

## Appendix: Financial Projections

### Proposed Hotel Estimated Costs Marceline, MO

Building Specifications: **41 unit**, two (2) story, center load, Hotel with pool, expanded guest wine & beer bar, standard (king & queen/queen) rooms, three (3) extended stay rooms, meeting room space, free hot breakfast for guests, guest convenience store, guest fitness room, and guest laundry room.

		<b>41 Rooms with pool</b>
<b><u>Land (with Site Improvements &amp; Community Fees)</u></b>		<b>\$130,000</b>
Raw Land (approx. 4 acres)		\$20,000
Site Utility & Grading Allow. (grading/sewer/water/gas/all electrical)		\$100,000
Community Fee Allow (permits/impact fees/tap fees/water rights/etc.)		\$10,000
		\$3,171/room
 <b><u>Building Construction</u></b>		 <b>\$2,386,000</b>
		\$58,195/room
 <b><u>Fixtures, Furnishings and Equipment</u></b>		 <b>\$628,000</b>
		\$15,317/room
<b><u>Indirect Costs</u></b>		
Appraisal		\$5,000
Architectural / Engineering		\$80,000
Franchise Fee		\$30,000
Surveys		\$5,000
Development Services		\$200,000
Pre-Opening Expenses		\$40,000
Working Capital		\$150,000
Legal and Accounting Fees		\$10,000
Construction Period Interest / Loan Fees / Closing		\$80,000
Insurance & Taxes during Construction		\$20,000
Project Contingency		\$150,000
<b>Total</b>		<b>\$770,000</b>
		\$18,780/room
 <b><u>Total Projected Costs</u></b>		 <b>\$3,914,000</b>
		\$95,463/room
 Anticipated Loan Amount:	\$2,314,000	59.12% Loan to Value
Suggested Cash Injection:	\$1,600,000	40.88% Capital Position
Loan Terms: 20 Year Fixed @ 4.75	Debt Service: \$180,502	

\*Pricing noted above valid for 90 days from document date shown and subject to verification.

## Financial Statements

Projected numbers compared to similar markets for a hotel with the following rooms:													Rooms: 41
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Lodging Rooms Available	1271	1148	1271	1230	1271	1230	1271	1271	1230	1271	1230	1271	14965
Lodging Occupancy %	40.2	59.9	59.7	66.7	69.8	74.1	72.6	74.2	73.7	67.8	68.3	64	65.9
Total Occupied Rooms	512	688	759	821	888	912	923	944	907	863	841	814	9872
Average Daily Rate (ADR)	92	92	92	92	92	92	92	92	92	92	92	92	92
<b>REVENUE</b>	<b>\$47,104</b>	<b>\$63,296</b>	<b>\$69,828</b>	<b>\$75,532</b>	<b>\$81,696</b>	<b>\$83,904</b>	<b>\$84,916</b>	<b>\$86,848</b>	<b>\$83,444</b>	<b>\$79,396</b>	<b>\$77,372</b>	<b>\$74,888</b>	<b>\$908,224</b>

Payroll Expense Year 1 by Month	Y1 M1	Y1 M2	Y1 M3	Y1 M4	Y1 M5	Y1 M6	Y1 M7	Y1 M8	Y1 M9	Y1 M10	Y1 M11	Y1 M12	Total
Manager	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$43,200
Housekeeping	\$4,600	\$4,800	\$5,000	\$5,300	\$5,600	\$5,800	\$5,900	\$6,000	\$5,600	\$5,300	\$5,000	\$4,800	\$63,700
Maintenance	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400	\$2,400	\$2,400	\$2,500	\$2,300	\$2,100	\$2,000	\$2,000	\$26,700
Front Desk	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$66,000
<b>Total</b>	<b>\$15,700</b>	<b>\$16,000</b>	<b>\$16,300</b>	<b>\$16,700</b>	<b>\$17,100</b>	<b>\$17,300</b>	<b>\$17,400</b>	<b>\$17,600</b>	<b>\$17,000</b>	<b>\$16,500</b>	<b>\$16,100</b>	<b>\$15,900</b>	<b>\$199,600</b>

Payroll Expense by Year	Year 1	Year 2	Year 3	Year 4	Year 5
Manager	\$43,200	\$44,496	\$45,828	\$47,208	\$48,624
Housekeeping	\$63,700	\$64,500	\$65,320	\$66,752	\$68,749
Maintenance	\$26,700	\$27,000	\$27,500	\$28,000	\$29,500
Front Desk	\$66,000	\$67,980	\$70,020	\$72,120	\$74,280
<b>Total</b>	<b>\$199,600</b>	<b>\$203,976</b>	<b>\$208,668</b>	<b>\$214,080</b>	<b>\$221,153</b>

Year 1	Y1 M1	Y1 M2	Y1 M3	Y1 M4	Y1 M5	Y1 M6	Y1 M7	Y1 M8	Y1 M9	Y1 M10	Y1 M11	Y1 M12
<b>Hotel Operating Expenses</b>												
Salary	\$15,700	\$16,000	\$16,300	\$16,700	\$17,100	\$17,300	\$17,400	\$17,600	\$17,000	\$16,500	\$16,100	\$15,900
Employee Related Expenses	\$2,669	\$2,720	\$2,771	\$2,839	\$2,907	\$2,941	\$2,958	\$2,992	\$2,890	\$2,805	\$2,737	\$2,703
Marketing & Promotions	\$306	\$412	\$453	\$491	\$531	\$546	\$552	\$564	\$543	\$516	\$503	\$486
Laundry	\$330	\$443	\$489	\$528	\$572	\$588	\$594	\$608	\$584	\$556	\$541	\$525
Utilities	\$2,355	\$3,165	\$3,491	\$3,777	\$4,085	\$4,195	\$4,246	\$4,342	\$4,172	\$3,970	\$3,869	\$3,744
Cleaning Supplies	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260
Linens	\$377	\$506	\$559	\$604	\$654	\$671	\$679	\$695	\$668	\$635	\$619	\$599
Guest Supplies	\$283	\$379	\$419	\$454	\$490	\$503	\$510	\$521	\$500	\$477	\$464	\$449
Operating Supplies	\$367	\$494	\$545	\$589	\$637	\$655	\$662	\$677	\$651	\$620	\$603	\$584
Repairs and Maintenance	\$438	\$438	\$438	\$438	\$438	\$438	\$438	\$438	\$438	\$438	\$438	\$438
Groundskeeping	\$283	\$379	\$419	\$454	\$490	\$503	\$510	\$521	\$500	\$477	\$464	\$449
Property Management System	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Complimentary Breakfast	\$1,766	\$2,374	\$2,619	\$2,832	\$3,064	\$3,146	\$3,184	\$3,257	\$3,129	\$2,978	\$2,901	\$2,808
Travel Agent Fees	\$221	\$298	\$328	\$355	\$384	\$394	\$399	\$409	\$392	\$373	\$364	\$352
Reservations	\$259	\$348	\$384	\$416	\$449	\$461	\$468	\$477	\$459	\$437	\$425	\$412
Vending / Bar	\$424	\$570	\$628	\$680	\$735	\$755	\$764	\$782	\$751	\$715	\$696	\$674
Office Supplies	\$283	\$379	\$419	\$454	\$490	\$503	\$510	\$521	\$500	\$477	\$464	\$449
Swimming Pool	\$283	\$379	\$419	\$454	\$490	\$503	\$510	\$521	\$500	\$477	\$464	\$449
Telephone	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375
Cable / Internet	\$377	\$506	\$559	\$604	\$654	\$671	\$679	\$695	\$668	\$635	\$619	\$599
Waste Removal	\$165	\$221	\$245	\$264	\$286	\$294	\$297	\$304	\$292	\$278	\$271	\$262
Dues / Subscriptions	\$71	\$95	\$104	\$114	\$122	\$126	\$127	\$131	\$125	\$119	\$116	\$112
Licenses / Permits	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125
Credit Card Fees	\$1,295	\$1,741	\$1,920	\$2,077	\$2,247	\$2,307	\$2,336	\$2,388	\$2,295	\$2,183	\$2,128	\$2,059
Franchise Fee	\$2,305	\$2,650	\$2,724	\$2,744	\$2,805	\$3,018	\$3,086	\$3,042	\$2,998	\$2,842	\$2,776	\$2,681
Miscellaneous	\$320	\$431	\$475	\$513	\$556	\$570	\$578	\$590	\$568	\$540	\$526	\$509
Accounting Fees	\$236	\$316	\$349	\$378	\$408	\$420	\$424	\$435	\$417	\$397	\$387	\$374
Professional Services Fees	\$94	\$127	\$139	\$152	\$163	\$168	\$170	\$173	\$167	\$159	\$155	\$149
Insurance	\$589	\$791	\$873	\$944	\$1,021	\$1,049	\$1,061	\$1,086	\$1,043	\$993	\$967	\$936
R.E./P.P. Taxes	\$4,896	\$4,896	\$4,896	\$4,896	\$4,896	\$4,896	\$4,896	\$4,896	\$4,896	\$4,896	\$4,896	\$4,896
Management Fee	\$2,826	\$3,798	\$4,190	\$4,532	\$4,901	\$5,035	\$5,095	\$5,210	\$5,007	\$4,764	\$4,642	\$4,493
<b>Total Operating Expenses</b>	<b>\$40,578</b>	<b>\$45,916</b>	<b>\$48,215</b>	<b>\$50,343</b>	<b>\$52,635</b>	<b>\$53,716</b>	<b>\$54,193</b>	<b>\$54,935</b>	<b>\$53,213</b>	<b>\$51,317</b>	<b>\$50,195</b>	<b>\$49,151</b>
<b>Operating Income</b>	<b>\$6,526</b>	<b>\$17,380</b>	<b>\$21,613</b>	<b>\$25,189</b>	<b>\$29,061</b>	<b>\$30,188</b>	<b>\$30,723</b>	<b>\$31,913</b>	<b>\$30,231</b>	<b>\$28,079</b>	<b>\$27,177</b>	<b>\$25,737</b>
Reserves for Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	\$9,160	\$9,137	\$9,114	\$9,091	\$9,067	\$9,044	\$9,021	\$8,997	\$8,974	\$8,950	\$8,926
<b>Net Profit</b>	<b>\$5,221</b>	<b>\$6,576</b>	<b>\$9,981</b>	<b>\$12,860</b>	<b>\$15,976</b>	<b>\$16,896</b>	<b>\$17,344</b>	<b>\$18,313</b>	<b>\$16,987</b>	<b>\$15,284</b>	<b>\$14,582</b>	<b>\$13,449</b>
<b>Net Profit / Sales</b>	<b>2%</b>	<b>4%</b>	<b>5%</b>	<b>6%</b>	<b>8%</b>	<b>8%</b>	<b>9%</b>	<b>9%</b>	<b>8%</b>	<b>8%</b>	<b>6%</b>	<b>6%</b>

## Appendix - 2 GSG©

### 5 Year Revenue Projections (41 Rooms)

	Year 1	Year 2	Year 3	Year 4	Year 5
Lodging Rooms Available	14965	14965	14965	14965	14965
Lodging Occupancy %	64.3	68.4	72.7	77	80.1
Total Occupied Rooms	9626	10233	10885	11526	11994
Average Daily Rate	92	92	92	92	92
<b>Revenue</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Guest Rooms	\$885,526	\$941,383	\$1,001,398	\$1,060,396	\$1,103,425
Telephone/Misc	\$3,150	\$3,287	\$3,467	\$3,872	\$4,139
Vending/Bar	\$19,548	\$21,054	\$26,547	\$27,496	\$29,464
<b>Total</b>	<b>\$908,224</b>	<b>\$965,724</b>	<b>\$1,031,412</b>	<b>\$1,091,764</b>	<b>\$1,137,028</b>
Gross Margin	\$908,224	\$965,724	\$1,031,412	\$1,091,764	\$1,137,028
<b>Gross Margin %</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Operating Expenses</b>					
Salary	\$199,600	\$203,976	\$208,668	\$214,080	\$221,153
Employee Related Expenses	\$33,932	\$34,671	\$35,471	\$36,400	\$37,594
Marketing & Promotions	\$5,903	\$6,277	\$6,704	\$7,096	\$7,391
Laundry	\$6,358	\$6,760	\$7,220	\$7,642	\$7,959
Utilities	\$45,411	\$48,286	\$51,571	\$54,588	\$56,851
Cleaning Supplies	\$3,120	\$3,435	\$3,642	\$3,821	\$4,045
Linens	\$7,266	\$7,726	\$8,251	\$8,734	\$9,096
Guest Supplies	\$5,449	\$5,794	\$6,188	\$6,551	\$6,822
Operating Supplies	\$7,084	\$7,533	\$8,045	\$8,516	\$8,869
Repairs and Maintenance	\$5,256	\$5,500	\$5,840	\$6,100	\$6,250
Grounds-keeping	\$5,449	\$5,794	\$6,188	\$6,551	\$6,822
Property Management System	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600
Complimentary Breakfast	\$34,058	\$36,215	\$38,678	\$40,941	\$42,639
Travel Agent Fees	\$4,269	\$4,539	\$4,848	\$5,131	\$5,344
Reservations	\$4,995	\$5,311	\$5,673	\$6,005	\$6,254
Vending / Bar	\$8,174	\$8,692	\$9,283	\$9,826	\$10,233
Office Supplies	\$5,449	\$5,794	\$6,188	\$6,551	\$6,822
Swimming Pool	\$5,449	\$5,794	\$6,188	\$6,551	\$6,822
Telephone	\$4,500	\$4,600	\$4,700	\$4,800	\$4,900
Cable / Internet	\$7,266	\$7,726	\$8,251	\$8,734	\$9,096
Waste Removal	\$3,179	\$3,380	\$3,610	\$3,821	\$3,980
Dues / Subscriptions	\$1,362	\$1,449	\$1,547	\$1,638	\$1,706
Licenses / Permits	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Credit Card Fees	\$24,976	\$26,557	\$28,364	\$30,024	\$31,268
Franchise Fee	\$33,671	\$33,671	\$33,671	\$33,671	\$33,671
Miscellaneous	\$6,176	\$6,567	\$7,014	\$7,424	\$7,732
Accounting Fees	\$4,541	\$4,829	\$5,157	\$5,459	\$5,685
Professional Services Fees	\$1,816	\$1,931	\$2,063	\$2,184	\$2,274
Insurance	\$11,353	\$12,072	\$12,893	\$13,647	\$14,213
R.E./P.P. Taxes	\$58,752	\$58,752	\$58,752	\$58,752	\$58,752
Management Fee	\$54,493	\$57,943	\$61,885	\$65,506	\$68,222
<b>Total Operating Expenses</b>	<b>\$604,407</b>	<b>\$626,674</b>	<b>\$651,653</b>	<b>\$675,844</b>	<b>\$697,565</b>
<b>Operating Income</b>	<b>\$303,817</b>	<b>\$339,050</b>	<b>\$379,759</b>	<b>\$415,920</b>	<b>\$439,463</b>
Reserves for Replacement	\$0	\$19,314	\$30,942	\$43,670	\$45,481
Debt Service	\$180,502	\$180,502	\$180,502	\$180,502	\$180,502
Income Taxes	\$40,867	\$46,765	\$55,627	\$63,615	\$69,117
<b>Total Expenses</b>	<b>\$825,776</b>	<b>\$873,255</b>	<b>\$918,724</b>	<b>\$963,631</b>	<b>\$992,665</b>
<b>Net Profit</b>	<b>82,448</b>	<b>68,128</b>	<b>82,674</b>	<b>128,133</b>	<b>144,363</b>
<b>Net Profit/Sales</b>	<b>9%</b>	<b>7%</b>	<b>5%</b>	<b>8%</b>	<b>9%</b>
<b>Cash on Cash Return</b>	<b>5.00%</b>	<b>4.25%</b>	<b>8.30%</b>	<b>8.10%</b>	<b>9.00%</b>



\* All financial projections are forward looking and estimated based on current economic indicators. GSG forecasts are compiled using information available at the time of the study and are not to be used as final numbers for any project. All financial projections are estimates and are not guaranteed by GSG and are subject to change and market fluctuation.