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CleanStay USA, Inc.

3423 Piedmont Road

Suite 518

Atlanta, GA 30305

800-613-6852

CleanStayUSA.com

Mission Statement

*CleanStay USA, Inc.'s mission is to
Profitably deliver to the US Hospitality Market
a NEW and EXCITING BRAND
that GUARANTEES Satisfaction of the Transient Customer's BASIC NEED
and significantly Improves ACCEPTANCE, REVENUES and PROFITABILITY
of existing Independent and soon de-branded Hotel and Motel Properties.*

Executive Summary

The purpose of our business is to provide a new concept to a hospitality industry segment that is not being properly served by existing Branded Franchisors. We will address current major issues of conflict between Franchisors and Franchisees. We have and will, Conceive, Design, Initiate and Implement this new business venture that satisfies the target market of customers and the target market of the property owners. We will operate the business with as minimal overhead as possible. Our goal is to be very profitable. We will accomplish our mission as quickly as possible so as to remain innovative and hold off possible competition.



Founders

The creative founder of CleanStay USA, Inc. is Robert E. Matheson. He had developed the concept while being a hotel owner, traveler, lender, and friend of many Gujarati customers. Mr. Matheson created the concept and will initiate its operation. He will retain 55% of the ownership of the business and act as the president and captain of the ship. Bob Patel, as he is some time called, knew that the success of the business would be entirely dependent on the Gujarati community. Their consul and participation was integral to the business.

Dharmendra Patel, DD, was a customer, friend and partner of Matheson in the past and was asked for counsel and participation. He was sold on the idea and the business took life. DD will retain 25% ownership in the corporation and will be responsible for the Indian relationships.

Creation

Creation is harder than re-creation. I, Bob Matheson, give all thanks and credit to the LORD. My grandmother took me to a Methodist Sunday School and Church service every Sunday until I was 13. I took my two sons to Methodist Sunday School until they were 16. I have a strong faith in the LORD. I have witness the LORD'S work in almost every religion. Most every motel room I have stayed in the United States and Europe had Gideon Bibles with the Old and New Testament. My wife was raised in the Mormon religion and there are sure are a lot of Marriott rooms with the Book of Mormon in them. In India I borrowed the GREETA from my hotel room, and it quotes "Fulfillments of every desire through GOD". I do not think we should display any symbols, shrines, or even pictures that might be offensive to the US traveler. Our faith is personal and we can testify personally and we can put whatever written revelations in our nightstands.

I love Indian food. I especially loved the Indian food in India because the fresh spices explode many different tastes at once into your mouth. The Indian food, in India, is probably the best food I have ever eaten. I do not like the odors of cooking in a motel property. I consider it a significant negative. . I like the smell of bleach while staying in a motel room.

I was blessed to be born in the United States. I have lived in the United States for 56 years. I have literally traveled around the world. My career necessitates me now traveling over 50,000 auto miles per year. I have over 200,000 airline miles unclaimed. I have stayed literally in every brand from the Plaza Hotel to an independent that I had to tie the electrical cord to the door knob to lock. I prefer Hampton Inns, although I own a Sleep Inn and an Econo Lodge. I hopefully am a respectful judge of the US automobile traveling customer's needs.

The Business Concept

To provide an exciting, acceptable and recognized new Brand that will allow the transient traveler to differentiate existing hotel and motel properties as to their basic need and desire of Cleanliness. The basic need of all hospitality customers is cleanliness. It becomes almost the only need for the interstate traveler that only spends hours on the property at night while traveling. It is especially relevant to the lower price conscious consumer. These travelers are almost all 100% walk-up customers and rarely use reservation systems.

We will guarantee that the room is clean. We will allow the customer to determine whether the room is clean in their own perception. The perception of cleanliness is different in this market segment.

There will no other requirements of the licensee. Although curb appeal and a good bed are also very important there will be no other requirements other than cleanliness.

No QAR, no PIP, no overhead.

Ironically, these lower priced independent properties have no branded affiliation or are about to be de-branded because of their type building, other amenities, or just because the franchisor wants to build new properties.



A brand offers the customers some learned assurances of what to expect. Hampton Inns has done the best job of this learned assurance. CleanStay will do the same in a different market segment.

There must be momentum for a brand to be truly recognizable. The hospitality industry regularly quotes or brags about having 300 properties. 300 properties are critical, however it also depends on how scattered out those numbers are represented. The president of a relatively new brand stated that when they began, they scattered around and did not concentrate on one geographic area and momentum suffered.

CleanStay will initially concentrate along interstate traveling routes that are older such as Interstate 75. 50 properties along the driving route from Detroit to Orlando would create significant recognition and momentum. When I-95 and I-85 are also added the whole east coast will have tremendous momentum. Interstate in itself implies all 48 contiguous states. There are two primary east-west interstates and one west coast. There are many smaller independents at destination and resort areas such Orlando, Daytona Beach, Chicago and New York. All are positioned along our first interstate concentration.

If 100 properties are not licensed within 18 months the business concept will be considered a failure, closed down, the majority of the licensees' money returned, and investors will lose their investment.

We Guarantee or Your Money Back

If the customer, in their own discretion, decides at anytime, that their room was not clean, his money will be refunded. The licensee will agree to this and pay the customer. If the licensee does not refund the customer's money the customer can telephone CleanStay's 800 number and be refunded their money.

Any funds paid by CleanStay USA, Inc. would be deducted from the licensee's remaining tenure of their license agreement. As an example; a \$7,500 annual license agreement equates to \$20.54 per day. If CleanStay pays out \$200 then 10 days would be subtracted from the licensee's remaining term. If significant number of refunds in a given period are paid by the corporation then termination of the license will begin.

Crooked Customers

We know and have experienced the Crooked Customers that will take advantage of any guarantee program to attempt to get a free room. They are very good at what they do and motivated by their accomplishments. We do not feel that there are great numbers as a percentage and especially not in the lower priced market. We will from the beginning have a centralized data base that will be able to quickly track these abusers. A copy of the customer's driver's license will be kept on file.

The Market

Smith Travel Research, the hospitality industry's, keeper of statistics, says there are over 23,000 independent unbranded properties. It is sometimes said that Indians own 80%. If you discount large destination, big city or resort independents the 80% figure is probably close. AAHOA, the Asian American Hotel Owners Association just recently stated their members owned over 8,000 independent properties, and most were Gujarati.

CleanStay USA, Inc. has set a goal of 100 licensees in six months, 500 licensees in 3 years, and 1000 licensees in five years. We believe we can achieve 2000 licensees which are less than 10% of the current independents with additional branded properties being kicked out every day.



Indian Motel Irony

Indian people by nature are the most hospitable people in the world. The American traveler still retains two prejudices against Indian operated motels. One, they are not clean. Two, they are not American owned. CleanStay USA will reverse both.

Competition

There are many existing franchisors that could decide to compete with CleanStay although it would be entirely against their own business model. Because of the minimal amount of startup capital that CleanStay is beginning with, it opens the door to a great deal of copycat new startups. Apparent profits bring on ruinous competition. Best Value Inns is a relatively new franchise membership that is going after similar market segments. They have grown to over 600 properties in less than six years. They still have franchise fees and QAR. Vista is a new brand startup out of Tennessee with low fees but offers no clear statement to the public.

The Licensee Agreement

Costs of License

The costs of the license will be \$6,000 the first year for the first 100 signed. All licenses will thereafter be \$7,500 per year.

If the 100 minimum licensees is not achieved within 18 months then the licensees will be refunded \$4,000 of their initial \$6,000, minus refunds to customers.

Term of License

The term of the license is at the choice of the licensee. A minimum of one year and a maximum of forever may be purchased.

Parallel Goals

A covenant of CleanStay USA, Inc. is to maintain parallel goals with our licensees of profitability and growth to benefit all.

Protective Territory

When there is no reservation driven business, and until such time there may be, there is no protective territory that would be counterproductive for recognition. Only the provisions of one per interstate exit will be agreed upon. The more signs in service the better it will be for all properties. In destination or urban areas the specific market will dictate the licensees extended.

Forfeiture of License

The only way a licensee can forfeit his license is to have too many complaints and non refund payments in any given period. This may change from time to time.

No Liability for Exit

The licensee may choose at his own discretion to leave the system at no liability or costs to them.

No Kickbacks

CleanStay USA, Inc. promises there will never be any kickbacks from vendors taken by the corporation. CleanStay USA, Inc. will promote arrangements with vendors, such as sign vendors, marketing venues, and suppliers for the cost savings and benefits of the licensee.



Design

The design of the CleanStay signage is the single most important contribution to the success of the business. The sign we think conveys CLEANLINESS and Patriotism along a highway. It should show well in daylight and backlit at night. We already loved our name CleanStay USA.

New Build Proto-type

The business concept is so exciting there will be a need for a new build concept, especially for the entry level property investor. We will conceive, design, spec, and bid a new proto-type for this segment. We will make available the CAD drawings for new builds.

The new owner entering the market now has no franchise accessibility for smaller properties, 30 to 40 rooms. The new owner typically would like to live on premise to save cash and taxes. The aging baby-boomers will continue a trend of elderly desire for first floor access, especially with their traveling pets. Therefore we plan to design a two story frame building with exterior entrances on the first floor and interior, elevator, interiors on the second floor. The laundry needs to be behind the front desk and the family apartment could be above the second floor for land conservation.

A prospective licensee may sign up his existing motel with the intentions of building a newer proto-type. There is a current trend of successful franchisees building new independent properties next to their existing successful franchises to refer overflow and rate resistant customers.

Keep Your Name

If you're current name has value then combine it with CleanStay USA; CleanStay USA – Boardwalk Motel, CleanStay USA – Charleston Inn, CleanStay USA – 5th Avenue Hotel.

Splitting Existing Large Properties

Consider DD Patel's Howard Johnson property, in Hardeeville SC. He took an older 128-room Howard Johnson that had good frontage but not enough occupancy and split it into a 64-room Howard Johnson, with the same occupancy, and a CleanStay, with good occupancy. Both properties are then more marketable for sale than the larger property.

ALLSTARS and AWARD WINNERS

AAHOA

CleanStay USA, Inc. will initiate the development of a mutually beneficial relationship with AAHOA. We will integrate with AAHOA on such things as annual conventions, while maintaining our own autonomy.

Our GOAL is 2010

Our GOAL is measurable and timed, "2010". We will have 2010 licensees during the year 2010. We will succeed with so many people dependent on our success.

The Video

The video for housekeeping was conceived as a training aid for our licensees. An asset we hope for our licensees. We feel it is excellent and much needed in the industry. Its foremost purpose was to have a communication with everyone involved with CleanStay USA that left no questions about what was expected about cleaning a room. To properly clean a room takes so little more expense than not to.

Philanthropy

This has been discussed although not a condition of this business plan and would have to be approved by the board of directors in the future when profitability has been achieved. This business model and plan will only be successful with the vigorous participation of the Gujarati community. There seems to be no better way of giving back to that community than to contribute



10% of the profits of the corporation to sanitation projects in Gujarat, as well as the support of education.

Stockholders

Robert E. Matheson	Griffin, GA	770-228-2040
Dharmendra Patel	Savannah, GA	912-441-5215
Dilip Patel	Savannah, GA	912-441-9249
Justin Patel	Hardeeville, SC	843-338-6804
Cary Matheson	Griffin, GA	770-846-0042
Charlie Stuckey	Baxley, GA	912-282-6112
Raj Patel	Savannah, GA	912-441-4460
Pankaj Patel	Savannah, GA	912-663-7000
VJ Patel	Chicago, IL	847-338-8308
Hargovind Sharma	Savannah, GA	912-844-7770
Arvind Patel	Savannah, GA	912-660-4444
Ashwin Patel	Trinidad	
Dinesh Patel	Richmond Hill, GA	912-352-1657
Rajesh Patel	Rincon, GA	912-826-2867
Kiran Swami	Richmond Hill, GA	912-756-2272
Heena Patel	Sugarland, TX	904-392-1050
Ashit Patel	Sugarland, TX	904-392-1050
Bhaskar R. Patel	Brenham, TX	281-565-0664