HOSPITALITY FOR SALE

FULLY OPERATIONAL 20-ROOM MOUNTAIN LODGE + DEVELOPMENT LAND

222 Kern River Highway, Kernville, CA 93238

LODGE PRICE: $1,045,000
ADDITIONAL LAND PRICE: $450,000
PACKAGE DEAL: $1,495,000
LOT SIZE: 19.01 Acres
BUILDING SIZE: 9,489 SF
2018 GROSS REVENUE (MOTEL ONLY): $406,791
2018 GROSS PROFIT (MOTEL ONLY): $80,826
MOTEL PARCEL SIZE: 228,254 SF (6.62 Ac)
ADDITIONAL LAND PARCELS: 599,821 SF (13.77 Ac)
SUB MARKET: Kern River Highway
CROSS STREETS: Mountain Hwy 99

PROPERTY FEATURES
- 2018 Gross Revenue @ $407K; 2019 Projection @ $425K
- Revenue For September 2017 is Double September 2016
- Fully Refurbished Motel w/ Remodeled Pet Rooms
- AAA Approved 2 Diamond Rating
- New Flat Screen TVs, Appliances & Bedding Upgrades
- Level Development Expansion Land For RV/Trailer Spaces
- Additional Land For Motel Expansion & Restaurant Addition
- Water System Upgraded To Current EPA Standards
- Equestrian Facilities, Laundry Room, and Breakfast Room
- Rooms Have All New Carpet, Tile & Bed Frames
- 2 Room Manager’s Living Quarters
- Approximate Sq.Ft. of motel = 9,500 + Deck & Walkways
- Great SBA Candidate - Owner Will Carry Paper On Land
- Reservation System via Hotelogix Interfaces w/ Travel Media

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Executive Vice President
O: 559.302.8698
C: 559.302.8698
jared@centralcacommercial.com
CA DRE #01945284

KEVIN LAND
Executive Managing Director
O: 559.359.4035
C: 559.359.4035
kevin@centralcacommercial.com
CA DRE #01516541

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PROPERTY OVERVIEW
Fully operational cash-flowing ±9,500 SF Lodge/Motel & development land on ±19.01 Acres. Corral Creek Lodge offers modern & spacious rooms, and is the closest lodging to destinations such as “Trail of 100 Giants” and the wilderness areas of the southern Sierra Nevada Mountain Range. The AAA approved 2 diamond rating Lodge offers 20 modern spacious rooms in a quiet & scenic setting priced below replacement cost. Amenities include a BBQ & dining deck, spacious air conditioned single king and double queen rooms, and kitchen facilities. Reservation system uses Hotelogix & interfaces with major OTA’s. Steadily increasing clientele continue to add a tour of the southern Sierras to their trips to LA, San Diego, Death Valley and Las Vegas. Has become popular with European and Asian travel agencies.

LOCATION OVERVIEW
Subject is the only level private land on the river between River Kern & McNally’s on the Mountain 99. Kernville and Lake Isabella are popular fishing & recreational destinations. Coordinates: 35.858581, -118.449577.

MOTEL OVERVIEW
Permits in place with zero hassle from requalifying w/ county or health department. Upgraded water system meets latest EPA standards. Recent remodel included Pet rooms (pet proof paint & floors), water heaters, flat screen TVs, carpet/tile, bed frames, & HVAC systems. 2 room manager’s living quarters by breakfast room/office. Operational over-built new well & water tank system for existing/future uses.

REVENUE OVERVIEW:
Gross revenue has increased since the remodel. 2014, 2015, 2016, and 2017 gross revenues were $109K, $207K, $246K, and $375K respectively. Sales growth is from exposure to public through expanded reservation media, and a steady increase in guests from Europe and Asia through OTA’s. Recent addition of Expedia has further increased sales revenue from domestic and foreign sources. The current focus is cost control and increasing efficiency of payroll.
ADDITIONAL LAND INCLUDED (FOR DEVELOPMENT):

Additional land is the only level land available on a 10 mile stretch of the river between River Kern and Soda Springs/McNally’s. The (2) west parcels offer ±3.10 Acres of level land ideal for development of RV/travel trailer campground sites with majestic river views and direct river access. Site has opportunity for ±20 pull-in spaces, showers, restrooms, a playground, and other amenities. There is also a total of ±0.80 Acres of level land adjacent to the existing building ideal for motel/hotel building expansion to the south and a restaurant/general store in the middle with ±7.4 Acres for recreational uses. By moving the motel check in desk and future trailer park check in to the store, the store can run without an increase in payroll. Additional development has existing power and septic plus the power to the well house. New equestrian facilities and fences have been added to keep out range cattle. Seller will consider partial or full financing of land.
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FULLY OPERATIONAL 20-ROOM MOUNTAIN LODGE + DEVELOPMENT LAND

### REVENUE

<table>
<thead>
<tr>
<th>Account</th>
<th>Jan 18-Dec 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room Rental</td>
<td>$400,248</td>
</tr>
<tr>
<td>Pet Deposit</td>
<td>$145</td>
</tr>
<tr>
<td>General Store</td>
<td>$4,423</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$1,263</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>$712</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td><strong>$406,791</strong></td>
</tr>
</tbody>
</table>

### EXPENSE

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank/Credit Card Fees</td>
<td>$17,231</td>
</tr>
<tr>
<td>OTA Commissions</td>
<td>$38,226</td>
</tr>
<tr>
<td>Computer, Software, Website</td>
<td>$6,645</td>
</tr>
<tr>
<td>Housekeeping</td>
<td>$977</td>
</tr>
<tr>
<td>Liability/Fire Insurance</td>
<td>$15,273</td>
</tr>
<tr>
<td>Workers Compensation</td>
<td>$11,104</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>$1,125</td>
</tr>
<tr>
<td>Guest Services</td>
<td>$11,468</td>
</tr>
<tr>
<td>Linens</td>
<td>$28,382</td>
</tr>
<tr>
<td>Room Supplies</td>
<td>$2,918</td>
</tr>
<tr>
<td>Other</td>
<td>$1,643</td>
</tr>
<tr>
<td>Outside Services</td>
<td>$1,025</td>
</tr>
<tr>
<td>Payroll</td>
<td>$132,084</td>
</tr>
<tr>
<td>Postage</td>
<td>$210</td>
</tr>
<tr>
<td>Taxes/Bookkeeping</td>
<td>$1,700</td>
</tr>
<tr>
<td>Permits</td>
<td>$1,576</td>
</tr>
<tr>
<td>Repairs and Maintenance</td>
<td>$5,721</td>
</tr>
<tr>
<td>Supplies</td>
<td>$3,673</td>
</tr>
<tr>
<td><strong>Property Tax (Lodge Only Off Asking Price)</strong></td>
<td><strong>$13,954</strong></td>
</tr>
<tr>
<td><strong>Television</strong></td>
<td><strong>$1,902</strong></td>
</tr>
<tr>
<td><strong>Electric</strong></td>
<td><strong>$17,842</strong></td>
</tr>
<tr>
<td><strong>Garbage</strong></td>
<td><strong>$2,131</strong></td>
</tr>
<tr>
<td><strong>Pest</strong></td>
<td><strong>$1,788</strong></td>
</tr>
<tr>
<td><strong>Propane</strong></td>
<td><strong>$2,289</strong></td>
</tr>
<tr>
<td><strong>Telephone</strong></td>
<td><strong>$5,078</strong></td>
</tr>
<tr>
<td><strong>TOTAL EXPENSE</strong></td>
<td><strong>$325,965</strong></td>
</tr>
<tr>
<td><strong>GROSS PROFIT</strong></td>
<td><strong>$80,826</strong></td>
</tr>
</tbody>
</table>

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C: 559.302.8698  
jared@centralcacommercial.com  
CA DRE #01945284

KEVIN LAND  
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<table>
<thead>
<tr>
<th>Estimated Project Costs</th>
<th>$1,350,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of Land and/or Building Property Construction or Improvements</td>
<td>$0</td>
</tr>
<tr>
<td>Acquisition of Machinery or Fixtures</td>
<td>$0</td>
</tr>
<tr>
<td>Estimated SBA Loan Fees</td>
<td>$16,810</td>
</tr>
<tr>
<td>Estimated Interim Bank Loan Fee</td>
<td>$9,450</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>$1,376,260</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Estimated Sources of Financing</th>
<th>% of Project</th>
<th>Estimated Int. Rate</th>
<th>Loan Term in Years</th>
<th>Monthly Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Loan Amount</td>
<td>$679,725</td>
<td>49.4%</td>
<td>5.25%</td>
<td>25</td>
</tr>
<tr>
<td>504 Loan Amount</td>
<td>$560,590</td>
<td>40.7%</td>
<td>5.25%</td>
<td>20</td>
</tr>
<tr>
<td>Applicant Down Payment</td>
<td>$135,945</td>
<td>9.9%</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td>Total Sources of Funds</td>
<td>$1,376,260</td>
<td>100.0%</td>
<td>-----</td>
<td>-----</td>
</tr>
</tbody>
</table>

SBA 504 financing is designed to provide up to 90% financing on most projects. Projects for communities less than two years old, or for special purpose facilities that require an additional 5% borrower down payment.

The above estimate is the take-out or permanent project financing. In 504 projects, the lender providing the permanent first mortgage also provides an interim or construction loan for the project.

The bank fees are estimated at 2% of the interim loan plus a 9% loan fee the bank pays the SBA in a 504 project. Bank interest rates and fees are estimates and interest rates may be fixed or variable. See the bank for details.

504 rates are fixed for 20 years at the time of funding. At the 10 year Treasury rate plus 2.5% to 3%, fees on 504 loans are 2.63% plus $2,500, are financed as part of the project and are included in the note. The most recent 504 rate is shown above and a new 504 interest rate is established each month.

The project financing above does not include estimates for some costs, such as the project appraisal, title and escrow fees. Most of these items can be financed as part of the project cost if supported by the project operation. Contact our loan officer and your bank for estimates of these fees. This information is an estimate and is not a commitment or guarantee of qualification for this financing.

Cal B. Cain, SVP, Senior Loan Officer  
Cell: (559) 905-5636

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O: 559.302.8698  
C: 559.302.8698  
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KING BED

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KITCHEN AREA

FLAT SCREEN TV

BATHROOM AREA

EXTERIOR ROOM VIEW

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O: 559.302.8698
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jared@centralcacommercial.com
CA DRE #01946284

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KW COMMERCIAL
559.302.8698

CENTRAL CA COMMERCIAL

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