



# Acquisition Opportunity Profile

**Boutique Hotel Chain**  
**Location: Midwest United States**

**Client #2060**

\$ 19 Million Revenue  
\$ 3.3 Million Adj. EBITDA  
(Estimated FYE December 31, 2022P)



*The Best Price. The Best Terms.®*

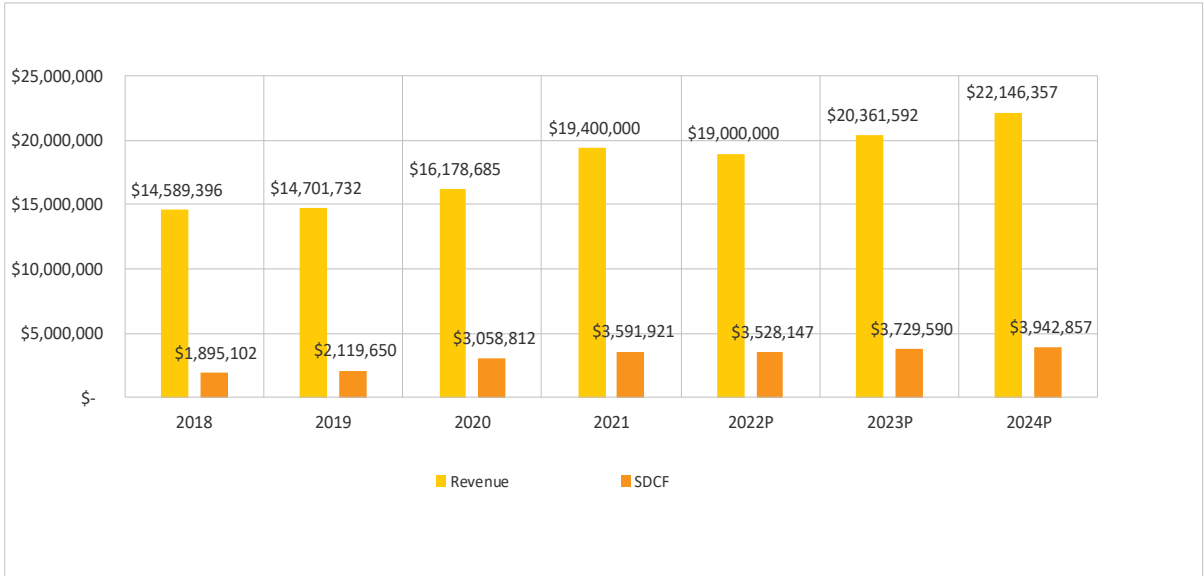
EBIT ASSOCIATES, LTD.  
T: 847.566.0500 F: 847.566.0100  
Email: [info@ebitassociates.com](mailto:info@ebitassociates.com)  
[www.ebitassociates.com](http://www.ebitassociates.com)



Financial Year Ends December 31

	2018	2019	2020	2021	2022P	2023P	2024P
Revenue	\$ 14,589,396	\$ 14,701,732	\$ 16,178,685	\$ 19,400,000	\$ 19,000,000	\$ 20,361,592	\$ 22,146,357
% Growth	N/A	1%	10%	20%	-2%	7%	9%
EBT	\$ (71,534)	\$ 148,681	\$ 1,065,903	\$ 1,278,133	\$ 1,251,780	\$ 1,339,405	\$ 1,433,163
Margin Growth	N/A	-308%	617%	20%	-2%	7%	7%
SDCF	\$ 1,895,102	\$ 2,119,650	\$ 3,058,812	\$ 3,591,921	\$ 3,528,147	\$ 3,729,590	\$ 3,942,857
Margin Growth	N/A	12%	44%	17%	-2%	6%	6%
EBITDA	\$ 1,645,102	\$ 1,869,650	\$ 2,808,812	\$ 3,341,921	\$ 3,278,147	\$ 3,479,590	\$ 3,692,857
Margin	11%	13%	17%	17%	17%	17%	17%

REVENUE/EBITDA+OC = SDCF or Earnings Before Tax + Interest + Depreciation + Amortization + Owner's CASH.



***This information contained is of a confidential nature and is intended for the exclusive use of the persons or firm to whom it is furnished by us. Reproduction, publication, or dissemination of portions hereof may not be made without prior approval of EBIT Associates, LTD. EBIT Associates, LTD, its employees, agents and affiliate intermediaries have made no investigation or verification of the information contained herein and any representation to the contrary is not authorized. Prospective buyers acknowledge the responsibility to perform a due diligence review and make its own evaluation and judgment prior to any acquisitions or mergers with the client company.***

***This Acquisition Profile contains forward looking statements based on current expectations that involve a number of risks, uncertainties and assumptions. Additional detail regarding the target transaction and its risks will be outlined in a Confidential Information Memorandum which will be provided at a later date.***

# Business Summary

## Overview

With its long operating history, the Company has established a brand and a name for providing luxury whirlpool and swimming pool rental suites. The Company was established in the early 1970's. It operates five private clubs. The Company targets couples between 21-29 years of age and provides romantic getaway options to celebrate birthdays, anniversaries and other holidays. Customers may also purchase memberships to the clubs.

The Company is well positioned to provide a stable and profitable platform for growth. It is an attractive acquisition candidate for strategic or private equity desiring a well established platform with a strong customer base and long standing name.

In 2021, the Company yielded over \$19M in revenue with Adj. EBITDA over \$3M. The Company forecast this year \$19M in revenue with over \$3M Adj. EBITDA for 2022.

## Terms

No specific asking price for the THE CLIENT COMPANY has been established. Instead, the competitive market will establish the value of the Company. This opportunity will attract strong interest from strategic and financial buyers and it is expected there will be a range of valuations based on each buyers understanding of the synergies and financial value this opportunity brings to their organization.

## Reason For Sale

The Company is for sale because the business is owned by a trust which is in the process of monetizing certain assets in order to fulfill its purpose.

## Business Activity

The Company enters into contracts with its customers to provide annual and lifetime memberships and also provides reservation access (on a non-contractual basis) to their luxury locations. Customers also have the option to purchase various products from each location's gift shop. In addition, the Company sells gift cards for members to use at a future date at each of its locations.

The Company offers one year memberships and or a lifetime memberships.

# Business Summary (cont.)

## Marketing

The Company's primary target market applies to couples, ages between 21-49 years who are looking for a romantic getaway and are often times celebrating a birthday or anniversary. The Company targets marketing efforts to track such dates and encourage customers to return.

The Company also has a presence on social media, utilizes word of mouth referrals, direct mail and e-mail, billboards, text marketing, website (at least 4,000 visits per day) and has other forms of electronic advertising through Instagram, facebook (300+ followers) and TikTok.

Over the five years to 2026, IBISWorld projects that the industry will rebound and expand, with particularly strong growth in extended-stay hotels, boutique hotels, spa and health retreats and resorts segments. As demand for these auxiliary services picks up, industry employment is anticipated to recover and rise over the next five years. Industry revenue is estimated to increase at an annualized rate of 10.8% to \$222.0 billion over the five years to 2026.

## Employees

**Total Employees:** 169+

**Full-Time Employees:** 85%

**Part-Time Employees:** 15%

**Union Employees:** N/A

**Average Length of Employment:** Key employees average 22+ years of employment.

All employees are Non-Union.

## Facilities

The Company has five locations with over 130 suites.

## Days & Hours

Open 7 days a week, 24 hours a day.

# Financial Summary

Year End 2020

Account Description	Book Value	Fair Market Value
<b>Assets:</b>		
1 Property & Equipment	\$ 11,770,216	\$ 28,700,000
2 Cash and Cash Equivalents	\$ 4,523,921	\$ 2,650,239
3 Gift Inventory, Net	\$ 98,467	\$ 98,467
4 Prepaid and Other Assets	\$ 88,912	\$ -
5 Due from Related Parties	\$ 682,704	\$ -
<b>Total Assets</b>	<b>\$ 17,164,220</b>	<b>\$ 31,448,706</b>
<b>Liabilities:</b>		
8 Loans Payable, Net of Unamortized Debt Issuance Costs	\$ 5,742,018	\$ -
9 Paycheck Protection Program Loan (PPP)	\$ 1,191,260	\$ -
10 Due to Related Parties	\$ 1,298,053	\$ -
11 Capital Lease Obligation	\$ -	\$ -
12 Accounts Payable	\$ 277,860	\$ 277,860
13 Advance Deposits and Gift Certificates	\$ 2,650,239	\$ 2,650,239
14 Accrued Expenses:	\$ -	\$ -
15 Payroll and Related Expenses	\$ 220,197	\$ -
16 Real Estate and Other Taxes	\$ 817,983	\$ -
17 Interest	\$ 20,508	\$ -
<b>Total Liabilities</b>	<b>\$ 12,218,118</b>	<b>\$ 2,928,099</b>
<b>Equity</b>	<b>\$ 4,946,102</b>	<b>\$ 28,520,607</b>

## NOTES:

- 1 Property & Equipment - 2021 Bank property Appraisals  
 2&13 Cash to remain in company to off set Advanced Deposits and Gift Certificates



# NON-DISCLOSURE AGREEMENT

COMPANY REPRESENTED: Boutique Hotel Chain ("Company")

ACCOUNT #:2060

In connection with a possible transaction (a "Transaction") with entities and individuals involved in Project Boutique Hotel Chain (collectively, the "Company"), you have requested the right to review certain information to be provided by the Company. In consideration of, and as a condition to, furnishing you with such information, the Company hereby requests your agreement as follows:

1. The term "Evaluation Material" as used in this Agreement will be construed broadly to include all information, in whatever form or medium, disclosed or provided to you by the Company, any of its affiliates or any of their respective stockholders, members, managers, directors, officers, employees, lenders, attorneys, accountants, financial advisors or other representatives, including, EBIT Associates, Ltd. ("EBIT"), which is the financial advisor to the Company (such affiliates and other persons being referred to herein collectively as "Company Representatives"). Notwithstanding the foregoing, the term "Evaluation Material" will not be deemed to include any information which (a) at the time of disclosure to you is generally known by the public, (b) becomes generally known by the public following the time of its disclosure to you (other than as a result of a breach of this Agreement), (c) was or becomes available to you on a non-confidential basis from a person who is not bound by a confidentiality agreement with the Company or Company Representatives or who is not otherwise prohibited from transmitting the information to you by a legal, contractual or fiduciary obligation to us or (d) you can show was independently developed by you or your Representatives (as defined below) by personnel having no access to the Evaluation Material.
2. The Evaluation Material will be used solely for the purpose of evaluating a possible Transaction involving the Company. Unless and until a Transaction has been consummated pursuant to a definitive agreement between you (or one or more of your affiliates) and the Company, the Evaluation Material will be kept strictly confidential by you, your affiliates and each of your respective stockholders, members, managers, directors, officers, employees, lenders, attorneys, accountants, financial advisors and other representatives (such affiliates and other persons being referred to herein collectively as your "Representatives"). The Evaluation Material or portions thereof may be disclosed solely to those of your Representatives who need to know such information for the purposes of evaluating a possible Transaction, it being understood that prior to such disclosure your Representatives will be informed of the confidential nature of the Evaluation Material and will agree to be bound by this Agreement to the same extent as if they were parties thereto. You will cause your Representatives to observe the terms of this Agreement, and you agree to be responsible for any breach of this Agreement by your Representatives.

3. Neither you nor your Representatives will (except as required by applicable law, regulation, legal process or stock exchange requirements, and only after compliance with paragraph 4 below), without the prior written consent of the Company or EBIT, disclose to any person either the fact that discussions or negotiations are taking place concerning a possible Transaction, or any of the terms, conditions or other facts with respect to any such possible Transaction, including the status thereof or the fact that Evaluation Material has been made available to you and your Representatives. Neither you nor your Representatives will have any discussion, correspondence, or other contact with the Company or any of its employees, customers or suppliers concerning a Transaction except with EBIT or the “Designated Representatives” of the Company. “Designated Representative” shall mean Rande Repke and the Company's legal counsel.
4. In the event that you receive a request (oral or written) to disclose all or any part of the information contained in the Evaluation Material in any legal proceeding, interrogatory, subpoena, civil investigative demand or similar judicial process or other oral or written request issued by a court of competent jurisdiction or by a governmental or regulatory body, you agree to (a) immediately notify the Company of the existence, terms and circumstances surrounding such request, (b) cooperate with the Company with respect to taking legally available steps to seek an appropriate protective order or other remedy and (c) in the event such protective order or other remedy is not obtained, furnish only that portion of the Evaluation Material which, in the written opinion of your counsel, is legally required to be disclosed and to exercise your best efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to such information.
5. Although the Company has endeavored to include in the Evaluation Material information known to it which it believes to be relevant for your evaluation of a possible Transaction with the Company, you understand and agree that neither the Company nor any Company Representatives (a) have made or make any representation or warranty, expressed or implied, as to the accuracy or completeness of any Evaluation Material or (b) will have any liability whatsoever to you or your Representatives relating to or resulting from the use of any Evaluation Material or for any errors therein or omissions therefrom. You agree further that neither you nor your Representatives will be entitled to rely on the accuracy or completeness of the Evaluation Material and will instead be entitled to rely solely on such representations and warranties as may be included in any definitive agreement with respect to a Transaction, subject to such limitations and restrictions as may be contained therein.
6. You agree that unless and until a definitive agreement with respect to a Transaction has been executed and delivered, the Company will not be under any legal obligation of any kind whatsoever with respect to such a Transaction by virtue of this Agreement or any written or oral expression with respect to such a Transaction by any of the Company Representatives, except for the matters specifically agreed to herein.
7. You agree that neither the Company nor EBIT has granted you any license, copyright or similar right with respect to any of the Evaluation Material or any other information provided to you by the Company or Company Representatives.

8. If you determine that you do not wish to proceed with a Transaction, you will promptly advise the Company in writing of that decision. In that case, or at any other time as requested by the Company or EBIT, you will promptly return to the Company or destroy all of the Evaluation Material, together with all copies, reproductions, summaries, analyses or extracts thereof or based thereon (in whatever form or medium, and whether in whole or in part of such materials) in your possession or in the possession of any of your Representatives. Upon the request of the Company or EBIT, you will certify in writing the return or destruction of all Evaluation Material and other such information in your possession or in the possession of your Representatives. Notwithstanding the return or destruction of all Evaluation Material, you and your Representatives will continue to be bound by the obligations of confidentiality and other obligations of this Agreement.
9. For a period of two years from the date of this Agreement, you and your Representatives will not, except as permitted in any transaction documents, directly or indirectly (and will not cause or permit any person controlled by you to) (a) solicit for employment or consulting services, employ, or otherwise contract for the services of any employee of the Company or (b) as a result of knowledge or information obtained from the Evaluation Material or in connection with a possible Transaction, interfere with or otherwise disrupt the business relations between the Company and any of its current or prospective customers or suppliers. The prohibitions contained in this paragraph shall not extend to general solicitations of employment by way of advertisement or other similar methods which are not specifically directed towards employees of the Company.
10. You agree that money damages would not be a sufficient remedy for any breach of this Agreement by you or any of your Representatives. Accordingly, in addition to the rights and remedies otherwise available to the Company, the Company will be entitled to specific performance and injunctive or other equitable relief if you or any of your Representatives breach or threaten to breach any of the provisions of this Agreement. You agree to waive, and to cause your Representatives to waive, any requirement for the securing or posting of any bond or other indemnity in connection with such remedy. In the event of litigation relating to this Agreement, if a court of competent jurisdiction determines in a final, non-appealable order that this Agreement has been breached by a party or its respective representatives, then the breaching party will reimburse the other party for its costs and expenses (including, without limitation, legal fees and expenses) incurred in connection with all such litigation.
11. It is further understood and agreed that no failure or delay by the Company or EBIT in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any right, power or privilege hereunder.
12. The benefits arising under this Agreement will inure to each of the parties hereto and their respective successors and assigns. The obligations arising under this Agreement will be enforceable against each of the parties hereto, their Representatives and each of their and their Representatives' respective successors and assigns. You agree that the Company is a beneficiary of, and may enforce, this agreement. You agree that all rights and remedies available to the Company under this agreement may be exercised directly by the Company without the necessity of acting through EBIT.



13. If it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) that any term or provision hereof is invalid or unenforceable (a) the remaining terms and provisions hereof will be unimpaired and will remain in full force and effect and (b) the invalid or unenforceable provision or term will be replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of such invalid or unenforceable term or provision.
14. This Agreement embodies the entire agreement and understanding of the parties hereto and supersedes any prior agreements, arrangements and understandings relating to the matters provided for herein. No alteration, waiver, amendment, change or supplement hereto will be binding or effective unless the same is set forth in writing signed by a duly authorized representative of each party.
15. For the convenience of the parties, any number of counterparts of this Agreement may be executed by the parties hereto with original or electronic signatures, by facsimile or email. Each such counterpart will be deemed to be an original instrument, and such counterparts taken together will constitute one and the same Agreement.
16. The validity and interpretation of this Agreement will be governed by, and construed and enforced in accordance with, the internal laws, and not the law of conflicts, of the State of Illinois. The parties hereto hereby waive their right to trial by jury. The parties further consent to jurisdiction by the state and federal courts sitting in Cook County, Illinois and hereby waive any objection they may have thereto.

Please execute and return one copy of this Agreement, which will constitute our agreement and understanding with respect to the subject matter hereof.

Very truly yours,

PROJECT Boutique Hotel Chain

By EBIT ASSOCIATES, LTD., solely as Company's representative

By: \_\_\_\_\_

Name: Todd Cushing

Title: Founding Principal

Accepted and Agreed to this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Contact Information

Todd Cushing, Principal  
EBIT Associates, Ltd.

[tcushing@ebitassociates.com](mailto:tcushing@ebitassociates.com)

Phone: +1 847 566 0500 X 201

Paul Curtiss, Managing Director  
EBIT Associates, Ltd

[pcurtiss@ebitassociates.com](mailto:pcurtiss@ebitassociates.com)

Phone: +1 847 566 0500 X 259



**EBIT Associates, Ltd.**

100 S. Saunders Road, Suite 150  
Lake Forest, IL 60045

Phone: +1 847 566 0500

Fax: +1 847 566 0100

[info@ebitassociates.com](mailto:info@ebitassociates.com)

[www.ebitassociates.com](http://www.ebitassociates.com)

MEMBER: ALLIANCE OF MERGER & ACQUISITION ADVISORS (AM&AA)

MEMBER: MIDWEST BUSINESS BROKERS INTERMEDIARIES (MBBI)

EBIT Associates, Ltd. Specializes in providing M&A services to the lower middle market, corporate finance and corporate growth alternatives. The client pays EBIT's fees, and neither the client nor EBIT will pay fees to any third party without a written agreement. EBIT Associates, Ltd. is registered with the

Illinois Securities Department.