



BY CHOICE HOTELS

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**CHOICE HOTELS**  
INTERNATIONAL®

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## Executive Summary

The purpose of this feasibility study is to examine the hospitality market of Low Moor, Virginia, and to evaluate the probability of success for a lodging facility to be constructed at 3243 Selma Low Moor Road.

Low Moor is located in west central Virginia near the West Virginia border. It is situated in Alleghany County, where Covington is the county seat. The site is seven miles east of Covington. Two world-class resorts are nearby. The Greenbrier is about 25 miles to the west, while The Homestead is 20 miles to the north. Low Moor is part of the region known as the Alleghany Highlands.

The proposed location is just off Interstate Route 64 at Exit 21. The site is directly across from the entrance road (ARH Lane) to the Alleghany Regional Hospital. The Alleghany County Governmental Complex is north-east of the site. The proposed location is accessed by turning south at Exit 21 from I-64, where the site is the first parcel of land on the right (west) side of Selma Low Moor Road (State Route 696). The location sits between I-64 and Karnes Road. A MeadWestvaco plant is just east of the site, while the Bacova Guild facility is just to the north.

The major east/west highway in the region is I-64, running through Virginia to the east coast at the Hampton Roads/Norfolk area. U.S. Route 220 is the main north/south route. I-81 is 35 miles east of the site.

Traffic counts on I-64 are showing 20,000 vehicles per day, average annualized daily traffic (AADT), to the west of the proposed location; with 18,000 AADT to the east of the site.

According to the 2000 census data, Low Moor had a population of 367; a median household income of \$40,083; a per capita income of \$18,982; and a median house value of \$40,600. Alleghany County had an estimated 2007 population of 16,387 with a median household income of \$41,530. Per capita income in 2000 for the county was \$19,635. By way of comparison, the state of Virginia had a per capita income of \$23,975 in the 2000 census. The state had a median household income of \$59,575 in 2007 and a median house value of \$125,400.

Historical attractions in the Alleghany Highlands include:

Humpback Bridge - the only covered bridge of its type of construction still



standing in the United States. The 100-foot long structure is four feet higher at its center than at either end.

The Historic Masonic Theatre; Alleghany Highlands Center for the Performing Arts - built around 1905, the theater is home to the Virginia Opry and the Southern Gospel Review.

Covington Depot - 1908 C&O passenger depot, restored in 2007.

Oakland Church & Cemetery - built in 1834, its bricks were made in nearby ovens, then transported to the site in saddlebags.

The Homestead's Jefferson Pools - warm mineral springs dating back to 1761.

The region is rich in outdoor recreational opportunities. The George Washington and Jefferson National Forests, Gathright Wildlife Management Area, Lake Moomaw, Douthat State Park, the Jackson River and many mountain streams provide hunting, fishing, biking, hiking and wildlife viewing. The area YMCA is just north of the proposed location.

#### Other points of interest are:

Falling Springs Falls - just north of Covington, the falls provide a peaceful wayside for tourists. In 1778, Thomas Jefferson described Falling Springs as "a remarkable cascade". The falls drop 200 feet to the rocks below.

C&O Railroad Heritage Center - presently undergoing construction in Clifton Forge, this reconstructed station will be a railway museum and visitor's center describing the history of the C&O Railway.

Alleghany Highlands Arts & Crafts Center - facility for regional fine arts and hand crafted products. Exhibits, displays and sells local works.

Golf is a major attraction in this part of the world. Local courses include Cliff View Golf Club, Alleghany Country Club and Clifftondale Country Club. However, the allure of the internationally known resorts puts the proposed location at "golf central". The Homestead, including the Upper and Lower Cascades, and The Greenbrier are both within a short drive.

Festivals and events take place throughout the year in the Alleghany Highlands. The calendar of events includes the Fall Foliage Festival, Hometown Holidays, Alleghany Highlands Triathlon, Douthat Lake Run, Magic in the Mountains, Callaghan Bluegrass Festival, Douthat Arts & Crafts Fair, Street Scene and Douthat Apple Day.

Health care in the area is provided by the Alleghany Regional Hospital. The facility is a member of HCA Southwest Virginia, a family of hospitals



and outpatient centers. Opened in 1979 with 204 beds, the hospital has become the second largest private employer in Alleghany County and has expanded to 214 beds. It has complete inpatient and outpatient services, along with a 24-hour emergency room. 80 doctors and eight dentists practice in the community.

Dabney S. Lancaster Community College serves the higher education needs of the area. It is a two-year institution supported by the Commonwealth of Virginia and the counties of Alleghany, Bath, Botetourt and Rockbridge. Washington and Lee University and the Virginia Military Institute are near Lexington, 30 miles to the east.

The economy of the region is dominated by MeadWestvaco, a manufacturer of paperboard, packaging, paper and specialty chemicals. It is headquartered in Richmond. The major employers in Alleghany County, along with their approximate number of employees, are:

MeadWestvaco	1,500
Alleghany Regional Hospital	350
Bacova Guild, Ltd.	300
Dabney S. Lancaster Community College	250
AET Packaging & Files	200

It should be noted that CSX Corporation operates railroad facilities near the proposed location. In addition, MeadWestvaco and Bacova are neighbors to the site. The community college is located at the next exit east on I-64, thus making the proposed location at the center of the largest employers in the area.

There are no lodging facilities at Exit 21 from I-64. CSX is building a dormitory-style building across from the proposed location, but will not be catering to the public. Competition for the proposed location at Exit 16 from I-64, five miles to the west, consists of the following properties, along with their estimated room counts:

<u>Hotel</u>	<u># of Rooms</u>	<u>Year Built</u>
Compare Inn	85	1984
Holiday Inn Express	63	1999
Best Western Mountain View	76	1973
America's Best Value Inn	43	1998
Pinehurst Motel	30	1938

Lodging in the city of Covington consists of older, exterior entry facilities without the amenities expected by today's traveler. There are rumors that Hampton Inn may be interested in Covington. They have a hotel in



Lewisburg, West Virginia. The room counts for the two major resorts in the region are:

<i>Hotel</i>	<i># of Rooms</i>	<i>Year Built</i>
The Greenbrier	721	1766
The Homestead	483	1910

Information about hotels up to 30 miles can be found in Section 2 of this report. The main competition to a new Sleep Inn at this location will be the Holiday Inn Express. It has room rates of \$135-\$156 during peak season weekends, which lower to \$115-\$156 during the week. In off season weekend rates are \$125-\$156, which lower to \$115-\$156 during the week.

Because Low Moor and the surrounding communities do not have many franchised hotels, no Smith Travel Research Trend Report is available. Therefore, we have used traffic counts; community, recreational, and business activity; and tourism statistics when preparing the projections, along with the age, condition, and segment of the area hotels.

The Virginia Department of Tourism reported that Covington City had \$4.46 million in tourism expenditures, while Alleghany County had \$31.34 million.

According to a recent PKF report, hotels opened prior to 2000 achieved an average occupancy of 67% in 2004, while hotels opened after 2000 had an average occupancy of 72.3%. A 5.3% increase in occupancy for a new construction hotel over older product is substantial for operations. PKF announced that hotel profits grew 7.2% in 2007.

In January 2009, STR (Smith Travel Research) reported the development pipeline included 5,494 hotels with 590,207 rooms. This represents a 3.7% decrease in the number of rooms over December 2008, and a 7.3% decrease in the number of rooms over January 2008. The mid-scale segment without food and beverage and the upscale segments continued to increase in rooms.

STR reported the hotel industry finished 2008 with a 60.4% occupancy, an ADR of \$106.55, and RevPAR of \$64.37. The occupancy was 4.2% lower than the end of 2007, while ADR was 2.4% higher at \$104.04, and RevPAR was 1.9% lower at \$65.61. The highest occupancy decreases were in the luxury segment, and the lowest occupancy decreases were in the upscale segment. The midscale - with and without beverage - along with the economy segment, have occupancy decreases ranging between 4.2% to 5.5%. Mid-scale without food and beverage had the least RevPAR



decrease at 1.5%.

PricewaterhouseCoopers forecasts a sharp deceleration of the US economy, thus affecting the hospitality industry. Based on current market conditions, PricewaterhouseCoopers forecasts an 11.2% decrease in RevPAR during 2009, after a 1.9% decrease in 2008. ADR is expected to decline by 5.2%.

Ernst and Young produces the top ten thoughts for the hospitality industry annually. The thoughts for 2009 are:

1. Credit crunch: capital waiting on the sidelines.
2. Enterprise excellence: focus on cost containment and the bottom line.
3. Technology: leveraging brand name and the internet.
4. Hospitality mixed-use: subject to adjustment.
5. Financing: planning loan restricting and modifications in a structured finance setting.
6. Globalization and decoupling: growth beyond the current economic cycle.
7. Green building: going mainstream.
8. Fair value: what does it mean?
9. Alternative vacation products: value isn't everything.
10. Obama's stimulus package: impact on the lodging industry.

Lodging Econometrics reported that, after peaking in the second quarter of 2008, the global construction pipeline decreased 6%. They also reported that serious cutbacks in leisure and business travel have turned guest room demand negative. Smaller to mid-size projects have been affected to a lesser degree, since there is still some funding available.

*We have reviewed the lodging market in Low Moor, which included the nearby communities of Covington and Clifton Forge. There is a lack of franchised hotels along this stretch of I-64.*

*The competition for a new Sleep Inn will be Holiday Inn Express, which has rates of \$125-\$156; and Best Western-Mountain View with rates of \$93. The Holiday Inn Express is 10 years old, and the Best Western is 36 years old.*

*The site will have good visibility from I-64. The traffic counts near the site are good - 20,000 AADT. The site is near the intersection and businesses.*

*There are not enough reporting hotels in the market to obtain a Smith Travel Research Trend Report. Therefore, we have relied on business and leisure activity, along with tourism statistics to determine the projections.*



*According to the industry forecasters, the mid-level segment will be the safest segment during the current economic downturn. Upscale and luxury travelers are staying at mid-level hotels looking for a better price point. Demand is forecast to stay level in all segments, but rise slightly in the mid-level and economy brands with the down movement in the market segment.*

*We are recommending a 62-room Sleep Inn, which is the standard prototype less three bays (18 rooms). We feel with good marketing and management the hotel can stabilize within 12-16 months. We do recommend that the hotel open prior to peak season, not in the winter months. The site's topography is not low. We have allotted slightly more ground for the hotel development. The projections may need to be updated after the architectural drawings have been completed and the construction bids obtained.*



## Projections

The attached projections are for a new construction Sleep Inn to be located in Low Moor, Virginia. We are recommending a 62-room hotel, and have attached projections based on that room count.

The underlying parcel is just south of I-64, near several businesses, and will have good visibility. The parcel is a 4.87-acre parcel with a purchase price of \$675,000. The hotel will need approximately 1.4 acres for development, which is slightly larger than normal because of the topography of the site. We have allotted \$325,000 for the hotel site in the Use of Funds. The projections could need to be updated after the architectural drawings have been completed and the construction bids obtained.

The figures in the projections are based upon information from the UFOC/FDD and modified for the Low Moor area. The ADR and RevPAR reflect higher figures than quoted in the UFOC/FDD. We believe projected ADR and RevPAR can be reached because of the site's area and location. The projections also take into consideration that the hotel is new, not a conversion, and an interior corridor instead of exterior. The rack rates of the existing competitive market set have been reviewed to give the new hotel an advantage to capture its market share.

The standard prototype for Sleep Inn is an 80-room, three-story building. We feel this is too aggressive for the market. By removing three bays from the prototype, the room count of 62 is achieved. The mix of rooms would be 33 king rooms (includes regular and shower rooms), 20 double queen rooms, and 9 king suites. We have included a pool and guest laundry into the hotel's design.

The rack rates and number of rooms are considered to be competitive in the market. The existing hotels and projected new hotels were taken into consideration when determining these figures.

The attached projections reflect current market conditions. We cannot determine the exact month the property will open. Therefore, we had to look at a full year as if the hotel were open January through December. There will be a "ramp up" period time when the hotel is opened. This could be two to four months, depending on when the property opens. The working capital reflected in the Use of Funds is to be used for this period. The investor may have to come "out-of-pocket" for expenses. The full profit projected during the "ramp up" period may not be achieved. The property should be timed to open before peak season to insure the highest profitabil-



ity. If a property opens in off-season, it will take longer to reach the projections for Year 1, despite the best efforts of property management.

The following line items were not included in the projections. These were eliminated because they can vary depending on the area, terms, and negotiations by the developer. The line items are:

- ◆ Real Estate Taxes – can vary because of abatement, TIF, enterprise district or grants. (*STR Host Report – South Atlantic Region*)
- ◆ Personal Property Taxes – can vary depending on the local assessment of property value.
- ◆ Impact Fees – also known as water/sewer hook-up fees. Until final blueprints are completed most governmental agencies will not quote fees.
- ◆ Insurance – can vary depending on packaging with other insurance elements (health, life, etc.), coverage, and deductibles. (*STR Host Report – South Atlantic Region*)

Contact us with any questions regarding the enclosed figures. Please make the necessary allowance for the above mentioned items for funding purposes.



**Sleep Inn  
Monthly Fees**

Royalty Fee	5.65%
Marketing Fee	2.5%
Reservation Fee	1.75%
Travel Agent Commission	10%
Frequent Traveler	5%
Global Distribution	\$3.75
Technology Services Fee	\$700.00
Communications Fee	\$150.00
Hardware Sub-Lease	\$400.00
Hardware "out-of-warranty"	\$300.00
IOC Dues	\$50.00

**Annual Fees**

Annual Convention	\$595
Regional Meeting	\$250

**Figures From UFOC  
Can Vary by Region**

**Construction Fees**

		per room	
Affiliation Fee	\$300		\$40,000
Architectural/Inspections	\$32,000	to	\$85,000
Soil Test	\$3,000	to	\$10,000
Legal Fees	\$10,000	to	\$45,000
Loan Origination	\$23,753	to	\$42,478
Environmental Impact	\$0	to	\$15,000
Travel	\$0	to	\$25,000
Construction	\$32,000	to	\$42,000
Const Ins	\$1,000	to	\$2,000
Salaries	\$40,000	to	\$100,000
Pre-Opening Advertising	\$0	to	\$60,000
FFE	\$4,000	to	\$6,000
Profit Manager Install	\$15,000		
General Insurance	\$80,000	to	\$125,000
Worker's Comp	\$5,000	to	\$45,000
CORE/Orientation	\$2,500		
Opening Inventories	\$700	to	\$1,400
Mandatory Signage	\$20,000	to	\$80,000
Working Capital	\$125,474	to	\$182,047
Additional Working Capital	\$70,000	to	\$100,000
Profit Manager Software	\$8,000		
Profit Manager Training	\$7,500		
Misc. Training	\$6,500		

**Estimated Loan Amounts**

Down Payment 25%	\$1,357,854
Loan Amount	\$4,073,562
<b>Estimated Payment</b>	<b>\$28,300</b>
Down Payment 20%	\$1,086,283
Loan Amount	\$4,345,133
<b>Estimated Payment</b>	<b>\$30,300</b>

**Development Cost Summary**

<b>Total Square Footage</b>	28,082
<b>Rooms</b>	62

	<b>Total</b>	<b>Cost Per Room</b>
<b>Land</b>	<b>\$325,000</b>	<b>\$5,241.94</b>
<b>Soft Costs</b>		
Development Design/Fees		
Environmental (Phase I)	\$4,000	\$64.52
Subsurface Explorations	\$6,000	\$96.77
Appraisal	\$4,500	\$72.58
Civil Engineering/Surveys	\$22,000	\$354.84
Architectural	\$65,000	\$1,048.39
Landscape Design	\$4,000	\$64.52
Impact Fees		
Developer's Fee		
Franchise Fee	\$40,000	\$645.16
<b>Total</b>	<b>\$145,500</b>	<b>\$2,346.77</b>
<b>General Construction</b>		
Site Development	\$275,000	\$4,435.48
Landscape	\$35,000	\$564.52
Bldg. Construction	\$2,583,544	\$41,670.06
Special Construction		
Pool	\$45,000	\$725.81
Porte-Cochere		
Signage	\$40,000	\$645.16
Field Engineering	\$9,000	\$145.16
Bonds	\$25,000	\$403.23
<b>Total</b>	<b>\$3,012,544</b>	<b>\$48,589.42</b>
<b>FF&amp;E/Start Up Expenses</b>	<b>\$405,800</b>	<b>\$6,545.16</b>
<b>Financing &amp; Closing Costs</b>		
Loan Origination Fees	\$37,657	\$607.37
Construction Interest (6.5%/9mo)	\$133,315	\$2,150.25
Lender Inspections	\$8,000	\$129.03
Builder's Risk Insurance	\$9,500	\$153.23
Title Insurance	\$10,000	\$161.29
Closing Cost/Legal	\$15,000	\$241.94
<b>Total</b>	<b>\$213,472</b>	<b>\$3,443.10</b>
<b>Total Estimate Construction</b>	<b>\$4,102,316</b>	<b>\$66,166.39</b>
<b>Additional Expenses:</b>		
Training	\$15,000	\$241.94
Telephone Reservation System	\$44,000	\$709.68
Pre-Opening Advertising	\$30,000	\$483.87
Pre-Opening Payroll	\$25,000	\$403.23
Working Capital	\$100,000	\$1,612.90
<b>Total</b>	<b>\$214,000</b>	<b>\$3,451.61</b>
<b>Total Project Estimate</b>	<b>\$5,431,416</b>	<b>\$87,603.48</b>



Sleep Inn  
Low Moor, Virginia  
Operating Budget - Year 1

Total Rooms: 62  
Total Rooms Annually: 22,630  
OCC: 59.62%  
ADR: \$90.49  
RevPAR: \$54.00

Room Type	Number	Rack Rate
King	33	\$95
D/Double	20	\$100
Suite	9	\$110

**Income Per Unit**

	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Total	Weeks	Totals YR Per Room
ADR Model Peak: <small>(June-July-September-October)</small>	\$94.80	\$94.80	\$94.80	\$94.80	\$94.80	\$94.80	\$94.80	\$663.59	17.38	\$11,533.17
ADR Model Mid-Peak: <small>(March-April-May-November)</small>	\$90.06	\$90.06	\$90.06	\$90.06	\$90.06	\$94.80	\$94.80	\$639.89	17.38	\$11,121.27
ADR Model Off-Peak: <small>(December-January-February-August)</small>	\$85.32	\$85.32	\$85.32	\$85.32	\$85.32	\$85.32	\$85.32	\$597.23	17.24	\$10,296.24
<b>Total Possible Revenue</b>										\$32,950.69

**Revenue:**

Gross Revenue per Month  
(corporate-group-leisure)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Totals
	\$163,533	\$147,707	\$175,214	\$169,562	\$175,214	\$175,842	\$181,703	\$163,533	\$175,842	\$181,703	\$169,562	\$163,533	\$2,042,948
Occupancy PCT	45.90%	49.40%	54.40%	57.90%	60.40%	62.70%	64.10%	64.90%	64.80%	64.90%	63.90%	62.10%	
Occupied Rooms	882	858	1,046	1,077	1,161	1,166	1,232	1,247	1,205	1,247	1,189	1,194	
ADR	\$85.08	\$85.08	\$91.16	\$91.16	\$91.16	\$94.54	\$94.54	\$85.08	\$94.54	\$94.54	\$91.16	\$85.08	
RevPAR	\$39.05	\$42.03	\$49.59	\$52.78	\$55.06	\$59.28	\$60.60	\$55.22	\$61.26	\$61.36	\$58.25	\$52.84	
<b>Gross Revenue Based on Occupancy</b>	<b>\$75,062</b>	<b>\$72,967</b>	<b>\$95,316</b>	<b>\$98,176</b>	<b>\$105,829</b>	<b>\$110,253</b>	<b>\$116,472</b>	<b>\$106,133</b>	<b>\$113,946</b>	<b>\$117,925</b>	<b>\$108,350</b>	<b>\$101,554</b>	<b>\$1,221,984</b>

**Misc. Income**

Movie Rental	\$150	\$146	\$191	\$196	\$212	\$221	\$233	\$212	\$228	\$236	\$217	\$203	\$2,444
Photo Copy	\$45	\$44	\$57	\$59	\$63	\$66	\$70	\$64	\$68	\$71	\$65	\$61	\$733
Fax Charge	\$53	\$51	\$67	\$69	\$74	\$77	\$82	\$74	\$80	\$83	\$76	\$71	\$855
Vending Machine	\$188	\$182	\$238	\$245	\$265	\$276	\$291	\$265	\$285	\$295	\$271	\$254	\$3,055
Meeting Rooms & Equipment	\$826	\$803	\$1,048	\$1,080	\$1,164	\$1,213	\$1,281	\$1,167	\$1,253	\$1,297	\$1,192	\$1,117	\$13,442
Pet Charge	\$282	\$274	\$358	\$369	\$398	\$414	\$438	\$399	\$428	\$443	\$407	\$382	\$4,592
<b>Total</b>	<b>\$1,543</b>	<b>\$1,500</b>	<b>\$1,960</b>	<b>\$2,018</b>	<b>\$2,176</b>	<b>\$2,267</b>	<b>\$2,394</b>	<b>\$2,182</b>	<b>\$2,342</b>	<b>\$2,424</b>	<b>\$2,227</b>	<b>\$2,088</b>	<b>\$25,122</b>
<b>Total Gross Revenue</b>	<b>\$76,605</b>	<b>\$74,467</b>	<b>\$97,276</b>	<b>\$100,195</b>	<b>\$108,005</b>	<b>\$112,519</b>	<b>\$118,866</b>	<b>\$108,315</b>	<b>\$116,288</b>	<b>\$120,350</b>	<b>\$110,577</b>	<b>\$103,642</b>	<b>\$1,247,105</b>

**Expenses:**

**Payroll & Related**

Administrative & Supervision	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$57,600
Rooms - Public Area	\$6,510	\$5,880	\$6,510	\$6,300	\$6,510	\$6,300	\$6,510	\$6,510	\$6,300	\$6,510	\$6,300	\$6,510	\$76,650
Housekeeping	\$3,676	\$3,573	\$4,357	\$4,487	\$4,837	\$4,859	\$5,133	\$5,197	\$5,022	\$5,197	\$4,952	\$4,973	\$56,265
Maintenance	\$751	\$730	\$953	\$982	\$1,058	\$1,103	\$1,165	\$1,061	\$1,139	\$1,179	\$1,084	\$1,016	\$12,220
<b>Total</b>	<b>\$15,736</b>	<b>\$14,983</b>	<b>\$16,620</b>	<b>\$16,569</b>	<b>\$17,205</b>	<b>\$17,062</b>	<b>\$17,608</b>	<b>\$17,569</b>	<b>\$17,261</b>	<b>\$17,687</b>	<b>\$17,136</b>	<b>\$17,299</b>	<b>\$202,735</b>



**Related Payroll**

Payroll Taxes	\$1,498	\$1,662	\$1,657	\$1,721	\$1,706	\$1,761	\$1,757	\$1,726	\$1,769	\$1,714	\$1,730	\$20,273
Benefits-Group Insurance	\$599	\$665	\$663	\$688	\$682	\$704	\$703	\$690	\$707	\$685	\$692	\$8,109
Benefits-Workmens Comp	\$644	\$715	\$712	\$740	\$734	\$757	\$755	\$742	\$761	\$737	\$744	\$8,718
<b>Total</b>	\$2,742	\$3,041	\$3,032	\$3,149	\$3,122	\$3,222	\$3,215	\$3,159	\$3,237	\$3,136	\$3,166	\$37,100

**Other Expenses**

Photocopy Rental & Supplies	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$5,100
Breakfast	\$2,205	\$2,144	\$2,692	\$2,902	\$2,916	\$3,080	\$3,118	\$3,013	\$3,118	\$2,971	\$2,984	\$33,759
Audit & Legal	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Dues & Subscriptions	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Cleaning Supplies	\$1,201	\$1,167	\$1,525	\$1,571	\$1,764	\$1,864	\$1,698	\$1,823	\$1,887	\$1,734	\$1,625	\$19,552
Guest Supplies	\$1,351	\$1,313	\$1,716	\$1,905	\$1,985	\$2,096	\$1,910	\$2,051	\$2,123	\$1,950	\$1,828	\$21,996
Laundry/Dry Cleaning	\$150	\$146	\$191	\$212	\$221	\$233	\$212	\$236	\$236	\$217	\$203	\$2,444
Linen	\$323	\$314	\$410	\$422	\$474	\$501	\$456	\$490	\$507	\$466	\$437	\$5,255
Office Supplies	\$233	\$226	\$295	\$304	\$342	\$361	\$329	\$353	\$366	\$336	\$315	\$3,788
Decorations	\$75	\$73	\$95	\$98	\$110	\$116	\$106	\$114	\$118	\$108	\$102	\$1,222
Uniforms	\$188	\$182	\$238	\$245	\$276	\$291	\$265	\$285	\$295	\$271	\$254	\$3,055
Telephone	\$661	\$642	\$839	\$864	\$970	\$1,025	\$934	\$1,003	\$1,038	\$953	\$894	\$10,753
Credit Card Commissions	\$1,239	\$1,204	\$1,573	\$1,620	\$1,819	\$1,922	\$1,751	\$1,880	\$1,946	\$1,788	\$1,676	\$20,163
Travel Agent Commission	\$1,013	\$985	\$1,287	\$1,325	\$1,488	\$1,572	\$1,433	\$1,538	\$1,592	\$1,463	\$1,371	\$16,497
Marketing	\$2,326	\$2,282	\$2,752	\$2,812	\$3,065	\$3,196	\$2,979	\$3,143	\$3,226	\$3,025	\$2,883	\$34,662
Postage	\$188	\$182	\$238	\$245	\$276	\$291	\$265	\$285	\$295	\$271	\$254	\$3,055
Promotions	\$150	\$146	\$191	\$196	\$221	\$233	\$212	\$228	\$236	\$217	\$203	\$2,444
Licences	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Reservation Fee	\$1,314	\$1,277	\$1,668	\$1,718	\$1,929	\$2,038	\$1,857	\$1,994	\$2,064	\$1,896	\$1,777	\$21,385
Pest Control	\$225	\$219	\$286	\$295	\$331	\$349	\$318	\$342	\$354	\$325	\$305	\$3,666
Miscellaneous	\$300	\$292	\$381	\$393	\$441	\$466	\$425	\$456	\$472	\$433	\$406	\$4,888
<b>Total</b>	\$14,066	\$13,721	\$17,223	\$17,690	\$19,552	\$20,560	\$19,196	\$20,151	\$20,796	\$19,349	\$18,440	\$219,682

**Additional Expenses**

Franchise Fees	\$3,941	\$3,831	\$5,004	\$5,154	\$5,788	\$6,115	\$5,572	\$5,982	\$6,191	\$5,688	\$5,332	\$64,154
Misc. Franchise Expenses	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$11,400
Property Management	\$2,815	\$2,736	\$3,574	\$3,682	\$4,134	\$4,368	\$3,980	\$4,273	\$4,422	\$4,063	\$3,808	\$45,824
Real Estate Taxes	\$2,477	\$2,408	\$3,145	\$3,240	\$3,638	\$3,844	\$3,502	\$3,760	\$3,892	\$3,576	\$3,351	\$40,325
Insurance	\$1,201	\$1,167	\$1,525	\$1,571	\$1,764	\$1,864	\$1,698	\$1,823	\$1,887	\$1,734	\$1,625	\$19,552
Capital Reserve	\$1,126	\$1,095	\$1,430	\$1,473	\$1,654	\$1,747	\$1,592	\$1,709	\$1,769	\$1,625	\$1,523	\$18,330
Utilities	\$3,678	\$3,575	\$4,671	\$4,811	\$5,402	\$5,707	\$5,201	\$5,583	\$5,778	\$5,309	\$4,976	\$59,877
<b>Total</b>	\$16,188	\$15,762	\$20,299	\$20,880	\$23,331	\$24,594	\$22,495	\$24,081	\$24,889	\$22,945	\$21,565	\$259,463
<b>Total Expense</b>	\$48,870	\$47,208	\$57,184	\$58,171	\$63,067	\$65,984	\$62,474	\$64,652	\$66,608	\$62,566	\$60,470	\$718,980
<b>Net Income - Rooms</b>	\$27,735	\$27,260	\$40,092	\$42,024	\$49,452	\$52,882	\$45,840	\$51,636	\$53,742	\$48,011	\$43,172	\$528,125

**Debt Service**

(Based on 23 YR AM, 6.5% Int, 75% LTV)	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$339,600
<b>Income After Debt Service</b>	(\$565)	(\$1,040)	\$11,792	\$13,724	\$17,979	\$21,152	\$24,582	\$17,540	\$25,442	\$19,711	\$14,872	\$188,525







**Related Payroll**

Payroll Taxes	\$1,642	\$1,830	\$1,857	\$1,860	\$1,832	\$1,929	\$1,814	\$1,740	\$1,802	\$1,701	\$1,580	\$21,258
Benefits-Group Insurance	\$657	\$732	\$743	\$744	\$733	\$772	\$726	\$696	\$721	\$680	\$632	\$8,503
Benefits-Workmens Comp	\$718	\$787	\$798	\$800	\$788	\$830	\$780	\$748	\$775	\$731	\$679	\$9,141
<b>Total</b>	\$3,005	\$3,348	\$3,398	\$3,404	\$3,352	\$3,531	\$3,320	\$3,185	\$3,298	\$3,112	\$2,891	\$38,903

**Other Expenses**

Photocopy Rental & Supplies	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$5,100
Breakfast	\$2,653	\$2,841	\$3,765	\$3,668	\$3,606	\$4,017	\$3,430	\$3,115	\$3,335	\$2,921	\$2,162	\$39,017
Audit & Legal	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Dues & Subscriptions	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Cleaning Supplies	\$1,404	\$1,503	\$2,022	\$1,970	\$2,009	\$2,238	\$1,815	\$1,735	\$1,858	\$1,569	\$1,144	\$21,149
Guest Supplies	\$1,580	\$1,691	\$2,118	\$2,275	\$2,260	\$2,517	\$2,042	\$1,952	\$2,090	\$1,765	\$1,287	\$23,792
Laundry/Dry Cleaning	\$176	\$188	\$235	\$246	\$251	\$280	\$227	\$217	\$232	\$196	\$143	\$2,644
Linen	\$377	\$404	\$506	\$530	\$540	\$601	\$488	\$466	\$499	\$422	\$307	\$5,684
Office Supplies	\$272	\$291	\$365	\$382	\$389	\$434	\$352	\$336	\$360	\$304	\$222	\$4,098
Decorations	\$88	\$94	\$118	\$123	\$126	\$140	\$113	\$108	\$116	\$98	\$71	\$1,322
Uniforms	\$219	\$235	\$294	\$308	\$314	\$350	\$284	\$271	\$290	\$245	\$179	\$3,304
Telephone	\$772	\$827	\$1,035	\$1,084	\$1,105	\$1,231	\$998	\$954	\$1,022	\$863	\$629	\$11,632
Credit Card Commissions	\$1,448	\$1,550	\$1,941	\$2,032	\$2,071	\$2,307	\$1,872	\$1,789	\$1,916	\$1,618	\$1,180	\$21,809
Travel Agent Commission	\$1,185	\$1,268	\$1,706	\$1,662	\$1,695	\$1,888	\$1,532	\$1,464	\$1,567	\$1,324	\$965	\$17,844
Marketing	\$2,593	\$2,723	\$3,404	\$3,336	\$3,386	\$3,687	\$3,132	\$3,027	\$3,188	\$2,809	\$2,251	\$36,757
Postage	\$219	\$235	\$316	\$308	\$314	\$350	\$284	\$271	\$290	\$245	\$179	\$3,304
Promotions	\$176	\$188	\$235	\$246	\$251	\$280	\$227	\$217	\$232	\$196	\$143	\$2,644
Licences	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Reservation Fee	\$1,536	\$1,644	\$2,059	\$2,212	\$2,197	\$2,447	\$1,985	\$1,898	\$2,032	\$1,716	\$1,251	\$23,131
Pest Control	\$263	\$282	\$353	\$369	\$377	\$420	\$340	\$325	\$348	\$294	\$214	\$3,965
Miscellaneous	\$351	\$376	\$471	\$493	\$502	\$559	\$454	\$434	\$464	\$392	\$286	\$5,287
<b>Total</b>	\$16,236	\$17,264	\$22,589	\$22,053	\$22,317	\$24,669	\$20,500	\$19,506	\$20,766	\$17,901	\$13,539	\$238,483

**Additional Expenses**

Franchise Fees	\$4,607	\$4,932	\$6,176	\$6,635	\$6,591	\$7,342	\$5,956	\$5,693	\$6,096	\$5,147	\$3,754	\$69,394
Misc. Franchise Expenses	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$11,400
Property Management	\$3,291	\$3,523	\$4,411	\$4,739	\$4,708	\$5,244	\$4,254	\$4,067	\$4,354	\$3,677	\$2,681	\$49,567
Real Estate Taxes	\$2,896	\$3,100	\$3,882	\$4,171	\$4,143	\$4,615	\$3,744	\$3,579	\$3,832	\$3,236	\$2,359	\$43,619
Insurance	\$1,404	\$1,503	\$1,882	\$2,022	\$2,009	\$2,238	\$1,815	\$1,735	\$1,858	\$1,569	\$1,144	\$21,149
Capital Reserve	\$1,316	\$1,409	\$1,765	\$1,896	\$1,883	\$2,098	\$1,702	\$1,627	\$1,742	\$1,471	\$1,072	\$19,827
Utilities	\$4,300	\$4,603	\$5,764	\$6,193	\$6,151	\$6,852	\$5,559	\$5,314	\$5,689	\$4,804	\$3,503	\$64,767
<b>Total</b>	\$18,764	\$20,021	\$24,831	\$26,605	\$26,435	\$29,339	\$23,980	\$22,964	\$24,520	\$20,854	\$15,464	\$279,722
<b>Total Expense</b>	\$54,765	\$56,713	\$67,618	\$71,160	\$70,423	\$76,833	\$65,942	\$63,060	\$66,609	\$58,872	\$47,694	\$769,693
<b>Net Income - Rooms</b>	\$34,791	\$39,162	\$52,440	\$57,817	\$55,668	\$57,698	\$49,839	\$47,615	\$51,886	\$41,191	\$25,271	\$579,266

**Debt Service**

(Based on 23 YR AM, 6.5% Int, 7% LTV)

<b>Income After Debt Service</b>	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$339,600
	\$6,491	\$10,862	\$24,140	\$29,517	\$27,368	\$29,398	\$21,539	\$19,315	\$23,586	\$12,891	(\$3,029)	\$239,666



Sleep Inn  
Low Moor, Virginia  
Operating Budget - Year 3

62  
Total Rooms: 22,630  
Total Rooms Annually: 63,700%  
OCC: \$93.16  
ADR: \$59.34  
RevPAR:

	Income Per Unit	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Total	Weeks	Totals YR Per Room
ADR Model Peak:		\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$672.00	17.38	\$11,679.36
(June-July-September-October)											
ADR Model Mid-Peak:		\$91.20	\$91.20	\$91.20	\$91.20	\$91.20	\$96.00	\$96.00	\$648.00	17.38	\$11,262.24
(March-April-May-November)											
ADR Model Off-Peak:		\$91.20	\$91.20	\$91.20	\$91.20	\$91.20	\$91.20	\$91.20	\$638.40	17.24	\$11,006.02
(December-January-February-August)											\$33,947.62

Total Possible Revenue

Revenue:

Gross Revenue per Month  
(corporate-group-leisure)

Occupancy PCT  
Occupied Rooms

ADR  
RevPAR  
Gross Revenue Based on Occupancy

Misc. Income  
Movie Rental  
Photo Copy  
Fax Charge  
Vending Machine  
Meeting Rooms & Equipment  
Pet Charge  
Total  
Total Gross Revenue

Expenses:  
Payroll & Related  
Administrative & Supervision  
Rooms - Public Area  
Housekeeping  
Maintenance  
Total

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Totals
\$174,806	\$157,889	\$177,435	\$171,711	\$177,435	\$174,806	\$178,071	\$184,006	\$174,806	\$178,071	\$184,006	\$171,711	\$174,806	\$2,104,754
51.20%	60.50%	67.30%	74.60%	70.40%	71.50%	77.00%	65.90%	61.90%	64.10%	58.10%	41.90%	805	
984	1,050	1,294	1,388	1,353	1,330	1,480	1,267	1,151	1,232	1,081	1,081	805	
\$90.95	\$90.95	\$92.32	\$92.32	\$92.32	\$95.74	\$95.74	\$90.95	\$95.74	\$95.74	\$92.32	\$92.32	\$90.95	
\$46.57	\$55.02	\$62.13	\$68.87	\$64.99	\$68.45	\$73.72	\$59.94	\$59.26	\$61.37	\$53.64	\$53.64	\$38.11	
\$89,501	\$95,523	\$119,414	\$128,096	\$124,914	\$127,321	\$141,685	\$115,197	\$110,226	\$117,948	\$99,764	\$73,244	\$1,342,833	

\$179	\$191	\$239	\$256	\$250	\$255	\$283	\$230	\$220	\$236	\$200	\$146	\$2,686
\$54	\$57	\$72	\$77	\$75	\$76	\$85	\$69	\$66	\$71	\$60	\$44	\$806
\$63	\$67	\$84	\$90	\$87	\$89	\$99	\$81	\$77	\$83	\$70	\$51	\$940
\$224	\$239	\$299	\$320	\$312	\$318	\$354	\$288	\$276	\$295	\$249	\$183	\$3,357
\$985	\$1,051	\$1,314	\$1,409	\$1,374	\$1,401	\$1,559	\$1,267	\$1,212	\$1,297	\$1,097	\$806	\$14,771
\$336	\$359	\$449	\$481	\$469	\$478	\$532	\$433	\$414	\$443	\$375	\$275	\$5,046
\$1,840	\$1,964	\$2,455	\$2,633	\$2,568	\$2,617	\$2,913	\$2,368	\$2,266	\$2,425	\$2,051	\$1,506	\$27,606
\$91,341	\$97,487	\$121,869	\$130,730	\$127,482	\$129,938	\$144,598	\$117,565	\$112,492	\$120,373	\$101,815	\$74,750	\$1,370,439

\$5,300	\$5,300	\$5,300	\$5,300	\$5,300	\$5,300	\$5,300	\$5,300	\$5,300	\$5,300	\$5,300	\$5,300	\$5,300	\$63,600
\$6,820	\$6,160	\$6,820	\$6,600	\$6,820	\$6,600	\$6,820	\$6,820	\$6,600	\$6,600	\$6,820	\$6,600	\$6,820	\$80,300
\$4,100	\$4,376	\$5,390	\$5,782	\$5,638	\$5,541	\$6,166	\$5,277	\$4,797	\$4,797	\$5,133	\$4,503	\$3,355	\$60,059
\$895	\$955	\$1,194	\$1,281	\$1,249	\$1,273	\$1,417	\$1,152	\$1,102	\$1,179	\$998	\$732	\$13,428	
\$17,115	\$16,791	\$18,704	\$18,962	\$19,007	\$18,714	\$19,703	\$18,549	\$17,800	\$18,433	\$17,400	\$16,208	\$217,388	







Sleep Inn  
Low Moor, Virginia  
Operating Budget - Year 4

Total Rooms: 62  
Total Rooms Annually: 22,630  
OCC: 64.20%  
ADR: \$95.10  
RevPAR: \$61.05

**Income Per Unit**

	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Total	Weeks	Totals YR Per Room
ADR Model Peak:	\$98.00	\$98.00	\$98.00	\$98.00	\$98.00	\$98.00	\$98.00	\$686.00	17.38	\$11,922.68
(June-July-September-October)										
ADR Model Mid-Peak:	\$93.10	\$93.10	\$93.10	\$93.10	\$93.10	\$98.00	\$98.00	\$661.50	17.38	\$11,496.87
(March-April-May-November)										
ADR Model Off-Peak:	\$93.10	\$93.10	\$93.10	\$93.10	\$93.10	\$93.10	\$93.10	\$651.70	17.24	\$11,235.31
(December-January-February-August)										
<b>Total Possible Revenue</b>										<b>\$34,654.86</b>

**Revenue:**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Totals
Gross Revenue per Month (corporate-group-leisure)	\$178,448	\$161,179	\$181,131	\$175,288	\$181,131	\$181,781	\$187,840	\$178,448	\$181,781	\$187,840	\$175,288	\$178,448	\$2,148,603
Occupancy PCT	51.70%	61.00%	67.80%	75.10%	70.90%	72.00%	77.50%	66.40%	62.40%	64.60%	58.60%	42.40%	
Occupied Rooms	994	1,059	1,303	1,397	1,363	1,339	1,490	1,276	1,161	1,242	1,090	815	
ADR	\$92.84	\$92.84	\$94.24	\$94.24	\$94.24	\$97.73	\$97.73	\$92.84	\$97.73	\$97.73	\$94.24	\$92.84	
RevPAR	\$48.00	\$56.64	\$63.90	\$70.78	\$66.82	\$70.37	\$75.74	\$61.65	\$60.98	\$63.13	\$55.23	\$39.37	
Gross Revenue Based on Occupancy	\$92,258	\$98,319	\$122,807	\$131,642	\$128,422	\$130,882	\$145,576	\$118,489	\$113,431	\$121,345	\$102,719	\$75,662	\$1,381,552

**Misc. Income**

Movie Rental	\$185	\$197	\$246	\$263	\$257	\$262	\$291	\$237	\$227	\$243	\$205	\$151	\$2,763
Photo Copy	\$55	\$59	\$74	\$79	\$77	\$79	\$87	\$71	\$68	\$73	\$62	\$45	\$829
Fax Charge	\$65	\$69	\$86	\$92	\$90	\$92	\$102	\$83	\$79	\$85	\$72	\$53	\$967
Vending Machine	\$231	\$246	\$307	\$329	\$321	\$327	\$364	\$296	\$284	\$303	\$257	\$189	\$3,454
Meeting Rooms & Equipment	\$1,015	\$1,082	\$1,351	\$1,448	\$1,413	\$1,440	\$1,601	\$1,303	\$1,248	\$1,335	\$1,130	\$832	\$15,197
Pet Charge	\$347	\$369	\$462	\$495	\$483	\$492	\$547	\$445	\$426	\$456	\$386	\$284	\$5,192
Total	\$1,897	\$2,021	\$2,525	\$2,706	\$2,640	\$2,691	\$2,993	\$2,436	\$2,332	\$2,495	\$2,112	\$1,555	\$28,402
Total Gross Revenue	\$94,154	\$100,340	\$125,332	\$134,348	\$131,062	\$133,573	\$148,569	\$120,925	\$115,763	\$123,839	\$104,831	\$77,217	\$1,409,954

**Expenses:**

**Payroll & Related**

Administrative & Supervision	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$69,600
Rooms - Public Area	\$6,820	\$6,160	\$6,820	\$6,600	\$6,820	\$6,600	\$6,820	\$6,820	\$6,600	\$6,820	\$6,600	\$6,820	\$80,300
Housekeeping	\$4,416	\$4,706	\$5,792	\$6,208	\$6,056	\$5,952	\$6,620	\$5,672	\$5,158	\$5,518	\$4,844	\$3,622	\$64,566
Maintenance	\$923	\$983	\$1,228	\$1,316	\$1,284	\$1,309	\$1,456	\$1,185	\$1,134	\$1,213	\$1,027	\$757	\$13,816
Total	\$17,959	\$17,650	\$19,640	\$19,925	\$19,961	\$19,661	\$20,696	\$19,477	\$18,693	\$19,352	\$18,271	\$16,999	\$228,282



**Related Payroll**

Payroll Taxes	\$1,796	\$1,765	\$1,964	\$1,992	\$1,996	\$1,966	\$2,070	\$1,948	\$1,869	\$1,935	\$1,827	\$1,700	\$22,828
Benefits-Group Insurance	\$718	\$706	\$786	\$797	\$798	\$786	\$828	\$779	\$748	\$774	\$731	\$680	\$9,131
Benefits-Workmens Comp	\$772	\$759	\$845	\$857	\$858	\$845	\$890	\$838	\$804	\$832	\$786	\$731	\$9,816
<b>Total</b>	\$3,286	\$3,230	\$3,594	\$3,646	\$3,653	\$3,598	\$3,787	\$3,564	\$3,421	\$3,541	\$3,344	\$3,111	\$41,776

**Other Expenses**

Photocopy Rental & Supplies	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$5,100
Breakfast	\$2,981	\$3,177	\$3,909	\$4,191	\$4,088	\$4,018	\$4,469	\$3,829	\$3,482	\$3,725	\$3,270	\$2,445	\$43,582
Audit & Legal	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Dues & Subscriptions	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Cleaning Supplies	\$1,476	\$1,573	\$1,965	\$2,106	\$2,055	\$2,094	\$2,329	\$1,896	\$1,815	\$1,942	\$1,644	\$1,211	\$22,105
Guest Supplies	\$1,661	\$1,770	\$2,211	\$2,370	\$2,312	\$2,356	\$2,620	\$2,133	\$2,042	\$2,184	\$1,849	\$1,362	\$24,868
Laundry/Dry Cleaning	\$185	\$197	\$246	\$263	\$257	\$262	\$291	\$237	\$227	\$243	\$205	\$151	\$2,763
Linen	\$397	\$423	\$528	\$566	\$552	\$563	\$626	\$510	\$488	\$522	\$442	\$325	\$5,941
Office Supplies	\$286	\$305	\$381	\$408	\$398	\$406	\$451	\$367	\$352	\$376	\$318	\$235	\$4,283
Decorations	\$92	\$98	\$123	\$132	\$128	\$131	\$146	\$118	\$113	\$121	\$103	\$76	\$1,382
Uniforms	\$231	\$246	\$307	\$329	\$321	\$327	\$364	\$296	\$284	\$303	\$257	\$189	\$3,454
Telephone	\$812	\$865	\$1,081	\$1,158	\$1,130	\$1,152	\$1,281	\$1,043	\$998	\$1,058	\$904	\$666	\$12,158
Credit Card Commissions	\$1,522	\$1,622	\$2,026	\$2,172	\$2,119	\$2,160	\$2,402	\$1,955	\$1,872	\$2,002	\$1,695	\$1,248	\$22,796
Travel Agent Commission	\$1,245	\$1,327	\$1,658	\$1,777	\$1,734	\$1,767	\$1,965	\$1,600	\$1,531	\$1,638	\$1,387	\$1,021	\$18,551
Marketing	\$2,687	\$2,815	\$3,329	\$3,514	\$3,447	\$3,499	\$3,807	\$3,238	\$3,132	\$3,238	\$2,907	\$2,339	\$38,013
Postage	\$231	\$246	\$307	\$329	\$321	\$327	\$364	\$296	\$284	\$303	\$257	\$189	\$3,454
Promotions	\$185	\$197	\$246	\$263	\$257	\$262	\$291	\$237	\$227	\$243	\$205	\$151	\$2,763
Licences	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Reservation Fee	\$1,615	\$1,721	\$2,149	\$2,304	\$2,247	\$2,290	\$2,548	\$2,074	\$1,985	\$2,124	\$1,798	\$1,324	\$24,177
Pest Control	\$277	\$295	\$368	\$395	\$385	\$393	\$437	\$355	\$340	\$364	\$308	\$227	\$4,145
Miscellaneous	\$369	\$393	\$491	\$527	\$514	\$524	\$582	\$474	\$454	\$485	\$411	\$303	\$5,526
<b>Total</b>	\$17,175	\$18,194	\$22,249	\$23,729	\$23,190	\$23,453	\$25,898	\$21,583	\$20,550	\$21,866	\$18,884	\$14,387	\$251,159

**Additional Expenses**

Franchise Fees	\$4,844	\$5,162	\$6,447	\$6,911	\$6,742	\$6,871	\$7,643	\$6,221	\$5,955	\$6,371	\$5,393	\$3,972	\$72,531
Misc. Franchise Expenses	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$11,400
Property Management	\$3,460	\$3,687	\$4,605	\$4,937	\$4,816	\$4,908	\$5,459	\$4,443	\$4,254	\$4,550	\$3,852	\$2,837	\$51,808
Real Estate Taxes	\$3,045	\$3,245	\$4,053	\$4,344	\$4,238	\$4,319	\$4,804	\$3,910	\$3,743	\$4,004	\$3,390	\$2,497	\$45,591
Insurance	\$1,476	\$1,573	\$1,965	\$2,106	\$2,055	\$2,094	\$2,329	\$1,896	\$1,815	\$1,942	\$1,644	\$1,211	\$22,105
Capital Reserve	\$1,384	\$1,475	\$1,842	\$1,975	\$1,926	\$1,963	\$2,184	\$1,777	\$1,701	\$1,820	\$1,541	\$1,135	\$20,723
Utilities	\$4,521	\$4,818	\$6,018	\$6,450	\$6,293	\$6,413	\$7,133	\$5,806	\$5,558	\$5,946	\$5,033	\$3,707	\$67,696
<b>Total</b>	\$19,678	\$20,909	\$25,880	\$27,673	\$27,020	\$27,519	\$30,502	\$25,003	\$23,977	\$25,583	\$21,802	\$16,309	\$291,855

**Total Expense**

Total Expense	\$58,099	\$59,982	\$71,363	\$74,973	\$73,823	\$74,231	\$80,884	\$69,627	\$66,640	\$70,342	\$62,301	\$50,806	\$813,071
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**Net Income - Rooms**

Net Income - Rooms	\$36,055	\$40,358	\$53,969	\$59,374	\$57,239	\$59,342	\$67,685	\$51,298	\$49,124	\$53,497	\$42,530	\$26,412	\$596,882
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**Debt Service**

(Based on 23 YR AM, 6.5% Int, 75% LTV)

Debt Service	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$339,600
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**Income After Debt Service**

Income After Debt Service	\$7,755	\$12,058	\$25,669	\$31,074	\$28,939	\$31,042	\$39,385	\$22,998	\$20,824	\$25,197	\$14,230	(\$1,888)	\$257,282
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**Related Payroll**

Payroll Taxes	\$1,797	\$1,766	\$1,965	\$1,994	\$1,997	\$1,967	\$2,071	\$1,949	\$1,870	\$1,936	\$1,828	\$1,701	\$22,842
Benefits-Group Insurance	\$719	\$706	\$786	\$798	\$799	\$787	\$828	\$780	\$748	\$775	\$731	\$680	\$9,137
Benefits-Workmens Comp	\$773	\$759	\$845	\$857	\$859	\$846	\$891	\$838	\$804	\$833	\$786	\$731	\$9,822
<b>Total</b>	\$3,288	\$3,232	\$3,596	\$3,649	\$3,655	\$3,600	\$3,790	\$3,566	\$3,423	\$3,544	\$3,346	\$3,112	\$41,801

**Other Expenses**

Photocopy Rental & Supplies	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$5,100
Breakfast	\$3,229	\$3,442	\$4,235	\$4,540	\$4,429	\$4,352	\$4,841	\$4,148	\$3,772	\$4,035	\$3,542	\$2,649	\$47,214
Audit & Legal	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Dues & Subscriptions	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Cleaning Supplies	\$1,491	\$1,589	\$1,985	\$2,128	\$2,076	\$2,115	\$2,353	\$1,915	\$1,833	\$1,961	\$1,660	\$1,223	\$22,330
Guest Supplies	\$1,678	\$1,788	\$2,233	\$2,394	\$2,335	\$2,380	\$2,647	\$2,155	\$2,063	\$2,206	\$1,868	\$1,376	\$25,122
Laundry/Dry Cleaning	\$186	\$199	\$248	\$266	\$259	\$264	\$294	\$239	\$229	\$245	\$208	\$153	\$2,791
Linen	\$401	\$427	\$533	\$572	\$558	\$569	\$632	\$515	\$493	\$527	\$446	\$329	\$6,001
Office Supplies	\$289	\$308	\$385	\$412	\$402	\$410	\$456	\$371	\$355	\$380	\$322	\$237	\$4,327
Decorations	\$93	\$99	\$124	\$133	\$130	\$132	\$147	\$120	\$115	\$123	\$104	\$76	\$1,396
Uniforms	\$233	\$248	\$310	\$332	\$324	\$331	\$368	\$299	\$286	\$306	\$259	\$191	\$3,489
Telephone	\$820	\$874	\$1,092	\$1,170	\$1,142	\$1,164	\$1,294	\$1,053	\$1,008	\$1,079	\$913	\$673	\$12,282
Credit Card Commissions	\$1,538	\$1,639	\$2,047	\$2,194	\$2,141	\$2,182	\$2,427	\$1,975	\$1,891	\$2,023	\$1,712	\$1,261	\$23,028
Travel Agent Commission	\$1,258	\$1,341	\$1,675	\$1,795	\$1,751	\$1,785	\$1,985	\$1,616	\$1,547	\$1,655	\$1,401	\$1,032	\$18,841
Marketing	\$2,707	\$2,836	\$3,355	\$3,543	\$3,474	\$3,527	\$3,838	\$3,284	\$3,156	\$3,324	\$2,929	\$2,355	\$38,309
Postage	\$233	\$248	\$310	\$332	\$324	\$331	\$368	\$299	\$286	\$306	\$259	\$191	\$3,489
Promotions	\$186	\$199	\$248	\$266	\$259	\$264	\$294	\$239	\$229	\$245	\$208	\$153	\$2,791
Licences	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Reservation Fee	\$1,631	\$1,738	\$2,171	\$2,327	\$2,270	\$2,314	\$2,574	\$2,095	\$2,005	\$2,145	\$1,816	\$1,338	\$24,424
Pest Control	\$280	\$298	\$372	\$399	\$389	\$397	\$441	\$359	\$344	\$368	\$311	\$229	\$4,187
Miscellaneous	\$373	\$397	\$496	\$532	\$519	\$529	\$588	\$479	\$458	\$490	\$415	\$306	\$5,583
<b>Total</b>	\$17,552	\$18,595	\$22,745	\$24,261	\$23,708	\$23,969	\$26,472	\$22,066	\$20,997	\$22,345	\$19,299	\$14,696	\$256,704

**Additional Expenses**

Franchise Fees	\$4,893	\$5,214	\$6,513	\$6,982	\$6,811	\$6,941	\$7,721	\$6,284	\$6,016	\$6,436	\$5,448	\$4,013	\$73,272
Misc. Franchise Expenses	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$11,400
Property Management	\$3,495	\$3,725	\$4,652	\$4,987	\$4,865	\$4,958	\$5,515	\$4,489	\$4,297	\$4,597	\$3,891	\$2,866	\$52,337
Real Estate Taxes	\$3,076	\$3,278	\$4,094	\$4,389	\$4,281	\$4,363	\$4,853	\$3,950	\$3,781	\$4,045	\$3,424	\$2,522	\$46,056
Insurance	\$1,491	\$1,589	\$1,985	\$2,128	\$2,076	\$2,115	\$2,353	\$1,915	\$1,833	\$1,961	\$1,660	\$1,223	\$22,330
Capital Reserve	\$1,398	\$1,490	\$1,861	\$1,995	\$1,946	\$1,983	\$2,206	\$1,795	\$1,719	\$1,839	\$1,557	\$1,147	\$20,935
Utilities	\$4,567	\$4,867	\$6,079	\$6,516	\$6,357	\$6,479	\$7,206	\$5,865	\$5,615	\$6,007	\$5,085	\$3,745	\$68,387
<b>Total</b>	\$19,869	\$21,112	\$26,134	\$27,946	\$27,286	\$27,790	\$30,803	\$25,249	\$24,211	\$25,834	\$22,015	\$16,466	\$294,717
<b>Total Expense</b>	\$58,677	\$60,599	\$72,128	\$75,794	\$74,623	\$75,034	\$81,777	\$70,370	\$67,335	\$71,087	\$62,941	\$51,280	\$821,645
<b>Net Income - Rooms</b>	\$36,438	\$40,766	\$54,483	\$59,925	\$57,776	\$59,902	\$68,308	\$51,789	\$49,609	\$54,016	\$42,960	\$26,725	\$602,696

**Debt Service**

(Based on 23 YR AM, 6.5% Int, 75% LTV)	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$28,300	\$339,600
<b>Income After Debt Service</b>	\$8,138	\$12,466	\$26,183	\$31,625	\$29,476	\$31,602	\$40,008	\$23,489	\$21,309	\$25,716	\$14,660	(\$1,575)	\$263,096