

# EXECUTIVE SUMMARY: OPERATIONS, SUPPORT VALUES, INVESTMENT RETURNS

Date of Analysis: **10/31/23**  
 Investment Analysis Prepared By: **Agent 1**

Property Name: **The ABC Hotel**  
 Property Address: **1 Anywhere Street**  
 City/County/State/Zip Code: **City, State, USA 11111**  
 Tax Identification Number: **2468A 001**

Asking Price: **\$12,000,000** Per Unit: **\$90,909**  
 Asking Price CAP RATE: **6.41%** Quoted NOI: **\$769,221**

Total HVAC Sq.Footage: **58,000** Aux. Sq. Feet: **10,000**  
 Total Hotel Rooms: **132**  
 Current Avg. Room Rates: **\$119.64**



## Proforma Reconstructed Current Operating (RCO) Statement:

		Annual:	Per Room:
Projected Total Revenues:	100.00%	\$4,386,739	\$33,233
- Department Expenses:	28.65%	<b>\$1,256,893</b>	<b>\$9,522</b>
Gross Operating Income:	71.35%	\$3,129,845	\$23,711
- Undistributed Expenses (G & A, Franchise, R & M, Sales, Utilities)		<b>\$1,551,093</b>	<b>\$11,751</b>
Inc. Before Fixed Expenses	35.99%	\$1,578,752	\$11,960
- Fixed Expenses:			
Management	3.06%	<b>\$134,441</b>	<b>\$1,018</b>
Real Estate/Other Tax	4.10%	<b>\$180,000</b>	<b>\$1,364</b>
Insurance	2.39%	<b>\$105,010</b>	<b>\$796</b>
Equipment Leases	0.35%	<b>\$15,512</b>	<b>\$118</b>
FF & E Capital Reserves	2.83%	<b>\$124,100</b>	<b>\$940</b>
Reconstructed NOI:	23.24%	\$1,019,688	\$7,725

## Investor Assumptions To Achieve Desired Minimal Returns:

Price found that achieves desired returns!			
<b>Price to Achieve Returns:</b>	<b>\$11,314,000</b>	<b>Acquisition Price/Unit:</b>	<b>\$85,712</b>
Amount of Financing:	\$10,041,011	<b>Acquisition CAP RATE:</b>	<b>9.01%</b>
PIP Financed in Above:	\$2,121,211	Blended Interest Rate:	6.75%
Est. Closing Costs:	\$193,628	Interest Only (Yrs.):	0
Equity Investor Participation	\$0	Loan to Value Ratio:	74.74%
General Partner Equity:	\$2,652,293	Term (Yrs.)	25
Broker Participation:	\$0	Balloon Pymt (Yrs.):	10
Prorated Credits:	\$66,915	Monthly P & I Pymt:	\$69,375

## Preferential (Partner / Equity Investor) Financing:

Equity Participation:	0.00%	% of Cash Flows:	0.00%
% Equity Return:	0.00%	Preferential Interest:	0.00%

## Range of Property Value Following Improvements (PIP):

Description:	Value:	CAP RATE:
Lender Financing Guidelines:	\$9,839,100	10.36%
Capitalization Rate	\$10,196,900	10.00%
Income Approach to Value:	\$12,375,000	8.24%
<b>Weighted Value of Methodologies:</b>	<b>\$10,879,500</b>	<b>9.37%</b>
<b>Est. Property Value Including PIP:</b>	<b>\$13,435,211</b>	<b>7.59%</b>

## Key Analytics Based on Assumed Price and Financing (if any):

Year:	1	2	3	4	5
NOI:	\$1,019,688	\$1,093,003	\$1,134,444	\$1,168,886	\$1,205,524
DCR:	1.22	1.31	1.36	1.40	1.45
Debt Svc:	\$832,494	\$832,494	\$832,494	\$832,494	\$832,494
<b>CFBT:</b>	<b>\$187,194</b>	<b>\$260,509</b>	<b>\$301,950</b>	<b>\$336,392</b>	<b>\$373,030</b>
CFAT:	\$166,099	\$202,733	\$221,293	\$235,463	\$250,562
LTV:	74.74%	72.28%	70.92%	69.47%	67.91%
CBE Ratio:	92.90%	91.61%	90.94%	90.44%	89.92%

## Snapshot of Other Value Ranges and Returns Based On Financing, Income, and Operational Expenses:

Price:	Total Investment:	Purchase Cap Rate:	Equity Div. Rate (EDR):	(IRR):
<b>Investor's Desired Minimal:</b>			<b>11.00%</b>	<b>20.00%</b>
\$12,000,000	\$2,867,171	8.50%	8.79%	23.20%
\$11,400,000	\$2,679,231	8.94%	10.71%	27.40%
\$10,800,000	\$2,491,291	9.44%	12.91%	31.82%
\$10,200,000	\$2,303,351	10.00%	15.48%	36.53%

## Resulting Property Metrics:

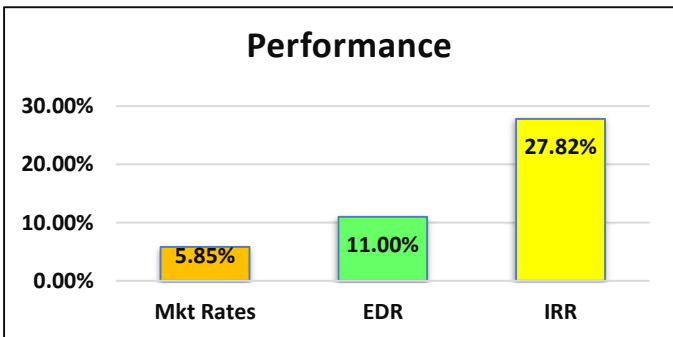
	5 Yrs.	10 Yrs.
Resale Value:	\$17,738,000	\$20,696,000
Gross Rent Multiplier:	3.83	3.85
Resale Cap Rate:	6.80%	6.80%
Residual:	\$6,708,725	\$11,720,143
<b>Average EDR:</b>	<b>11.00%</b>	<b>14.76%</b>
<b>IRR:</b>	<b>27.82%</b>	<b>23.39%</b>
(NPV) based on Assumptions:	\$3,086,449	\$5,745,326
Return on Assets (ROA):	64.35%	123.18%

## Cash-On-Cash (EDR) Based On Reconstructed Operating Stmt and Financing:

Years:	1	2	3	4	5
EDR =	7.06%	9.82%	11.38%	12.68%	14.06%

## 5 Yr Investment Return:

	General Partner:	Equity Investor:
Investment % - Amount:	100.00% \$2,652,293	0.00% \$0
<b>Returns above Invest.</b>	<b>\$8,167,800</b>	<b>\$0</b>
<b>Earnings Multiple:</b>	<b>3.08</b>	<b>0.00</b>
<b>Average EDR (Cash On Cash)</b>	<b>11.00%</b>	<b>0.00%</b>
<b>IRR:</b>	<b>27.82%</b>	<b>0.00%</b>
<b>ROI (Avg Annual Return on Investment):</b>	<b>61.59%</b>	<b>0.00%</b>



## General Information

**Property Name:** The ABC Hotel  
**Property Address:** 1 Anywhere Street  
 City, State, USA 11111  
**Tax Parcel Number:** 2468A 001  
**Total Acreage:** 1.5  
**Year Built (Four Digit Year Only):** 1997  
**Total Buildings:** 1 **# Rooms:** 132  
**Property Type:** Interior Corridor  
**Property Style:** Low Rise

**Date:** 10/31/2023  
**Prepared For:** Prospect 1  
**Contact Phone Number:** 000-000-0000

**Prepared By:** Agent 1  
**Broker/Associate License #:** Broker #123456  
**Company Name:** Sole Proprietor  
**Address:** 1 Local Avenue  
 City, State, USA 11112  
 000-000-0000

**Condition:** Very Good

**Asking Price:** \$12,000,000  
**Asking Price CAP Rate:** 6.41%  
**Assumed Asking Price Per Unit:** \$90,909  
**Assumed Asking Price Per Sq. Ft:** \$206.90  
**Quoted Net Operating Income: \*** \$769,221  
**Use Seller's Profit & Loss Statements?** Yes

**Year Last Purchased:** 2014  
**Last Purchase Price by Owner:** \$6,500,000  
**Purchased Price Per Unit by Owner:** \$49,242

**County Property Assessor / Appraiser Assessments:**

Land:	\$800,000
Improvements:	\$4,700,000
<b>Total:</b>	<b>\$5,500,000</b>
Total Per Unit:	\$41,667
Land to Value Ratio:	14.55%

**Total Heated & Cooled (HVAC) Sq. Feet:** 58,000  
 HVAC with New Addition: 0  
**Total HVAC Sq. Feet:** 58,000  
**Total Auxillary Sq. Feet:** 10,000

**Property Appraiser or Private Sector Appraiser:**  
**CAP Rate Range for Similar Properties:** 10.00%

**Tax Collector's Office:**

Current Real Estate Taxes:	\$78,000
Current Millege Rate:	18.909
% Market Value by P.A. for Taxation:	90.00%
Projected Real Estate Taxes:	\$192,543

**Is Acquisition to be "As Is" or "Value Add"?** Value Add  
**Total Units Being Upgraded:** 132  
**Property Improvements to be Financed?** Yes

*Note: Requires New Financing*

**Investor Minimal Desired Returns:**

Cash On Cash (Equity Dividend Return):	11.00%
Internal Rate of Return or IRR:	20.00%



### Estimated Property Improvements Requirement based on Physical Observation, Plans and/or Vendor Quotes:

*From Schedule of PIP Improvements - Last Page of Input & Assumptions (STEP 1)*

Redevelopment Costs:	\$	-
Renovation of Bldg, Parking, Exterior Repairs:	\$	162,500
Exterior Façade and Painting of Buildings:	\$	84,000
Planned Additions:	\$	-
FF & E (Furniture, Fixtures, Equipment):	\$	1,092,600
Electronic Systems:	\$	155,500
Signage:	\$	125,000
Contingency Estimates:	\$	161,960
Interest Reserves:	\$	1,248,741

**Total of Estimated Property Improvement Plan (PIP)** \$3,030,301

**Months to Achieve Renovations:** 18

**Planned Increase to Average Daily Rent (ADR):** \$15.00

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 Prepared For: Prospect 1  
 Prepared By: Agent 1

**Notes: Property Mix / Income**

Unit Type:	# Units:	Current Avg	Mkt Avg.		
		Room Rents:	Room Rents:	Monthly:	Annual:
Std. Two Full	36	\$ 115.00	\$ 137.50	\$ 150,563	\$ 1,806,750
Std. 1 Queen	42	\$ 115.00	\$ 141.00	\$ 180,128	\$ 2,161,530
Std. 2 Queen	42	\$ 125.00	\$ 145.00	\$ 185,238	\$ 2,222,850
Std. 1 King	12	\$ 131.00	\$ 148.00	\$ 54,020	\$ 648,240
<b>Totals:</b>	<b>132</b>	<b>\$ 119.64</b>	<b>\$ 141.95</b>	<b>\$ 569,948</b>	<b>\$ 6,839,370</b>

**Operating Performance and Ratios:**

# Rooms in Calendar Year:	<b>48,180</b>	Optimal Market Room Revenue:	\$ <b>6,839,370</b>
Projected Rooms Occupied Yr 1:	<b>26,499</b>	Property Existing Room Revenues:	\$ <b>3,761,654</b>
Existing or Contemplated Land / Bldg Lease:		Monthly Land/Building Lease, if any:	\$ <b>2,000</b>
		Annual Revenue:	\$ <b>3,785,654</b>
Market Occupancy Rate:	<b>65.00%</b>	Est/Known Property Occupancy Ratio:	<b>55.00%</b>
Optimal ADR for Subject at Mkt:	<b>\$92.27</b>	Subject Property Current (ADR):	<b>\$78.08</b>
Optimal REV PAR at Optimal ADR:	<b>\$59.98</b>	Subject Property Current REV PAR:	<b>\$50.75</b>

**Projected Rates of Inflation**

Income:	<b>3.00%</b>
Expenses:	<b>2.50%</b>

**Hotel Industry Standards Not Applicable Due To Availability of Profit and Loss Statements:**

*Note: These are general - specific to "Flagged" hotels and type of facility. Use P & L Stmt's if at all possible.*

Revenue:	Rooms:	<b>67.13%</b>
	Food & Beverage:	<b>2.00%</b>
	Conference & Meeting:	<b>4.00%</b>
	Other:	<b>1.69%</b>
Department Expenses:	Rooms:	<b>30.00%</b>
	Food & Beverage:	<b>80.00%</b>
	Conference & Meeting:	<b>50.00%</b>
	Other:	<b>20.00%</b>
Undistributed Expenses:	General & Administrative:	<b>7.00%</b>
	Sales & Marketing:	<b>5.00%</b>
	Franchise Fees:	<b>10.00%</b>
	Utilities:	<b>6.00%</b>
	Repairs & Maintenance:	<b>8.00%</b>
Fixed Expenses:	Insurance:	<b>2.35%</b>
	Real Estate / Personal Taxes:	<b>2.00%</b>
	Management Fee:	<b>3.00%</b>
	Equipment Leases:	<b>1.00%</b>
	FF & E / Capital Reserves:	<b>3.00%</b>

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City, State, USA 1...

Prepared For:  
 Prepared By:

Prospect 1  
 Agent 1

**Notes:**

Financing Type:	New Financing - Existing 1st Mortgage		Existing	No
Existing Mortgage Information (if known):			1st Mtg:	2nd Mtg:
Original Mortgage Amount:		\$4,550,000		-
Interest Rate:		7.000%		-
Principal and Interest Payment:		\$35,276		-
Original Term in Months:	20 Year Term	240		-
Balloon Term in Months:	15 Year Term	180		-
Mths from Origination to Closing		60		-
Effective Daily Interest:		\$872.60		-
Mortgage Constant		0.09304		-
Principal Reduction time of Balloon Date:		\$2,768,487		-
Mortgage Balance at time of Acquisition Closing:		\$3,924,676		\$0
Principal Reduction at time of Acquisition Closing:		\$625,324		\$0

Proposed New Financing:				
Interest Only (I/O) Years:	0	1st Mtg:	2nd Mtg:	Int. Only Mtg.
Lender Allowed Debt Coverage Ratio:		1.25	0.00	0.00
Lender Allowed Loan to Value:		70.00%	0.00%	0.00%
Financing:		\$10,041,011	\$0	\$0
Interest Rate:		6.75%	0.00%	0.00%
Term in Months:	25 Year Term	300	0	0
Balloon Payment:	10 Year Balloon	120	0	0
Mthly PI Payment With Improvements Financed:		\$69,375	\$0	\$0

Resulting Financing Amounts:				
Interest Rate:		6.75%	0.00%	0.00%
Term in Months:	25 Year Term	300	0	0
Principal & Interest or Interest Only:		\$69,375	\$0	\$0
Daily Interest:		\$1,844	\$0	\$0
Mortgage Constant:		0.08291	0.00000	0.00000

Purchaser's Principal Balance End of 5-Year Hold Period :				
Principal Reduction Yrs 1 - 5:		\$917,157	\$0	\$0
Principal Remaining:		\$10,041,011	\$0	\$0

Purchaser's Principal Balance End of 10-Year Hold Period:				
Principal Reduction Yrs 6 - 10:		\$1,284,125	\$0	\$0
Principal Remaining:		\$7,839,729	\$0	\$0

The cost of capital is not only on the debt being paid, but on the equity as well. The opportunity costs are detailed in this section.

High performing REIT with proven track record BETA between "Fund" and Stock Market Returns

The weighted cost of capital includes the percentage of equity and debt financing attributable to the investment at their respective costs. This weighted cost of capital is the Discount Rate or Minimal Required Rate of Return to the investor when adjusted for inflation. It is sometimes used to discount back anticipated cash flows and the residual (future proceeds from sale) to determine a minimal supportable value for an investment.

**Financing Costs (Formulating the Discount Rate)**

Cost of Equity:				
Safe ("Risk-Free" Rate)		<a href="https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yield">https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yield</a>		4.07%
20-year US T-Bill				
Equity Risk Premium		<a href="https://investor.vanguard.com/mutual-funds/profile/performance/vgsix">https://investor.vanguard.com/mutual-funds/profile/performance/vgsix</a>		5.85%
Ex: Vanguard 10-year REIT				
Beta (36-month volatility index)		<a href="https://investor.vanguard.com/mutual-funds/profile/portfolio/vgsix">https://investor.vanguard.com/mutual-funds/profile/portfolio/vgsix</a>	0.96	1.71%
Cost for Non-Liquidity				-2.36%
Cost of Management				4.00%
			<b>Equity Cost:</b>	<b>7.42%</b>

Cost of Debt Financing (the average after-tax interest rate.)	Investor's		
	Interest Rate:	Tax Rate:	After-Tax Cost of Debt:
	6.75%	39.50%	4.08%
	Percentage:	Effective Financing Rate	
Debt	70.00%	4.08%	
Equity	30.00%	2.23%	
	<b>Weighted Cost of Capital:</b>	<b>6.31%</b>	

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City, State, USA 1...

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 Prepared By: Agent 1

Notes:

Anticipated Future-Year Cash Infusions:

Year:	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
Cash Infusions:	\$0	\$0	\$0	\$0	\$0

Anticipated Resale of Excess Property, if any:

Year:	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
Out Parcels:	\$0	\$0	\$0	\$0	\$0

Estimated Reserves for Replacement:

Roofing Reserves:		FF & E Reserves also known as Capital Reserves:	
		# Units:	Reserves:
Remaining Life	15		
Roofing Cost /Sq.	\$ 265	FF & E Reserves: 132	\$ 112,850
Annual Reserve:	\$ 11,784		
		Total Roofing and FF & E / Capital Reserves:	\$ 124,633

Tax Considerations:

Straight Line Depreciation:	27.50
Investors Est. Income Bracket:	39.50%
Anticipated Capital Gains Rate:	20.00%
Federal Recapture Rate:	25.00%

Capitalization and Discount Rates:

Assumed CAP RATE at time of Resale:	7.00%
Investor's Discount Rate:	9.31%

Purchase Closing Assumptions:

Projected Closing Date:	9/30/2023
Day of Year of Closing:	273
Day of Month for Closing:	30
Earnest Money Deposit:	\$20,000
Months of Escrow:	0
Annual Association Fees:	\$0

Broker Equity Participation?	No
% Commission to Equity Investment:	-
Broker Commissions being Paid By:	Seller
% Commission Paid by Buyer:	0.00%
% Commission Paid by Seller:	4.00%
Co-Brokerage Agreement?	Yes
% Commission to Selling Broker:	50.00%
% Commission to Listing Broker:	50.00%

Investor Equity Participation Considerations:

Preferential Financing?	No
% of Equity Participation:	0.00%
<i>(investor percentage of total equity)</i>	
Preferential Financing Rate:	0.00%

Annual Distribution of Cash Flows?	No
% of Cash Flows to Investor:	0.00%
Investor Interest Upon Resale?	No
% of Equity Return to Investor:	0.00%

Estimated Buyer's Closing Costs:

Working Capital:	\$25,000
Application Fees:	\$1,500
Appraisal Fee:	\$4,500
Attorney Fees:	\$8,400
State Tax on Mtg (per \$1.00)	0.0035
State Tax on Note (per \$1.00)	0.0020
Loan Origination Points:	-
Discount Points on Mtg.	-
Hazard/Liability Insurance:	\$30,000
Survey:	\$2,500
Other Third Party Reports:	\$6,500
Estimated Title Insurance:	\$73,894
Real Estate Commission N/A	0.00%
Consulting / Asset Mgt Fees	0.00%
Brokerage-resale Yrs 5 & 10:	3.00%
Defeasance Fee at Purchase:	\$0
Defeasance Fee at Resale:	\$0

Estimated Seller's Closing Costs (Negotiable):

Attorney Fees:	\$1,750
State Documentary Fees Rate:	0.007
Termite Report / Bldg.	\$500
Repairs & Replacements:	\$0
Title Insurance:	\$0
Survey	\$0
Brokerage Selling Commission:	4.00%
Credit to Buyer Closing Costs:	0.00%
Property Warrante Fee:	\$0
Defeasance Fee, if applicable:	\$0

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 Property Address: 1 Anywhere Street

City, State, USA 1...

Prepared For: Prospect 1  
 Prepared By: Agent 1

### Schedule of Property Improvement Plan (PIP) Expenses Associated with Acquisition and Redevelopment, New Additions, Turnaround:

		Total:	Category Summary:
<b>Redevelopment Costs:</b>			
Roadway Realignment, Storm Water Retention, Utilities:		-	-
<b>Renovation of Building and Parking:</b>			
Elevators		\$60,000	
Exterior Façade and Painting		\$84,000	
Landscape and Exterior Grounds Maintenance		\$15,000	
Main Cooling Tower/HVAC - Other/AC - Heat Compressors		-	
Parking Lot Repairs		\$15,000	
Renovation of Lobby and/or Dining Room		\$50,000	
Interior Painting - Offices/Lobbies/Hallways/Front Desk		\$22,500	
Roofing		-	
Exterior Tear Downs		-	\$246,500
<b>Planned Additions:</b>			
# Rooms	-		
Room Sizes (Square Feet)	-		
Cost to Build per Square Foot	-		-
<b>FF &amp; E (Furniture, Fixtures, Equipment):</b>			
Carpet (Restaurant, Lounge, Meeting Rooms, Lobby)		\$35,000	
Pipe Replacement		-	
Kitchen Equipment		\$75,000	
Linen Supplies		\$79,200	
Thermal Window Replacements		-	
Other		-	
Other		-	
Other		-	
Renovations:	<u>Per Room:</u>		
Room Interiors	\$3,500	\$462,000	
New HVAC Units	\$1,500	\$198,000	
Television and Electronics	\$1,200	\$158,400	
Laundry Equipment		\$85,000	
Replacement of Water Lines		-	\$1,092,600
<b>Electronic Systems:</b>			
Phone System		\$16,000	
Internet and Wi-Fi System(s):		\$9,500	
Reservation System		\$85,000	
Security System		\$45,000	\$155,500
<b>Signage:</b>		\$125,000	\$125,000
<b>Contingency on Estimated Costs:</b>	10.00%	\$161,960	\$161,960
<b>Reserve Loan Debt Service Carry for 18 Months</b>		<u>\$1,248,741</u>	<u>\$1,248,741</u>
<b>Total of Cost Considered in Financing:</b>		\$3,030,301	\$3,030,301
<b>Non-Financed Expenses:</b>			
Engineering and Property Inspection Reports		\$28,000	
Permit Fees		\$2,500	
Professional Fees (Architectural, Civil Engineering, Legal, Accounting, Appraisal, Feasibility)		\$90,000	\$120,500
<b>Initial Franchise Fee:</b>		\$125,000	\$125,000
<b>Other Costs:</b>			
Grand Opening		\$25,000	
Printing		\$3,500	
Taxes and Assessments		\$5,000	
Pre-Opening Salaries		\$35,000	
Utilities		\$4,500	\$73,000
<b>Professional &amp; Transaction Fees:</b>			
Deal Fee		-	
Brokerage Fees		-	-
<b>Total of Costs Not Considered in Financing and needed for Working Capital:</b>		\$318,500	\$318,500
<b>Total of All Costs:</b>		<b>\$3,348,801</b>	<b>\$3,348,801</b>

# Reconstructed Operating Statement

Property Name:	The ABC Hotel	Date:	10/31/2023	Number of Buildings:	1
Property Address:	1 Anywhere Street City, State, USA 1...	Prepared For:	Prospect 1	Number of Units:	132
Tax Parcel Number:	2468A 001	Prepared By:	Agent 1	Total Square Feet:	58,000
P & L Stmt from Seller:	Yes	Company Name:	Sole Proprietor	Auxillary Square Feet:	10,000
		Price to Achieve Returns:	\$11,314,000		

### Projected Market Rate Revenues:

Unit Mix:	# Units:	ADR:	Monthly:	Annual:	% Total:	Per Unit:
Standard Two Fulls	36	\$ 137.50	\$ 150,563	\$ 1,806,750	26.32%	\$ 137.50
Standard 1 Queen	42	\$ 141.00	\$ 180,128	\$ 2,161,530	31.49%	\$ 141.00
Standard 2 Queen	42	\$ 145.00	\$ 185,238	\$ 2,222,850	32.39%	\$ 145.00
Standard 1 King	12	\$ 148.00	\$ 54,020	\$ 648,240	9.44%	\$ 148.00
Standard 2 Kings	0	\$ -	\$ -	\$ -	0.00%	\$ -
Suites	0	\$ -	\$ -	\$ -	0.00%	\$ -
Penthouse:	0	\$ -	\$ -	\$ -	0.00%	\$ -
<b>Totals:</b>	<b>132</b>		<b>\$ 569,948</b>	<b>\$6,839,370</b>	<b>99.65%</b>	<b>\$ 141.95</b>
Land / Bldg. Lease Revenue:			<u>\$ 2,000</u>	<u>\$24,000</u>	<u>0.35%</u>	<u>\$ 0.50</u>
<b>Total Income:</b>			<b>\$ 571,948</b>	<b>\$ 6,863,370</b>	<b>100.00%</b>	<b>\$ 142.45</b>

Market Occupancy Ratio: 65.00%  
 Market Rents Per Unit: \$141.95

Total Nights: 237  
 Optimal Revenues @ Mkt Occupancy **\$ 4,445,591**

### Current Operations:

<b>Total Revenues:</b>			
Rooms	\$ 313,471	\$ 3,761,654	88.68%
Food & Beverage	\$ 10,260	\$ 123,120	2.90%
Conference / Meeting Rooms	\$ 20,520	\$ 246,240	5.81%
Other Revenue	\$ 7,500	\$ 90,000	2.12%
Land / Bldg. Lease:	\$ 1,734	\$ 20,807	0.49%
<b>Total Revenues:</b>	<b>\$ 353,485</b>	<b>\$ 4,241,821</b>	<b>100.00%</b>

### Expenses:

#### Department Expenses:

Rooms	\$ 81,667	\$ 980,000	26.05%
Food & Beverage	\$ 8,167	\$ 98,000	79.60%
Conference / Meeting Rooms	\$ 10,260	\$ 123,120	50.00%
Other	\$ 2,000	\$ 24,000	26.67%
Land / Bldg Lease	\$ 1,734	\$ 20,807	100.00%
<b>Total Department Expenses:</b>	<b>\$ 103,827</b>	<b>\$ 1,245,927</b>	<b>29.37%</b>

#### Total Departmental Income:

**\$ 249,658    \$ 2,995,894    70.63%**

#### Undistributed Expenses:

General & Administrative	\$ 25,205	\$ 302,463	7.13%
Franchise Fees	\$ 18,004	\$ 216,045	5.09%
Repairs and Maintenance	\$ 36,008	\$ 432,090	10.19%
Sales and Marketing	\$ 25,771	\$ 309,254	7.29%
Utilities:	\$ 20,000	\$ 240,000	5.66%
<b>Total Undistributed:</b>	<b>\$ 124,988</b>	<b>\$ 1,499,852</b>	<b>35.36%</b>

#### Income Before Fixed Expenses:

**\$ 124,670    \$ 1,496,042    35.27%**

#### Fixed Expenses:

Insurance	\$ 8,462	\$ 101,541	2.39%
Real Estate & Personal Property Taxes	\$ 15,000	\$ 180,000	4.24%
Management Fee	\$ 10,833	\$ 130,000	3.06%
Equipment Leases	\$ 1,250	\$ 15,000	0.35%
FF & E Reserve	\$ 10,000	\$ 120,000	2.83%
<b>Total Fixed Expenses:</b>	<b>\$ 45,545</b>	<b>\$ 546,541</b>	<b>12.88%</b>

### Net Operating Income:

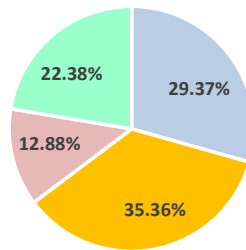
**\$ 79,125    \$ 949,501    22.38%**

## Reconstructed Operating Statement:

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Property Name:	The ABC Hotel	Date:	10/31/2023	Number of Buildings:	1
Property Address:	1 Anywhere Street	Prepared For:	Prospect 1	Number of Units:	132
	City, State, USA 1...	Prepared By:	Agent 1	Number of Bedrooms:	Totals:
Tax Parcel Number:	2468A 001	Company Name:	Sole Proprietor	Total Square Feet:	58,000

### Operational Performance



■ Department Expenses   ■ Undistributed Expenses  
■ Fixed Expenses   ■ Net Operating Income



**PROFORMA BASED ON CURRENT RECONSTRUCTED OPERATING STATEMENT, PLANNED RENOVATIONS AND PROPOSED FINANCING**

**PROPERTY INFORMATION:**

Property Name:	The ABC Hotel	Prepared By:	Agent 1
Property Address:	1 Anywhere Street	Date:	10/31/2023
	City, State, USA 11111		
Tax Identification Number:	2468A 001	Total Units:	132
		HVAC Square Feet:	58,000
Profit & Loss Statement From Seller:	Yes	Price to Achieve Returns:	\$11,314,000
		Support Price Per Key:	\$85,712

**New Mortgage Financing**

Type:	1st Mtg.	2nd Mtg.	Int. Only Mtg.	Totals / Average:
Amount including PIP Financed:	\$10,041,011	\$0	\$0	\$10,041,011
Interest Rate:	6.75%	0.00%	0.00%	6.75%
Term:	300	0	0	
P & I Payment:	\$69,375	\$0	\$0	\$69,375
I/O Payments:	\$56,481		\$0	\$56,481
PIP Financing In Above Amount	\$2,121,211			

**Annual Appreciation Rates:**

Revenues	3.00%
Expenses	2.50%

Year:	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Yr. 9	Yr. 10
Optimal Market Room Revenue:	\$5,929,680	\$6,214,011	\$6,362,395	\$6,495,007	\$6,631,653	\$6,772,456	\$6,917,541	\$7,067,039	\$7,221,084	\$7,379,814
Projected Occupancy Ratio:	66.23%	67.78%	68.53%	69.17%	69.81%	70.43%	71.05%	71.67%	72.27%	72.87%

**PROJECTED CASH FLOW:**

		Starting Operating Stmt		Year End Reconstructed Operating Stmt With Renovations and Projected Lease Appreciation During Each Year As Applicable										
		Monthly:	Annual:	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Yr. 9	Yr. 10	
<b>Revenues:</b>														
Rooms	88.68%	\$313,471	\$3,761,654	\$3,927,254	\$4,211,585	\$4,359,968	\$4,492,581	\$4,629,227	\$4,770,029	\$4,915,114	\$5,064,612	\$5,218,657	\$5,377,388	
Food & Beverage	2.90%	\$10,260	\$123,120	\$117,409	\$120,932	\$124,560	\$128,296	\$132,145	\$136,110	\$140,193	\$144,399	\$148,731	\$153,193	
Conference / Meeting Rooms	5.81%	\$20,520	\$246,240	\$234,819	\$241,863	\$249,119	\$256,593	\$264,290	\$272,219	\$280,386	\$288,797	\$297,461	\$306,385	
Other Revenue	2.12%	\$7,500	\$90,000	\$85,826	\$88,400	\$91,052	\$93,784	\$96,597	\$99,495	\$102,480	\$105,555	\$108,721	\$111,983	
Land / Bldg. Lease:	0.49%	\$1,734	\$20,807	\$21,431	\$22,074	\$22,736	\$23,418	\$24,121	\$24,845	\$25,590	\$26,358	\$27,148	\$27,963	
Total Revenues:	100.00%	\$353,485	\$4,241,821	\$4,386,739	\$4,684,854	\$4,847,435	\$4,994,672	\$5,146,381	\$5,302,698	\$5,463,763	\$5,629,720	\$5,800,718	\$5,976,911	
<b>Department Expenses:</b>														
Rooms	26.05%	\$81,667	\$980,000	\$1,023,143	\$1,097,218	\$1,135,875	\$1,170,424	\$1,206,023	\$1,242,706	\$1,280,504	\$1,319,452	\$1,359,584	\$1,400,937	
Food & Beverage	79.60%	\$8,167	\$98,000	\$93,454	\$96,258	\$99,146	\$102,120	\$105,184	\$108,339	\$111,590	\$114,937	\$118,385	\$121,937	
Conference / Meeting Rooms	50.00%	\$10,260	\$123,120	\$117,409	\$120,932	\$124,560	\$128,296	\$132,145	\$136,110	\$140,193	\$144,399	\$148,731	\$153,193	
Other	26.67%	\$2,000	\$24,000	\$22,887	\$23,573	\$24,281	\$25,009	\$25,759	\$26,532	\$27,328	\$28,148	\$28,992	\$29,862	
Total Department Expenses:	29.37%	\$103,827	\$1,245,927	\$1,256,893	\$1,337,981	\$1,383,861	\$1,425,849	\$1,469,112	\$1,513,687	\$1,559,614	\$1,606,935	\$1,655,692	\$1,705,929	
<b>Total Department Income:</b>	70.63%	\$249,658	\$2,995,894	\$3,129,845	\$3,346,873	\$3,463,574	\$3,568,823	\$3,677,269	\$3,789,011	\$3,904,149	\$4,022,785	\$4,145,026	\$4,270,982	
<b>Undistributed Expenses:</b>														
General & Administrative	7.13%	\$25,205	\$302,463	\$312,796	\$334,054	\$345,646	\$356,145	\$366,963	\$378,109	\$389,594	\$401,427	\$413,620	\$426,184	
Franchise Fees	5.09%	\$18,004	\$216,045	\$223,426	\$238,610	\$246,890	\$254,389	\$262,116	\$270,078	\$278,281	\$286,734	\$295,443	\$304,417	
Repairs and Maintenance	10.19%	\$36,008	\$432,090	\$446,852	\$477,219	\$493,781	\$508,779	\$524,232	\$540,156	\$556,562	\$573,467	\$590,886	\$608,834	
Sales and Marketing	7.29%	\$25,771	\$309,254	\$319,819	\$341,554	\$353,407	\$364,141	\$375,202	\$386,598	\$398,341	\$410,440	\$422,907	\$435,752	
Utilities:	5.66%	\$20,000	\$240,000	\$248,199	\$265,067	\$274,265	\$282,596	\$291,180	\$300,024	\$309,137	\$318,527	\$328,202	\$338,171	
Total Undistributed:	35.36%	\$124,988	\$1,499,852	\$1,551,093	\$1,656,503	\$1,713,989	\$1,766,050	\$1,819,693	\$1,874,964	\$1,931,915	\$1,990,595	\$2,051,058	\$2,113,357	
<b>Income Before Fixed Expenses:</b>	35.27%	\$124,670	\$1,496,042	\$1,578,752	\$1,690,370	\$1,749,585	\$1,802,772	\$1,857,576	\$1,914,047	\$1,972,234	\$2,032,190	\$2,093,968	\$2,157,625	
<b>Fixed Expenses:</b>														
Insurance	2.39%	\$8,462	\$101,541	\$105,010	\$112,146	\$114,950	\$119,563	\$123,194	\$126,936	\$130,792	\$134,765	\$138,858	\$143,076	
Real Estate-Personal Property Tax	4.24%	\$15,000	\$180,000	\$180,000	\$192,543	\$197,356	\$202,290	\$207,348	\$212,531	\$217,844	\$223,291	\$228,873	\$234,595	
Management Fees	3.06%	\$10,833	\$130,000	\$134,441	\$143,578	\$148,560	\$153,073	\$157,722	\$162,513	\$167,449	\$172,535	\$177,776	\$183,176	
Equipment Leases	0.35%	\$1,250	\$15,000	\$15,512	\$16,567	\$17,142	\$17,662	\$18,199	\$18,751	\$19,321	\$19,908	\$20,513	\$21,136	
FF & E Reserves / Capital Resevers	2.83%	\$10,000	\$120,000	\$124,100	\$132,533	\$137,133	\$141,298	\$145,590	\$150,012	\$154,568	\$159,263	\$164,101	\$169,085	
Total Fixed Expenses:	12.88%	\$45,545	\$546,541	\$559,064	\$597,367	\$615,141	\$633,886	\$652,053	\$670,744	\$689,975	\$709,762	\$730,120	\$751,067	
<b>Net Operating Income:</b>	22.38%	\$79,125	\$949,501	\$1,019,688	\$1,093,003	\$1,134,444	\$1,168,886	\$1,205,524	\$1,243,303	\$1,282,259	\$1,322,428	\$1,363,848	\$1,406,558	
<b>NOI as % of Gross Effective Income:</b>				23.24%	23.33%	23.40%	23.40%	23.42%	23.45%	23.47%	23.49%	23.51%	23.53%	

\* First Year Taxes are based on current assessment and millege rates. Higher real estate taxes are likely beginning the second year as a result of resale and reassessment. Thereafter, taxes are indexed at the annual expense appreciation rate.

**PROFORMA BASED ON CURRENT RECONSTRUCTED OPERATING STATEMENT AND PROPOSED FINANCING**

Property Name:	The ABC Hotel	Support Value of Property and PIP:	\$13,435,211
Property Address:	1 Anywhere Street City, State, USA 11111	Property Appraiser's CAP Rate:	10.00%
Tax I.D. #:	2468A 001	Projected Acquisition CAP Rate:	7.59%
Prepared By:	Agent 1	Investor's Weighted Cost of Capital:	9.31%
Date:	10/31/2023	Projected CAP Rate Time of Resale:	7.00%

**CASH FLOWS - TAXABLE INCOME:**

Year:	1	2	3	4	5	6	7	8	9	10
Before Tax Cash Flows:	<b>Estimated Net Income Before Debt Service (EBIT):</b>									
	\$1,019,688	\$1,093,003	\$1,134,444	\$1,168,886	\$1,205,524	\$1,243,303	\$1,282,259	\$1,322,428	\$1,363,848	\$1,406,558
	<u>Less Infusion of Capital or Working Capital:</u>									
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Less Debt Service (PI) 1st Mortgage (Assumption):									
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Less Debt Service (PI) 1st Mortgage (New or Interest Only):									
	\$832,494	\$832,494	\$832,494	\$832,494	\$832,494	\$832,494	\$832,494	\$832,494	\$832,494	\$832,494
	Less Debt Service (PI) 2nd Mortgage									
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Less Debt Service (PI) 3rd Mortgage									
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Cash Flow Before Tax (Cash Throw off)</b>									
	\$187,194	\$260,509	\$301,950	\$336,392	\$373,030	\$410,809	\$449,765	\$489,934	\$531,354	\$574,064
Computation of Est. Taxes:	<b>Estimated Net Income Before Debt Service (EBIT):</b>									
	\$1,019,688	\$1,093,003	\$1,134,444	\$1,168,886	\$1,205,524	\$1,243,303	\$1,282,259	\$1,322,428	\$1,363,848	\$1,406,558
	Add Reserves for Replacement									
	\$124,100	\$132,533	\$137,133	\$141,298	\$145,590	\$150,012	\$154,568	\$159,263	\$164,101	\$169,085
	Less Interest - 1st Mortgage (Assumption):									
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Less Interest - 1st Mortgage (New Financing):									
	\$672,890	\$661,778	\$649,891	\$637,177	\$623,577	\$609,031	\$593,471	\$576,829	\$559,027	\$539,986
	Less Interest - 2nd Mortgage:									
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Less Interest - 3rd Mortgage (Interest Only Mtg):									
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Less Depreciation based on Buildings Only:									
	\$417,491	\$417,491	\$417,491	\$417,491	\$417,491	\$417,491	\$417,491	\$417,491	\$417,491	\$417,491
	Less Tax Loss Carry forward, if any:									
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Taxable Income:									
	\$53,407	\$146,268	\$204,195	\$255,516	\$310,045	\$366,793	\$425,865	\$487,372	\$551,431	\$618,166
	x Tax Rate Estimated At									
	39.50%	39.50%	39.50%	39.50%	39.50%	39.50%	39.50%	39.50%	39.50%	39.50%
	Total Estimated Tax:									
	\$21,096	\$57,776	\$80,657	\$100,929	\$122,468	\$144,883	\$168,217	\$192,512	\$217,815	\$244,176
After-Tax Cash Flow:	<b>Cash Flow Before Tax (CFBT):</b>									
	\$187,194	\$260,509	\$301,950	\$336,392	\$373,030	\$410,809	\$449,765	\$489,934	\$531,354	\$574,064
	Estimated Tax									
	\$21,096	\$57,776	\$80,657	\$100,929	\$122,468	\$144,883	\$168,217	\$192,512	\$217,815	\$244,176
	<b>After Tax Cash Flow (AFTC)</b>									
	\$166,099	\$202,733	\$221,293	\$235,463	\$250,562	\$265,926	\$281,548	\$297,422	\$313,539	\$329,889

**RATIO ANALYSIS AND RETURNS:**

Principal Reductions:	Annual Principal Reduction in Mortgages (Equity Build-up):	\$159,604	\$170,716	\$182,603	\$195,317	\$208,917	\$223,463	\$239,023	\$255,665	\$273,467	\$292,508
	Gross Sales from Resale of Out Parcels or Land, If any:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Total Investment: Deposit, Working Capital, Due at Closing: **\$2,652,293**

Projected Resale Values:	\$17,738,000	\$20,696,000
Resulting Capitalization Rate:	6.80%	6.80%
Before Tax Residual (See Resale Closing Statement):	\$6,708,725	\$11,720,143

Net Present Value and the Internal Rate of Return are based on before tax cash flows and residual as a property's operations and value are not dependent upon an investor's tax bracket or the method of depreciation applied by the

Loan to Value Ratio:	LTV =	74.74%	72.28%	70.92%	69.47%	67.91%	66.25%	64.47%	62.56%	60.53%	58.35%
Interest Coverage Ratio:	ICR =	1.52	1.65	1.75	1.83	1.93	2.04	2.16	2.29	2.44	2.60
Debt Service Coverage Ratio:	DCR =	1.22	1.31	1.36	1.40	1.45	1.49	1.54	1.59	1.64	1.69
Debt Ratio (NOI / Total Mortgage Principal):	DR =	0.10	0.11	0.12	0.13	0.13	0.14	0.15	0.16	0.17	0.18
Operating Expense Ratio (Expenses / Total Revenues)	OER =	76.76%	76.67%	76.60%	76.60%	76.58%	76.55%	76.53%	76.51%	76.49%	76.47%
Cash Breakeven (Exp.+ Debt Service-Replacements)/GPI	CBE =	92.90%	91.61%	90.94%	90.44%	89.92%	89.42%	88.94%	88.47%	88.01%	87.57%
Margin of Safety (1 -Cash Breakeven Ratio)	MOS =	7.10%	8.39%	9.06%	9.56%	10.08%	10.58%	11.06%	11.53%	11.99%	12.43%
ROTA (Return on Total Assets = EBIT / Total Assets)	EBIT =	8.03%	8.61%	8.94%	9.21%	9.50%	9.79%	10.10%	10.42%	10.74%	11.08%
Equity Dividend Rate (Pre-Tax "CTO" / Investment Amt.)	ROE =	7.06%	9.82%	11.38%	12.68%	14.06%	15.49%	16.96%	18.47%	20.03%	21.64%
Average Equity Dividend Rate Over Holding Period:											
NPV (Net Present Value at Cost of Capital):	NPV =					\$3,086,449					\$5,745,326
Profitability Index:	PI =					3.08					5.89

Profitability Index is the total of cash flows and residual before taxes divided by total Investment.

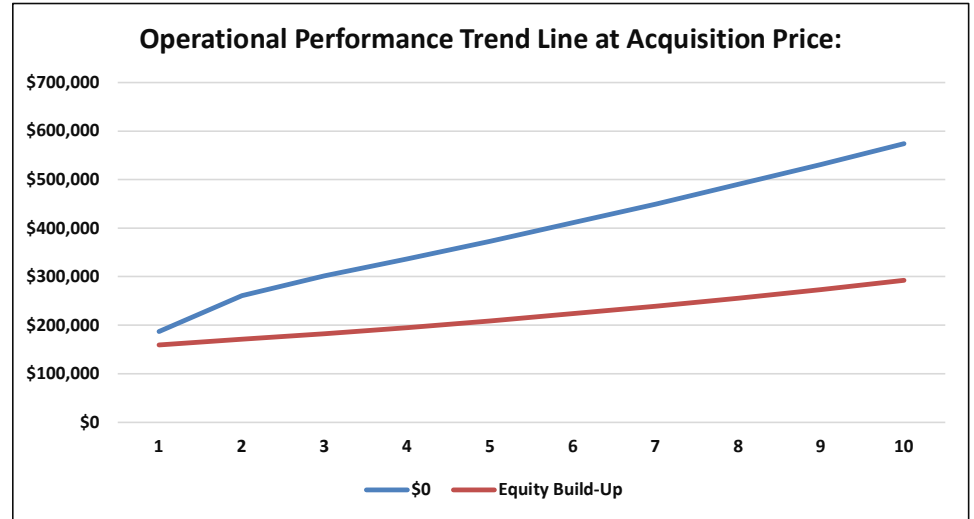
IRR (Internal Rate of Return Over Investment Period): **27.82%** **23.39%**

Property Name: The ABC Hotel  
 Property Address: 1 Anywhere Street  
 City, State, USA 11111  
 Tax I.D. #: 2468A 001

Prepared By: Agent 1  
 Date: 10/31/2023

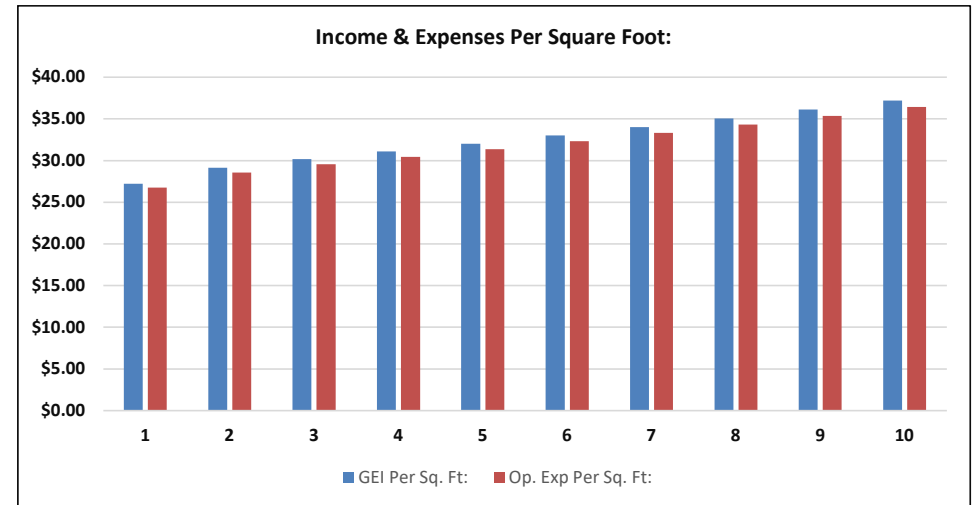
**Calculation of Capital Gains on Residual:**

	<u>5 Year:</u>	<u>10 Year:</u>
Purchase Price:	\$11,314,000	\$11,314,000
Closing Costs:	\$193,628	\$193,628
Less Depreciation:	<u>-\$2,087,454</u>	<u>-\$4,174,908</u>
Basis of Asset:	\$9,420,174	\$7,332,720
Sales Price:	\$17,738,000	\$20,696,000
Less Basis of Asset:	\$9,420,174	\$7,332,720
Less Accumulated Depreciation:	<u>\$2,087,454</u>	<u>\$4,174,908</u>
Gain:	\$6,230,372	\$9,188,372
Tax Rate:	<u>20.00%</u>	<u>20.00%</u>
Subtotal of Capital Gains:	\$1,246,074	\$1,837,674
<b>Recapture of Accumulating Depreciation for Tax Purposes:</b>		
Depreciation Taken Over Holding Period:	\$2,087,454	\$4,174,908
Tax Rate of Depreciation Recapture:	<u>25.00%</u>	<u>25.00%</u>
Subtotal of Applicable Tax on Depreciation Recapture:	\$521,864	\$1,043,727
<b>Total Estimated Capital Gains:</b>	<b>\$1,767,938</b>	<b>\$2,881,401</b>



**Accumulation of Reserves for Replacements:**

Description:	% GEI:	<u>1 Yr:</u>	<u>3 Yrs.</u>	<u>5 Yrs.</u>	<u>10 Yrs.</u>
Totals:	2.83%	\$124,100	\$393,766	\$680,653	\$1,477,683



**PROFORMA BASED ON CURRENT RECONSTRUCTED OPERATING STATEMENT AND PROPOSED FINANCING**

Property Name: The ABC Hotel  
 Property Address: 1 Anywhere Street  
 City, State, USA 11111  
 Tax I.D. #: 2468A 001

Prepared By: Agent 1  
 Date: 10/31/2023

**Calculation of Loss to Room Revenues with or without Improvements:**

Gross Market Room Revenues at Current Market Occupancy Ratio: \$4,445,591  
 Existing Subject Property Room Revenues: \$3,761,654  
 Market Existing Daily Rents: \$141.95  
 Beginning Market Occupancy Ratio: 65.00%  
 Beginning Subject Property Occupancy Ratio: 55.00%

Planned Unit Renovation Improvements: \$3,030,301  
 Months to Achieve Renovations: 18  
 Project Room Revenue Increase with Renovations: \$15.00  
 Projected Appreciation Rate: 3.00%  
 Total Number of Units: 132

Year:	Mkt Rates at Inflationary Trends at Projected Occupancy:				Rm Rev with Improvements and Rent Increases:				Average Rent Per Key:		Effective Annual Loss to Rm Rev if No Renovation:	Effective Annual Loss to Rm Rev With Renovation	Gross Potential Room Rev without Renovation:	Gross Potential Room Rev with Renovation:
	Current Mkt Rate	Annual Room Mkt Revenue Increase Percentage	Annual Mkt Rate Rev Increase Amount	Annual Mkt. ADR Rev Increase Per Key	Annual Room Revenue	Annual Room Rent Increase	Annual Increase Average	Annual Increase Per Key	Daily Rate Not To Exceed Mkt.	Projected Daily Average Market Rent				
0	\$4,445,591				\$3,761,654				\$119.64	\$141.95				
1	\$4,578,958	3.00%	\$133,368	\$2.77	\$3,927,254	4.40%	\$165,600	\$3.44	\$123.07	\$144.72	\$0	\$651,704	\$0	\$3,927,254
2	\$4,716,327	3.00%	\$137,369	\$2.85	\$4,211,585	7.24%	\$284,331	\$5.90	\$128.97	\$147.57	\$0	\$504,742	\$0	\$4,211,585
3	\$4,857,817	3.00%	\$141,490	\$2.94	\$4,359,968	3.52%	\$148,383	\$3.08	\$132.05	\$150.51	\$0	\$497,849	\$0	\$4,359,968
4	\$5,003,551	3.00%	\$145,735	\$3.02	\$4,492,581	3.04%	\$132,613	\$2.75	\$134.81	\$153.54	\$0	\$510,971	\$0	\$4,492,581
5	\$5,153,658	3.00%	\$150,107	\$3.12	\$4,629,227	3.04%	\$136,646	\$2.84	\$137.64	\$156.65	\$0	\$524,431	\$0	\$4,629,227
6	\$5,308,268	3.00%	\$154,610	\$3.21	\$4,770,029	3.04%	\$140,802	\$2.92	\$140.57	\$159.86	\$0	\$538,238	\$0	\$4,770,029
7	\$5,467,516	3.00%	\$159,248	\$3.31	\$4,915,114	3.04%	\$145,085	\$3.01	\$143.58	\$163.17	\$0	\$552,401	\$0	\$4,915,114
8	\$5,631,541	3.00%	\$164,025	\$3.40	\$5,064,612	3.04%	\$149,498	\$3.10	\$146.68	\$166.57	\$0	\$566,929	\$0	\$5,064,612
9	\$5,800,487	3.00%	\$168,946	\$3.51	\$5,218,657	3.04%	\$154,045	\$3.20	\$149.88	\$170.08	\$0	\$581,830	\$0	\$5,218,657
10	\$5,974,502	3.00%	\$174,015	\$3.61	\$5,377,388	3.04%	\$158,730	\$3.29	\$153.17	\$173.69	\$0	\$597,114	\$0	\$5,377,388

Property Name: **The ABC Hotel** Date: **10/31/2023**  
 Property Address: **1 Anywhere Street** Prepared For: **Prospect 1**  
**City, State, USA 11111** Prepared By: **Agent 1**

Support As Is Price for Property to Achieve **\$11,314,000**  
 Returns Not Including PIP Funding:

<b>Total Acreage:</b>	<b>1.50</b>	<b>Financing: New Financing</b>	<b>1st Mtg:</b>	<b>2nd Mtg:</b>	<b>3rd Mtg:</b>
<b>Total Heated and Cooled Sq. Feet:</b>	<b>58,000</b>	Interest Rates:	6.75%	0.00%	0.00%
<b>Total Auxillary Square Feet:</b>	<b>10,000</b>	Term of Loan:	300	0	0
		Debt Coverage Ratio:	1.25	0.00	0.00
<b>Total Number of Buildings:</b>	<b>1</b>	Loan-to-Value:	70.00%	0.00%	0.00%
<b>Total Number of Dwelling Units:</b>	<b>132</b>	Mortgage Constant:	0.08291	0.00000	0.00000

Proforma Reconstructed Current NOI Income: **\$1,019,688**

*(All findings are **ROUNDED** to the nearest one thousandth number.)*

**1** **Supportable Price of Asset Only Based on Reconstructed Operating Statement and Lender Requirements:**  
 Max. Annual Allowable Mortgage Pymt. No Less Than Minimal Debt Coverage Ratio: NOI/DCR = \$815,751  
 Based On Lender Guidelines: Mortgage Constant = 0.08291  
 MTG = \$7,919,800  
 Price Based on Loan Constant or Loan-to-Value, whichever is less: PRICE = **\$9,839,100**  
 (ROUNDED)

**2** **Price Based on Comparable Sale CAP Rates:**  
 Rate: 10.00%  
 Total Supportable Price Based on Higher of Cap Rate or Weighted Cost of Capital: **\$10,196,900**  
**(Not recommended as methodology does not account for variations in cash flows. Assumes business will grow at a stable rate every year or won't grow at all.)**

**3** **Income Approach to Value (Discounted Cash Flow Technique):**  
 Investor's Capitalization Rate: 9.31%

<u>Year:</u>	<u>NOI :</u>	<u>Residual:</u>	<u>Rate:</u>	<u>PV Worth:</u>	<u>Value:</u>
1	\$1,019,688		1.093090	\$932,849	
2	\$1,093,003		1.194846	\$914,765	
3	\$1,134,444		1.306075	\$868,590	
4	\$1,168,886		1.427658	\$818,744	
5	\$1,205,524	\$6,708,725	1.560559	\$772,495	
6	\$1,243,303		1.705832	\$728,854	
7	\$1,282,259		1.864628	\$687,675	
8	\$1,322,428		2.038207	\$648,819	
9	\$1,363,848		2.227944	\$612,155	
10	\$1,406,558		2.435344	\$577,560	
		\$11,720,143	2.435344	\$4,812,520	<b>\$12,375,000</b>

The residual value represents the proceeds from resale before tax that is a function of the last year's NOI indexed for the average growth in revenues over the holding period, factored at the weighted cost of capital, less closing costs and any mortgage balances.

**(Takes into account variations in cash flows due to market conditions, fluctuations of vacancy rates, requirements for future cash infusions into operations, inflationary or deflationary projected tendencies, etc.)**

**4** **Weighted Value Of Property (ROUNDED):** **10,879,500**

**MODIFIED INVESTOR LEVERAGED IRR ANALYSIS**

<b>Property Name:</b>	<b>The ABC Hotel</b>	<b>Date:</b>	<b>10/31/2023</b>
<b>Property Address:</b>	<b>1 Anywhere Street</b>	<b>Prepared For:</b>	<b>Prospect 1</b>
<b>Tax Parcel Number:</b>	<b>City, State, USA 11111</b>	<b>Prepared By:</b>	<b>Agent 1</b>
	<b>2468A 001</b>		

**USE OF FUNDS:**

Property Acquisition	<b>\$11,314,000</b>
Number of Units	132
Total Cost Per Unit:	\$96,668
Closing Costs, Fees, Prorations including Prorated Rents	\$193,628
Property Improvement Plan (PIP) <u>Not</u> Financed; Investor PIP Funds	\$1,227,590
Broker Equity Participation:	\$0
Working Capital	\$25,000
Total Use of Funds	<b>\$12,760,218</b>
Preferential Financing Involved?	No
Real Estate Brokerage Participation?	No

**SOURCE OF FUNDS:**

First Mortgage	\$7,919,800
Second Mortgage	\$0
Third Mortgage - Interest Only Mortgage	\$0
PIP Financed - Lender LIP	\$2,121,211
Equity from General Partner, Equity Investor, and/or Broker:	\$2,652,293
Pro-rated Rents to Date of Closing	\$8,575
Pro-rated Taxes to be Paid	\$58,340
Total Source of Funds	<b>\$12,760,218</b>
Equity Investor (<= proceeds of s:	<b>\$0</b>
Broker Equity:	<b>\$0</b>
General Partner Equity:	<b>\$2,652,293</b>

- Agrees -

**MORTGAGE INFORMATION:**

First Mortgage Amount Including PIP Financed	\$10,041,011
Interest Rate	6.75%
Amortization Period	300
Balloon or Call Period	120
Monthly Payment	\$69,375
Annual Payment	\$832,494

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>
Beginning Balance:										
First	\$10,041,011	\$9,881,407	\$9,710,691	\$9,528,088	\$9,332,771	\$9,123,854	\$8,900,390	\$8,661,368	\$8,405,703	\$8,132,236
Second	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Payments:										
Interest to 1st Mtg:	\$672,890	\$661,778	\$649,891	\$637,177	\$623,577	\$609,031	\$593,471	\$576,829	\$559,027	\$539,986
Interst to 2nd Mtg:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest to 3rd Mtg:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Reduced:	<u>\$159,604</u>	<u>\$170,716</u>	<u>\$182,603</u>	<u>\$195,317</u>	<u>\$208,917</u>	<u>\$223,463</u>	<u>\$239,023</u>	<u>\$255,665</u>	<u>\$273,467</u>	<u>\$292,508</u>
Ending Balance:	\$9,881,407	\$9,710,691	\$9,528,088	\$9,332,771	\$9,123,854	\$8,900,390	\$8,661,368	\$8,405,703	\$8,132,236	\$7,839,729

**CASH FLOW:**

Occupancy Rates:	66.23%	67.78%	68.53%	69.17%	69.81%	70.43%	71.05%	71.67%	72.27%	72.87%
NOI:	\$1,019,688	\$1,093,003	\$1,134,444	\$1,168,886	\$1,205,524	\$1,243,303	\$1,282,259	\$1,322,428	\$1,363,848	\$1,406,558
1st Mtg Annual Pymt. Assumption	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1st Mtg Annual Pymt. New	\$832,494	\$832,494	\$832,494	\$832,494	\$832,494	\$832,494	\$832,494	\$832,494	\$832,494	\$832,494
2nd Mtg Annual Pymt.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3rd Mtg Interest Only:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
CF After Debt Service:	\$187,194	\$260,509	\$301,950	\$336,392	\$373,030	\$410,809	\$449,765	\$489,934	\$531,354	\$574,064
Debt Coverage Ratio:	1.22	1.31	1.36	1.40	1.45	1.49	1.54	1.59	1.64	1.69









# ESTIMATED PURCHASE CLOSING DISCLOSURE

Property Information:	
The ABC Hotel 1 Anywhere Street City, State, USA 11111	
Amount of Financing:	\$10,041,011
Interest Rate on Mortgage	6.75%
Type Of Financing:	New Financing
Second Mortgage:	No

Closing Information:	
Closing Date:	9/30/2023
Closing Day of Year:	273
Day of Month of Closing:	30
Months of Escrow at Closing:	0
Total Department Income at time of Closing:	\$3,129,845
Interest Rate of 1st Mortgage Being Paid Off	7.00%
Interest Rate of 2nd Mortgage Being Paid Off, if any	0.00%

Summary of Borrower's Transaction:	
<b>Due from Borrower at Closing:</b>	
Sale / Base Support Price of Asset	\$11,314,000
Sale Price of Any Personal Property	
Closing Costs Paid at Closing (J): (see page two)	\$193,628
<b>Adjustments</b>	
<b>Adjustments for Items Paid by Seller in Advance:</b>	
City / Town Taxes	
County Taxes	
Assessments, if any	
HOA or CAM Dues	
<b>Gross Amount Due from Borrower (K):</b>	<b>\$11,507,628</b>

Summary of Seller's Transaction:	
<b>Due to Seller at Closing:</b>	
Sale Price of Property:	\$11,314,000
Sale Price of Any Personal Property	
<b>Adjustments:</b>	
<b>Adjustments for Items Paid by Seller in Advance:</b>	
City / Town Taxes	
County Taxes	
Assessments, if any	
HOA or CAM Dues	
<b>Gross Amount Due Seller (M):</b>	<b>\$11,314,000</b>

<b>Paid Already by or on Behalf of Borrower at Closing:</b>	
Deposit or Earnest Money	\$20,000
Credit of Brokerage Commission, If any	\$0
Principal Amounts of New Loan(s)	
First Mortgage	\$7,919,800
Second Mortgage	\$0
Third (Interest Only) Mortgage	\$0
Seller Credits	\$0
Cost to Cure Transfer Taxes	
Lender LIP	\$2,121,211
Pro-rated Department Income	\$8,575
<b>Adjustments for items unpaid by Seller:</b>	
City / Town Taxes	
County Taxes	\$58,340
Assessments, if any	\$0
Commercial Mgt. Assoc. Fees (CAM)	\$0
<b>Total Paid by Borrower (L):</b>	<b>\$10,127,925</b>

<b>Due from Seller at Closing:</b>	
Excess desposits, if any	
Closing Costs Paid at Closing (J):	\$556,663
Existing Loans Assumed/taken "Subject To"	
Payoff of First Mortgage	\$3,924,676
Payoff or Assumption of Second Mortgage	\$0
Third (Interest Only) Mortgage	\$0
Seller Credits	\$0
Cost to Cure Transfer Taxes	
Other Credits	
Pro-rated Department Income	\$8,575
<b>Adjustments for items unpaid by Seller:</b>	
City / Town Taxes	
County Taxes	\$58,340
Assessments, if any	
Commercial Mgt. Assoc. Fees (CAM)	\$0
<b>Total Reduction Amounts Due Seller (N):</b>	<b>\$4,548,254</b>

<b>Calculations:</b>	
Total Due from Borrower at Closing (K):	\$11,507,628
Total Paid Already by or on Behalf of Borrower at Closing (L):	\$10,127,925
<b>Cash From ( To ) Borrower at Closing:</b>	<b>\$1,379,703</b>

<b>Cash at Settlement To ( From ) Seller</b>	
Total Due to Seller at Closing (M):	\$11,314,000
Total Due from Seller at Closing (N):	\$4,548,254
<b>Cash To ( From ) Seller at Closing:</b>	<b>\$6,765,746</b>

Loan Costs:	Borrower:	Seller:
<b>(A) Origination Charges Associated with Loan:</b>		
Origination Charges or Points	\$0	
Discount Pts for interest rate chosen	\$0	
Application Fee	\$1,500	
Underwriting Fee	\$225	
Adjusted Origination Charges		
<b>(B) Services Borrower Did Not Shop For:</b>		
Appraisal Fee	\$4,500	
Credit Report	\$75	
Flood Determination Fee	\$125	
Flood Monitoring Fee		
Tax Monitoring and Service Fees	\$85	
<b>(C) Services Borrower Did Not Shop For:</b>		
Pest Control		\$500
Survey	\$2,500	\$0
Title Insurance Binder		
Lender's Title Insurance	\$73,894	\$0
Owner's Title Insurance		
Settlement or Closing Fee	\$375	
Title Services / Lender's Title Insurance	\$125	
<b>(D) TOTAL LOAN COSTS (Borrower Paid):</b>	<b>\$83,404</b>	<b>\$500</b>
<b>(E) Taxes and Other Government Fees:</b>		
Recording Fees:		
Deed	\$27	
Mortgage	\$300	
Releases		\$75
Transfer Taxes:		
City / County tax / stamps		
Deed:		
Mortgage:	\$27,719	
State Tax / stamps		
Deed:		\$79,198
Mortgage:	\$15,840	
<b>(F) Prepays:</b>		
Hazard Insurance Premium (Quarterly):	\$7,500	
Interest on First Mortgage	\$43,939	\$22,580
Interest on Second Mortgage, if any	\$0	\$0
Interest Only Third Mortgage, if any	\$0	
Mortgage Insurance Premium		
Property Taxes (6 mths) to County		
<b>(G) Initial Escrow Payment at Closing:</b>		
Homeowner's Insurance for 2 months		
Mortgage Insurance for 2 months		
Property Taxes for 2 months		
<b>(H) Other:</b>		
Defesance Fee	\$0	\$0
Property Warranty Fee		\$0
Real Estate Acquisition Fee	\$0	
Real Estate Commission	\$0	\$452,560
Attorney Fees	\$8,400	\$1,750
Credit by Seller to Buyer for Repairs	\$0	\$0
Repairs		
Third Party Reports	\$6,500	
<b>(I) Total Other Costs (Borrower-Paid):</b>	<b>\$110,225</b>	<b>\$556,163</b>
<b>(J) Total Closing Costs (Borrower-Paid):</b>	<b>\$193,628</b>	<b>(J) Total Closing Costs (Seller-Paid): \$556,663</b>

# ESTIMATED 5 YEAR RESALE CLOSING DISCLOSURE

Property Information:	
The ABC Hotel	
1 Anywhere Street	
City, State, USA 11111	
Original Mortgage Balance	\$10,041,011
Interest Rate on Mortgage	6.75%

Closing Information:	
Closing Date:	9/30/2023
Closing Day of Year:	273
Day of Month of Closing:	30
Months of Escrow at Closing:	0
Gross Annual Effective Rents at time of closing:	\$5,146,381

Summary of Borrower's Transaction:	
<b>Due from Borrower at Closing:</b>	
Sale Price of Property	
Sale Price of Any Personal Property	
Closing Costs Paid at Closing (J) (see page two)	
<b>Adjustments:</b>	
<b>Adjustments for Items Paid by Seller in Advance:</b>	
City / Town Taxes	
County Taxes	
Assessments, if any	
HOA or CAM Dues	
<b>Gross Amount Due from Borrower (K):</b>	

Summary of Seller's Transaction:	
<b>Due to Seller at Closing:</b>	
Sale Price of Property:	\$17,738,000
Sale Price of Any Personal Property	
<b>Adjustments:</b>	
<b>Adjustments for Items Paid by Seller in Advance:</b>	
City / Town Taxes	
County Taxes	
Assessments, if any	
HOA or CAM Dues	
<b>Gross Amount Due Seller (M):</b>	\$17,738,000

<b>Paid Already by or on Behalf of Borrower at Closing:</b>	
Deposit or Earnest Money	
Credit of Brokerage Commission, If any	
Principal Amounts of New Loan(s)	
First Mortgage	
Second Mortgage	
Payoff of Interest Only Mortgage	
Seller Credits	
Cost to Cure Transfer Taxes	
Other Credits	
Pro-rated Rents	
<b>Adjustments for items unpaid by Seller:</b>	
City / Town Taxes	
County Taxes	
Assessments, if any	
Commercial Mgt. Assoc. Fees (CAM)	
<b>Total Paid by Borrower (L):</b>	

<b>Due from Seller at Closing:</b>	
Excess deposits, if any	
Closing Costs Paid at Closing (J):	\$707,634
Existing Loans Assumed/taken "Subject To"	
Payoff of First Mortgage	\$10,041,011
Payoff of Second Mortgage	\$0
Payoff of Interest Only Mortgage	\$0
Seller Credits	\$0
Cost to Cure Transfer Taxes	
Other Credits	
Pro-rated Rents	\$0
<b>Adjustments for items unpaid by Seller:</b>	
City / Town Taxes	
County Taxes	\$280,630
Assessments, if any	
Commercial Mgt. Assoc. Fees (CAM)	\$0
<b>Total Reduction Amounts Due Seller (N):</b>	\$11,029,275

<b>Calculations:</b>	
Total Due from Borrower at Closing (K):	
Total Paid Already by or on Behalf of Borrower at Closing (L):	
<b>Cash From ( To ) Borrower at Closing:</b>	

<b>Cash at Settlement To ( From ) Seller</b>	
Total Due to Seller at Closing (M):	\$17,738,000
Total Due from Seller at Closing (N):	\$11,029,275
<b>Cash To ( From ) Seller at Closing:</b>	\$6,708,725

Loan Costs:	Borrower:	Seller:
<b>(A) Origination Charges Associated with Loan:</b>		
Origination Charges or Points		
Discount Pts for interest rate chosen		
Application Fee		
Underwriting Fee		
Adjusted Origination Charges		
<b>(B) Services Borrower Did Not Shop For:</b>		
Appraisal Fee		
Credit Report		
Flood Determination Fee		
Flood Monitoring Fee		
Tax Monitoring and Service Fees		
<b>(C) Services Borrower Did Not Shop For:</b>		
Pest Control		\$0
Survey		
Title Insurance Binder		
Lender's Title Insurance		\$0
Owner's Title Insurance		
Settlement or Closing Fee		
Title Services / Lender's Title Insurance		
<b>(D) TOTAL LOAN COSTS (Borrower Paid):</b>		
		\$0
<b>(E) Taxes and Other Government Fees:</b>		
Recording Fees:		
Deed		
Mortgage		
Releases		\$75
Transfer Taxes:		
City / County tax / stamps		
Deed:		
Mortgage:		
State Tax / stamps		
Deed:		\$124,166
Mortgage:		
<b>(F) Prepays:</b>		
Homeowner's Insurance Premium:		
Interest on First Mortgage		\$51,253
Interest on Second Mortgage		\$0
Interest on Third Mortgage		\$0
Mortgage Insurance Premium		
Property Taxes (6 mths) to County		
<b>(G) Initial Escrow Payment at Closing:</b>		
Homeowner's Insurance for 2 months		
Mortgage Insurance for 2 months		
Property Taxes for 2 months		
<b>(H) Other:</b>		
HOA Capital Contribution		
HOA Processing Fee		
Property Inspection Fee		
Property Warranty Fee		
Real Estate Commission		\$532,140
Defeasance Fee		\$0
Credit by Seller to Buyer for Repairs		
Repairs		
Lawn Maintenance		
<b>(I) Total Other Costs (Borrower-Paid):</b>		\$707,634
<b>(J) Total Closing Costs (Borrower-Paid):</b>		
		<b>(J) Total Closing Costs (Seller-Paid):</b> \$707,634

# ESTIMATED 10 YEAR RESALE CLOSING DISCLOSURE

Property Information:	
The ABC Hotel 1 Anywhere Street City, State, USA 11111	
Original Mortgage Balance	\$10,041,011
Interest Rate on Mortgage	6.75%

Closing Information:	
Closing Date:	9/30/23
Closing Day of Year:	273
Day of Month of Closing:	30
Months of Escrow at Closing:	0
Gross Annual Effective Rents at time of closing:	\$5,976,911

New Financing

Summary of Borrower's Transaction:	
<b>Due from Borrower at Closing:</b>	
Sale Price of Property	
Sale Price of Any Personal Property	
Closing Costs Paid at Closing (J) (see page two)	
<b>Adjustments:</b>	
<b>Adjustments for Items Paid by Seller in Advance:</b>	
City / Town Taxes	
County Taxes	
Assessments, if any	
HOA or CAM Dues	
<b>Gross Amount Due from Borrower (K):</b>	

Summary of Seller's Transaction:	
<b>Due to Seller at Closing:</b>	
Sale Price of Property:	\$20,696,000
Sale Price of Any Personal Property	
<b>Adjustments:</b>	
<b>Adjustments for Items Paid by Seller in Advance:</b>	
City / Town Taxes	
County Taxes	
Assessments, if any	
HOA or CAM Dues	
<b>Gross Amount Due Seller (M):</b>	\$20,696,000

<b>Paid Already by or on Behalf of Borrower at Closing:</b>	
Deposit or Earnest Money	
Credit of Brokerage Commission, If any	
Principal Amounts of New Loan(s)	
First Mortgage	
Second Mortgage	
Interest Only Mortgage	
Seller Credits	
Cost to Cure Transfer Taxes	
Other Credits	
Pro-rated Rents	
<b>Adjustments for items unpaid by Seller:</b>	
City / Town Taxes	
County Taxes	
Assessments, if any	
Commercial Mgt. Assoc. Fees (CAM)	
<b>Total Paid by Borrower (L):</b>	

<b>Due from Seller at Closing:</b>	
Excess desposits, if any	
Closing Costs Paid at Closing (J):	\$810,209
Existing Loans Assumed/taken "Subject To"	
Payoff of First Mortgage	\$7,839,729
Payoff of Second Mortgage	\$0
Payoff of Interest Only Mortgage	\$0
Seller Credits	
Cost to Cure Transfer Taxes	
Other Credits	
Pro-rated Rents	\$0
<b>Adjustments for items unpaid by Seller:</b>	
City / Town Taxes	
County Taxes	\$325,919
Assessments, if any	
Commercial Mgt. Assoc. Fees (CAM)	\$0
<b>Total Reduction Amounts Due Seller (N):</b>	\$8,975,857

<b>Calculations:</b>	
Total Due from Borrower at Closing (K):	
Total Paid Already by or on Behalf of Borrower at Closing (L):	
<b>Cash From ( To ) Borrower at Closing:</b>	

<b>Cash at Settlement To ( From ) Seller</b>	
Total Due to Seller at Closing (M):	\$20,696,000
Total Due from Seller at Closing (N):	\$8,975,857
<b>Cash To ( From ) Seller at Closing:</b>	\$11,720,143

Loan Costs:	Borrower:	Seller:
<b>(A) Origination Charges Associated with Loan:</b>		
Origination Charges or Points		
Discount Pts for interest rate chosen		
Application Fee		
Underwriting Fee		
Adjusted Origination Charges		
<b>(B) Services Borrower Did Not Shop For:</b>		
Appraisal Fee		
Credit Report		
Flood Determination Fee		
Flood Monitoring Fee		
Tax Monitoring and Service Fees		
<b>(C) Services Borrower Did Not Shop For:</b>		
Pest Control		\$0
Survey		
Title Insurance Binder		
Lender's Title Insurance		\$0
Owner's Title Insurance		
Settlement or Closing Fee		
Title Services / Lender's Title Insurance		
<b>(D) TOTAL LOAN COSTS (Borrower Paid):</b>		
		<b>\$0</b>
<b>(E) Taxes and Other Government Fees:</b>		
Recording Fees:		
Deed		
Mortgage		
Releases		\$75
Transfer Taxes:		
City / County tax / stamps		
Deed:		
Mortgage:		
State Tax / stamps		
Deed:		\$144,872
Mortgage:		
<b>(F) Prepays:</b>		
Homeowner's Insurance Premium:		
Interest on First Mortgage		\$44,382
Interest on Second Mortgage		\$0
Interest on Third Mortgage		\$0
Mortgage Insurance Premium		
Property Taxes (6 mths) to County		
<b>(G) Initial Escrow Payment at Closing:</b>		
Homeowner's Insurance for 2 months		
Mortgage Insurance for 2 months		
Property Taxes for 2 months		
<b>(H) Other:</b>		
HOA Capital Contribution		
HOA Processing Fee		
Property Inspection Fee		
Property Warranty Fee		
Real Estate Commission		\$620,880
Defeasance Fee		\$0
Credit by Seller to Buyer for Repairs		
Repairs		
Lawn Maintenance		
<b>(I) Total Other Costs (Borrower-Paid):</b>		<b>\$810,209</b>
<b>(J) Total Closing Costs (Borrower-Paid):</b>		
		<b>(J) Total Closing Costs (Seller-Paid): \$810,209</b>