty Loss - Hurricanes				37,635		2,094
TOTAL FIXED EXPENSES	114,095	104,598	71,903	1,102,886	987,500	1,164,648
Net Income (Loss)	(288,721)	(273,396)	(246,595)	(1,032,991)	(1,005,373)	(1,278,185)

BOARDWALK BEACH RESORT
BALANCE SHEET
February 28, 2005

	Current Balance	PRIOR MONTH	Last FY End
CURRENT ASSETS			
Cash On Hand	119,631	78,931	100,000
Cash Operating	<u>354,086</u>	<u>214,194</u>	<u>801,370</u>
Total Cash	473,717	293,125	901,370
ESCROWED CASH			
Cash-Condo Dev Acct	13,178	13,178	195,956
Cash-Construction Acct	2,012	48,318	2,464
Tax & Insur Escrow	121	121	271
FFE Replace Escrow	858	858	858
Cash-Escrow Account	2,000	2,000	
Earnest Money Deposits	<u>2,459,284</u>	<u>2,459,284</u>	<u>3,367,037</u>
Total Escrowed Cash	2,477,452	2,523,758	3,566,585
RECEIVABLES:			
Guest Ledger	(47,937)	320	(2,555)
City Ledger	(46,647)	94,167	300,413
Other Receivables	91,719	87,647	228,049
Allowance for Bad Debts	<u>37,434</u>	<u>39,537</u>	<u>(198)</u>
Total Receivables	34,569	221,670	525,710
INVENTORIES:			
Linen Supplies	114,438	114,438	114,438
Food Inventory	36,870	34,375	29,593
Beverage Inventory	34,429	31,077	38,497
Uniform Inventory	<u>27,329</u>	<u>27,329</u>	<u>30,773</u>
Total Inventories	213,064	207,218	213,301
PREPAID EXPENSES:			
Refundable Deposits	2,500	2,500	2,500
Prepaid Sales Tax	8,200	2,200	61,000
Prepaid Insurance	32,089	74,505	
Prepaid Other Exp	<u>71,373</u>	<u>55,057</u>	<u>95,509</u>
Total Prepaid Expenses	114,162	134,261	159,009
TOTAL CURRENT ASSETS	3,312,965	3,380,033	5,365,974
FIXED ASSETS:			
Land & Improvements	2,752,140	2,752,140	2,752,140
Buildings	5,434,176	5,434,176	5,434,176
Building Improvements	4,076,943	4,076,943	4,076,943
Furn, Fixt, & Equipment	3,246,097	3,218,435	2,960,534
Vehicles	39,232	39,232	39,232
WIP-Condos	50,881,883	48,412,054	21,482,126
Accum Depreciation	<u>(4,836,287)</u>	<u>(4,788,019)</u>	<u>(4,290,174)</u>
TOTAL FIXED ASSETS	61,594,185	59,144,962	32,454,978
OTHER ASSETS:			
Loan Costs-Net	116,974	120,047	722,195
Franchise Fees-Net	29,859	30,053	31,992
Notes Receivable - PFP Holdings, Inc.	<u>932,720</u>	<u>1,132,720</u>	<u>1,432,720</u>
TOTAL OTHER ASSETS	1,079,446	1,282,819	2,186,906
TOTAL ASSETS	<u>65,986,596</u>	<u>63,807,814</u>	<u>40,007,858</u>

March 11, 2005

**BOARDWALK BEACH RESORT
BALANCE SHEET
February 28, 2005**

	Current Balance	PRIOR MONTH	Last FY End
CURRENT LIABILITIES			
PAYABLES:			
Accounts Payable	915,209	689,114	878,514
Subcontractor Payable	2,108,034	1,740,700	1,732,280
Retainage Payable	3,029,124	2,918,173	1,364,183
Payroll Payable	4,184	9,422	1,535
Sales Tax Payable	20,951	4,537	132,032
Refunds Payable	1,998	762	
Deposits Payable	221,045	130,728	177,543
Due To Developer	588,618	469,144	
Customer EMD Deposits	9,139,284	9,139,284	7,767,037
Other Liabilities	<u>13,178</u>	<u>13,178</u>	<u>195,961</u>
Total Payables	16,041,625	15,115,043	12,249,085
ACCRUED:			
Accrued Interest	1,525,533	1,445,405	954,975
Accrued Payroll	63,281	123,365	136,557
Accrued Property Taxes	45,980	246,952	55,607
Accrued Expenses	<u>9,135</u>	<u></u>	<u>3,039</u>
Total Accrued	1,643,929	1,815,721	1,150,178
Total Current Assets	17,685,553	16,930,764	13,399,262
LONG TERM LIABILITIES			
N/P- Whitney Bank	20,000,000	20,000,000	20,000,000
N/P- Whitney Bank(Condos)	31,767,944	29,945,485	7,965,729
N/P- PFP Holding, Inc.			200,000
N/P- Joseph F Chapman III	2,500,000	2,500,000	2,500,000
N/P- Anne S Reich	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>
Total Long Term Liabilities	57,767,944	55,945,485	34,165,729
TOTAL LIABILITIES	75,453,497	72,876,249	47,564,991
PARTNERS' CAPITAL			
Capital- Royal Am Hospitality	(92,604)	(92,604)	(92,604)
Capital-Joseph F Chapman III	(888,792)	(888,792)	(888,792)
Capital-Lisa B Reich 76 Trust	(241,664)	(241,664)	(241,664)
Capital-Hillary L Reich 76 Trust	(241,664)	(241,664)	(241,664)
Capital-Chapman Associates	(111,865)	(111,865)	(111,865)
Capital-PFP Holding, Inc.	(5,463,212)	(5,463,212)	(5,463,212)
Capital-Anne S Reich 77 Trust	(517,332)	(517,332)	(517,332)
Profit(Loss) Current Year	<u>(1,909,768)</u>	<u>(1,511,302)</u>	<u></u>
TOTAL PARTNERS EQUITY	(9,466,901)	(9,068,434)	(7,557,133)
TOTAL LIABILITIES & EQUITY	65,986,596	63,807,814	40,007,858

BOARDWALK BEACH RESORT
PROFIT / LOSS STATEMENT
March 31, 2003

	Current Activity	Current Budget	Last Year	Year to Date Actual	Year to Date Budget	Last Year
REVENUE						
Rooms	1,251,274	1,466,500	\$ 2,395,075	6,569,288	6,731,870	\$ 8,451,043
Food	87,569	29,000	144,129	1,324,381	1,053,350	1,480,995
Beverage	59,248	72,000	161,362	256,186	265,300	741,961
Telephone	706	5,138	6,032	38,202	52,955	75,479
Recreation	1,388			31,388	30,000	40,888
Other Income	30,690	75,832	121,542	201,426	219,033	245,892
Total Revenue	1,430,876	1,648,470	\$ 2,828,140	8,420,871	8,352,508	\$ 11,036,257
DEPARTMENTAL EXPENSES						
Rooms	154,571	174,891	\$ 377,159	1,715,287	1,545,955	\$ 2,075,809
Food	75,602	33,572	120,155	946,347	929,113	1,253,467
Beverage	36,713	49,830	127,280	211,807	219,870	706,009
Telephone	2,523	8,250	20,574	119,581	128,456	163,477
Recreation				12,900	18,096	44,417
Other	326			30,493		
Total Department Expense	269,735	266,543	\$ 645,168	3,036,415	2,841,490	\$ 4,243,178
DEPARTMENTAL PROFIT						
Rooms	1,096,704	1,291,609	\$ 2,017,916	4,854,001	5,185,915	\$ 6,375,234
Food	11,968	(4,572)	\$ 23,974	378,034	124,237	\$ 227,528
Beverage	22,535	22,170	\$ 34,082	44,379	45,430	\$ 35,952
Telephone	(1,817)	(3,112)	\$ (14,542)	(81,378)	(75,501)	\$ (87,998)
Recreation	1,388			18,488	11,904	\$ (3,530)
Other Income	30,365	75,832	\$ 121,542	170,933	219,033	\$ 245,892
Total Department Profit	1,161,141	1,381,927	\$ 2,182,972	5,384,456	5,511,018	\$ 6,793,079
OPERATING EXPENSES						
Administrative and General	92,070	94,456	\$ 248,442	1,084,215	1,084,550	\$ 1,428,237
Sales and Marketing	10,105	26,753	75,546	488,412	474,805	882,489
Maintenance	76,997	45,539	87,959	820,826	698,955	898,518
Heat, Light & Power	34,651	34,799	58,764	714,527	567,152	743,555
Security	18,477	15,991	64,070	164,173	118,301	213,612
Insurance	2,220	28,634	21,438	293,459	369,576	262,545
Property Taxes	24,477	21,667	61,764	288,950	260,000	302,679
Franchise Fees	20,834	70,000	59,552	171,487	250,581	208,793
Management Fees	42,915	49,266	82,564	251,920	248,545	329,511
Total Operating Expenses	322,745	387,105	\$ 760,099	4,277,968	4,072,465	\$ 5,269,940
Net Operating Income (Loss)	838,396	994,822	\$ 1,422,873	1,106,488	1,438,553	\$ 1,523,139
Mortgage Expense	59,708	109,107	\$ 130,594	1,039,243	1,309,287	\$ 1,320,001
Capital Leases		3,715	7,430	7,430	44,580	48,296
F F & E Reserve			97,000	450,000	450,000	447,000
Total	59,708	112,822	\$ 235,024	1,496,673	1,803,867	\$ 1,815,296
Net Income (Loss)	778,688	882,000	\$ 1,187,849	(390,184)	(365,314)	\$ (292,158)

**BOARDWALK BEACH RESORT
BALANCE SHEET
March 31, 2003**

	Current Balance	PRIOR MONTH	Last FY End
CURRENT ASSETS			
Cash On Hand	135,000	85,000	144,000
Cash Operating	<u>465,544</u>	<u>385,717</u>	<u>635,053</u>
Total Cash	600,544	470,717	779,053
ESCROWED CASH			
Cash-Construction Acct	500		5,138
Tax & Insur Escrow	151,539	1,583	229,304
FFE Replace Escrow	<u>858</u>	<u>858</u>	<u>89</u>
Total Escrowed Cash	152,897	2,441	234,531
RECEIVABLES:			
Guest Ledger	41,157	65,665	35,032
City Ledger	175,345	(8,456)	106,564
Other Receivables	214,085	185,589	202,198
Allowance for Bad Debts	<u>(2,500)</u>	<u>(1,306)</u>	<u>(3,401)</u>
Total Receivables	428,088	243,491	340,393
INVENTORIES:			
Linen Supplies	114,438	114,438	114,438
Food Inventory	28,040	33,693	36,623
Beverage Inventory	26,939	31,969	58,517
Merchandise Inventory		15,333	16,814
Uniform Inventory	<u>24,457</u>	<u>9,710</u>	<u>7,647</u>
Total Inventories	193,874	205,142	234,038
PREPAID EXPENSES:			
Refundable Deposits	2,500	2,500	2,500
Prepaid Sales Tax	70,000	8,100	112,984
Prepaid Insurance	6,660	8,880	12,728
Prepaid Other Exp	216,133	38,637	141,068
Prepaid Interest		<u>434,034</u>	
Total Prepaid Expenses	295,293	492,151	269,280
TOTAL CURRENT ASSETS	1,670,695	1,413,943	1,857,295
FIXED ASSETS:			
Land & Improvements	4,114,747	4,099,127	4,099,127
Buildings	10,305,320	10,036,908	10,036,908
Building Improvements	4,711,775	4,688,557	4,517,353
Furn, Fixt, & Equipment	3,816,103	3,997,133	3,467,622
Vehicles	39,832	39,832	39,832
WIP-Condos	1,583,243	1,222,504	
Accum Depreciation	<u>(5,577,789)</u>	<u>(5,492,614)</u>	<u>(4,574,066)</u>
TOTAL FIXED ASSETS	18,993,229	18,591,446	17,586,773
OTHER ASSETS:			
Loan Costs-Net	175,148	168,019	34,601
Franchise Fees-Net	34,124	34,124	33,358
Notes Receivable - PFP Holdings, Inc.	<u>1,882,720</u>	<u>1,882,720</u>	
TOTAL OTHER ASSETS	2,091,992	2,084,863	67,959
TOTAL ASSETS	<u>22,755,917</u>	<u>22,090,252</u>	<u>19,512,028</u>

**BOARDWALK BEACH RESORT
BALANCE SHEET
March 31, 2003**

	Current Balance	PRIOR MONTH	Last FY End
CURRENT LIABILITIES			
PAYABLES:			
Accounts Payable	569,750	612,257	718,739
Subcontractor Payable	139,383		
Retainage Payable	68,175		
Payroll Payable		17,379	1,226
Sales Tax Payable	151,928	(6,258)	296,338
Liquer Surcharge Payable			3,301
Refunds Payable	200	9,582	
Deposits Payable	116,312	264,485	186,146
Due To Developer	365,211		
Other Liabilities	<u>75,771</u>	<u>69,411</u>	<u>182,840</u>
Total Payables	1,486,729	966,857	1,388,590
ACCRUED:			
Accrued Interest	587,470	558,720	292,541
Accrued Payroll	52,877	16,342	198,222
Accrued Property Taxes	73,431	48,954	73,431
Accrued Expenses	<u>53,410</u>	<u>24,064</u>	<u>13,220</u>
Total Accrued	767,188	648,080	577,415
Total Current Assets	2,253,917	1,614,937	1,966,005
LONG TERM LIABILITIES			
N/P- Whitney Bank	20,000,000	20,000,000	11,254,655
N/P-PFP One Inc.	200,000	200,000	5,201,936
N/P-JFC III	2,500,000	2,500,000	2,500,000
N/P Anne Reich	3,500,000	3,500,000	2,500,000
Leases Payable		<u>(3,089)</u>	<u>672</u>
Total Long Term Liabilities	26,200,000	26,196,911	21,457,263
TOTAL LIABILITIES	28,453,917	27,811,848	23,423,268
PARTNERS' CAPITAL			
Capital- Royal Am Hospitality	(56,144)	(56,144)	(56,144)
Capital-JFC III	(296,334)	(296,334)	(296,334)
Capital-Steven Reich	30,183	30,183	30,183
Capital-AR 1997 Trust	(301,664)	(301,664)	(301,664)
Capital-PFP One, Inc.	(3,312,137)	(3,312,137)	(3,312,137)
Capital-Chapman Associates	24,855	24,855	24,855
Profit(Loss) Current Year	<u>(1,786,760)</u>	<u>(1,810,356)</u>	<u>(3,911,241)</u>
TOTAL PARTNERS EQUITY	(5,698,001)	(5,721,596)	(3,911,241)
TOTAL LIABILITIES & EQUITY	22,755,916	22,090,252	19,512,027

BOARDWALK BEACH RESORT
PROFIT / LOSS STATEMENT
 March 31, 2004

	Current Activity	Current Budget	Same Month Last Year	YTD Activity	YTD Budget	YTD Last Year
Total Rooms Occupied	7,494	7,945	7,856	50,597	52,398	\$ 1,063,716 69,328
REVENUE						
Rooms	1,094,169	1,439,550	1,251,274	4,910,896	5,440,966	6,569,288
Food	85,850	119,600	87,569	1,265,162	1,261,101	1,324,381
Beverage	60,232	91,500	59,248	236,256	253,350	256,186
Telephone	38,609	1,097	706	93,458	28,530	38,202
Recreation	1,500		1,388	10,000	7,500	31,388
Other Income	48,143	47,320	30,690	159,921	135,216	201,426
TOTAL REVENUES	1,326,493	1,699,067	1,430,875	6,675,493	7,124,663	8,420,871
DEPARTMENTAL EXPENSES						
Rooms	181,658	152,781	154,571	1,340,443	1,295,200	1,715,287
Food	71,032	85,616	75,602	916,542	950,458	946,347
Beverage	49,109	47,020	36,713	190,056	198,928	211,807
Telephone	1,874	80	2,523	6,013	2,698	119,581
Recreation				8,739	10,569	12,900
Other Income			326			30,493
Total Departmental Expenses	303,672	285,497	269,735	2,461,794	2,455,853	3,036,415
DEPARTMENTAL PROFIT						
Rooms	912,503	1,286,769	1,096,703	3,570,253	4,145,766	4,854,001
Food	14,818	33,984	11,967	348,620	310,643	378,034
Beverage	11,123	44,480	22,535	48,200	56,422	44,379
Telephone	36,735	1,017	(1,817)	87,445	23,832	(81,379)
Recreation	1,500		1,388	1,281	(3,069)	18,488
Other Income	48,143	47,320	30,364	159,921	135,216	170,933
Total Department Profit	1,022,822	1,413,570	1,161,140	4,213,700	4,668,810	5,384,456
OPERATING EXPENSES						
Administrative and General	58,892	95,730	92,070	835,448	902,995	1,084,215
Information Technology	20,545	15,530	1,209	144,342	185,690	1,209
Sales and Marketing	28,242	38,115	10,105	379,752	420,558	488,412
Maintenance	37,770	44,383	76,997	608,573	533,895	820,828
Heat, Light & Power	39,267	44,427	34,651	542,734	568,924	714,527
Security	24,743	24,482	18,477	110,139	103,512	184,173
Insurance	19,982	25,000	2,220	242,264	300,000	293,459
Property Taxes	24,477	24,500	24,477	293,725	294,000	288,950
Franchise Fees	21,837	21,500	20,834	259,072	258,000	171,487
Management Fees	39,547	50,972	42,915	207,583	213,890	251,920
Total Operating Expenses	315,102	384,639	323,955	3,621,612	3,781,464	4,279,178
Net Operating Inc (Loss)	707,720	1,028,931	837,185	592,088	887,346	1,105,278
Mortgage Expense	57,962	67,000	59,708	747,575	804,000	13,547,965
Capital Leases						3,669
F F & E Reserve	7,208		94,103	480,150	470,000	732,809
TOTAL FIXED EXPENSES	65,170	67,000	153,811	1,227,725	1,274,000	14,284,443
Net Income (Loss)	642,550	961,931	683,374	(635,637)	(386,654)	(13,179,165)

**BOARDWALK BEACH RESORT
BALANCE SHEET
March 31, 2004**

	Current Balance	PRIOR MONTH	Last FY End
CURRENT ASSETS			
Cash On Hand	100,000	70,000	135,000
Cash Operating	<u>801,370</u>	<u>38,578</u>	<u>465,544</u>
Total Cash	901,370	108,578	600,544
ESCROWED CASH			
Cash-Construction Acct	500	500	500
Tax & Insur Escrow	271	71,059	151,539
FFE Replace Escrow	<u>858</u>	<u>858</u>	<u>858</u>
Total Escrowed Cash	1,629	72,417	152,897
RECEIVABLES:			
Guest Ledger	(2,555)	(23,203)	41,157
City Ledger	300,413	352,942	175,345
Other Receivables	177,928	126,822	214,085
Allowance for Bad Debts	<u>(198)</u>	<u>(68)</u>	<u>(2,500)</u>
Total Receivables	475,587	456,492	428,088
INVENTORIES:			
Linen Supplies	114,438	114,438	114,438
Food Inventory	29,593	26,939	28,040
Beverage Inventory	34,560	26,554	26,939
Merchandise Inventory			
Uniform Inventory	<u>30,773</u>	<u>29,166</u>	<u>24,457</u>
Total Inventories	209,363	197,097	193,874
PREPAID EXPENSES:			
Refundable Deposits	2,500	2,500	2,500
Prepaid Sales Tax	61,000	3,800	70,000
Prepaid Insurance	10,932	30,914	6,660
Prepaid Other Exp	<u>155,956</u>	<u>170,376</u>	<u>216,133</u>
Total Prepaid Expenses	230,388	207,590	295,293
TOTAL CURRENT ASSETS	1,818,336	1,042,174	1,670,695
FIXED ASSETS:			
Land & Improvements	4,124,276	4,123,247	4,114,747
Buildings	10,543,320	10,305,320	10,305,320
Building Improvements	5,019,634	5,019,634	4,711,775
Furn, Fixt, & Equipment	3,971,863	3,972,685	3,816,103
Vehicles	46,832	39,832	39,832
WIP-Condos	1,570,133	1,570,133	1,583,243
Accum Depreciation	<u>(6,551,381)</u>	<u>(6,475,141)</u>	<u>(5,577,789)</u>
TOTAL FIXED ASSETS	18,724,677	18,555,709	18,993,229
OTHER ASSETS:			
Loan Costs-Net	150,777	153,850	175,148
Franchise Fees-Net	34,124	34,124	34,124
Notes Receivable - PFP Holdings, Inc.	<u>1,432,720</u>	<u>1,432,720</u>	<u>1,682,720</u>
TOTAL OTHER ASSETS	1,617,621	1,620,694	1,891,992
TOTAL ASSETS	<u>22,160,834</u>	<u>21,218,577</u>	<u>22,555,917</u>

April 15, 2004

**BOARDWALK BEACH RESORT
BALANCE SHEET
March 31, 2004**

	Current Balance	PRIOR MONTH	Last FY End
CURRENT LIABILITIES			
PAYABLES:			
Accounts Payable	880,037	558,389	589,750
Subcontractor Payable	139,383	139,383	139,383
Retainage Payable	68,175	68,175	68,175
Payroll Payable	1,535	4,022	
Sales Tax Payable	132,032	17,771	151,928
Refunds Payable			200
Deposits Payable	177,543	250,334	116,312
Due To Developer	601,801	385,211	365,211
Other Liabilities	<u>75,771</u>	<u>75,771</u>	<u>75,771</u>
Total Payables	2,076,278	1,479,057	1,486,729
ACCRUED:			
Accrued Interest	932,470	903,720	587,470
Accrued Payroll	72,749	105,468	52,877
Accrued Property Taxes	155,742	342,679	73,431
Accrued Expenses	<u>(67,045)</u>	<u>(61,069)</u>	<u>53,410</u>
Total Accrued	1,093,916	1,290,798	767,188
Total Current Assets	3,170,194	2,768,855	2,253,917
LONG TERM LIABILITIES			
N/P- Whitney Bank	20,000,000	20,000,000	20,000,000
N/P-PFP One Inc.	200,000	200,000	
N/P-JFC III	2,500,000	2,500,000	2,500,000
N/P Anne Reich	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>
Total Long Term Liabilities	26,200,000	26,200,000	26,000,000
TOTAL LIABILITIES	29,370,194	28,969,855	28,253,917
PARTNERS' CAPITAL			
Capital- Royal Am Hospitality	(58,144)	(58,144)	(58,144)
Capital-JFC III	(296,334)	(296,334)	(296,334)
Capital-Sтивен Reich	30,183	30,183	30,183
Capital-AR 1997 Trust	(301,664)	(301,664)	(301,664)
Capital-PFP One, Inc.	(3,312,137)	(3,312,137)	(3,312,137)
Capital-Chapman Associates	24,855	24,855	24,855
Profit(Loss) Current Year	(1,511,560)	(2,053,278)	
Profit(Loss)-Prior Year	<u>(1,786,760)</u>	<u>(1,786,760)</u>	<u>(1,786,760)</u>
TOTAL PARTNERS EQUITY	(7,209,560)	(7,761,279)	(5,698,001)
TOTAL LIABILITIES & EQUITY	22,160,634	21,218,577	22,555,917

April 15, 2004