

Village Inn Hotel and Event Center
Return on Investment Analysis

Summary

Base Price	7,500,000
# of Rooms	104
Down Payment	764,000
NOI	708,068
Cap Rate	9.44%
Total Return	38.80%
Room Revenue 2025	1,830,615
Room Revenue Multiplier (RRM)	4.10
Price / Room	72,115
Occupancy 2025	53.81%
ADR 2025	89.61
RevPAR 2025	48.22

Sources / Uses

	<u>Amount</u>	<u>Per Key</u>
Base Price	7,500,000	72,115
PIP Estimate (none required)	-	-
Initial Franchise Fee Estimate **	35,000	337
Estimated Closing Costs	55,000	529
Contingency	50,000	481
Total	7,640,000	73,462

Proposed Loan Terms

Interest Rate	6.50%
Amortization Period	25.00
Months of Interest Only	-
Loan Term	5
Loan Amount	6,876,000
Annual Payments	607,686
Down Payment 10%	764,000
DSCR	1.37

Operating Cash Flow Summary

	Year Ending 2025	Year 1 2026	Year 2 2027	Year 3 2028	Year 4 2029	Year 5 2030
Net Operating Income (before owner mgmt fee)	708,068	834,409	778,629	818,679	860,484	904,116
Debt						
Primary Loan	-	(607,686)	(607,686)	(607,686)	(607,686)	(607,686)
Net Cash Flow After Debt Financing	708,068	226,722	170,943	210,993	252,797	296,430
	9.50%	12.55%	21.95%	25.77%	29.38%	32.79%
Initial Equity	(764,000)					
Cash Flow Before Debt Service		834,409	778,629	818,679	860,484	904,116
Cash Flow After Debt Service		226,722	170,943	210,993	252,797	296,430
Unlevered Return	(7,640,000)					
Levered Return	(764,000)	226,722	170,943	210,993	252,797	296,430
Cash on Cash ROI		29.68%	22.37%	27.62%	33.09%	38.80%

Running Cash Return on Investment	226,722	397,665	608,658	861,455	1,157,885
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** Inquire about franchise termination window