

Key Considerations for Motel Operation

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Several key considerations should be approached with a positive outlook. It is important to recognize that these factors are inherently subjective and may vary according to individual capabilities. Market conditions are not factored into this assessment, and feasibility depends on timing and specific circumstances. The average annual income ranges from \$150, 150,000 to \$200,000, 000. The current operator has managed this motel for nearly 15 years and, at 82 years of age, remains capable of overseeing its operations.

Important Points for Motel Success

Operational Experience and the opportunities the present owner failed to use for financial benefit to his health.

Operational Experience and Missed Opportunities

- 1. The present operator has run this motel for almost 15 years.**
- 2. He is 82 years old and fit to run it if the situation requires, as he has very cooperative help.**
- 3. For any new operators, there is almost \$2000 worth of free live-in space with a kitchen, living room, bedroom, and pantry, plus connecting motel laundry and storage.**

The following points, by changing the operation, can easily increase income without any extra cost.

- 1. Rent 24 x 7; the current owner only rents between 8 AM and 9 PM; this can easily increase revenue by \$ 25000 per year.**
- 2. Rent to guests with pets (one can designate a few rooms for pets); this can easily increase revenue by \$ 25000 per year.**
- 3. Listing on Airbnb can easily increase revenue by \$ 25000. Per year**

Monthly expenses rounded up based on yearly, except the lease payment is monthly

1. Lease Payment \$7500-\$10000 Monthly
2. Electric \$ 15000-\$18000 (Yearly)
3. Water: \$ 3000-4000 (Yearly)
4. Gas: \$2500 (Yearly)
- 5, Direct TV, wifi, Garbage \$ 3000-\$5000 (Yearly)
- 6, depend on your situation and circumstances ?
5. Property insurance and liability: \$ 7,000- \$ 12,000 (it depends on your coverage, but must have a minimum \$600K for the building on the present owner's name, triple- net lease)

If you do the following things without hired help, do them yourself, then you can easily save the following costs

1. Housekeeping \$ 36000 (Yearly)
2. Maintenance \$ 7000-10000 (Yearly)
3. Linen supply: 14000 (Yearly)

Confidential and Proprietary

Berkshire Hathaway Direct Insurance Company BOP Loss Run
for
New Dynamic Property LLC
Policy Number: N9BP472218

Policy Period: 12/06/2025 - 12/06/2026
Agency: BIBERK

Report Date: 05/28/2026
Premium and Losses as of: 05/28/2026

Claim Number	Date of Injury			
Claimant Name	Date Of Loss Time			
Adjustor	Received			
Claim Type	Adjustor Status (CLOSED)			
Loss Type				
Loss Location				
Accident State		Loss	Expense	Total

No Claims Exist for N9BP472218

Policy Summary

Totals for Policy N9BP472218 (12/06/2025-12/06/2026)	Paid:	0.00	0.00	0.00
	Outstanding:	0.00	0.00	0.00
	Incurred:	0.00	0.00	0.00
	Total Recoveries:			0.00
Total Open Claims: 0	Earned Premium: 7,144.00			
Total Closed Claims: 0	Loss Ratio (Incurred/Earned*100): 0.00%			

Berkshire Hathaway Direct Insurance Company BOP Loss Run
for
New Dynamic Incorporation
Policy Number: N9BP397746

Policy Period: 12/06/2024 - 12/06/2025
Agency: BIBERK

Report Date: 05/28/2026
Premium and Losses as of: 05/28/2026

Claim Number	Date of Injury			
Claimant Name	Date Of Loss Time			
Adjustor	Received			
Claim Type	Adjustor Status (CLOSED)			
Loss Type				
Loss Location				
Accident State		Loss	Expense	Total

No Claims Exist for N9BP397746

Policy Summary

Totals for Policy N9BP397746 (12/06/2024-12/06/2025)	Paid:	0.00	0.00	0.00
	Outstanding:	0.00	0.00	0.00
	Incurred:	0.00	0.00	0.00
	Total Recoveries:			0.00
Total Open Claims: 0	Earned Premium: 13,702.00			
Total Closed Claims: 0	Loss Ratio (Incurred/Earned*100): 0.00%			

****Total for All Policies****

Totals for All Policies	Paid:	0.00	0.00	0.00
	Outstanding:	0.00	0.00	0.00
	Incurred:	0.00	0.00	0.00
	Total Recoveries:			0.00
Total Open Claims: 0	Earned Premium: 20,846.00			
Total Closed Claims: 0	Loss Ratio (Incurred/Earned*100): 0.00%			

10:37 AM

06/15/26

Accrual Basis

New Dynamic Inc Profit & Loss

January 2023 through April 2026

9 Reims Inn
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	Jan - Dec 23	Jan - Dec 24	Jan - Dec 25	Jan - Apr 26
Ordinary Income/Expense				
Income				
Gift Shop and Vending Sales	-259.62	-182.66	-139.93	0.00
Lodging Sales	221,438.74	162,563.06	178,819.29	71,516.49
Refunds/Returns	0.00	5,369.42	14,798.03	482.88
Total Income	221,179.12	167,749.82	193,477.39	71,999.37
Cost of Goods Sold				
Linens and Lodging Supplies	27,575.43	25,287.18	36,488.63	11,068.05
Merchant Account Fees	9,328.42	6,358.66	4,462.21	2,349.50
Purchases - Resale Items	40.31	0.00	0.00	0.00
Total COGS	36,944.16	31,645.84	40,950.84	13,417.55
Gross Profit	184,234.96	136,103.98	152,526.55	58,581.82
Expense				
Advertising and Promotion	4,494.12	7,304.13	5,273.61	5,717.23
Automobile Expense	472.72	716.75	1,969.33	1,169.63
Bank Service Charges	725.93	443.79	280.39	50.00
Business Licenses and Permits	2,642.55	447.95	2,191.23	4,633.61
Citi Card	2,365.39	0.00	2,832.03	0.00
Commission	17,502.83	11,629.31	12,992.34	6,563.06
Computer and Internet Expenses	1,067.71	919.77	300.57	277.00
Contract Labor	24,883.50	26,267.00	30,835.00	300.00
Depreciation Expense	0.00	0.00	25.00	0.00
Dues and Subscriptions	514.07	1,019.37	2,290.76	787.94
Employee Benefit	651.92	516.24	1,771.24	674.18
Insurance Expense	13,085.68	11,224.65	29,665.81	7,797.54
Interest Expense	6,310.76	136.21	205.89	152.11
Meals	2,035.19	2,542.28	1,921.51	1,040.22
Office Supplies	2,205.26	3,083.29	233.93	0.00
Payroll Expenses	13,253.00	13,236.00	13,205.00	4,470.00
Postage	381.55	675.83	916.72	352.21
Professional Fees	8,826.00	10,217.65	8,486.45	1,200.00
Reconciliation Discrepancies	0.00	524.91	-219.16	0.00
Repairs and Maintenance	11,666.76	19,140.90	6,712.61	3,271.56
Storage Rent	224.00	2,826.39	3,438.58	1,468.44
Taxes				
Property Tax	7,795.31	4,470.94	15,429.14	0.00
Sales tax	7,205.00	0.00	0.00	0.00
State Tax	0.00	911.51	0.00	0.00
Taxes - Other	4,228.72	4,047.29	980.38	130.64
Total Taxes	19,229.03	9,429.74	16,409.52	130.64
Telephone Expense	4,701.13	4,979.01	4,838.12	1,485.65
Travel	188.29	3,589.93	3,428.41	325.28
Utilities	22,246.68	39,383.77	37,270.82	9,647.66
Total Expense	159,674.07	170,254.87	187,275.71	51,513.96
Net Ordinary Income	24,560.89	-34,150.89	-34,749.16	7,067.86
Other Income/Expense				
Other Income				
Other Income	0.00	209.98	1,476.60	0.00
Total Other Income	0.00	209.98	1,476.60	0.00
Net Other Income	0.00	209.98	1,476.60	0.00
Net Income	24,560.89	-33,940.91	-33,272.56	7,067.86