

**Alameda's
Hot Springs Retreat**

Business Plan

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Alameda's



~ Hot Springs Retreat ~

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EXECUTIVE SUMMARY

Our Mission Statement:

Alameda's Hot Springs Cooperative is committed to creating a peaceful retreat supporting our members, guests, and community in healing, sustainability, education, and prosperity.

Alameda's Hot Springs Cooperative blends this mission statement with the development of sustainable agriculture and energy systems, and expansion of the existing hot springs amenities, and the healing power of rural Montana. Cooperative partners share the vision of a community that creates an alternative to the hustle and bustle of urban life for residents and guests/visitors.

The vision of the cooperative is to build on the existing motel/retreat business—converting half of the existing units into owner-controlled units, where owners can choose to live in the units or rent them out for income. The remaining units would continue to be rented out as the retreat/conference business grows. This combined business/cooperative model creates community of cooperative owners dedicated to energy, food, and financial and environmental security with the goal of gracefully combining these elements into a healing a holistic community available to anyone.



OVERVIEW

AREA, CURRENT BUSINESS OPERATIONS, AND SITE

Alameda's Hot Springs (Alameda's) is located in Sanders County, Montana. Alameda's 18-rental unit hotel/motel serves visitors that utilize the local artesian aquifer that gives the town its name: Hot Springs. These waters are world-renowned for their mineral content, medicinal and healing capabilities.

When destination hot springs and healing vacations peaked in the 1950s, the town of Hot Springs rode the boom and established several long-standing businesses based on these unique waters. Established in 1930, Alameda's was there before, during, and after the boom that put the town on the map.

Hot Springs is a small, rural town—population 585 (and growing)—that is surrounded by recreation possibilities and centrally located to the major hubs of the region—Missoula, MT, Spokane, WA, Sandpoint, ID, and Glacier National Park. Hot Springs is nestled near Flathead Valley, home to the most desirable real estate in the state. In addition to its endless recreation, Hot Springs also has amenities that support everyday needs—a newly constructed clinic/branch hospital, a grocery store, a hardware store, and additional community services. Alameda's is a long-standing business in the area and was family owned and operated for decades before the current owners purchased the business.

The current site has the following assets:

- **Existing guest house/retreat and office space**
- **Approximately two acres within walking distance to the town center**
- **18 rental units**
- **A Geo-dome (used for workshops and retreats)**
- **On-site massage therapist with an established business in the area**
- **A year-round greenhouse and outdoor organic garden**
- **Commercial kitchen**
- **Shared living room area**
- **Two wells with access to the Hot Springs aquifer**

Unsolicited testimonials from visitors to Alameda's Hot Springs tell the story of their stay. Without any advertising, this long-standing retreat built their business through word of mouth, serendipity, and the profoundly relaxing experience of this area. The testimonials capture the spirit of the community and the rejuvenative aspects that the cooperative seeks to grow:

*An ideal retreat! Thank you for your gracious welcome, nurturing care,
and beautiful healing energy. Much joy to be accessed here. Blessings –*

-Marjorie

*Love the quiet and simplicity. Enjoyed the water so, so much. Will be back
again soon!*

-Delorma

*Thank you! We came out busted from Glacier, and left you a message hoping
for a room. You left us a message that the key was at the door & the lights
were on! Wow. We are a couple of totally rejuvenated Brazilians!*

Will remember this place for next time. Thanks!

-Pedro and Janaina

*Thanks for the peace and tranquility, which we will miss. Such a wonderful
energy and healing, from the waters to the massages, from the ambiance to the
fellowship with the owners. I leave with your love still singing in my heart.*

-Miriam B.

*We've been on vacation for about 2 weeks. This has been the most peaceful and
relaxing stay we've had for a very long time. Everything was great!*

-Stan and Mari B.

This palpable sense of a caring retreat is central to Alameda's long-term business plan as a cooperative.

VISION/BUSINESS PLAN:

The cooperative plans to build on and harness that sense of community and caring as a residence for people 55 and over who want to retire or recreate here, to build a community that embraces a set of core concepts and offers an enriching experience to residents and visitors, and to offer a sound and secure investment that supports the core concepts. (See attachment on core concepts)

The business plan is to convert the business and rental units into a cooperative entity that combines retirement/recreational living with a hot springs/retreat business that serves as an income for the cooperative partners. Nine of the units would be available to the nine partners, while the remaining eight units would be reserved for rental incomes via visitors and guests. The guest house/retreat would be converted into a property management entity that would maintain the grounds and the rental units. Any units that are not currently occupied by the co-op partners could be placed in the rental pool to create an income stream to be split 50/50 between the owner and the cooperative. A member could also choose to lock up the unit for his/her use only and pay their dues.

Essential to the success of this business model is a sense of community centered on the core values as summarized in our mission statement of this cooperative: Sustainability, health, education, prosperity, and security. Other values also inform this community--including permaculture, shared responsibility, an enriching retirement community, and providing a secure investment haven. (See Attachment for more detail on core concepts)

As a retirement investment, this cooperative seeks to redefine the standard retired living model. Alameda's is a unique retirement retreat—a place to grow, teach, learn, demonstrate, and be healthy. A place to be an elder, not elderly. The shared commitment is part of the business plan's vision, affording each cooperative partner the chance to own a part of a retreat/resort business while also providing living quarters that provide low cost housing, food, and utilities for its long term residents.

The infrastructure priorities support the core value of sustainability.

The following is a list of infrastructure plans:

- **Sustainable energy system(s) that would provide for the bulk of the utility needs of the cooperative (See Attachment)**
- **Outdoor soaking tubs/convert all units to hot mineral water soaking**
- **Additional year-round greenhouses that would grow food for the cooperative for potential use in the commercial kitchen and sales**
- **Expanded gardens & orchards**
- **Upgrading living spaces**

First, the energy system means that the majority of the utility needs would be produced by and for the cooperative. This drives down overhead and expenses, which increases income for the partners. This system also plays into the core values of education. For the residents, the education takes the form of life-long learning. On-site retreats would further personal growth and experience.

Ongoing education outreach is an important part of this cooperative's vision. Building off the existing business as a spot for yoga retreats, writing conferences, and various workshops, this cooperative would use their successes as a starting point for continued outreach for the local community and the larger (and growing) community of those interested in these alternative avenues. Plans for meditation, expanded massage and yoga retreats are in the works—all with the aim of building mind, body, and spirit connection that is so vital to health and well-being.

Fortifying Alameda's as a destination retreat, the cooperative places a priority on adding to these healing amenities. Plans to add more outdoor soaking tubs, along with baths in all of the units will add to the resort feel and investment value of Alameda's. These amenities build both community and privacy while centering the experience on the healing qualities of the water. Indoor tubs preserve privacy and value for each unit, which in turn increases the value of rental prices.

The greenhouse and additional food growing capacity is also essential to our mission. The cooperative would be capable of growing its own food in a more healthful and secure way than would come from commercial methods. The greenhouse model would then be demonstrated and anything that is not consumed by the cooperative becomes a potential for a

cottage industry. This will provide opportunities for partners who seek hobbies, income, or enrichment. The on-site commercial kitchen supports endless possibilities to the potential for additional income.

FINANCIAL SUMMARY

INCOME AND EXPENSES, SECURITY AND PROSPERITY

Cooperatives are a business or entity that is owned, controlled, and operated by a group of users for their own benefit. Profits are shared equally between each partner. Each member contributes equity capital and shares in the control of the coop on the basis of one-member, one vote principle and not in proportion to his or her equity contribution (See Attachment). In the United States, cooperatives have been a successful business model for credit unions and agriculture as well as housing.

Alameda's cooperative offers one type of Capital Stock—13 common shares. Each member is entitled to both patronage refunds and dividends. The amount of the dividend is partially based on how often shareholder units are rented through the guest house program. Common shares are voting shares in the cooperative. The guest house/property management entity would manage the eight units that are always in the rental pool, plus any of the units that the partners are not currently occupying. The cooperative will only sell 9 of the common shares and leave 3-4 in reserve for future sale, which would require a majority vote of shareholders.

Monthly fees set at approximately \$400 will be charged to all partners for unit lease (for taxes, insurance, utilities, and maintenance); these fees represent an equal distribution of costs between the nine owners, similar to homeowner's fees in a condominium. For anyone who knows the burden of maintaining multiple properties, these dues alleviate the stress of maintenance and multiple bills by combining costs into one monthly fee. Whether or not an owner chooses to live in or rent out the unit, s/he is responsible for the monthly fees. However, if the owner rents the unit, the profit is split 50/50 between the unit's owner and the cooperative. In most cases, patronage dividend from the rental program will more than offset the monthly fee.

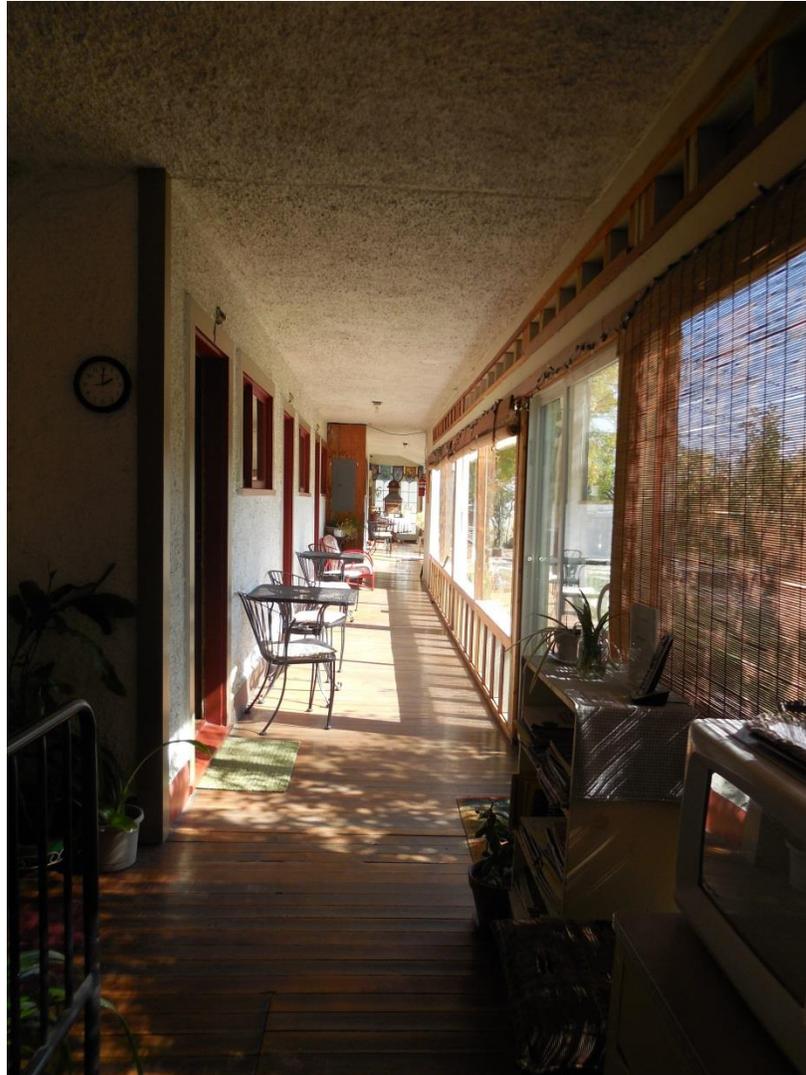
An essential aspect of the finances of the cooperative is that the partners seek to drive expenses down while providing for income potential. This ensures security in the form of

minimal and decreasing food and utilities cost for the long run. This also provides a sustainable community model that is part of the appeal of the retreat center/property management business. It's a model of alternative and sustainable living that Alameda's will be proud to demonstrate.

Alameda's cooperative model is aimed at long-term partners that want to build this community and sustainable model—it's structured to be a stable investment. The community and lifestyle aspects of the cooperative seek to create a relaxing and even alternative experience; the investment side of the cooperative is to be a safe haven for the partners' money. In a turbulent stock market, this investment gives partners a share in a growing business as well as a place to retire and/or recreate. It builds personal health and prosperity while also being a safe investment.

While expenses are minimized, there is also the possibility of income streams from the cooperative. The commercial kitchen and greenhouse provide the possibility of a food industry that is limited only by the imagination of the partners or an enterprising resident. If one of the partners chooses to start a small business on-site, profit sharing percentages would be created based on the amount of cooperative resources the business consumes. This would be subject to approval of the cooperative partners. Renting space to local service providers who cater to the tourist/visitor trade is another potential source of income. An on-site massage therapist currently operates a successful business and rents space, providing income to the cooperative.

The opportunities currently on-site also provide potential for those partners looking for enrichment and something new. These elements add to the quality of life as partners can continue to add skills that allow for personal growth. As all of these aspects grow, community grows. As seen in the testimonials of visitors who stay at Alameda's, the more vital the community, the more appealing Alameda's becomes as a destination.



Sun Porch at Alameda's

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