Business Plan

To Build a $25 Mil Sales Model that incubates a $150 Billion new industry

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Summary

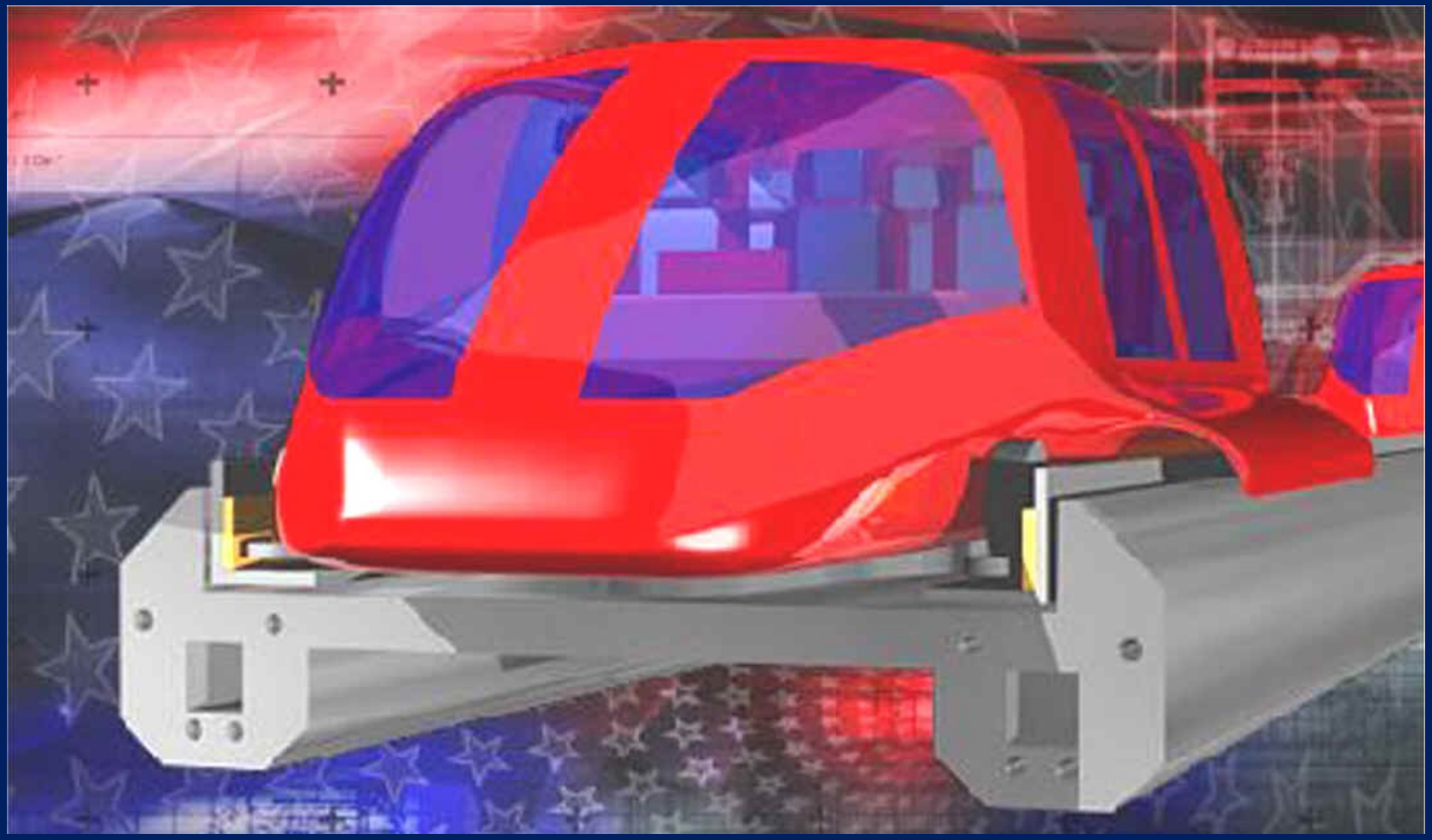
This $25 Million Joint Venture can stimulate a $150 Billion new rail market in Latin America

This venture shows a Latin American market larger than the USA with little passenger or cargo rail infrastructure. A Sales Model can be built for $25 Million that is one mile long with our Smartskyways driverless technologies including Stations..

SUMMARY continued

Our first customer may duplicate it at the 2016 Olympics in Rio connecting the Athletes Village with the Venues. This business plan shows how $150 Billion in sales for a Pan American Corridor Trade (P.A.C.T.) backbone is possible within 15 years from this original $25 million model

A New Type of Driverless Transport



Narration

Pan American Corridor Trade Backbone

- This is a shared aerial easement through 18 countries in Central and South America. In section it is 25’ x 25’
- A variety of carriers can share this easement and combining these revenues makes it more fundable.
- There is about 10,000 miles of combined routes up to the USA which can be divided into about 15 projects.

P.A.C.T Route Map

Pan American Corridor Trade Backbone Continued

* At $15 mil per mile this costs up to $150 Billion over 15 years

* The profit potential is staggering

* Olympics offer a world wide exposure to gain sales and their fundings.

International Trade Causes Economic Development in:

Tourism
Hard Goods
Sports
HD Media
Real Estate
Energy
Medical
Commerce

The Model for P.A.C.T.

Is a 10 Mile local loop around Olympics

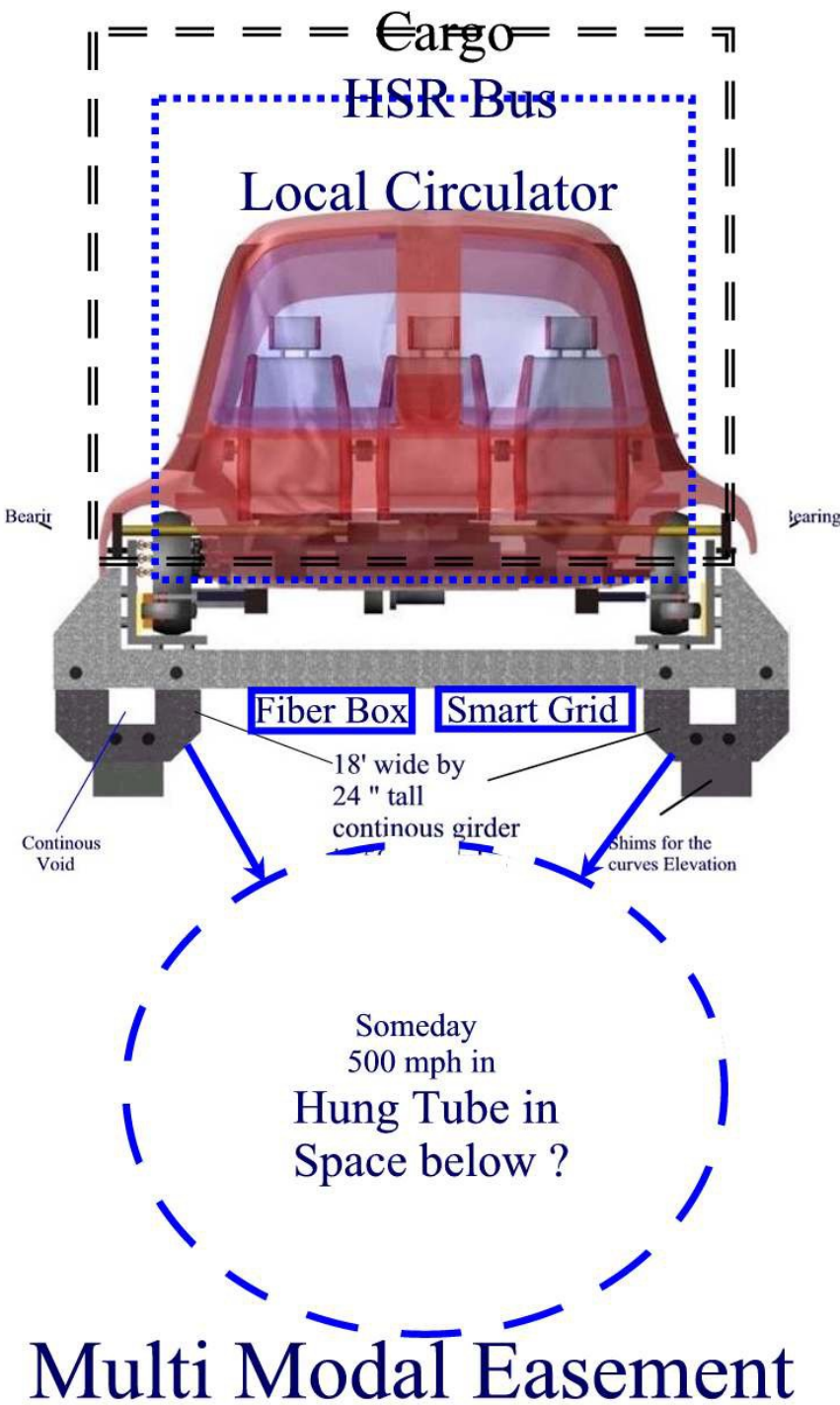
See interactive map of site

Red line is 1.5 mile Sales Model and hub , purple line is 8.5 mile loop, yellow is for trolley distribution and blue is possible airship launch site

Our Technologies Share A Multi -Modal Aerial Easement

<u>Stacked Pay Zones</u>

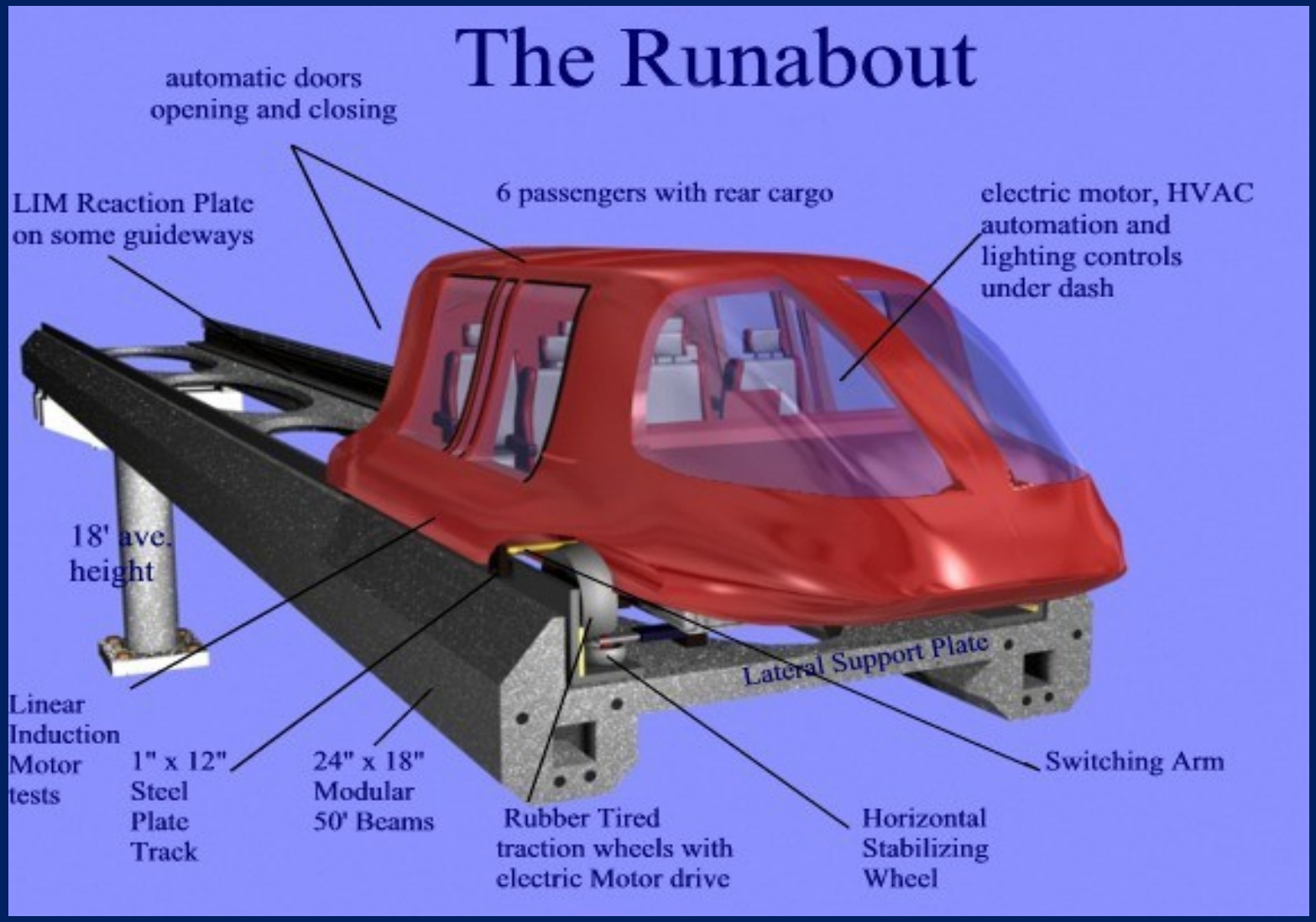
*High Speed Rail
*Urban Circulators
*Cargo
*Mail
*Fiber/HDTV
*Smart Grid (Super Conducting)
* Futuristic High Speed



High Speed Rail Technology

Ron Powers, one of the partners in Smartskyways is a prototype builder for GM, Amtrak, NASA, Ford, Kia, Boeing, etc. and he also owns a High Speed Rail Prototype as shown here. This vehicle will cruise up to 125 mph, seats 24 and cost $500,000. It will also operate on the same guideway as the Smartskyways 6 passenger cars.

See Portfolio and Resume

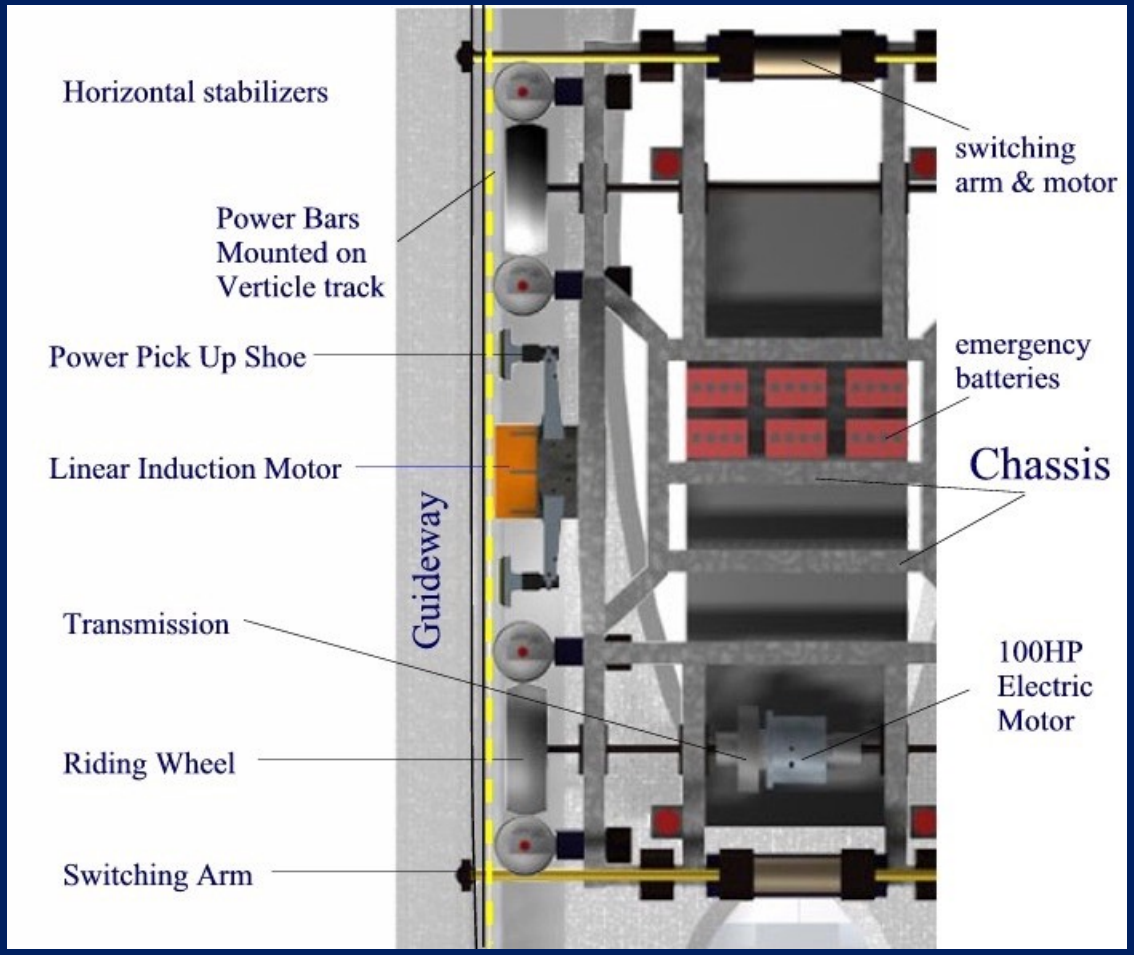


Driverless, electric, all weather transport at $15 Mil p/mile

See how the pieces all fit

Additional Features

Highway Cruiser

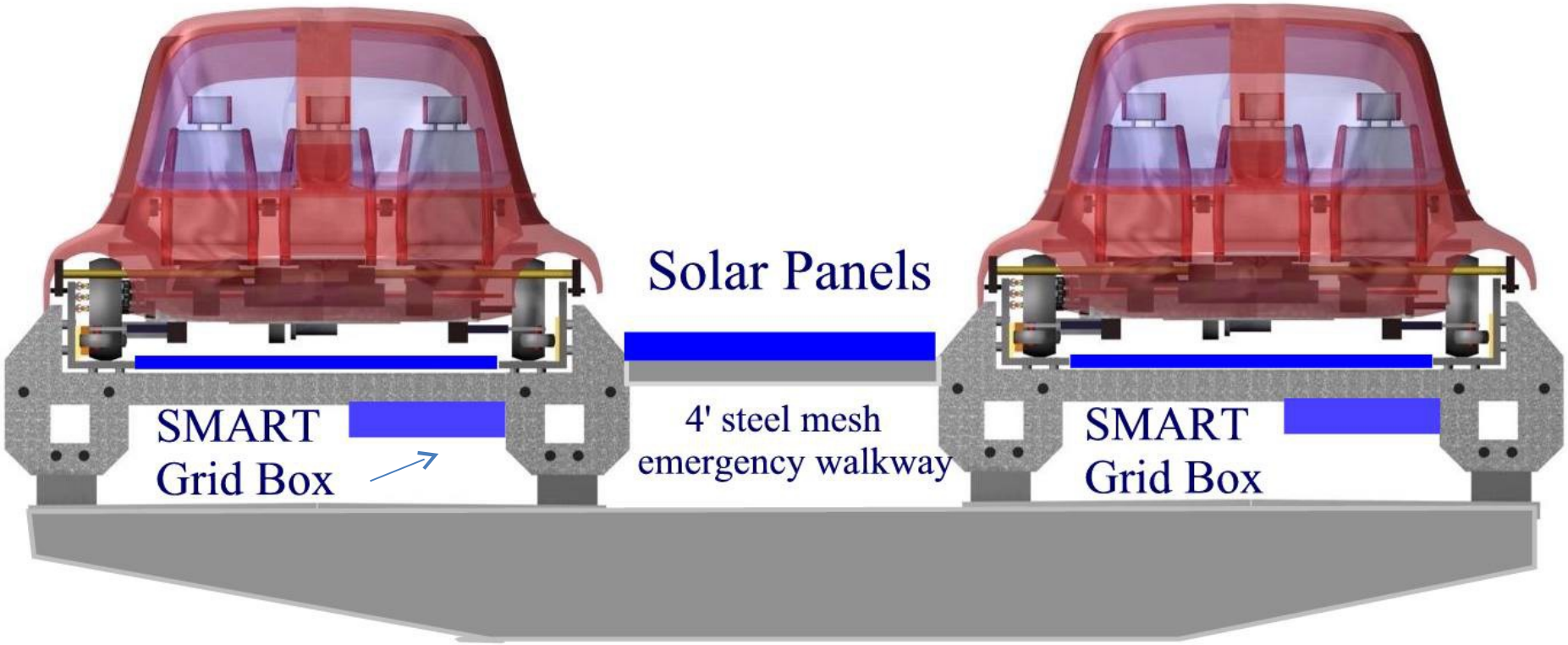


U shaped Seating

Add Linear Induction Motor for Highway Speeds

Solar Powered Guideways and Stations

A variety of power sources will be used for generation and a smartgrid will transmit this energy underneath (Blue Box) the guideway to where it is needed along the route



A Smart Grid

More than 1,300 GW of wind and solar energy are expected to come online in the next 10 years. This variable generation will create an unprecedented amount of instability on the grid —As grid operators adapt to increasing levels of variable generation on their systems from wind and solar, stricter connection requirements and narrower compensation schemes will prompt them into energy storage solutions and smartgrids which carry the intelligence to mix forms of energy. This will power the cars,

Types of Stations

animation

Free Standing

Costs $250,000 and uses solar windows

Linked by Walkway

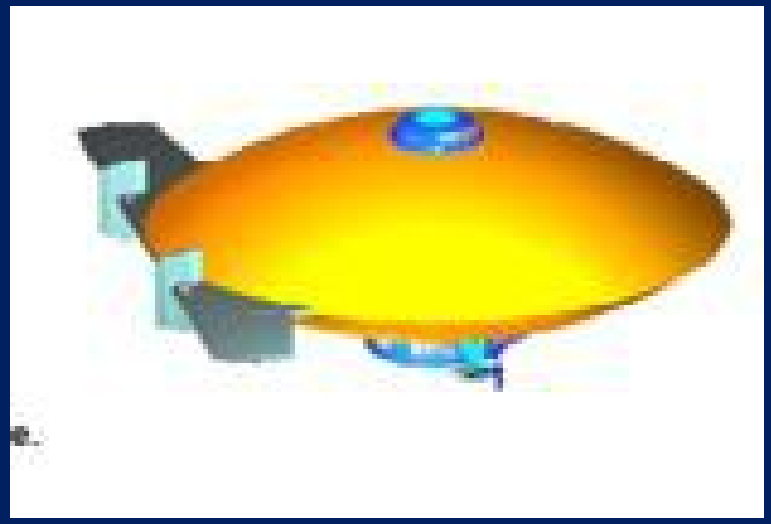
Stations can be linked with nearby building or parking

In Between Buildings/ Parking

Each station has at least one bay loading while another unloads. Activity centers may have many bays

Built Into Buildings

Alliances with Additional Transport



Airships –We are discussing an alliance with an LA based company that has many patients and a plan for Brazils multiple uses of their airships for passengers, cargo, telecom and sky-stations .

Trolleys- Kent Bingham owns an interest in the Trolley company that offers the Disney's high brass look. These feed and distribute the station traffic within a mile or so. They cost about $1 million each and can run on a fuel cell for two days for an additional cost. In a dedicated street path they could be driverless.

TIG-Trolleys

Why Is This Important?

We are at a tipping point for change in transportation policy. The financing mechanism for federal funding is collapsing, necessitating a new approach. In addition, global warming, energy insecurity, and anxiety about economic competitiveness are all converging to force policymakers to generate a new vision. Smartskyways proposes a Multi Modal Vision in our business plan. The size of the opportunity approaches $150 Billion for our PACT vision in Central and South America and the trade generated by PACT offers economic development in $Trillions.

Narration

OUR MAIN SERVICE IS IMAGINEERING

This is the marriage of imagination and engineering. Smartskyways Inc. will grow as a professional development firm coordinating services in:

VISUALIZATION

STRATEGIC PLANNING

COST ANALYSIS

DESIGN

ENGINEERING

LEGAL

PERMITS AND APPROVALS

FUNDING DOCS

B IDDING

Who Manages The Imagineering

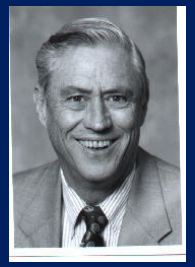
We each have more than 50 years experience in "Imagining the Engineering"

Lloyd Goff – President
with 40 years experience in Real Estate Development

www.lloydgoff.com

Kent Bingham - Technology Engineer - Developer
(a former Disney Engineer) Entertainment Engineering sec to load)

Ron Powers- the prototype Builder (See Portfolio)



Mike www.martinmartin.com Engineer resume

Tim Sherrod The Information Technology manager Resume

The “Business Model” for this project is:

“INCUBATE IN COLORADO AND DUPLICATE IN RIO”

$25 Million Phase I

is needed to build a ¼ mile Test Track/Hub and a one mile Sales Model

$25 Million Phase II

is needed to duplicate a 1.5 Mile Olympic demo for a PACT backbone

$125 Million Phase III

is needed to complete an 8.5 mile Olympic Loop as a model for a Rio Circulator

PHASE I - Build a $25 Million Sales Model

This includes 3 steps from scaled models, to ¼ mile test track and then linking to a one mile operating sales model. This is planned over 2 years and requiring $25 million

Incubate in Colorado

The Sales Model is a one mile operating system with 6 stations and a Control Hub. The ¼ mile test track grows into the Command and Control Hub with storage and maintenance facilities and the Sales office.

$25 Million for Phase I

$5 Million Phase I –First 12 Months

* $1 MILLION FOR MOBILIZATION

  Start biz, Working Drawings, scaled models, PPP Template,

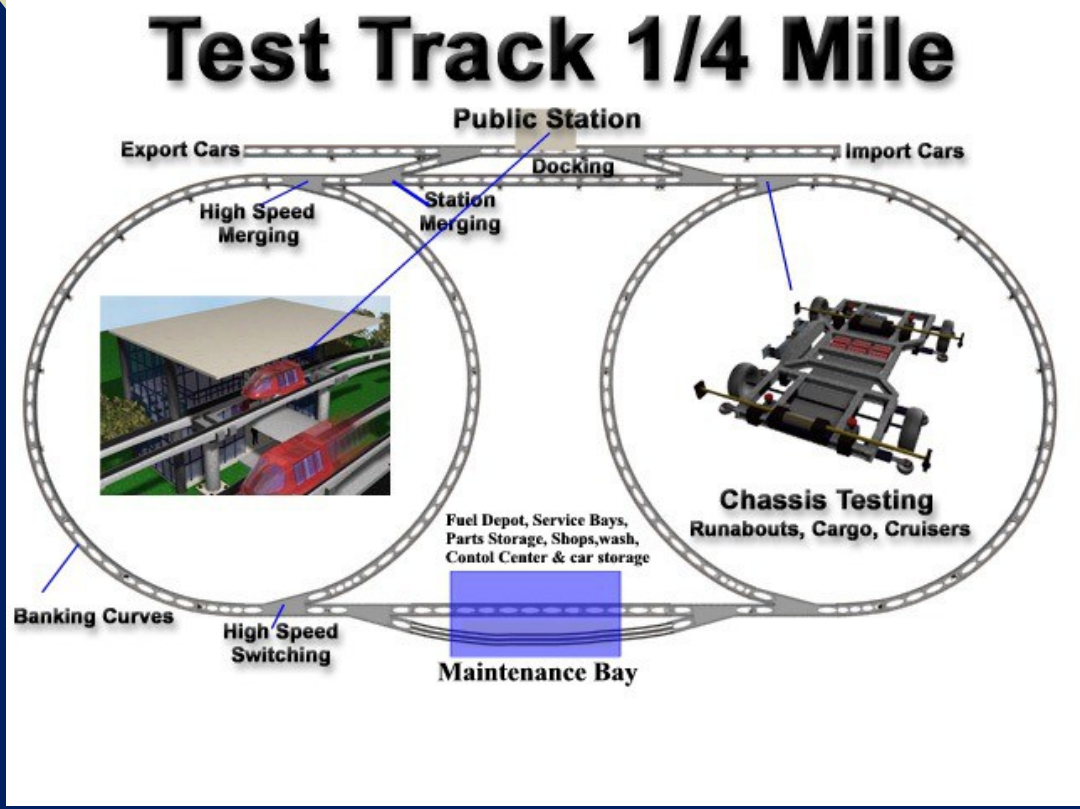
* $4 Million for a development site

  Offer for 151 acres, approved for 5 Mil sf mixed use R&D Campus

PHASE I – Second 12 months

$1 Million to Build Mock Ups and Approvals

$6 Million to build Test Track and Hub At Airpark



We have studied a budget for a

1/4 Mile Test Track and Hub

Admin, Staff, legal, CPA, Docs & broker fees	Mobilization	$400,000
Economic Feasibility Modeling	Mobilization	$100,000
Civil, soils, alignment and grounds prep	Mobilization	$200,000
Design Engineering, Construction Bids	Prototype Track	$1,500,000
Build 1/4 mile Prototype Track	Prototype Track	$1,800,000
Automation Command and Control	Prototype Track	$600,000
Power Distribution	Prototype Track	$250,000
Station, maintenance bays, fuel depot, operations	Prototype Track	$400,000
Build 10 chassis with propulsion, switches	Prototype Track	$350,000
Mock up 6 and 15 passenger cabs	Prototype Track	$225,000
6 switches		$175,000
Multimedia marketing/tools		$150,000
Test Track		**$6,000,000**…

Phase I - The Third 12 Months Builds a
$14 Million One Mile Operating Sales Model

Built on a 151 acres, this $4 Million site is to be purchased as a part of the $25 Million.

This one mile will need 12 months to build and test with several stations. The test track will become the operations center (Hub) using existing buildings.

Sales and Operations Hub

THE SITE PLAN FOR BOTH MODELS

One Mile Sales Model with Stations

¼ Mile Test Track

We Start Revenue Operations with an Innovation Fairgrounds.

A detailed biz plan for an R & D campus is available at Airpark

We have studied a budget for a
One Mile Sales Model

One Mile Sales Model			
Technology Engineering and Software	Sales Model		$1,000,000
Planning	Sales Model		$250,000
Guideway engineering @ 8% of Construction	Sales Model		$1,000,200
Conc Guideway 70' Beams at $10,000 each x 2	Sales Model		$1,500,000
Steel Roadbed track	Sales Model		$528,000
Columns and footings at $ 8,800	Sales Model		$660,000
Crossbeams every 70' at $5,300 each	Sales Model		$397,400
Shipping to job site at 25 mi	Sales Model		$187,500
Erection of sections at $5,000 each	Sales Model		$375,000
Electric power Distribution	Sales Model		$1,100,000
Control Systems	Sales Model		$1,700,000
6 stations	Sales Model		$1,500,000
Maintenance facilities	Sales Model		$200,000
Vehicles: assumes 8 chassis to start	Sales Model		$250,000
Prototype vehicle cabins	Sales Model		$1,000,000
Administration Mgmt., legal, CPA, travel, office	Sales Model		$500,000
Working Capital and Contingency	Sales Model		$850,000
Sales Model			**$12,998,100**

What can we incubate from this sales model?

$150 Billion of business over 15years

Prospective Customers

- $25 Mil - Olympics (PACT Model) Phase II
- $125 Mil – Barra-Rio (Rio Urban Loop model) Phase III
- $90 Mil - Platte Valley (Urban Core Model) Phase IV
- $125 Mil - Branson (Resort model) Phase V or
- $230 Mil -Albuquerque (Metro Model) Phase VI
- $2 Billion Interstate 70 Mountain Route) if available
- $820 Mil - Rio de Janeiro (Metropolis Model)
- $2 Billion - Colombia to Medellin (HSR Crossroads)
- $150 Billion – All Central/South America HSR legs

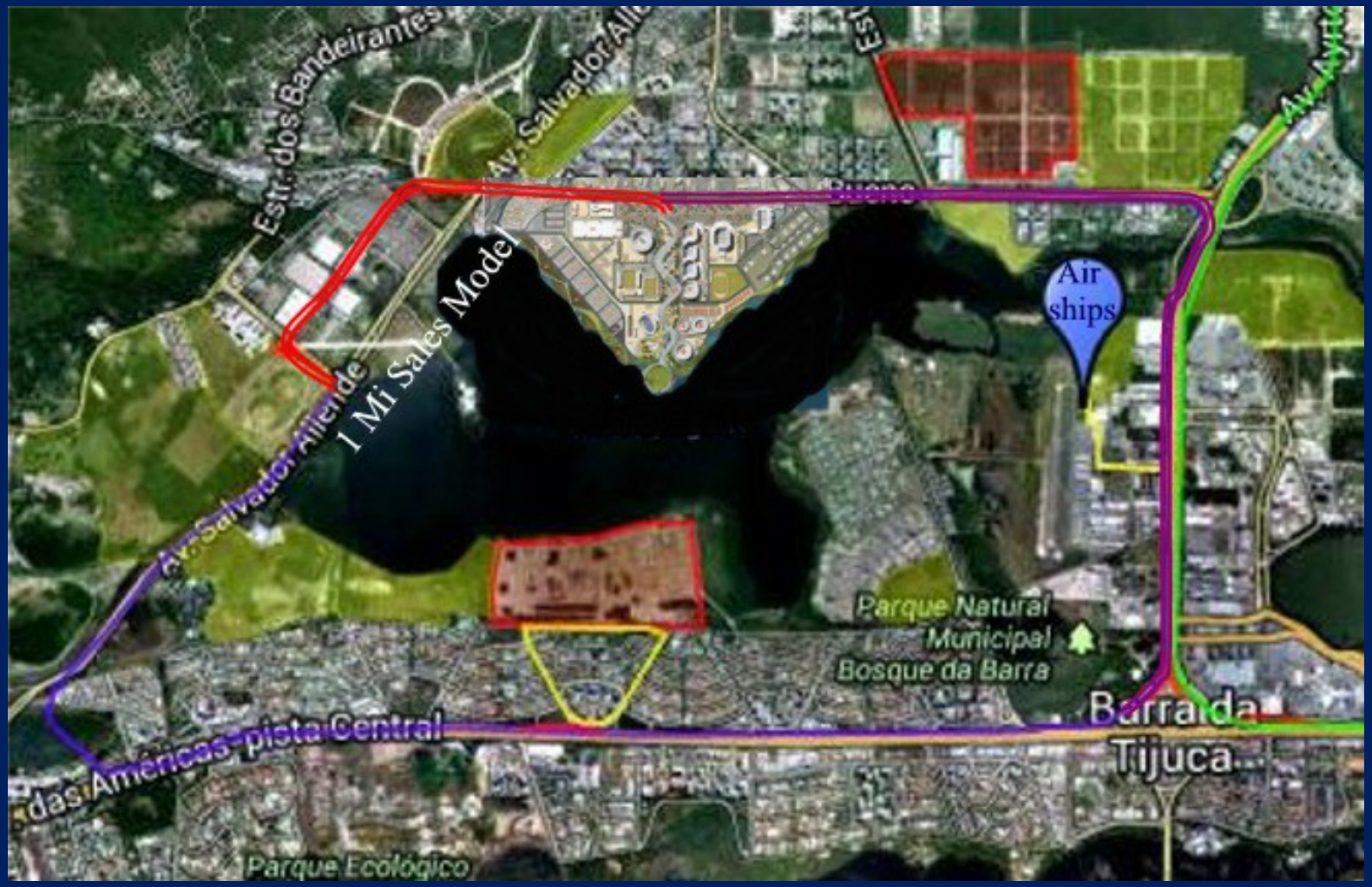
Phase II – Duplicate in Rio - 1.5 Miles

An Olympic Sales Model for

A Pan American Corridor Trade (PACT) Backbone of 10,000 mi shown in this illustration (Zoom out to see routes from Rio to Texas)

This route will get ridership from 22,000 athletes, 50,000 world press and millions of visitors and international TV during this one month event. This sales model is expected to generate the company large royalty fees over time

PHASE II- Completing a 10 Mile Loop Where



It is $125 million for adding an 8 mile loop route (purple line) around this lake which connects the Olympics, an airport, hospital, regional mall and housing for 200,000

World Wide Exposure

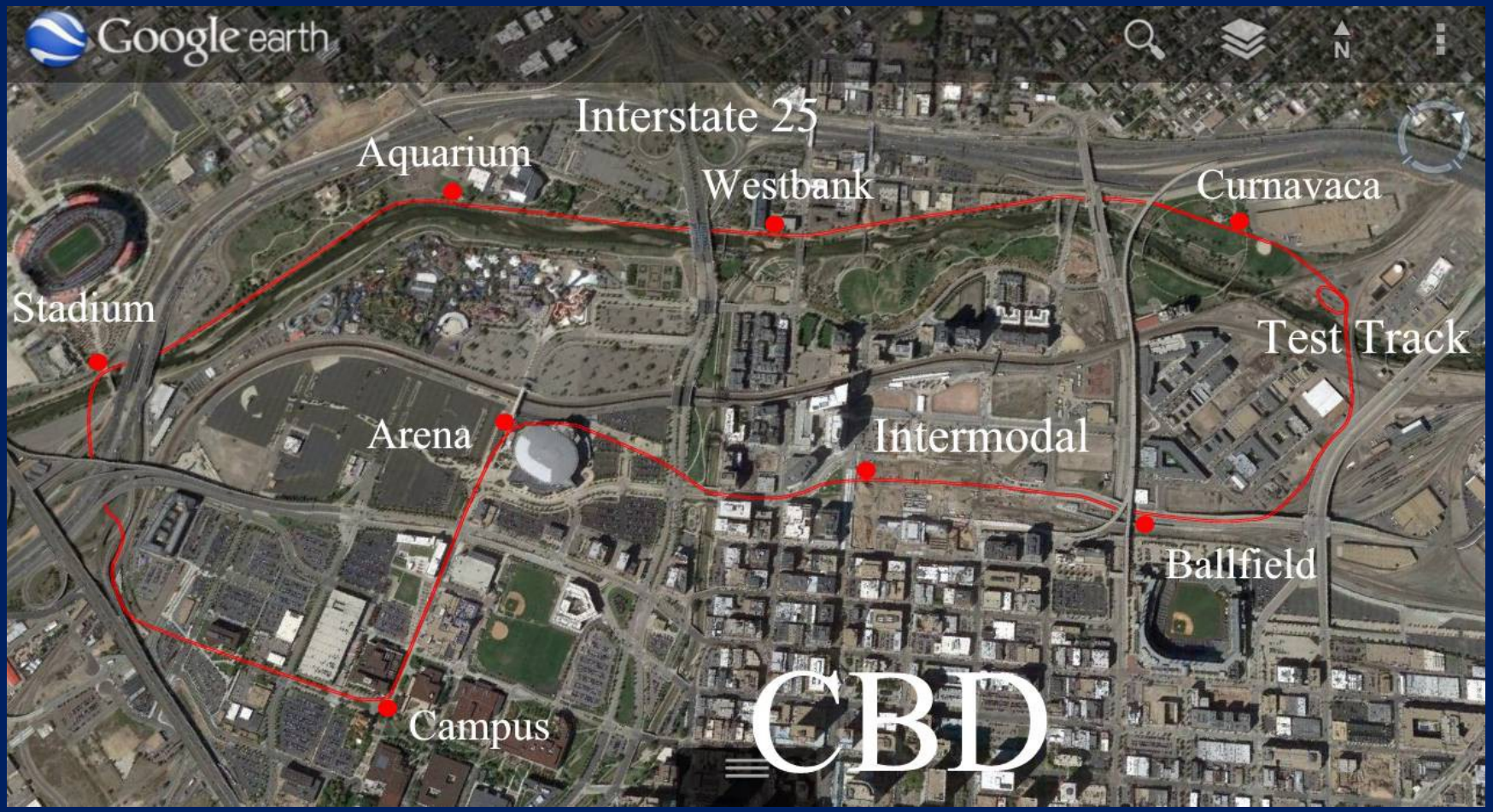
$90 Million Phase III

Where Is The Second Sale?

Business Case For a 5 mile Urban Core Model

An Example of our route analysis

to Build a National Demonstration Model in Denver, Colorado for 5 Miles of privately funded transport connecting 33,000 parking spaces to downtown. These parking spaces are for venues in sports, entertainment and education along the route. This local circulator will connect to a 16th Street Mall shuttle that runs the 1.3 mile length of downtown. It is feasible to earn a 9% NOI in early years and grow to 30% NOI over a 25 year period.



9 Stations

5 Miles

33,000 Parking Spaces

$2.5 Billion Development Potential

Interactive Map

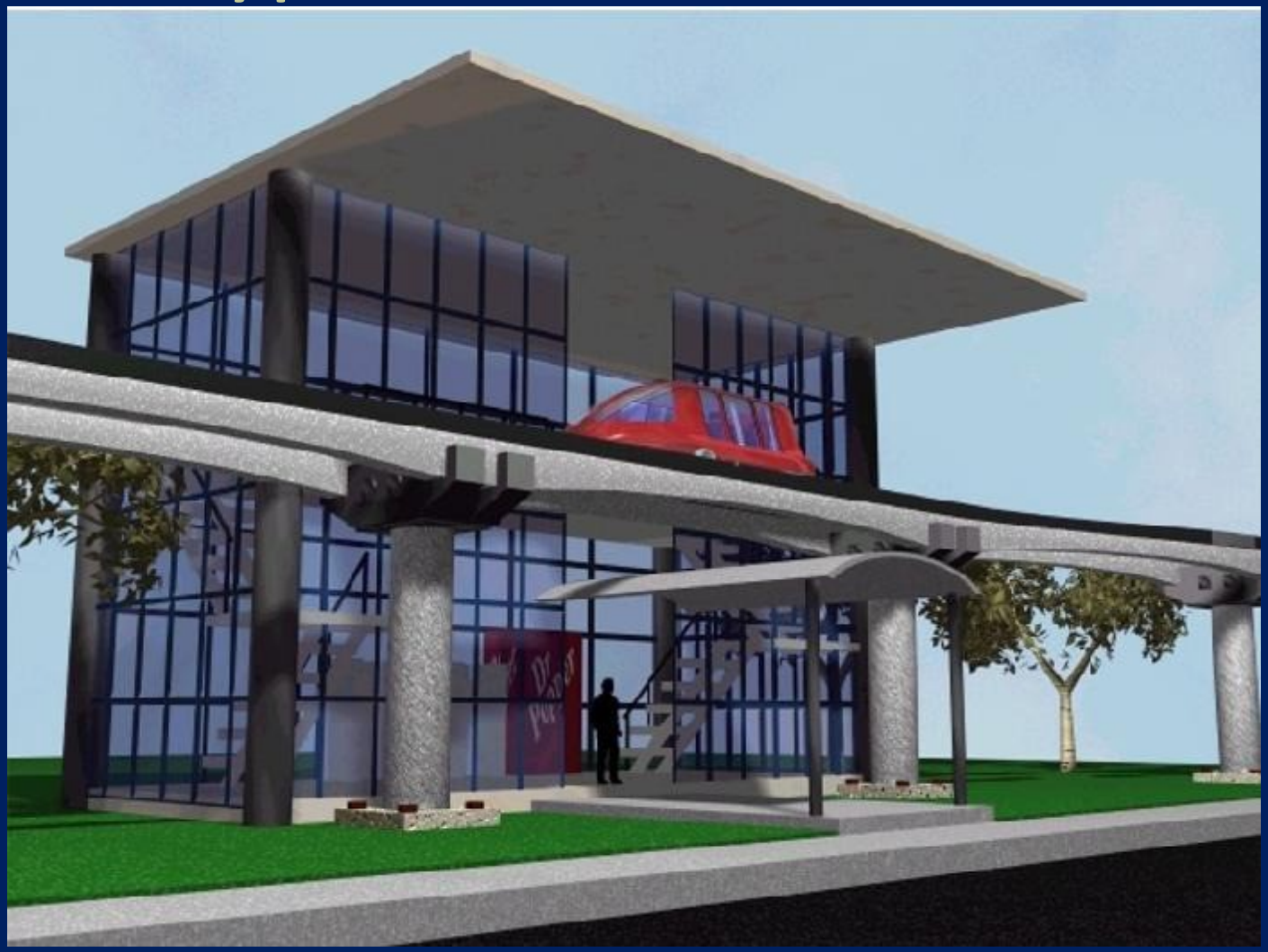
Experience Downtown Denver

Station Stop Parking for Rent

A negotiated share of the parking revenue is a part of the projected earnings

	Parking
1.Auraria Campus 35,000 students with	6,500
2.Pepsi Center/7 Flags 18,000 seating with	7,000
3.Intermodal for light Rail at 16th St Mall	150
4.Coors Field 40,000 seating with	7,500
5.Operations Hub no parking	0
6.Cuernavaca development site 11 acres	2,500
7.Westbank apts and offices	500
8.Aquarium with	1,500
9.Stadium with 75,000 seating and	8,000
Total Parking (varies per year)	33,650

Typical Small Station



Platte Valley Stations would have to be twice this size and have 4 berths instead of 2, to handle the event traffic. Estimated Cost is $1.7 Mil each

5 Mile Construction Costs

DIRECT COSTS	Per Mile	Unit	5 Miles
Engineering at 7% of Construction	1,006,200	job	$5,031,000
375 Conc Guideway 70' beams at $13,333 each	$1,000,00	mile	$5,000,000
Steel Roadbed track	528,000	mile	$2,640,000
375 Columns & footings at $8800 each	660,000	mile	$3,300,000
375 cross beams every70' at $5300 ea	397,400	mile	$1,987,000
Shipping to Job Site at 25 miles 375 units	187,500	mile	$937,500
Erection 375 sections at $5,000 each	375,000	mile	$1,875,000
Electric Power Distribution	1,100,000	mile	$5,500,000
Control Systems	1,700,000	mile	$8,500,000
8 Stations	1,733,000	stations	$15,597,000
Maintenance Facilities	200,000	min	$1,000,000
Vehicles assume 100 to start $77,720 ea	1,554,000	mile	$7,770,000
2 Bridges (100') over River	200,000	mile	$1,000,000
Off site civil at 5%	800,000	mile	$4,000,000
Contingency at 10%	1,500,000	mile	$7,500,000
Subtotal Construction	**$14,327,500**		**$71,637,500**
INDIRECT COSTS			
Administration (5.% project cost)	716,375		$3,581,875
Underwriting Fees at 3% of Total	528,000		$2,640,000
Reserves at 13% of Total	2,288,000		$11,440,000
Subtotal Direct and Indirect	3,532,375		$17,661,875
TOTAL COSTS	**$17,859,875**		**$89,299,375**

Operating Assumptions

Revenues: ($1 for ave daily pass)

CBD Parking Subscription Riders	14,000 x $1.00 x 300 days
33% share of parking revenues	11,000 x $1.00 x 300 days
Riders from RTD transfers	5,000 x .50c x 300 days
Event & Nights Ridership	3,000 x $2.00 x 100 days
+50% Parking for Events	2,000 x $1.00 x 100 days
Hotel tourists at $3 pd	1,000 x $3.00 x 300 days
Business Visitors at $31.00 pd	2,000 x $3.00 x 300 days
+$1.00 Parking for Bus Visitors	1,500 x $1.00 x 300 days
Residential Subscriptions	1,000 x $1.00 x 300 days

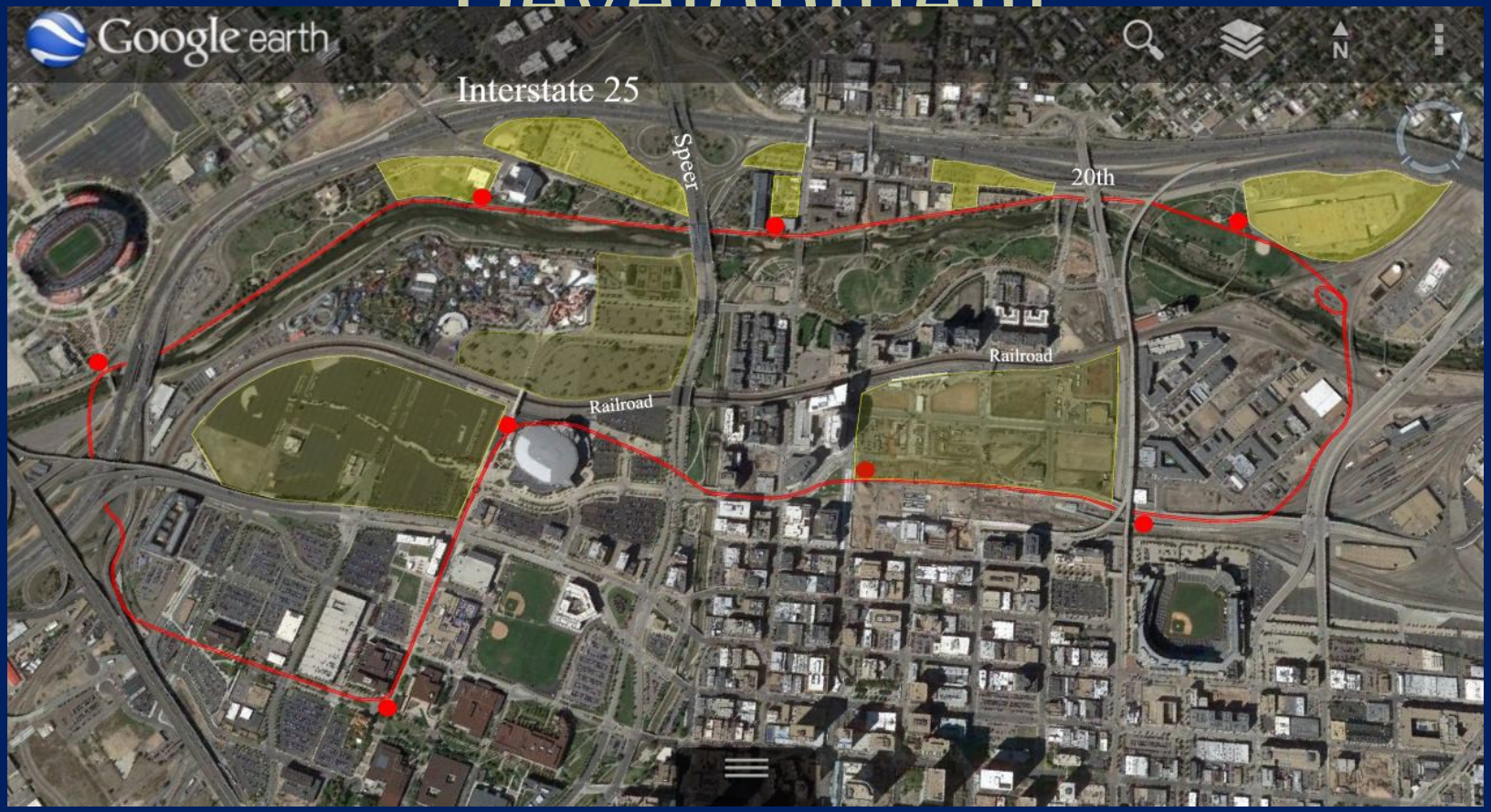
Note: these numbers do not try to anticipate growth beyond 3% per year. For example residential units starting at 100 could be 10,000 within 7 or 8 years and not just 2032 over 25 years at 3% inflation

Operating Projections

See 25 year Cash Flow Model

Category	year 1	Year 23	Totals for 23 years
Revenues: (daily pass)	$1.00	$2.28	
Day Workers that drive	4,200	13,416	
$1 Parking share Day Workers	3,300	10,541	
Commuters RTD	750	2,396	
Event Visitors Nights	600	1,917	
$1 Parking for Events	200	639	
Hotel tourists	900	3,575	
Business Visitors	1,800	5,750	
$1 Parking for Business Visitors	450	1,153	
Cargo and Advertising	500	1,613	
$1 Residential Subscriptions	300	968	
Total Weekday traffic	13,000	41,968	
Weekend traffic at 12.5%	650	2,098	
Total Revenues (000)	**$13,650**	**$44,945**	**$649,316**
Costs and Expenses:			
Operating Costs @ 25%	3,413	11,017	162,329
less upgrades & replacement	546	1,763	25,973
Franchize royalty @ 3%	410	1,322	19,479
Total Costs and Expenses	4,368	14,101	207,781
Net Income (Before taxes)	**$9,282**	**$29,965**	**$441,535**
	9.7% ROI	**31.4% ROI**	**18.5%** ave

Effect on Real Estate Development



A dozen high rise building sites are possible along I-25 as shown in yellow

Other olive yellow sites inside the loop are parking & under developed

The proposed model will create national attention and stimulate up to $3 billion in construction for 10 million sf of land area.

Other Studied Sales Opportunities

4 Branson, Missouri- A 6.6 mile route. This is a tourist market with 30,000 visitors per day earning 20% ave ROI based on $3.50 for all day. A $1 Billion real estate development is available.

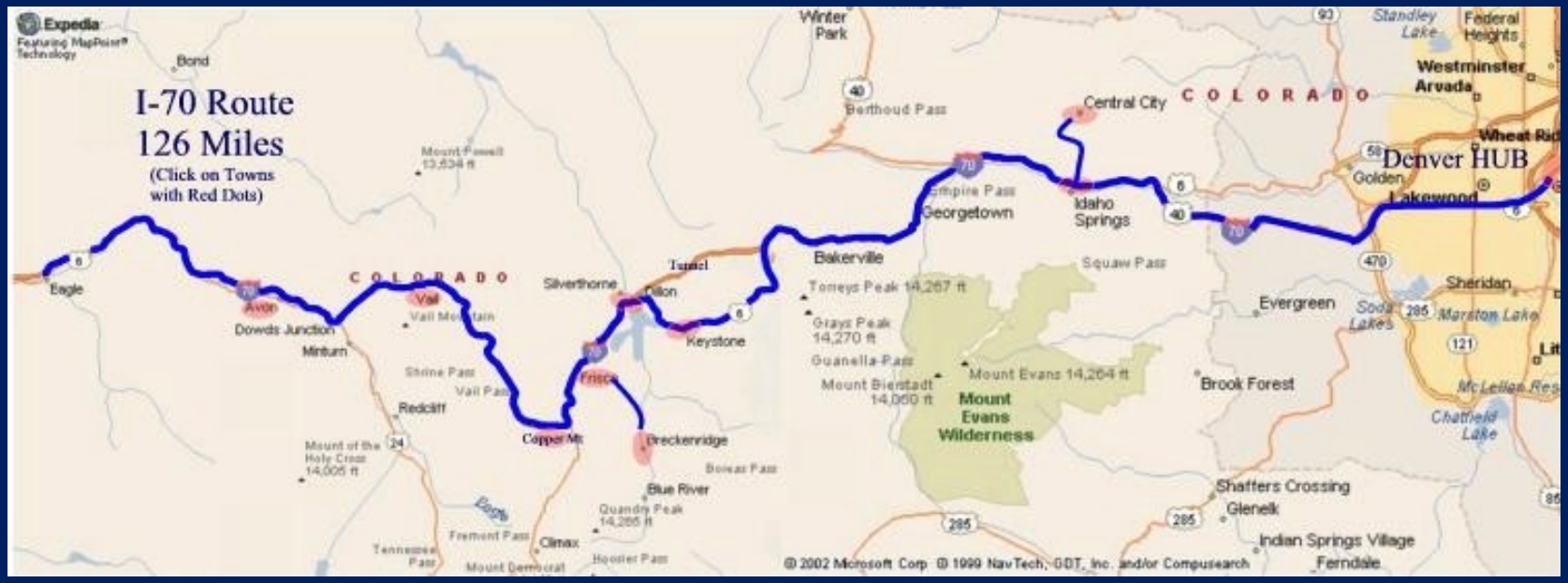
See a $128 Million Route

#5 Albuquerque, New Mexico – A 15 mile route with a potential for a $1 billion redevelopment district of the existing Fairgrounds . This route earns 16% ave. ROI based on a $60 per month all day pass.

See a $231 Million Route

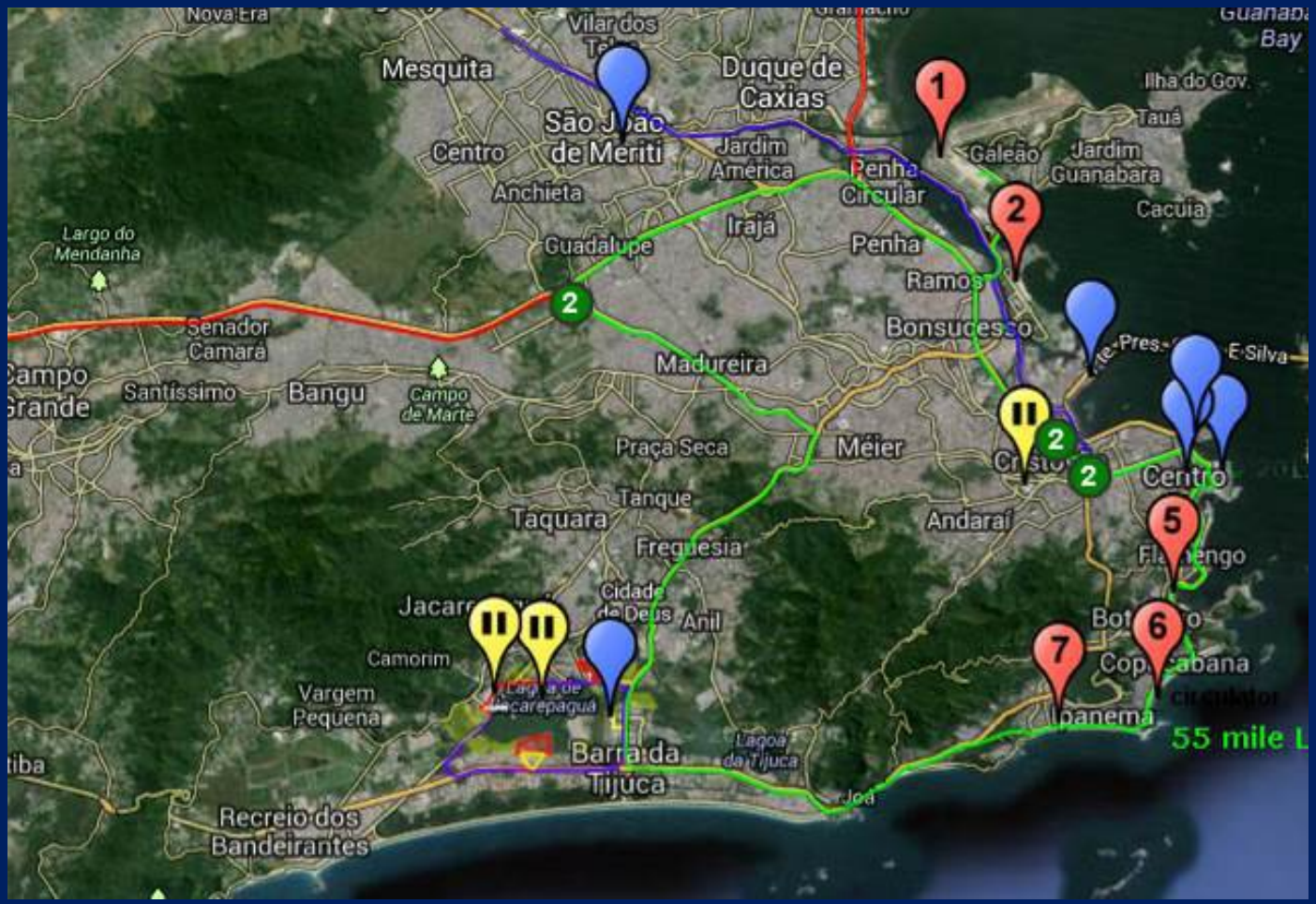
6 The I-70 Corridor Mountain Route

See Interactive map



Colorado Dept. of Transportation is holding competitions for a $3 Billion I-70 Route that will take years to decide. This is a 126 mile route that can demonstrate our High Speed Rail through mountainous terrain linking local loops.

$820 Million Dollar Rio Circulator



The Green line is a 55 mile local circulator that connects 3 airports, downtown, beaches, Olympics and the major activity centers of Rio. The Blue line is the planned. High Speed Rail route to Sao Paulo .

Our Proposal is to *FEED* Brazil's planned HSR
with local circulators introducing a Multi Modal concept

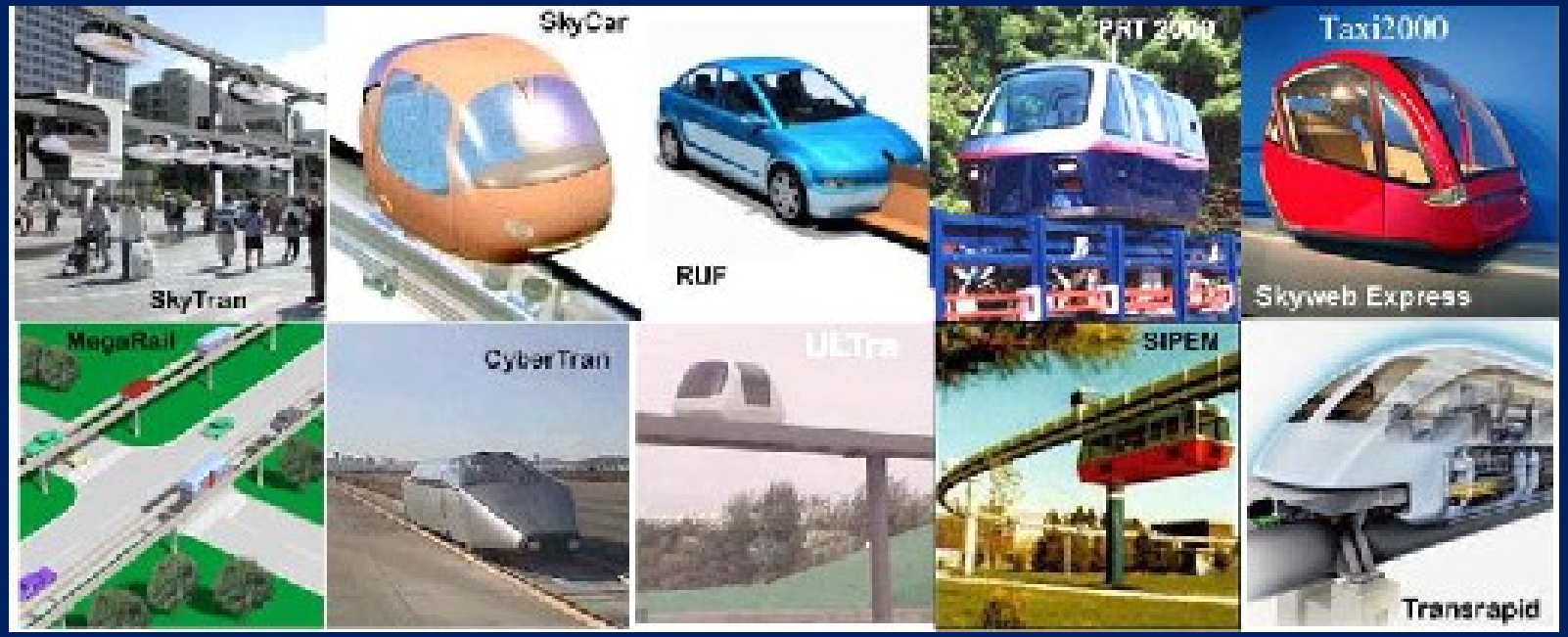
1. We could be ready in a year to start route engineering in Rio
2. We can demo Multi Modal sharing of an aerial easement
3. We plan for Local Urban Circulators to collect and distribute traffic for HSR
4. We can organize private financing as a profit making ventures instead of tax payer financing, allowing for expansion routes
5. We can expand south to Buenos Aires and someday north to Caracas.
6. We are 1/3 the cost of HSR
7. We can show how economic development can occur around the stations and cause a building boom that increase the tax base for city, state and federal sectors.
8. Any part of the 10 mile demo project could stimulate the PACT backbone discussion for an international aerial easement.
9. Our technology can fit into the environment better than ground based systems because we only have columns every 70' which is less intrusive than at-grade rail which becomes an urban barrier and requires many expensive bridge crossings.

A 10% Return is Feasible

Ridership Assumptions		Revenues		
Total Ridership per day	1,150,000	costs	Per day	Year 1
Commuters -$60 monthly passes	250,000	$2.50	$625,000	228,125,000
Students with $30 monthly passess	150,000	$1.00	$150,000	54,750,000
tourists with $8 day tickets	125,000	$8.00	$1,000,000	365,000,000
Business local with $5 day tickets	150,000	$5.00	$750,000	273,750,000
night life $2 evening passes	250,000	$2.00	$500,000	182,500,000
poor subsidized $30 monthly passes	200,000	$1.00	$200,000	73,000,000
one way trip to airports	25,000	$3.00	$75,000	27,375,000
trip to High Speed Rail Terminal	35,000	$3.00	$105,000	38,325,000
Cargo @3%			100,000	36,500,000
Services, Adverising, vending @3%			100,000	36,500,000
Mail, FedEX @3%			25,000	9,125,000
Fiber Optics carriers @ 1%			$36,000	13,140,000
Total Gross Revenues			3,666,000	1,338,090,000
Expense Assumptions				
Less Operating Expenses at 30%			1,099,800	401,427,000
Less Skyways Royalty at 3%			109,980	40,142,700
Less Replacement at 4%			146,640	53,523,600
			1,356,420	495,093,300
Net Operating Income			**2,309,580**	**842,996,700**
ROI on $820 million				**10.24%**

Competition and Comparables

Click on pictures



Over 140 Companies have seen the vision of this new type of transport and want a piece of the potential $1 trillion Marketplace. We can set up competitions for their products.

Handing off To A Consortium

By the time a Sales Model can be finished, the original founders will have organized a group of large companies to purchase some of their management shares and operate the company going forward.

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