Mike Russ
Tanner Haydin
Ron Williams, Secretary

Bailey Acosta, Vice President
Lisa Hott
Lisa Leary

Steven Turney, President

CITY OF JUSTIN
ECONOMIC DEVELOPMENT CORPORATION (TYPE A) AND COMMUNITY DEVELOPMENT CORPORATION (TYPE B) AGENDA
SEPTEMBER 19, 2024
415 N. COLLEGE AVE.
5:30 PM

CALL TO ORDER

INTRODUCTION OF GUESTS

CITIZEN COMMENTS FOR ITEMS NOT LISTED ON THE AGENDA

CONSENT ITEMS

1. Consider and act on meeting minutes from May 16, 2024 and July 18, 2024.

DISCUSSION AND POSSIBLE ACTION ITEMS

The Boards reserve the right to act on any of the agenda items listed below.

2. Presentation and discussion regarding the monthly sales tax report.

3. Discussion regarding the hotel feasibility study results.

EXECUTIVE SESSION

Any item on this posted agenda could be discussed in Executive Session as long as it is within one of the permitted categories under sections 551.071 through 551.076 and Section 551.087 of the Texas Government Code. Deliberate commercial and financial information received from business prospects the Board seeks to have locate, stay, or expand in the City; deliberate the offer of a financial or other incentive; with which businesses the Board is conducting economic development negotiations pursuant to Section 551.087, Texas Government Code

4. Discuss, consider, and act on items discussed in Executive Session.

FUTURE AGENDA ITEMS

ADJOURN

I, the undersigned authority, do hereby certify that the above notice of the meeting of the City Council of the City of Justin, Texas, is a true and correct copy of the said notice that I posted on the official bulletin board at Justin Municipal Complex, 415 North College Street, Justin, Texas, a place of convenience and readily accessible to the general public at all times, and said notice posted this 12th day of September by 5:00 p.m., at least 72 hours preceding the scheduled meeting time.

Abbey Reece

Abbey Reece, Assistant City Manager

Economic Development Corporation (Type A) and Community Development Corporation (Type B)
Coversheet
September 19, 2024
415 N. COLLEGE AVE.

Agenda Item: 1. (CONSENT ITEMS)

Title: Consider and act on meeting minutes from May 16, 2024 and July 18, 2024.

Department: Administration

Contact: Abbey Reece

Recommendation:

Approve the minutes as presented.

Background:

City Attorney Review: No

Attachments:

1. document (9)
2. document (8)

Mike Russ
Tanner Haydin
Ron Williams, Secretary

Bailey Acosta, Vice President
Lisa Hott
Lisa Leary

Steven Turney, President

MINUTES

State of Texas
County of Denton
City of Justin

Justin Economic Development Corporation (Type A) and Community Development Corporation (Type B) Regular Session Meeting - May 16, 2024

CALL TO ORDER

Convene into Session:
Invocation and Pledge of Allegiance
American Flag

Texas Flag: ***"Honor the Texas Flag; I pledge allegiance to thee, Texas, one state, under God, one and indivisible"***

Present: Mike Russ, Tanner Haydin, Lisa Hott, Ron Williams, and Lisa Leary.
Absent: Steven Turney and Bailey Acosta
Staff: Assistant City Manager, Abbey Reece and Director of Development and Economic Development, Matt Cyr.
Mike Russ called the meeting to order at 5:32PM.

INTRODUCTION OF GUESTS

Peter Wangoe and Craig Wilkinson from Office Equity Solutions.

CITIZEN COMMENTS FOR ITEMS NOT LISTED ON THE AGENDA

CONSENT ITEMS

1. Consider and act on meeting minutes from April 18, 2024.

Board Member Leary moved to Approve consent items as presented.
Seconded by: Board Member Hott.
Aye Votes: Board member Williams, Board member Russ, and Board member Haydin.
Motion passed.

DISCUSSION AND POSSIBLE ACTION ITEMS

The Boards reserve the right to act on any of the agenda items listed below.

2. Discuss, consider, and act regarding a Justin Town Square Performance Agreement with Office Equity Solutions.

Board Member Haydin moved to approve the performance agreement with said changes: Term limit changes to 8 years with 2 additional years if approved. Clawback provision is changed to 75%.
Seconded by: Board Member Leary.
Aye Votes: Board member Russ, Board member Williams, and Board member Hott.
Motion passed.

3. Discuss, consider, and act on FY 23-24 EDC/CDC Budget Amendment.

Board Member Russ moved to approve the budget amendment as presented.
Seconded by: Board Member Haydin.
Aye Votes: Board member Leary, Board member Williams, and Board member Hott.
Motion passed.

4. Presentation and discussion regarding the monthly sales tax report.

Discussion only.

5. Discuss, consider, and act regarding a lease agreement for 117 W. 4th Street, Justin, TX 76247.

Board Member Haydin moved to approve the lease agreement as presented.
Seconded by: Board Member Hott.
Aye Votes: Board member Leary, Board member Williams, and Board member Russ.
Motion passed.

6. Discussion regarding the FY 24-25 EDC/CDC Budgets.

Discussion was held.

EXECUTIVE SESSION

Any item on this posted agenda could be discussed in Executive Session as long as it is within one of the permitted categories under sections 551.071 through 551.076 and Section 551.087 of the Texas Government Code. Deliberate commercial and financial information received from business prospects the Board seeks to locate, stay, or expand in the City; deliberate the offer of a financial or other incentive; with which businesses the Board is conducting economic development negotiations pursuant to Section 551.087, Texas Government Code.

The Board entered into Executive Session at 5:35PM.
The Board entered into Regular Session at 7:03PM.

The Board entered into Executive Session at 6:17PM.
The Board entered into Regular Session at 7:16PM.

7. Discuss, consider, and act on items discussed in Executive Session.

FUTURE AGENDA ITEMS

ADJOURN

Board Member Haydin motioned to adjourn the meeting at 7:24PM.
Seconded by: Board Member Hott.
All in favor. Motion passes.

Abbey Reece Seal:

Abbey Reece, Assistant City Manager

Mike Russ
Tanner Haydin
Ron Williams, Secretary

Bailey Acosta, Vice President
Lisa Hott
Lisa Leary

Steven Turney, President

MINUTES

State of Texas
County of Denton
City of Justin

Justin Economic Development Corporation (Type A) and Community Development Corporation (Type B) Regular Session Meeting - July 18, 2024

CALL TO ORDER

Convene into Session

Present: Steven Turney, Tanner Haydin, Ron Williams, and Mike Russ.
Absent: Lisa Hott, Lisa Leary, and Bailey Acosta.
Staff: Assistant City Manager, Abbey Reece and Director of Development and Economic Development, Matt Cyr.

President Turney called the meeting to order at 6:00PM.

INTRODUCTION OF GUESTS

CITIZEN COMMENTS FOR ITEMS NOT LISTED ON THE AGENDA

CONSENT ITEMS

1. Consider and take appropriate action on meeting minutes from May 16, 2024.

Board Member Williams motioned to table this item until next month.
Seconded by: Board Member Russ.
Aye Votes: Board member Turney and Board member Haydin.
Motion passed.

2. Consider and take appropriate action regarding the EDC/CDC Fiscal Year 24-25 Budgets.

Board Member Williams motioned to approve this item as presented.
Seconded by: Board Member Haydin.
Aye Votes: Board member Turney and Board member Russ.
Motion passed.

DISCUSSION AND POSSIBLE ACTION ITEMS

The Boards reserve the right to act on any of the agenda items listed below.

3. Consider and take appropriate action regarding a sign grant for Justin Nail Lounge.

Board Member Williams motioned to approve a sign grant reimbursement to Justin Nail Lounge in the amount of $3,000 from the EDC.
Seconded by: Board Member Haydin.
Aye Votes: Board member Turney and Board member Russ.
Motion passed.

REPORTS

4. Presentation and discussion regarding the monthly sales tax report.

Discussion was held.

EXECUTIVE SESSION

Any item on this posted agenda could be discussed in Executive Session as long as it is within one of the permitted categories under sections 551.071 through 551.076 and Section 551.087 of the Texas Government Code.

5. Discuss, consider, and act on items discussed in Executive Session.

Entered into executive session at 6:09PM.
Entered into regular session at 6:25PM.

FUTURE AGENDA ITEMS

Justin Bucks recap and regular standing items.

ADJOURN

Board member Haydin motioned to adjorn the meeting at 6:28PM.
Seconded by: Board member Russ.
Aye Votes: Board member Turney and Board member Williams.
Motion passed.

Abbey Reece
Abbey Reece, Assistant City Manager

Seal:

Economic Development Corporation (Type A) and Community Development Corporation (Type B)
Coversheet
September 19, 2024
415 N. COLLEGE AVE.

Agenda Item: 2. (DISCUSSION AND POSSIBLE ACTION ITEMS)

Title: Presentation and discussion regarding the monthly sales tax report.

Department: Administration

Contact:

Recommendation:

Discussion only.

Background:

We are continuing to see an increase in sales tax revenues. There was close to a 13% increase for June.

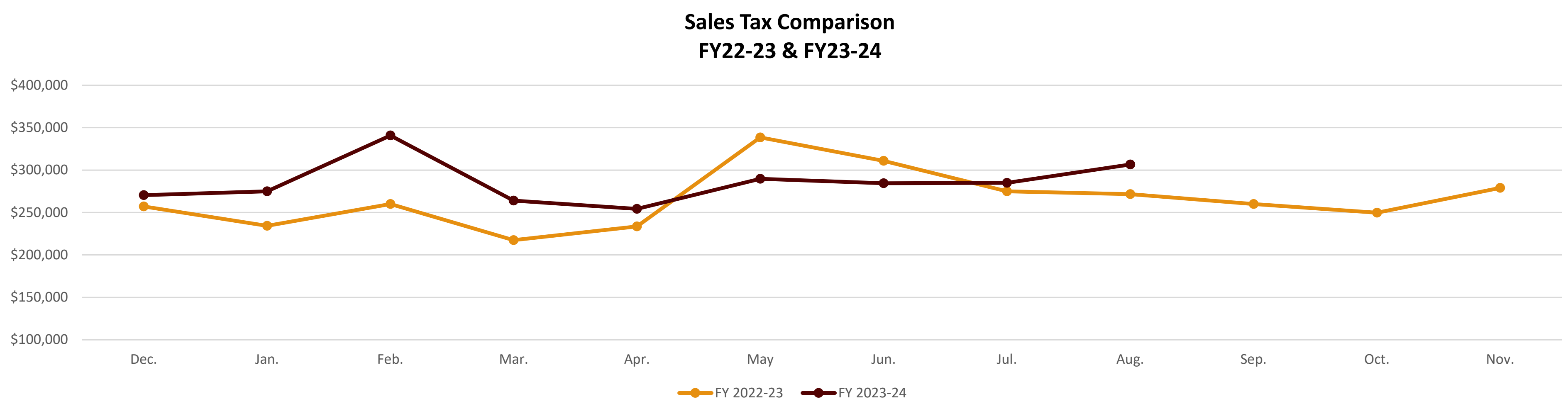
City Attorney Review:

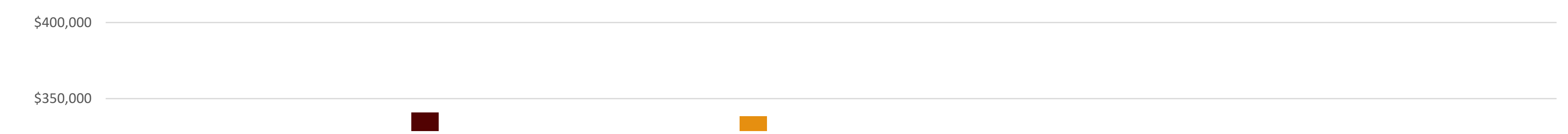
Attachments:

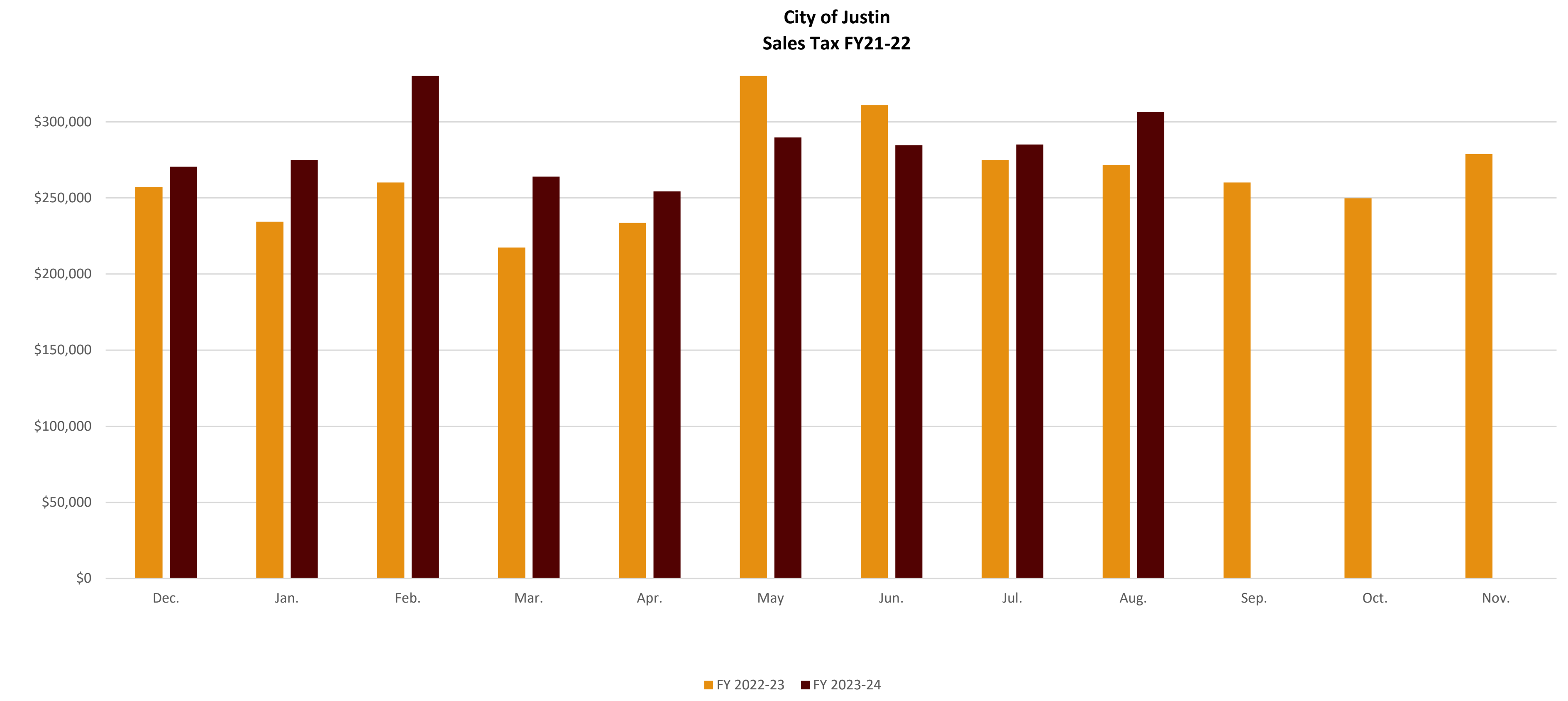
1. Justin Sales Tax Database FY23-24
2. Justin Sales Tax Database FY23-24

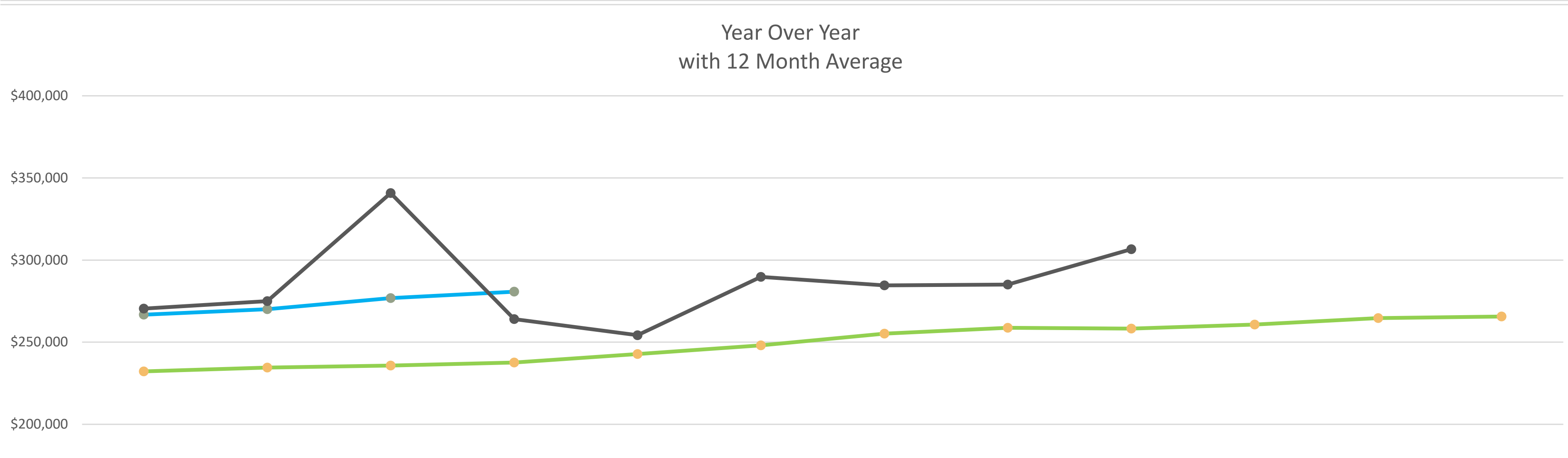
City of Justin
Sales Tax FY21-22

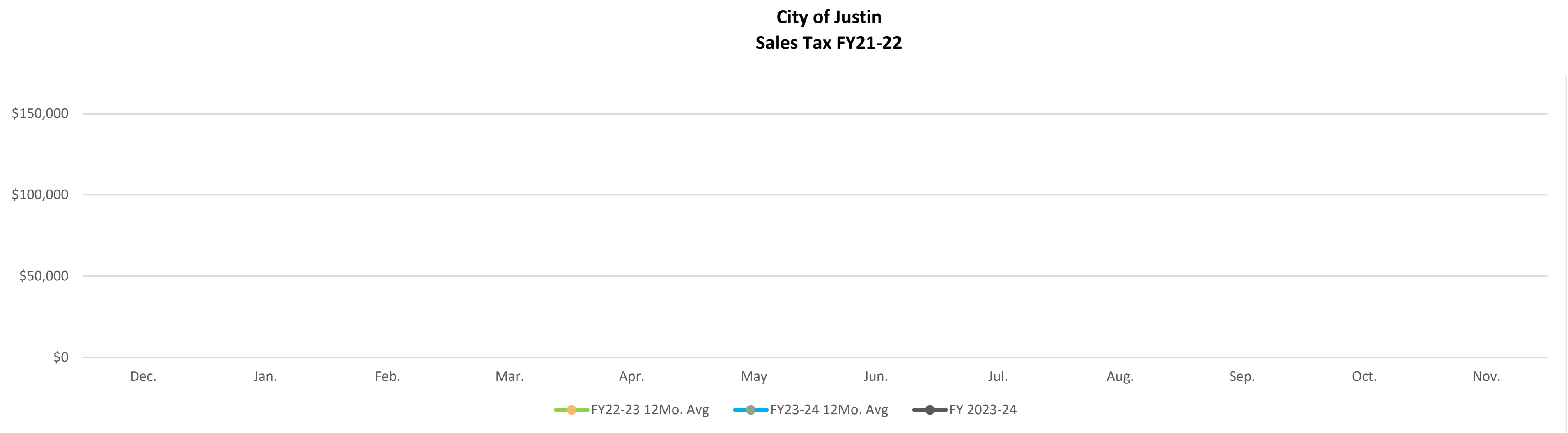
Year	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Annual Collection	Mo. Avg	
FY 2015-16	$90,438	$83,135	$111,603	$86,301	$80,019	$110,238	$93,782	$96,705	$109,548	$78,827	$95,887	$105,400	$1,141,885	$95,157	
FY 2016-17	$104,571	$88,095	$114,278	$79,305	$75,328	$108,527	$93,125	$91,023	$142,055	$98,252	$73,689	$96,918	$1,165,165	$97,097	2.04%
FY 2017-18	$85,685	$87,234	$114,062	$83,229	$85,867	$100,870	$85,292	$89,806	$106,725	$115,412	$96,065	$99,217	$1,149,464	$95,789	-1.35%
FY 2018-19	$95,522	$93,386	$114,834	$93,086	$80,323	$106,059	$99,138	$104,745	$127,960	$207,041	$26,707	$209,837	$1,358,637	$113,220	18.20%
FY 2019-20	$166,481	$148,460	$113,762	$138,996	$62,609	$125,525	$111,978	$130,444	$159,833	$187,431	$88,504	$151,006	$1,585,027	$132,086	16.66%
FY 2020-21	$141,557	$158,793	$174,602	$124,882	$148,747	$180,010	$169,570	$173,504	$193,730	$167,830	$175,030	$194,120	$2,002,375	$166,865	26.33%
FY 2021-22	$191,375	$206,023	$245,312	$195,711	$172,091	$274,203	$226,366	$231,202	$277,656	$230,780	$202,712	$267,596	$2,721,027	$226,752	35.89%
FY 2022-23	$257,055	$234,399	$260,095	$217,438	$233,635	$338,523	$310,916	$275,061	$271,589	$260,072	$249,801	$278,900	$3,187,483	$265,624	17.14%
Yr/Yr	34.32%	13.77%	6.03%	11.10%	35.76%	23.46%	37.35%	18.97%	-2.18%	12.69%	23.23%	4.22%	17.14%		
FY 2023-24	**$270,433**	**$274,988**	**$340,747**	**$264,013**	**$254,268.80**	**$289,736.50**	**$284,570.88**	**$285,039.29**	**$306,642.38**						
Yr/Yr	5.20%	17.32%	31.01%	21.42%	8.83%	-14.41%	-8.47%	3.63%	12.91%				0.00%	8.60%	
FY22-23 12Mo. Avg	**$232,226**	**$234,590**	**$235,822**	**$237,633**	**$242,761**	**$248,121**	**$255,167**	**$258,822**	**$258,317**	**$260,758**	**$264,682**	**$265,624**	**$2,994,522**	**$249,543**	
FY23-24 12Mo. Avg	**$266,738**	**$270,121**	**$276,842**	**$280,723**									**$0**	**$273,606**	






City of Justin
Sales Tax FY21-22
$300,000
$250,000
$200,000
$150,000
$100,000
$50,000
$0
Dec.
Jan.
Feb.
Mar.
Apr.
May
Jun.
Jul.
Aug.
Sep.
Oct.
Nov.
FY 2022-23
FY 2023-24


Year Over Year
with 12 Month Average
$400,000
$350,000
$300,000
$250,000
$200,000


City of Justin
Sales Tax FY21-22
$150,000
$100,000
$50,000
$0
Dec.
Jan.
Feb.
Mar.
Apr.
May
Jun.
Jul.
Aug.
Sep.
Oct.
Nov.
FY22-23 12Mo. Avg
FY23-24 12Mo. Avg
FY 2023-24

COMPREHENSIVE HOTEL MARKET FEASIBILITY STUDY

PREPARED FOR

JUSTIN, TEXAS

INCLUDES

PREPARED BY

Core Distinction Group, LLC

Lisa Pennau - Founding Partner
l.pennau@coredistinctiongroup.com

Jessica Junker - Managing Partner
j.junker@coredistinctiongroup.com

Offices in Wisconsin

Core Distinction Group

TAKING THE FIRST STEP TO DEVELOP A NEW HOTEL

Date	Monday, August 26th 2024
Attn:	Matt Cyr
Address	415 N College Avenue Justin, TX
City, State, Zip	76247

In accordance with our agreement, Core Distinction Group, LLC. has completed a Comprehensive Hotel Market Feasibility Study to determine if Justin, TX has the potential to support a new hotel. In addition, the aforementioned study includes a complete Pro Forma based on construction costs and operating costs provided by the brand(s) requested by you.

As in all studies of this type, the estimated results are based upon competent and efficient management and an effective marketing program and presume no significant change in the competitive position of the hotel industry from that set forth in this report. We have no responsibility to update this report for events and circumstances occurring after completion of our research conducted in August 2024. These projections are based upon estimates, assumptions and other information developed from our research and we do not warrant that they will be attained. We do not consider the legal and regulatory requirements applicable to this project, including zoning, permits, licenses and other state and local government regulations.

This report has been prepared for your use and guidance in determining whether hotel development should be pursued in your community and to share with developers, hotel franchise companies, and potential lenders/investors. Neither our name nor the material submitted may be used in any prospectus or used in offerings or representations in connection with the sale of securities or participation interests without our express written permission.

Please do not hesitate to call if Core Distinction Group can be of any further assistance in the interpretation and application of our findings, recommendations and conclusions. We appreciate the cooperation you extended to us during the course of our agreement and look forward to working with you again in the future.

Sincerely,

Jessica Junker
Partner

Table of Contents

Table of Contents

Introduction

The following Comprehensive Lodging Feasibility Study Report will review the potential development of a hotel in Justin, TX.

Intended Use - This report is to be used by the Client for determining feasibility and attracting a new hotel.

Intended User - Justin, TX is the only intended user for this report.

Core Distinction Group LLC (CDG) has been engaged to provide this Comprehensive Lodging Feasibility Study Report for the Justin, TX market area. This Lodging Feasibility Study provides an overview of information concerning the market area and the factors that would affect the possible development of a hotel facility in this community.

The consultant from Core Distinction Group LLC met with representatives of the community and the surrounding area to gather information pertinent to hotel development. Comprehensive research was performed and reviewed regarding the community's economic indicators, competitive lodging supply, and lodging demand generators. CDG performed field research to determine the relationship between the community and it's lodging need. Economic indicators were studied to determine the stability and future growth potential of the general market. The research was conducted as a macro and micro market analysis of the Justin, TX and the areas immediately surrounding area to determine their viability to support the potential of a hotel development.

This report will present projections for stabilized hotel operation based upon current operating performance in the market area. Occupancy, Average Daily Room Rate, and Sales Revenue projections for the hotel were based upon a detailed review of the field research data. Also, recommendations as to the property type, suggested property size, services, and amenities were included. These projections and recommendations were based upon the market demand research for a potential lodging facility.

This report provides statistical and highlighted narratives to support the conclusions regarding the market area and it's ability to support potential hotel development.

Introduction (continued)

General Assumptions - For the purpose of this assignment, we assumed the proposed property will be operated as an upper-mid scaled to upper scaled, franchised hotel with a central reservations system that is fully-integrated with a recognized marketing platform. If this or any of the following are not followed, it could affect the overall feasibility of subject property.

Operational Assumptions - For the purpose of this assignment, we assume the subject property would be managed by a professional hotel management company at an industry standard fee between five and seven percent.

Franchise Fees - For the purpose of this assignment, we assume the subject property would pay franchise fees quoted to Core Distinction Group, LLC by either the developer or franchise representative. In the event that Core Distinction Group is not able to receive a quote, fees will be based on the franchise's registered Franchise Disclosure Document.

COMMUNITY OVERVIEW

For the purpose of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group, LLC representatives gathered information and history about the market to give users of this report a brief summary of the community. This section offers that Community Overview.

Community Overview and History

Justin, Texas, is a quaint yet rapidly expanding town situated in Denton County, part of the Dallas-Fort Worth metroplex. This small community, with a population of just over 3,000 residents, offers a unique blend of rural charm and suburban convenience. Established in 1887, Justin has a rich history that is still evident in its preserved buildings and long-standing local businesses. The town's close-knit community and welcoming atmosphere make it an attractive place for families and individuals seeking a quieter lifestyle while still being close to the amenities of larger cities.

The town is perhaps best known for its association with Justin Boots, a brand synonymous with quality Western footwear. This company, which began operations in the late 19th century, has significantly influenced the town's identity and economy. Justin Boots' headquarters remains a key landmark and major employer in the area, drawing visitors and boot enthusiasts from all over the country. The brand's heritage is celebrated locally, adding to the town's cultural tapestry.

Justin's economy is diverse, encompassing agriculture, retail, education, and healthcare sectors. Agriculture plays a crucial role, with the surrounding fertile lands supporting cattle ranching and crop production. Local farms and agribusinesses contribute not only to the economy but also to the community's way of life, hosting farmers' markets and agricultural events that bring residents together. This agricultural foundation has helped maintain Justin's rural character even as the town grows.

Retail and small businesses are vital to Justin's economic and social fabric. The town's main street is lined with family-owned shops, eateries, and service providers, fostering a vibrant local economy. These businesses cater to the needs of residents and visitors alike, creating a bustling, small-town atmosphere. Community events, such as local fairs and parades, often take place in the town center, further enhancing the sense of community.

Retail and small businesses are vital to Justin's economic and social fabric. The town's main street is lined with family-owned shops, eateries, and service providers, fostering a vibrant local economy. These businesses cater to the needs of residents and visitors alike, creating a bustling, small-town atmosphere. Community events, such as local fairs and parades, often take place in the town center, further enhancing the sense of community.

Community Overview and History (Continued)

Education is highly valued in Justin, with the Northwest Independent School District (NISD) serving the area. The district is renowned for its commitment to academic excellence and offers a range of programs to support student development. Schools in Justin are well-regarded and play a central role in the community, providing a source of pride and unity among residents. The emphasis on quality education ensures that young residents are well-prepared for future opportunities.

As Justin continues to grow, the town is actively investing in infrastructure and community amenities to support its expanding population. New residential developments, parks, and recreational facilities are being planned and constructed, enhancing the quality of life for residents. The town's strategic location, combined with its strong sense of community and economic diversity, positions Justin for a prosperous future while maintaining its unique small-town charm.

EXECUTIVE SUMMARY

For the purpose of this Comprehensive Hotel Market Feasibility Study, an executive summary will provide an overview of the document to follow. The Executive Summary will contain the following information:

- Methodology
- Current Hotel Segment Recommendations for Market Studied
- Current Hotel Size Recommendations for Market Studied
- Current Hotel Room Configuration Recommendations for Market Studied
- Current Economic Impact of Hotel in Market Studied

Further detailed information on findings from research analysis conducted will be highlighted throughout this report. Further detail on the projections and conclusions can be found in the Projections section of this report.

Executive Summary

It is the opinion of Core Distinction Group, that at the time of this study, the community of Justin, Texas and the immediate surrounding areas within Denton County, TX offer the current and future demand to support the proposed hotel development in this Comprehensive Hotel Market Feasibility Study . The conclusion and recommendations within this Comprehensive Hotel Market Feasibility Study was based on but not limited to the following criteria:

- Overall Economic Condition of Community
- Overall Market Demand Areas
- Location of Proposed Property
- Local Demand Generator Need
- Lodging Demand in Community
- Lodging Supply in Community
- Trending Lodging Data of Current Lodging Supply
- Impact of New Hotel Development on Current Lodging Supply
- Cost of Construction of New Hotel Development
- Potential Revenue of New Hotel Development
- Cost of Operation of New Hotel Development

Executive Summary (continued)

Based on the information provided to Core Distinction Group at the time of researching the subject community, the following recommendations are made:

Property segment recommended for the potential development of a hotel is an Upscale to Upper Midscale hotel. This type of hotel would allow the property to be positioned properly at the subject site. It is anticipated that a new hotel would capture displaced Lodging Demand currently staying in markets surrounding Justin, TX. Additionally, the newness of the hotel should be well received in the marketplace. It's location will be ideal to serve Justin and regional markets. This type of hotel would also be capable of adjusting rates to best fit the demand in the market and the seasonality of the area.

Property size recommendation of a newly developed hotel was researched to be between 80-90 guestrooms in this report. This would position it to be similar in size to the average room size of 87 noted by the competitive set surveyed. The size would assist the property in achieving the Occupancy projections listed in this report. It is not advisable to over-build in this market at this time. Expansion of the hotel in future years could be considered as the market's Lodging Demand grows. Adjusting the room count will modify Performance.

The recommended Sleeping Room Configuration should be compatible with the overall Market Segmentation of the area. The property should offer a comparable selection of guestrooms with both single occupancy king bedded rooms to double occupancy double queen bedded guestrooms.

Executive Summary (continued)

Economic Impact Potential: There are multiple economic impacts of building and developing a new hotel in a community. Some direct impact drivers include projected hotel revenue including all room revenues, meeting room revenue, as well as vending/bar revenue. On average, this size property will create 12-18 full time equivalent jobs. Indirect impact includes all jobs and income generated by businesses that supply goods and services to the hotel. Below you will find a summary of the total Estimated Economic Impact of the potential new hotel project over the first five years open:

Estimated Increase in Sales Tax	$1,284,956
Estimated Increase in Lodging Tax	$898,162
Estimated Increase in Real Estate Tax	$199,264
Estimated Increase in Restaurant Sales Revenue	$6,388,974
Estimated Increase in Entertainment Revenue	$6,058,510
Estimated Increase in Alcohol Sales Revenue	$2,974,178
Estimated Increase in Tips Revenue	$3,635,106
Total Estimated Increase in Economic Impact	**$21,439,151**

*Details found in Economic Impact Summary

ECONOMIC OVERVIEW

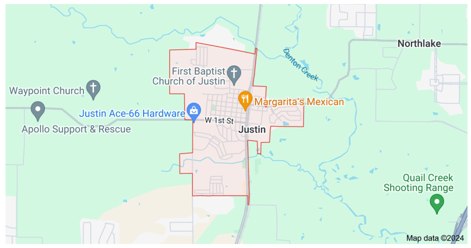
For the purpose of this Comprehensive Hotel Market Feasibility Study, an Economic Overview will provide an overview of the economic condition of the market studied. In most cases, the data shown in this section of the report is not pertinent to the overall demand for lodging but can be taken into consideration. The Economic Overview will contain the following information:

- Daytime Employment
  - Business Employment by Type
- Demographic Detail Report
  - Population by Radius
  - Population by Age
  - Population by Race
  - Population by Occupation
  - Households by Marital Status
  - Population by Education
  - Population by Occupation
  - Worker Travel Time to Job
  - Households
  - Households by Income
  - Occupied Housing
  - Housing Units
  - Housing Value
  - Housing Units

Daytime Employment Report

1 Mile Radius

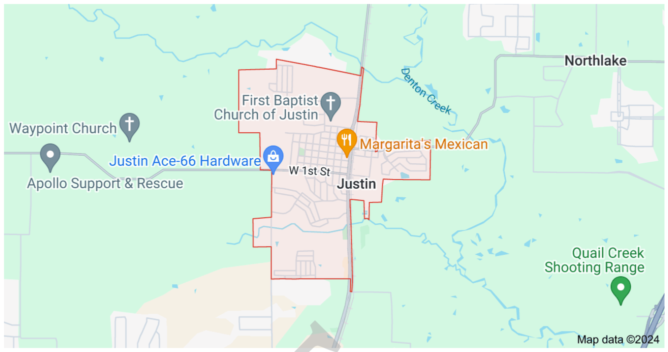
Justin, TX 76247



Business Employment by Type	# of Businesses	# Employees	#Emp/Bus
Total Businesses	**178**	**1,248**	**7**
Retail & Wholesale Trade	31	198	6
Hospitality & Food Service	17	188	11
Real Estate, Renting, Leasing	9	26	3
Finance & Insurance	17	47	3
Information	0	0	0
Scientific & Technology Services	14	55	4
Management of Companies	1	3	3
Health Care & Social Assistance	42	255	6
Educational Services	2	110	55
Public Administration & Sales	4	127	32
Arts, Entertainment, Recreation	2	11	6
Utilities & Waste Management	5	21	4
Construction	7	71	10
Manufacturing	2	27	14
Agriculture, Mining, Fishing	1	2	2
Other Services	24	107	4

Demographic Detail Report

Justin, TX 76247



Radius	1 Mile		5 Mile		10 Mile	
Population						
2028 Projection	4,277		34,037		158,579	
2023 Estimate	3,847		30,388		145,383	
2010 Census	2,730		19,344		98,216	
Growth 2023 - 2028	11.18%		12.01%		9.08%	
Growth 2010 - 2023	40.92%		57.09%		48.02%	
2023 Population by Age	**3,847**		**30,388**		**145,383**	
Age 0 - 4	194	5.04%	1,537	5.06%	8,141	5.60%
Age 5 - 9	200	5.20%	1,619	5.33%	8,907	6.13%
Age 10 - 14	230	5.98%	1,865	6.14%	10,323	7.10%
Age 15 - 19	257	6.68%	2,040	6.71%	10,998	7.56%
Age 20 - 24	248	6.45%	1,931	6.35%	10,025	6.90%
Age 25 - 29	232	6.03%	1,813	5.97%	9,200	6.33%
Age 30 - 34	231	6.00%	1,813	5.97%	9,011	6.20%
Age 35 - 39	240	6.24%	1,875	6.17%	9,416	6.48%
Age 40 - 44	250	6.50%	1,930	6.35%	9,956	6.85%
Age 45 - 49	256	6.65%	1,956	6.44%	10,136	6.97%
Age 50 - 54	273	7.10%	2,006	6.60%	10,135	6.97%
Age 55 - 59	277	7.20%	1,978	6.51%	9,568	6.58%
Age 60 - 64	266	6.91%	1,924	6.33%	8,588	5.91%
Age 65 - 69	227	5.90%	1,781	5.86%	7,073	4.87%
Age 70 - 74	184	4.78%	1,645	5.41%	5,746	3.95%
Age 75 - 79	129	3.35%	1,286	4.23%	4,073	2.80%
Age 80 - 84	77	2.00%	793	2.61%	2,372	1.63%
Age 85+	76	1.98%	596	1.96%	1,716	1.18%
Age 65+	693	18.01%	6,101	20.08%	20,980	14.43%
Median Age	**41.80**		**41.80**		**38.20**	
Average Age	**40.90**		**41.30**		**38.20**	

Demographic Detail Report

Justin, TX 76247

Radius	1 Mile		5 Mile		10 Mile	
2023 Population By Race	**3,847**		**30,388**		**145,383**	
White	3,601	93.61%	27,143	89.32%	124,895	85.91%
Black	69	1.79%	1,438	4.73%	8,976	6.17%
Am. Indian & Alaskan	22	0.57%	259	0.85%	1,235	0.85%
Asian	94	2.44%	829	2.73%	6,280	4.32%
Hawaiian & Pacific Island	1	0.03%	47	0.15%	238	0.16%
Other	58	1.51%	672	2.21%	3,758	2.58%
Population by Hispanic Origin	**3,847**		**30,388**		**145,383**	
Non-Hispanic Origin	3,399	88.35%	26,389	86.84%	124,407	85.57%
Hispanic Origin	448	11.65%	3,999	13.16%	20,975	14.43%
2023 Median Age, Male	**41.30**		**41.00**		**37.50**	
2023 Average Age, Male	**40.10**		**40.50**		**37.60**	
2023 Median Age, Female	**42.30**		**42.60**		**39.00**	
2023 Average Age, Female	**41.60**		**42.00**		**38.70**	
2023 Population by Occupation Classification	**3,172**		**24,960**		**115,813**	
Civilian Employed	2,117	66.74%	15,849	63.50%	78,955	68.17%
Civilian Unemployed	118	3.72%	631	2.53%	2,692	2.32%
Civilian Non-Labor Force	930	29.32%	8,447	33.84%	34,046	29.40%
Armed Forces	7	0.22%	33	0.13%	120	0.10%
Households by Marital Status						
Married	905		7,436		34,376	
Married No Children	508		4,182		16,225	
Married w/Children	397		3,254		18,151	
2023 Population by Education	**2,926**		**22,573**		**102,771**	
Some High School, No Diploma	175	5.98%	1,170	5.18%	4,706	4.58%
High School Grad (Incl Equivalency)	753	25.73%	3,797	16.82%	16,132	15.70%
Some College, No Degree	903	30.86%	7,068	31.31%	29,244	28.46%
Associate Degree	208	7.11%	1,176	5.21%	5,783	5.63%
Bachelor Degree	624	21.33%	6,568	29.10%	32,674	31.79%
Advanced Degree	263	8.99%	2,794	12.38%	14,232	13.85%

Demographic Detail Report

Justin, TX 76247

Radius	1 Mile		5 Mile		10 Mile	
2023 Population by Occupation	**3,929**		**29,312**		**147,847**	
Real Estate & Finance	122	3.11%	1,402	4.78%	8,622	5.83%
Professional & Management	1,154	29.37%	9,096	31.03%	46,991	31.78%
Public Administration	102	2.60%	548	1.87%	2,898	1.96%
Education & Health	602	15.32%	3,079	10.50%	15,269	10.33%
Services	289	7.36%	1,911	6.52%	8,315	5.62%
Information	25	0.64%	353	1.20%	2,053	1.39%
Sales	543	13.82%	3,837	13.09%	19,085	12.91%
Transportation	10	0.25%	11	0.04%	83	0.06%
Retail	263	6.69%	1,807	6.16%	8,702	5.89%
Wholesale	53	1.35%	440	1.50%	2,827	1.91%
Manufacturing	119	3.03%	1,258	4.29%	7,192	4.86%
Production	248	6.31%	1,924	6.56%	8,970	6.07%
Construction	101	2.57%	1,173	4.00%	4,508	3.05%
Utilities	190	4.84%	1,448	4.94%	7,544	5.10%
Agriculture & Mining	19	0.48%	164	0.56%	1,332	0.90%
Farming, Fishing, Forestry	0	0.00%	13	0.04%	151	0.10%
Other Services	89	2.27%	848	2.89%	3,305	2.24%
2023 Worker Travel Time to Job	**1,969**		**14,473**		**72,433**	
<30 Minutes	980	49.77%	6,143	42.44%	32,888	45.40%
30-60 Minutes	835	42.41%	6,835	47.23%	32,726	45.18%
60+ Minutes	154	7.82%	1,495	10.33%	6,819	9.41%
2010 Households by HH Size	**929**		**6,686**		**33,249**	
1-Person Households	149	16.04%	1,116	16.69%	4,976	14.97%
2-Person Households	324	34.88%	2,316	34.64%	10,601	31.88%
3-Person Households	190	20.45%	1,131	16.92%	6,236	18.76%
4-Person Households	154	16.58%	1,174	17.56%	6,649	20.00%
5-Person Households	68	7.32%	553	8.27%	3,102	9.33%
6-Person Households	27	2.91%	255	3.81%	1,138	3.42%
7 or more Person Households	17	1.83%	141	2.11%	547	1.65%
2023 Average Household Size	**2.70**		**2.70**		**2.90**	
Households						
2028 Projection	1,526		12,531		55,221	
2023 Estimate	1,365		11,125		50,392	
2010 Census	929		6,687		33,249	
Growth 2023 - 2028	11.79%		12.64%		9.58%	
Growth 2010 - 2023	46.93%		66.37%		51.56%	

Demographic Detail Report

Justin, TX 76247

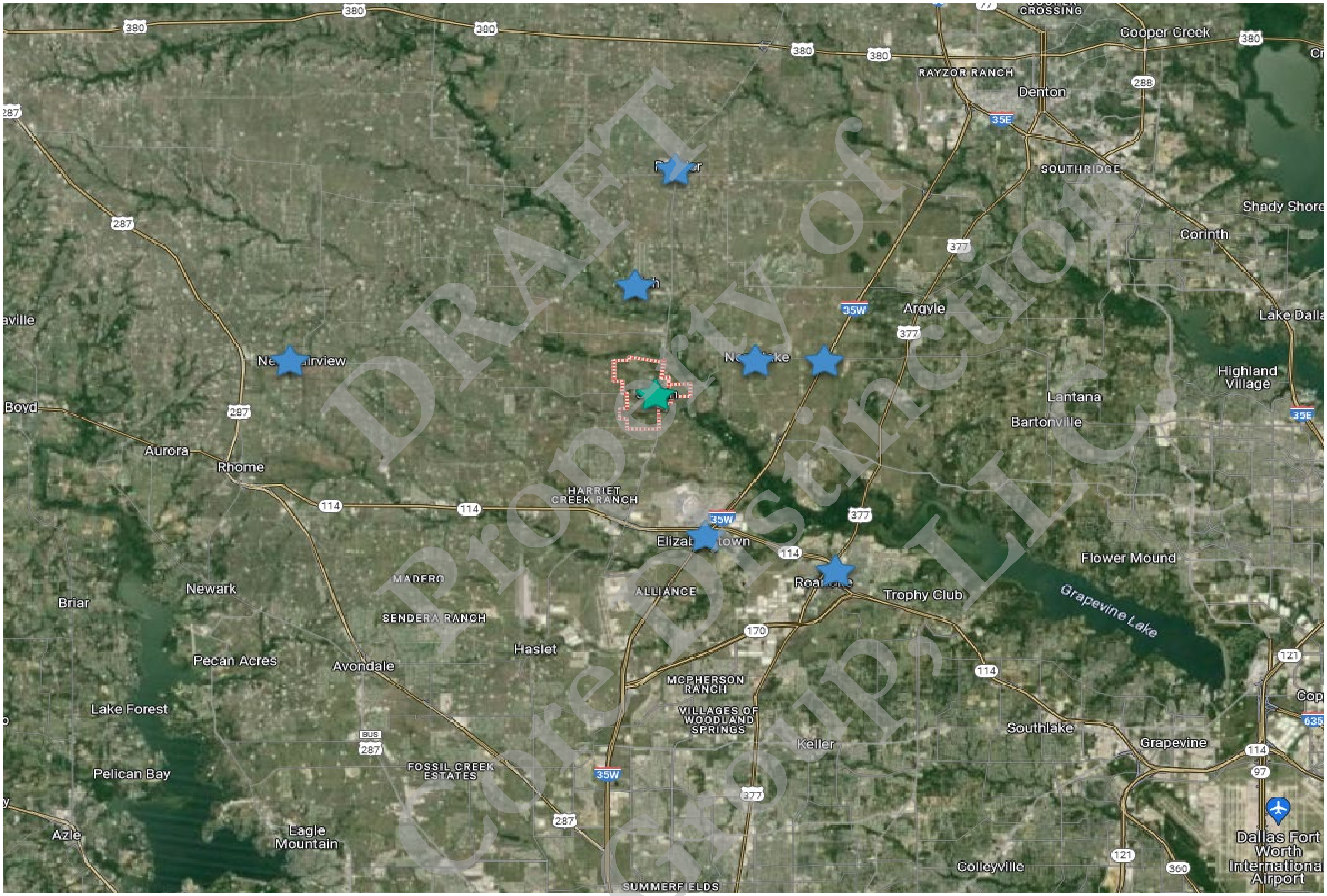
Radius	1 Mile		5 Mile		10 Mile	
2023 Households by HH Income	**1,365**		**11,125**		**50,393**	
<$25,000	157	11.50%	684	6.15%	2,672	5.30%
$25,000 - $50,000	148	10.84%	1,084	9.74%	4,143	8.22%
$50,000 - $75,000	232	17.00%	1,497	13.46%	6,362	12.62%
$75,000 - $100,000	176	12.89%	1,714	15.41%	7,056	14.00%
$100,000 - $125,000	125	9.16%	1,816	16.32%	6,985	13.86%
$125,000 - $150,000	124	9.08%	986	8.86%	4,859	9.64%
$150,000 - $200,000	213	15.60%	1,706	15.33%	7,269	14.42%
$200,000+	190	13.92%	1,638	14.72%	11,047	21.92%
2023 Avg Household Income	**$121,236**		**$129,618**		**$146,156**	
2023 Med Household Income	**$95,667**		**$108,032**		**$117,764**	
2023 Occupied Housing	**1,365**		**11,125**		**50,392**	
Owner Occupied	1,126	82.49%	9,173	82.45%	41,879	83.11%
Renter Occupied	239	17.51%	1,952	17.55%	8,513	16.89%
2010 Housing Units	**1,361**		**10,830**		**50,687**	
1 Unit	1,355	99.56%	9,999	92.33%	46,435	91.61%
2 - 4 Units	0	0.00%	82	0.76%	469	0.93%
5 - 19 Units	3	0.22%	378	3.49%	1,960	3.87%
20+ Units	3	0.22%	371	3.43%	1,823	3.60%
2023 Housing Value	**1,127**		**9,173**		**41,879**	
<$100,000	36	3.19%	198	2.16%	706	1.69%
$100,000 - $200,000	150	13.31%	510	5.56%	2,058	4.91%
$200,000 - $300,000	340	30.17%	1,646	17.94%	8,826	21.08%
$300,000 - $400,000	225	19.96%	2,288	24.94%	9,862	23.55%
$400,000 - $500,000	102	9.05%	1,887	20.57%	7,365	17.59%
$500,000 - $1,000,000	263	23.34%	2,376	25.90%	11,699	27.94%
$1,000,000+	11	0.98%	268	2.92%	1,363	3.25%
2023 Median Home Value	**$316,667**		**$397,573**		**$394,802**	
2023 Housing Units by Yr Built	**1,458**		**12,191**		**54,264**	
Built 2010+	464	31.82%	5,345	43.84%	19,485	35.91%
Built 2000 - 2010	347	23.80%	3,850	31.58%	21,262	39.18%
Built 1990 - 1999	228	15.64%	1,331	10.92%	5,555	10.24%
Built 1980 - 1989	121	8.30%	757	6.21%	4,141	7.63%
Built 1970 - 1979	86	5.90%	347	2.85%	2,121	3.91%
Built 1960 - 1969	98	6.72%	231	1.89%	685	1.26%
Built 1950 - 1959	50	3.43%	130	1.07%	422	0.78%
Built <1949	64	4.39%	200	1.64%	593	1.09%
2023 Median Year Built	**2002**		**2008**		**2006**	

MARKET DEMAND AREAS

The economic vitality of the market and the surrounding markets or feeder markets, is an important consideration in forecasting lodging demand and future revenue potential. The market lodging demand area for a lodging facility is the geographical region where the sources of demand and the competitive supply are located. In the following document you will find a map of the estimated market lodging demand area for the subject market.

- Market Demand Area Map
- Feeder Market Community Overviews

Market Lodging Demand Area: (Focus Area of Sales Efforts of Additional Lodging)



** Feeder Market = Outlying Community that feeds travelers into desired market (Sales Focus Area)

Feeder Market Community Overviews

Corral City, Texas, is a small town located in Denton County, known for its quiet, rural atmosphere. With a population of around 30 residents, it is one of the smallest incorporated towns in the state. Corral City offers a peaceful living environment with large plots of land and open spaces, making it an ideal place for those seeking a country lifestyle. While there are no major tourist attractions within Corral City itself, its proximity to larger towns and cities provides easy access to amenities and activities. The nearby town of Denton, for instance, offers cultural attractions such as the Denton County Courthouse-on-the-Square Museum and the vibrant music scene that Denton is famous for.

Northlake, Texas, is a rapidly growing town in Denton County, situated conveniently near major highways, making it a prime location for both residential and commercial development. The town is home to a population of about 5,000 residents and is known for its suburban feel with plenty of new housing developments.

Dish, Texas, originally named Clark, is a small town in Denton County with a unique history. In 2005, the town changed its name to Dish as part of a marketing agreement with the DISH Network, in exchange for free satellite television service for all residents for ten years. With a population of about 400, Dish is a tight-knit community with a rural character. The town is primarily residential, with a focus on maintaining a peaceful, small-town atmosphere.

Ponder, Texas, is a charming small town located in Denton County, with a population of approximately 2,000 residents. Known for its rich history and friendly community, Ponder offers a glimpse into traditional Texas life. One of the town's most notable attractions is the Ponder Steakhouse, a historic restaurant that has been serving up hearty meals since 1956 and is famous for its chicken-fried steak. Ponder also features the annual Ponder Rodeo, which attracts visitors from surrounding areas for its exciting events and family-friendly atmosphere. The town's historic downtown area, with its preserved buildings and quaint shops, provides a nostalgic experience for visitors.

Feeder Market Community Overviews (continued)

Elizabethtown, Texas, is a ghost town located in Denton County. Founded in the late 19th century, it was once a bustling community during the construction of the Texas & Pacific Railway. However, the town declined rapidly after the railway project was completed, and today, it is a historical site with remnants of its past still visible. Visitors to Elizabethtown can explore the area's history through the remaining structures and local historical markers. The town's ghostly ambiance and rich history attract history buffs and those interested in exploring Texas' past. It's a fascinating spot for those curious about the early development of the region.

Roanoke, Texas, known as the "Unique Dining Capital of Texas," is a vibrant town in Denton County with a population of approximately 8,000 residents. Roanoke boasts a rich history and a thriving downtown area filled with diverse restaurants, boutiques, and entertainment options. One of the town's key attractions is the Roanoke Visitor Center and Museum, which offers insights into the town's history and heritage. The Hawaiian Falls Waterpark is a popular destination during the summer months, offering fun and relaxation for families. Additionally, Roanoke hosts several annual events, such as the Celebrate Roanoke festival, which draws visitors from across the region to enjoy live music, food, and local crafts.

SITE/S ANALYSIS

For the purposes of this Comprehensive Hotel Market Feasibility Study, a representative with Core Distinction Group LLC evaluated all sites requested by the client. The potential location/s are detailed in the following pages including analysis of each site.

- Site Rating
    - Visibility
    - Accessibility
    - Traffic Counts
    - Site Prep
    - Major Utilities
    - Zoning
    - Area Support Services
    - Demand
    - Generators
    - Competition Position
- Location
- Land Area
- Frontage
- Drainage
- Environmental Hazards
- Ground Stability
- Utilities
- Parking
- Easement, Encroachments, Restrictions

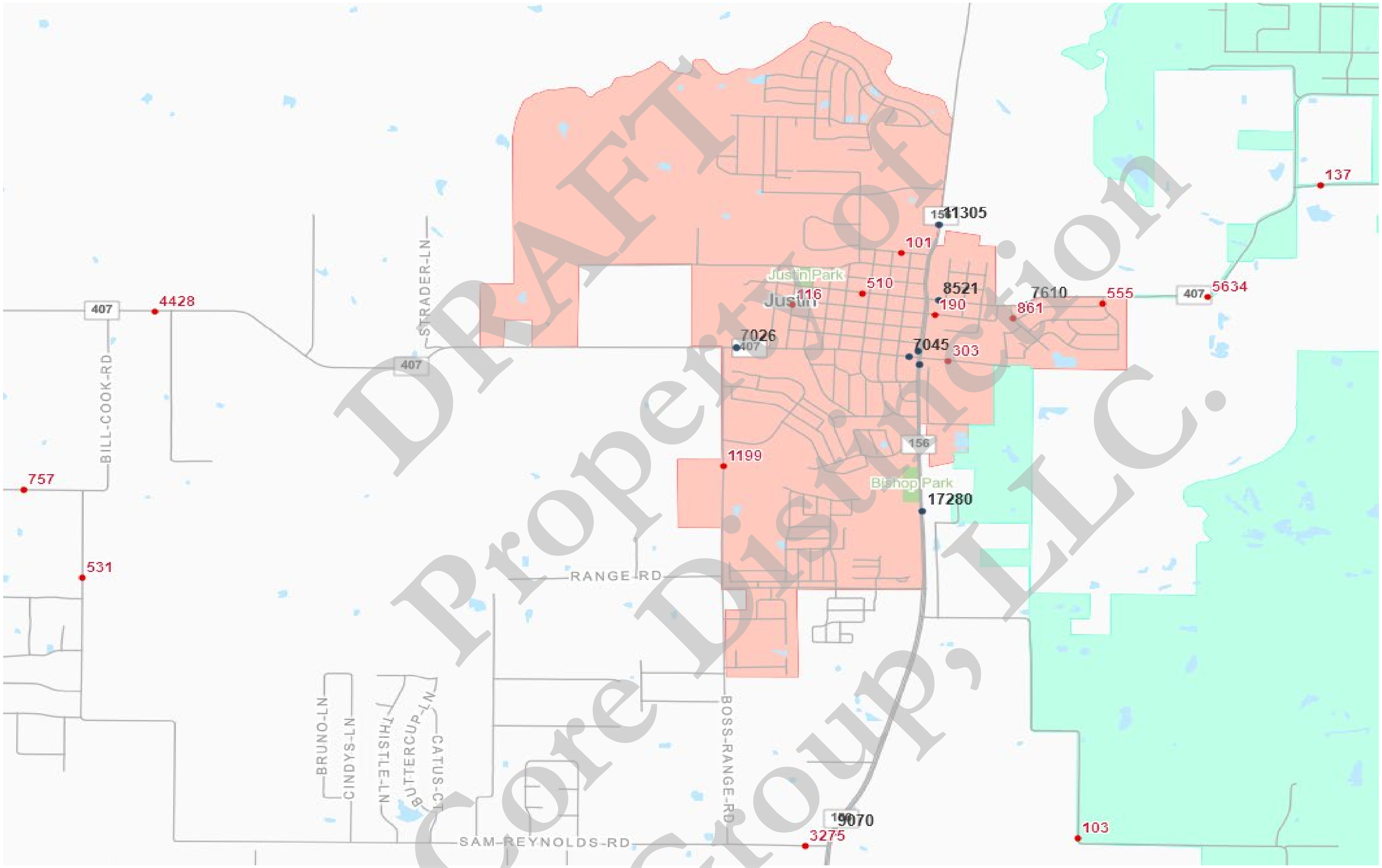
It is important to analyze the site with respect to regional and local transportation routes and demand generators, including ease of access. A detail of traffic information will follow the individual site information in this report.

Justin, Texas Town Square					
Visibility	1	2	3	4	5
Accessibility	1	2	3	4	5
Traffic Counts	1	2	3	4	5
Site Prep	1	2	3	4	5
Major Utilities	1	2	3	4	5
Zoning	1	2	3	4	5
Area Support Services	1	2	3	4	5
Demand Generator Position	1	2	3	4	5
Competition Position	1	2	3	4	5
Overall Result			91%	41	45

Location	Located in the new Justin Town Square development in Justin, Texas.
Land Area	The site size for proposed location would be two to two and a half acres.
Frontage	This proposed property should offer high visibility and/or frontage to Highway 156 in Justin, TX.
Topography	The area offers many options with very little issues. The topography does not appear to have development issues at this time.
Drainage	No drainage issues were observed at the time of visit and none were disclosed to Core Distinction Group at the time of Site Visit.
Environmental Hazards	An environmental assessment report was not provided for review. However, these issues are out of Core Distinction Group's scope of work and expertise. It is assumed that property is not adversely affected by these
Ground Stability	A soil report was not provided for review. However, these issues are out of Core Distinction Group's scope of work and expertise. It is assumed that property is not adversely affected by these hazards.
Utilities	It is to the understanding of Core Distinction Group that water, electricity and sewer are available in the general area.
Parking	This area is assumed to offer a site that will be able to accommodate the appropriate number of parking spaces.
Easements, Encroachments and Restrictions	Core Distinction Group was not provided a title report on said site and was not made aware of any easements, encroachments or restrictions that would affects this site.

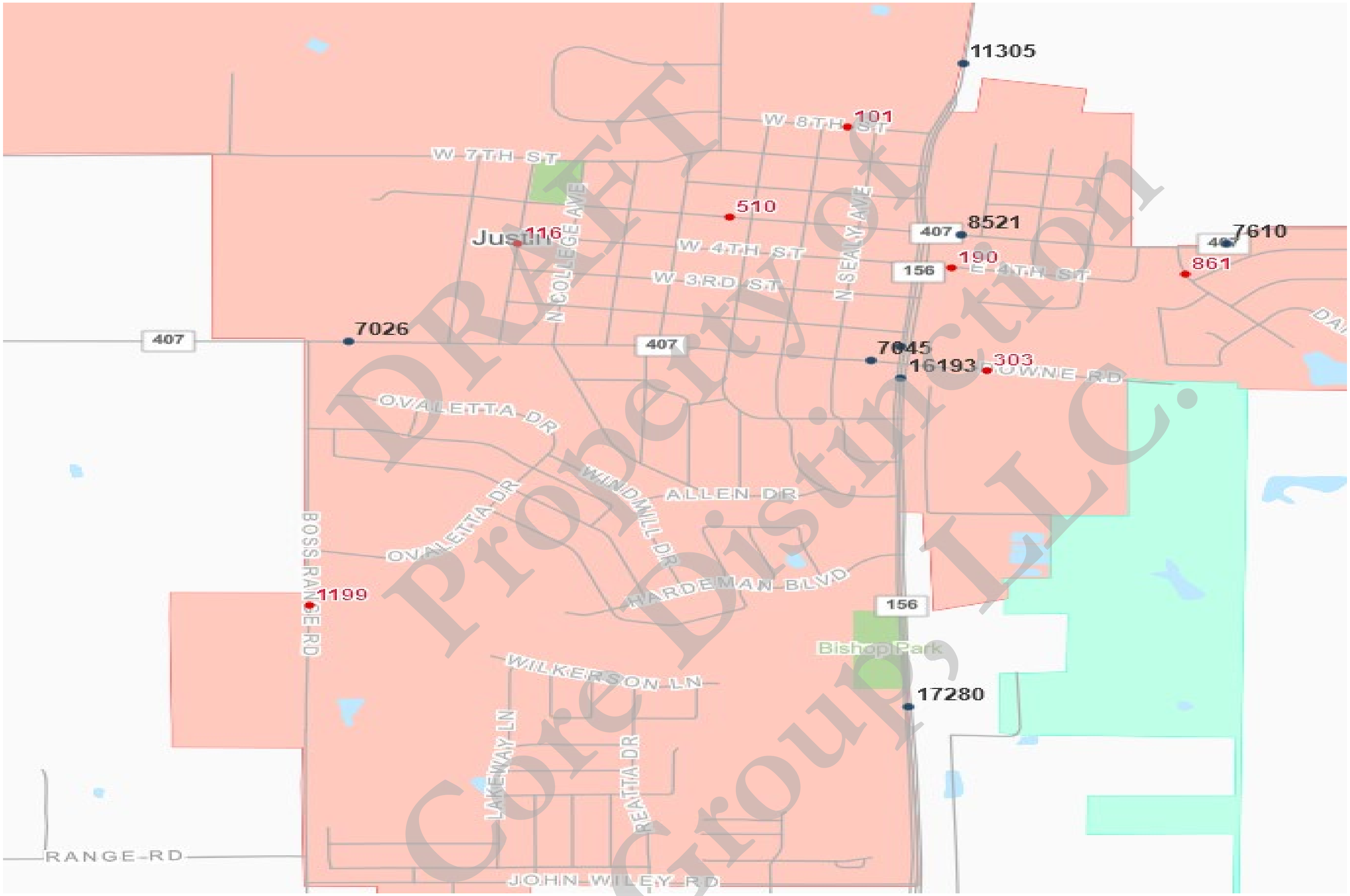

First Baptist Church of Justin
Frontier Waste Solutions
E 5th St
Margarita's Mexican
Justin Ace-66 Hardware
FedEx OnSite
W 1st St
Justin
N Farm to Market Rd 156

Traffic Counts



Source: TXDOT

Traffic Counts



Source: TXDOT

LODGING DEMAND OVERVIEW

For the purposes of this Comprehensive Hotel Market Feasibility Study, it is important to understand the overall demand of lodging in the market as well as surrounding markets. This section reviews need in the areas based on the following market segments:

- Market Segmentation Projections
  - SMERF Demand
  - Corporate Demand
  - Area Events & Attractions
  - Transient/Walk-In Demand
- Employer/Local Economy Overview
- Demand Generators and Attractions

In addition to a breakdown and overview of the market's lodging demand segmentation, this sections also details the sources of said lodging demand and in some cases, identifies when the demand peaks.

Employer/Economy Overview:

Justin, Texas, a small but rapidly growing community located in Denton County, boasts a dynamic economy supported by a mix of local businesses, larger corporations, and a thriving agricultural sector. This charming town, while maintaining its small-town feel, benefits from its proximity to major urban centers like Fort Worth and Dallas, making it an attractive place for businesses.

One of the most notable employers in Justin is Justin Boots, a company with deep historical roots in the town. Founded in 1879, Justin Boots has grown to become a leading manufacturer of Western footwear. The company is a major economic driver, providing numerous jobs in manufacturing, design, and corporate management. Its presence has helped to shape the town's identity and supports local ancillary businesses.

The transportation and logistics sector also plays a significant role in Justin's economy. The town's strategic location near major highways and the Alliance Texas development has attracted several logistics and distribution companies. This includes large warehouses and distribution centers that serve the greater DFW metroplex. These facilities provide substantial employment opportunities in warehousing, transportation, and supply chain management, boosting the local economy.

Agriculture remains a vital component of Justin's economy. The fertile lands surrounding the town support various agricultural activities, including cattle ranching, crop production, and agribusiness services. Local farms and ranches not only supply food products but also contribute to the local economy through employment and support of related businesses such as feed stores, equipment suppliers, and farmers' markets.

Agriculture remains a vital component of Justin's economy. The fertile lands surrounding the town support various agricultural activities, including cattle ranching, crop production, and agribusiness services. Local farms and ranches not only supply food products but also contribute to the local economy through employment and support of related businesses such as feed stores, equipment suppliers, and farmers' markets.

Attractions & Demand Generators:

Reatta Park in Justin, TX, is a picturesque community park offering a variety of recreational amenities for residents and visitors. The park features a well-maintained playground area that caters to children of all ages, ensuring a fun and safe environment for play. Additionally, Reatta Park boasts open green spaces perfect for picnics, casual sports, and relaxation. Walking trails meander through the park, providing a scenic route for joggers, walkers, and those looking to enjoy the natural beauty of the area.

Bishop Park is another charming green space in Justin, TX, known for its serene atmosphere and family-friendly facilities. This park offers a large playground, picnic areas with tables and grills, and plenty of open space for recreational activities. The park's clean and inviting environment makes it an ideal spot for community gatherings and outdoor fun.

Justin Seed is a well-established agricultural supply company in Justin, TX, providing high-quality seeds and related products to farmers and gardeners. With a reputation for exceptional customer service and expertise in the field, Justin Seed offers a wide range of seeds, including grasses, legumes, and wildflowers, catering to various agricultural and landscaping needs. The company also provides valuable resources and guidance on planting and cultivation, making it a trusted partner for agricultural professionals and hobbyists alike.

Justin Boots, headquartered in Justin, TX, is a renowned American footwear brand with a rich history dating back to 1879. Known for its high-quality cowboy boots, Justin Boots has become a symbol of craftsmanship and tradition in the Western wear industry. The company's products are celebrated for their durability, comfort, and authentic style, appealing to both working cowboys and fashion-conscious consumers. With a commitment to excellence and innovation, Justin Boots continues to be a leader in the market, offering a wide range of boot styles and accessories.

Longmeadow Healthcare Center in Justin, TX, is a premier healthcare facility dedicated to providing top-notch medical and rehabilitative services. The center offers a range of care options, including short-term rehabilitation, long-term care, and specialized nursing services. With a team of experienced healthcare professionals, Longmeadow Healthcare Center is committed to enhancing the quality of life for its residents through personalized care plans, state-of-the-art medical treatments, and a compassionate approach to healthcare. The facility's welcoming environment and comprehensive care services make it a trusted choice for patients and their families

Attractions & Demand Generators:

Downey Publishing, based in Justin, TX, is a leading provider of print and digital directories, offering comprehensive marketing solutions for businesses. The company specializes in creating accurate and user-friendly directories that connect consumers with local businesses, services, and community information. With a focus on quality and customer satisfaction, Downey Publishing helps businesses increase their visibility and reach within their target markets. Their directories are a valuable resource for residents and visitors seeking reliable information on local services and amenities.

Texas Environmental Management (TEM) in Justin, TX, is a prominent environmental consulting firm offering a wide array of services aimed at promoting environmental sustainability and regulatory compliance. TEM provides expertise in environmental assessments, waste management, pollution control, and natural resource management. Their team of skilled professionals works closely with clients to develop and implement effective environmental strategies that meet both regulatory standards and organizational goals. TEM's commitment to environmental stewardship and innovation positions them as a leader in the field of environmental management.

Armetco Systems in Justin, TX, is a reputable company specializing in the design, fabrication, and installation of architectural metal products. Their product range includes metal wall panels, roofing systems, and custom architectural elements designed to enhance the aesthetic and functional qualities of buildings. Armetco Systems is known for its commitment to quality, innovation, and customer satisfaction, providing tailored solutions that meet the unique requirements of each project. Their skilled team works closely with architects, contractors, and building owners to deliver high-performance, visually appealing metal systems.

Northwest Outdoor Learning Center: Located in nearby Northlake, TX, is an educational facility dedicated to promoting outdoor education and environmental awareness. The center offers a variety of programs and activities designed to engage students and the community in learning about nature, conservation, and sustainable practices. With hands-on experiences, interactive exhibits, and guided tours, the Northwest Outdoor Learning Center provides valuable educational opportunities that foster a deeper understanding and appreciation of the natural world. The center's programs are tailored to different age groups and educational levels, making it a versatile resource for environmental education.

Attractions & Demand Generators:

Texas Motor Speedway, located just south of Justin, TX, is a premier motorsport venue renowned for its state-of-the-art facilities and thrilling racing events. This 1.5-mile oval track hosts several major NASCAR and IndyCar Series races throughout the year, attracting fans from across the nation. With seating capacity for over 100,000 spectators, the speedway offers an electrifying atmosphere for fans of high-speed racing. In addition to racing events, Texas Motor Speedway also features various entertainment options, including concerts, car shows, and corporate events. The venue's modern amenities, extensive fan zones, and VIP experiences make it a top destination for motorsport enthusiasts and event organizers alike.

IAA Fort Worth North is a leading auto auction facility located just south of Justin, TX. Specializing in the sale of salvage, damaged, and total-loss vehicles, IAA (Insurance Auto Auctions) provides a comprehensive range of services for buyers and sellers in the automotive industry. The facility offers both live and online auctions, making it convenient for customers to participate and bid on vehicles. With a reputation for reliability and efficiency, IAA Fort Worth North ensures a seamless auction experience, supported by a team of knowledgeable staff and advanced technology. This facility plays a crucial role in the vehicle remarketing industry, connecting sellers with a broad network of buyers.

Church & Dwight, located south of Justin, TX, is a prominent consumer goods company known for its wide range of household products. This facility is a key manufacturing and distribution hub for well-known brands such as Arm & Hammer, OxiClean, and Trojan. Church & Dwight focuses on producing high-quality products that meet the needs of consumers while adhering to sustainable and environmentally friendly practices. The facility's operations include advanced manufacturing processes, quality control, and efficient distribution networks that ensure products reach markets promptly. Church & Dwight's commitment to innovation and sustainability makes it a leader in the consumer goods industry.

Nutri-Bon Distribution, situated just south of Justin, TX, is a vital player in the food distribution sector, specializing in the supply of nutritional and health-focused food products. The company operates a state-of-the-art distribution center that ensures the efficient storage, handling, and delivery of a wide range of food items. They serve a diverse clientele, including retail stores, restaurants, and health food outlets, providing them with reliable access to high-quality nutritional products. The facility's strategic location and robust logistics capabilities make it a key component in the regional food supply chain.

Attractions & Demand Generators:

Mondelez Global, located just south of Justin, TX, is a major global player in the snack and food industry, known for iconic brands like Oreo, Cadbury, and Ritz. This facility focuses on the production and distribution of a wide variety of snacks, leveraging advanced manufacturing technologies and rigorous quality control measures. Mondelez Global is dedicated to innovation in product development and sustainability, ensuring their products meet the evolving tastes and preferences of consumers while minimizing environmental impact.

IDC Logistics-Fort Worth, situated south of Justin, TX, is a premier logistics and supply chain management company. The facility offers comprehensive logistics services, including warehousing, distribution, transportation, and inventory management. IDC Logistics prides itself on its ability to provide customized solutions that meet the specific needs of its clients, from small businesses to large corporations. The facility features advanced technology and systems that enhance operational efficiency and accuracy.

DFW Indoor Sports, located just south of Justin, TX, is a top-tier sports facility offering a wide range of indoor sports activities and programs. The facility features multiple courts and fields designed for sports such as soccer, basketball, volleyball, and more. DFW Indoor Sports caters to athletes of all ages and skill levels, providing leagues, tournaments, training programs, and recreational play. The venue also offers amenities like fitness classes, personal training, and a pro shop. With its focus on promoting physical activity and community engagement, DFW Indoor Sports is a popular destination for sports enthusiasts and families.

GE Transportation and GE Manufacturing, located south of Justin, TX, are integral parts of GE's global operations, focusing on the production and maintenance of transportation equipment and systems. The facilities are known for manufacturing and servicing locomotives, mining equipment, and marine engines. Leveraging cutting-edge technology and a skilled workforce, GE ensures high standards of quality and innovation in their products. These facilities play a crucial role in supporting the transportation and logistics industries, contributing to the efficiency and sustainability of global supply chains. GE's commitment to excellence and technological advancement is evident in the operations of these facilities.

Attractions & Demand Generators:

AmerCareRoyal: AmerCareRoyal located just south of Justin, TX, is a leading provider of disposable products for the food service, hospitality, and healthcare industries. The facility specializes in the distribution of a wide range of items, including gloves, food containers, napkins, and cleaning supplies. AmerCareRoyal focuses on delivering high-quality products that meet the needs of their diverse clientele, ensuring safety, convenience, and compliance with industry standards.

Wabtec Manufacturing Solutions, located south of Justin, TX, is a key player in the rail and transit industry, providing advanced technology and manufacturing solutions. The facility focuses on the production and servicing of components and systems for locomotives and transit vehicles, including braking systems, electronics, and energy management solutions. Wabtec is dedicated to enhancing the efficiency, safety, and sustainability of rail and transit operations through innovative products and services. The facility's strategic location and advanced manufacturing capabilities enable Wabtec to support a wide range of customers in the transportation industry, contributing to the modernization and reliability of rail networks worldwide.

LODGING SUMMARY-PRIMARY

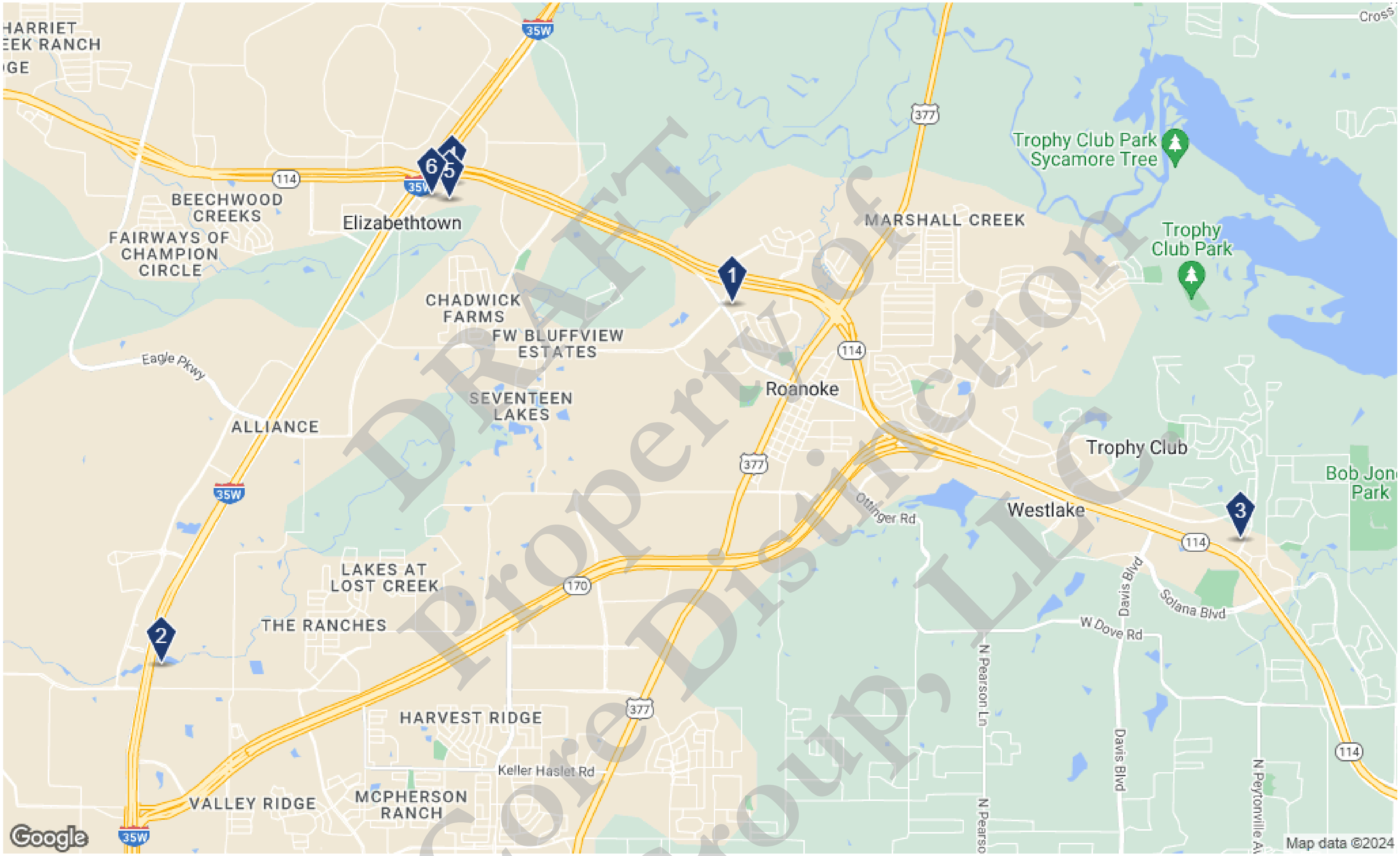
For the purposes of this Comprehensive Hotel Market Feasibility Study, the competitive set includes properties that were determined to be competitive with the proposed hotel based on either their location, brand affiliation, facilities and amenities offered, rate structure, community surveys, and/or market orientation. There are many instances where independent and/or economy hotels do not report to the reporting agency.

In some cases, Core Distinction Group must access data from surrounding or Secondary market hotels to obtain a Smith Travel Research (STR)/CoStar report. This can also include a Secondary Competitive Set. The following information will be presented in Lodging Supply:

- Competitive Set Property Map
- Smith Travel Research (STR)/CoStar Data by Measure
- Smith Travel Research (STR)/CoStar Data 12 Month Average
- Primary Competitive Set Listed Rates
- Primary Competitive Set Listed Hotel Trends and Projections

Data can be found in Appendix.

Property Map Overview



Property Summary Report

Comfort Suites Roanoke - Fort Worth North

Upper Midscale
Class

801 W Highway 114
Roanoke, TX 76262 - Denton/Lewisville/McKinney Submarket

HOSPITALITY

Brand	Comfort Suites
Hotel Opened	Sep 2000
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	1999
Rooms	88
Location	Suburban
Stories	3
Primary Corridors	Interior
Meeting Space	1,050 SF

LAND

Land Acres	2.11 AC
Zoning	RC- Roanoke
Parcels	R208059

BUILDING AMENITIES

- Business Center
- Meeting Event Space
- Fitness Center
- Pool

SALE

Sold Price	$3,125,000 ($35,511/Room)
Date	Jan 2005
Sale Type	Investment
Financing	Down Payment of $1,175,000 (37.6%) 1st Mortgage: Citizens National Bank

TRANSPORTATION

Airport	21 min drive to Dallas-Fort Worth International
Walk Score®	Car-Dependent (29)

PROPERTY CONTACTS

True Owner	Filinto (405) 360-3585 (p)
Parent Company	Choice Hotels International, Inc.
Recorded Owner	Kc Family Limited Partnership 1020 Bentbrook Pl Norman, OK 73072

Property Summary Report

Hampton by Hilton Inn & Suites N Ft Worth-Alliance Airport

Upper Midscale
Class

13600 North Fwy
Fort Worth, TX 76177 - Fort Worth North Submarket

HOSPITALITY

Brand	Hampton by Hilton
Hotel Opened	Feb 1999
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	1999
Rooms	102
Location	Suburban
Stories	5
Primary Corridors	Interior
Meeting Space	336 SF

LAND

Land Acres	2.34 AC
Zoning	C1C
Parcels	07059817

BUILDING AMENITIES

- Business Center
- Meeting Event Space
- Pool
- Fitness Center
- On-Site Retail

SALE

Sold Price	Not Disclosed
Date	Jan 2009
Sale Type	Investment

TRANSPORTATION

Airport	30 min drive to Dallas-Fort Worth International
Walk Score®	Car-Dependent (24)

PROPERTY CONTACTS

True Owner	Sagamore-Fort Worth, LP 800 Brazos St Austin, TX 78701
Previous True Owner	Planete Verts Inc 13600 N Freeway Fort Worth, TX 76177
Parent Company	Hilton Worldwide
Recorded Owner	Sagamore-Fort Worth, LP 800 Brazos St Austin, TX 78701
Previous True Owner	Smart Logistics 25 Highland Park Village Dallas, TX 75205 (601) 842-5508 (p)

Property Summary Report

Hampton by Hilton Inn & SuitesTrophy Club - Fort Worth North

Upper Midscale
Class

525 Plaza Dr
Trophy Club, TX 76262 - Denton/Lewisville/McKinney Submarket

HOSPITALITY

Brand	Hampton by Hilton
Hotel Opened	Apr 2013
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	Apr 2013
Rooms	94
Location	Suburban
Stories	4
Primary Corridors	Interior
Meeting Space	746 SF

LAND

Land Acres	2.00 AC
Zoning	Commercial
Parcels	41449797

PARKING

Spaces	100 Surface
Ratio	1.06/Room

BUILDING AMENITIES

- Business Center
- Fitness Center
- Meeting Event Space
- Pool

TRANSPORTATION

Parking	100 available (Surface);Ratio of 1.06/Room
Airport	18 min drive to Dallas-Fort Worth International
Walk Score®	Car-Dependent (19)

PROPERTY CONTACTS

True Owner	Kriya Hotels 2451 W Grapevine Mills Cir Grapevine, TX 76051 (214) 446-6741 (p) (866) 864-1950 (f)
Developer	Greenstreet Construction 112 E 82nd St Lubbock, TX 79404 (806) 745-9444 (p)
Parent Company	Hilton Worldwide
Recorded Owner	Hydra Hotels LLC 1200 W Walnut Hill Ln Irving, TX 75038
Architect	Lightowler Johnson Associates 700 Main Ave Fargo, ND 58103

Property Summary Report

Holiday Inn Express & Suites Fort Worth North Northlake

Upper Midscale
Class

13261 Raceway Dr
Northlake, TX 76262 - Denton/Lewisville/McKinney Submarket

HOSPITALITY

Brand	Holiday Inn Express
Hotel Opened	Dec 2018
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	Dec 2018
Rooms	96
Location	Suburban
Stories	4
Primary Corridors	Interior
Meeting Space	350 SF

LAND

Land Acres	0.07 AC
Zoning	Commercial
Parcels	732087

BUILDING AMENITIES

- Business Center
- Fitness Center
- Meeting Event Space
- On-Site Retail
- Pool

TRANSPORTATION

Airport	24 min drive to Dallas-Fort Worth International
Walk Score®	Car-Dependent (26)

PROPERTY CONTACTS

True Owner	A & M Developers LLC 7701 Las Colinas Rdg Irving, TX 75063 (214) 395-9398 (p)
Developer	A & M Developers LLC 7701 Las Colinas Rdg Irving, TX 75063 (214) 395-9398 (p)
Recorded Owner	Northlake Hotels LLC 7701 Las Colinas Rdg Irving, TX 75063
Parent Company	IHG Hotels & Resorts

Property Summary Report

Home2 Suites by Hilton Fort Worth Northlake

Upper Midscale
Class

13351 Raceway Dr
Northlake, TX 76262 - Denton/Lewisville/McKinney Submarket

HOSPITALITY

Brand	Home2 Suites by Hilton
Hotel Opened	Aug 2017
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	Aug 2017
Rooms	104
Location	Suburban
Stories	4
Primary Corridors	Interior

LAND

Land Acres	3.32 AC
Zoning	C2
Parcels	R681290

PARKING

Spaces	102 Surface
Ratio	0.98/Room

BUILDING AMENITIES

- Business Center
- Meeting Event Space
- Pool
- Smoke-Free
- Fitness Center
- On-Site Retail
- Public Access Wifi

TRANSPORTATION

Parking	102 available (Surface);Ratio of 0.98/Room
Airport	24 min drive to Dallas-Fort Worth International
Walk Score®	Car-Dependent (23)

PROPERTY CONTACTS

True Owner	Kriya Hotels 2451 W Grapevine Mills Cir Grapevine, TX 76051 (214) 446-6741 (p)
Developer	Glacier House Hotels 4350 E Camelback Rd Phoenix, AZ 85018
Parent Company	Hilton Worldwide
Recorded Owner	Pegasus Hotels Llc 433 Las Colinas Blvd E Irving, TX 75039
Architect	Mayse & Associates 14881 Quorum Dr Dallas, TX 75254 (972) 386-0338 (p) (972) 386-0578 (f)

Property Summary Report

La Quinta Inns & Suites Northlake Fort Worth

Upper Midscale
Class

13501 Raceway Dr
Roanoke, TX 76262 - Denton/Lewisville/McKinney Submarket

HOSPITALITY

Brand	La Quinta Inns & Suites
Hotel Opened	Jun 2014
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	Jun 2014
Year Renov	2019
Rooms	75
Location	Suburban
Stories	4
Primary Corridors	Interior
Meeting Space	600 SF

LAND

Land Acres	1.61 AC
Zoning	C2
Parcels	R530227

PARKING

Spaces	83 Surface
Ratio	1.11/Room

BUILDING AMENITIES

- Business Center
- Meeting Event Space
- Public Access Wifi
- Fitness Center
- Pool
- Smoke-Free

SALE

Sold Price	Not Disclosed
Date	Mar 2024
Sale Type	Investment
Financing	1st Mortgage: Bank of Hope Bal/Pmt: $5,000,000/-

TRANSPORTATION

Parking	83 available (Surface);Ratio of 1.11/Room
Airport	24 min drive to Dallas-Fort Worth International
Walk Score®	Car-Dependent (23)

STR Global - CoStar - Data by Measure - Primary Comp Set

Occupancy (%)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2020	56.6%	64.9%	40.5%	22.7%	34.5%	44.7%	46.5%	48.1%	48.0%	49.3%	45.4%	44.0%	45.4%
2021	44.8%	56.4%	69.4%	66.3%	67.2%	70.1%	70.2%	63.8%	65.4%	69.6%	66.1%	61.5%	64.3%
2022	57.2%	67.5%	70.0%	69.7%	70.3%	75.7%	69.8%	62.9%	68.5%	72.1%	65.0%	62.0%	67.5%
2023	62.2%	64.5%	73.2%	72.2%	72.6%	72.8%	70.9%	64.3%	69.6%	71.5%	68.1%	62.2%	68.7%
2024	60.0%	65.6%	72.8%	74.8%	74.2%	74.8%							70.4%
Avg	52.9%	62.9%	60.0%	52.9%	57.3%	63.5%	62.2%	58.3%	60.6%	63.7%	58.8%	55.8%	59.1%

ADR ($)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2020	$93.02	$93.12	$89.86	$76.87	$76.34	$75.94	$75.77	$73.57	$73.30	$75.74	$72.33	$71.15	$78.92
2021	$71.37	$76.92	$81.79	$87.42	$93.28	$97.77	$98.05	$93.39	$94.56	$98.56	$95.86	$91.33	$90.79
2022	$93.36	$96.00	$102.81	$103.85	$107.85	$105.81	$103.72	$97.47	$102.28	$103.41	$99.87	$95.94	$101.32
2023	$100.59	$100.22	$106.60	$108.18	$113.47	$109.11	$104.46	$99.02	$107.37	$108.68	$103.69	$99.33	$105.31
2024	$102.72	$102.86	$108.12	$118.36	$112.33	$108.48							$109.20
Avg	$85.92	$88.68	$91.49	$89.38	$92.49	$93.17	$92.51	$88.14	$90.05	$92.57	$89.35	$86.14	$90.34

RevPAR ($)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2020	$52.62	$60.42	$36.43	$17.41	$26.37	$33.95	$35.26	$35.36	$35.16	$37.35	$32.87	$31.32	$36.21
2021	$31.95	$43.39	$56.76	$57.95	$62.64	$68.53	$68.80	$59.59	$61.82	$68.58	$63.36	$56.17	$58.57
2022	$53.40	$64.77	$71.94	$72.35	$75.81	$80.09	$72.40	$61.35	$70.08	$74.51	$64.91	$59.47	$68.42
2023	$62.51	$64.68	$77.99	$78.09	$82.43	$79.42	$74.11	$63.65	$74.76	$77.75	$70.66	$61.74	$72.34
2024	$61.65	$67.52	$78.73	$88.58	$83.32	$81.18							$76.89
Avg	$45.99	$56.19	$55.04	$49.24	$54.94	$60.86	$58.82	$52.10	$55.69	$60.15	$53.71	$48.99	$54.40

Revenue ($)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2020	$911,832	$945,684	$631,361	$292,018	$456,981	$569,341	$610,990	$612,794	$589,591	$647,155	$551,172	$542,697	$7,361,616
2021	$553,591	$679,084	$983,629	$971,825	$1,085,464	$1,149,289	$1,192,320	$1,032,575	$1,036,656	$1,188,338	$1,062,549	$973,444	$11,908,764
2022	$925,432	$1,013,809	$1,246,568	$1,213,340	$1,313,727	$1,343,087	$1,254,629	$1,063,052	$1,175,185	$1,291,260	$1,088,509	$1,030,486	$13,959,084
2023	$1,083,313	$1,012,354	$1,351,547	$1,309,633	$1,428,412	$1,331,949	$1,284,167	$1,103,065	$1,253,796	$1,347,359	$1,184,942	$1,069,922	$14,760,459
2024	$1,068,315	$1,056,830	$1,364,253	$1,485,425	$1,443,798	$1,361,327							$7,779,948
Avg	$732,712	$812,384	$807,495	$631,922	$771,223	$859,315	$901,655	$822,685	$813,124	$917,747	$806,861	$758,071	$9,635,190

STR Global - CoStar - 12 Month Moving Average - Primary Comp Set

Occupancy (%)

YR.	January	February	March	April	May	June	July	August	September	October	November	December
2020	66.5%	66.6%	63.8%	60.0%	57.0%	54.5%	52.4%	51.0%	49.7%	48.0%	46.4%	45.3%
2021	44.3%	43.7%	46.1%	49.7%	52.5%	54.6%	56.6%	57.9%	59.3%	61.1%	62.8%	64.3%
2022	47.3%	66.2%	66.2%	66.5%	66.8%	67.2%	67.2%	67.1%	67.4%	67.6%	67.5%	67.5%
2023	67.9%	67.7%	68.0%	68.2%	68.4%	68.2%	68.3%	68.4%	68.5%	68.4%	68.7%	68.7%
2024	68.5%	68.6%	68.6%	68.8%	68.9%	69.1%						
Avg	55.4%	55.2%	55.0%	54.9%	54.8%	54.6%	54.5%	54.5%	54.5%	54.6%	54.6%	54.8%

ADR ($)

YR.	January	February	March	April	May	June	July	August	September	October	November	December
2020	$95.78	$95.39	$94.52	$93.52	$92.07	$90.30	$88.54	$87.03	$85.31	$83.21	$81.04	$79.59
2021	$77.43	$75.59	$75.32	$76.58	$78.41	$80.62	$82.80	$84.44	$86.09	$88.01	$89.62	$90.84
2022	$92.16	$93.46	$95.33	$96.72	$98.01	$98.75	$99.25	$99.58	$100.21	$100.64	$100.97	$101.32
2023	$101.83	$102.16	$102.51	$102.89	$103.41	$103.69	$103.76	$103.87	$104.29	$104.76	$105.05	$105.31
2024	$105.48	$105.67	$105.81	$106.73	$106.63	$106.58						
Avg	$86.61	$85.49	$84.92	$85.05	$85.24	$85.46	$85.67	$85.74	$85.70	$85.61	$85.33	$85.22

RevPAR ($)

YR.	January	February	March	April	May	June	July	August	September	October	November	December
2020	$63.74	$63.50	$60.33	$56.12	$52.53	$49.23	$46.37	$44.34	$42.43	$39.96	$37.57	$36.08
2021	$34.32	$33.02	$34.74	$38.08	$41.16	$44.00	$46.85	$48.91	$51.10	$53.75	$56.26	$58.37
2022	$60.19	$61.83	$63.12	$64.30	$65.42	$66.37	$66.68	$66.82	$67.50	$68.01	$68.14	$68.42
2023	$69.19	$69.18	$69.70	$70.17	$70.73	$70.68	$70.82	$71.02	$71.40	$71.68	$72.15	$72.34
2024	$72.27	$72.49	$72.55	$73.41	$73.49	$73.63						
Avg	$49.03	$48.26	$47.54	$47.10	$46.85	$46.62	$46.61	$46.63	$46.77	$46.86	$46.92	$47.23

Revenue ($)

YR.	January	February	March	April	May	June	July	August	September	October	November	December
2020	$13,005,290	$12,955,755	$12,310,259	$11,451,006	$10,717,249	$10,045,638	$9,460,321	$9,047,589	$8,658,060	$8,153,921	$7,665,407	$7,361,615
2021	$7,003,375	$6,736,774	$7,089,042	$7,768,848	$8,397,332	$8,977,280	$9,558,610	$9,978,391	$10,425,457	$10,966,640	$11,478,017	$11,908,765
2022	$12,280,606	$12,615,330	$12,878,270	$13,119,786	$13,348,048	$13,541,846	$13,604,155	$13,634,632	$13,773,161	$13,876,082	$13,902,042	$13,959,084
2023	$14,116,965	$14,115,510	$14,220,488	$14,316,782	$14,431,467	$14,420,329	$14,449,867	$14,489,880	$14,568,491	$14,624,590	$14,721,023	$14,760,458
2024	$14,745,461	$14,789,937	$14,802,644	$14,978,435	$14,993,821	$15,023,198						
Avg	$10,004,333	$9,846,265	$9,699,651	$9,609,927	$9,557,291	$9,511,459	$9,509,466	$9,512,990	$9,541,759	$9,560,281	$9,571,712	$9,635,190

Primary Competitive Hotel Properties Data Summary

Primary Competitive Set			
Property Name	**Industry Segment**	**Open Date**	**Room Count**
Comfort Suites Roanoke, FWN	Upper Midscale	2000	88
Hampton Inn & Suites FW Alliance	Upper Midscale	1999	102
Hampton Inn & Suites Trophy Club FWT	Upper Midscale	2013	94
Holiday Express & Suites FWN Northlake	Upper Midscale	2018	96
Home2 Suites FW Northlake	Upper Midscale	2017	104
La Quinta Northlake FW	Upper Midscale	2014	75
Primary Competitive Set Room Count Average			93

Source: CoStar/STR Core Distinction Group, LLC

Primary Competitive Hotel Properties Data Summary

Primary Competitive Set Current			
Time Frame	**Occupancy**	**Average Daily Rate**	**Revenue Per Available Room**
YTD	70.4%	$109.20	$76.89
3 Month Average	74.6%	$113.05	$84.35
12 Month Average	69.1%	$106.58	$73.63
Source: CoStar/STR Core Distinction Group, LLC			

Primary Competitive Set Prior Year			
Time Frame	**Occupancy**	**Average Daily Rate**	**Revenue Per Available Room**
12 Month Average	68.2%	$104.00	$71.00
Source: CoStar/STR Core Distinction Group, LLC			

Primary Competitive Set Year Over Year Percentage Change			
Time Frame	**Occupancy**	**Average Daily Rate**	**Revenue Per Available Room**
Percent of Change	1.4%	2.8%	4.2%
Source: CoStar/STR Core Distinction Group, LLC			

Primary Competitive Hotel Rate Shops

Primary Competitive Set Listed Rates - Weekday				
Property Name	AUG	NOV	FEB	MAY
Comfort Suites Roanoke, FWN	$85	$100	$100	$110
Hampton Inn & Suites FW Alliance	$125	$135	$135	$135
Hampton Inn & Suites Trophy Club FWT	$140	$140	$155	$155
Holiday Express & Suites FWN Northlake	$115	$115	$110	$130
Home2 Suites FW Northlake	$130	$115	$140	$140
La Quinta Northlake FW	$120	$120	$120	$120
Primary Competitive Set Average	$119	$121	$127	$132
Primary Competitive Set Rate Average				$125

Source: CoStar/STR Core Distinction Group, LLC

Primary Competitive Hotel Rate Shops

Primary Competitive Set Listed Rates - Weekend				
Property Name	AUG	NOV	FEB	MAY
Comfort Suites Roanoke, FWN	$85	$110	$110	$145
Hampton Inn & Suites FW Alliance	$120	$120	$120	$120
Hampton Inn & Suites Trophy Club FWT	$130	$130	$145	$145
Holiday Express & Suites FWN Northlake	$100	$100	$160	$160
Home2 Suites FW Northlake	$115	$115	$130	$130
La Quinta Northlake FW	$120	$120	$140	$140
Primary Competitive Set Average	$112	$116	$134	$140
Primary Competitive Set Rate Average				$125

Source: CoStar/STR Core Distinction Group, LLC

Primary Competitive Hotel Trends & Projections

Primary Competitive Set Trend			
Time Frame	**Occupancy**	**Average Daily Rate**	**Revenue Per Available Room**
YTD	70.4%	$109.20	$76.89
3 Month Average	74.6%	$113.05	$84.35
12 Month Average	69.1%	$106.58	$73.63

Source: CoStar/STR Core Distinction Group, LLC

Projected Primary Competitive Set Rates	
Time Frame	**Average Daily Rate**
3 Month Average	**$113.05**
12 Month Average	**$106.58**
Future Quoted Rate Average	**$124.82**
Projected Average Daily Rates	**$114.82**

Source: Google Travel/CoStar/STR Core Distinction Group, LLC

LODGING SUMMARY-SECONDARY

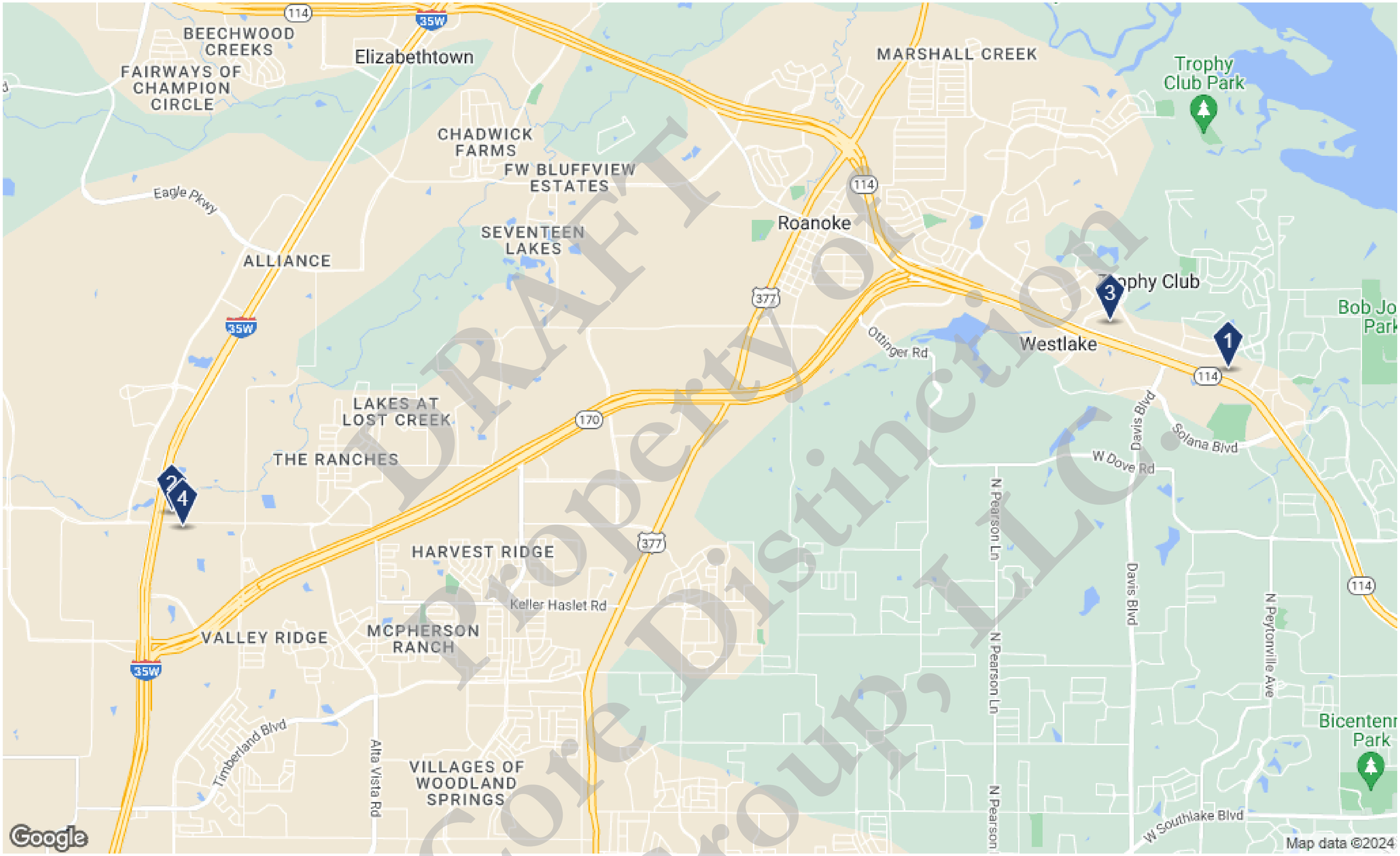
For the purposes of this Comprehensive Hotel Market Feasibility Study, the competitive set includes properties that were determined to be competitive with the proposed hotel based on either their location, brand affiliation, facilities and amenities offered, rate structure, community surveys, and/or market orientation. There are many instances where independent and/or economy hotels do not report to the reporting agency.

In some cases, Core Distinction Group must access data from surrounding or Secondary market hotels to obtain a Smith Travel Research (STR)/CoStar report. This can also include a Secondary Competitive Set. The following information will be presented in Lodging Supply:

- Competitive Set Property Map
- Smith Travel Research (STR)/CoStar Data by Measure
- Smith Travel Research (STR)/CoStar Data 12 Month Average
- Primary Competitive Set Listed Rates
- Primary Competitive Set Listed Hotel Trends and Projections

Data can be found in Appendix.

Property Map Overview



Property Summary Report

Homewood Suites by Hilton Trophy Club Fort Worth North

Upscale
Class

2900 E Highway 114
Trophy Club, TX 76262 - Denton/Lewisville/McKinney Submarket

HOSPITALITY

Brand	Homewood Suites by Hilton
Hotel Opened	Sep 2016
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	Aug 2016
Rooms	110
Location	Suburban
Stories	4
Primary Corridors	Interior
Meeting Space	1,204 SF

LAND

Land Acres	2.91 AC
Zoning	PD-34
Parcels	42077727

PARKING

Spaces	200 Surface
Ratio	1.82/Room

BUILDING AMENITIES

- Business Center
- Fitness Center
- Meeting Event Space
- On-Site Retail
- Pool

TRANSPORTATION

Parking	200 available (Surface);Ratio of 1.82/Room
Airport	16 min drive to Dallas/Fort Worth International
Walk Score®	Car-Dependent (7)

PROPERTY CONTACTS

True Owner	Hitesh Jariwala 3001 Kari Ln Greenville, TX 75402 (903) 457-9200 (p)
Parent Company	Hilton Worldwide
Architect	RSS Architects LLC 1029 Long Prarie Rd Flower Mound, TX 75022 (817) 538-9258 (p)

Property Summary Report

Residence Inn Fort Worth Alliance Airport

Upscale
Class

13400 North Fwy
Fort Worth, TX 76177 - Fort Worth North Submarket

HOSPITALITY

Brand	Residence Inn
Hotel Opened	Oct 1999
Operation Type	Franchise
Operation Status	Open
Hotel Grade	3

BUILDING

Type	Hotel
Year Built	1999
Rooms	111
Location	Suburban
Stories	5
Primary Corridors	Interior
Meeting Space	963 SF

LAND

Land Acres	2.50 AC
Zoning	C1C
Parcels	07120826

PARKING

Spaces	99 Surface
Ratio	0.89/Room

BUILDING AMENITIES

- Fitness Center
- Meeting Event Space
- Pool
- Smoke-Free
- Hot Tub
- On-Site Retail
- Public Access Wifi

TRANSPORTATION

Parking	99 available (Surface);Ratio of 0.89/Room
Airport	29 min drive to Dallas-Fort Worth International
Walk Score®	Car-Dependent (26)

PROPERTY CONTACTS

True Owner	Alliance Hotel Ltd Ii 13400 North Fwy Fort Worth, TX 76177 (817) 750-7000 (p)	Recorded Owner	Alliance Hotel Ltd Ii 13400 North Fwy Fort Worth, TX 76177 (817) 750-7000 (p)
Parent Company	Marriott International		

Property Summary Report

aloft Fort Worth Trophy Club

Upscale
Class

96 Trophy Club Dr
Trophy Club, TX 76262 - Denton/Lewisville/McKinney Submarket

HOSPITALITY

Brand	aloft Hotel
Hotel Opened	Oct 2021
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	Oct 2021
Rooms	132
Location	Suburban
Stories	5
Primary Corridors	Interior
Meeting Space	2,200 SF

LAND

Land Acres	2.30 AC
Zoning	C2
Parcels	R726658

PARKING

Spaces	71 Surface
Ratio	0.54/Room

BUILDING AMENITIES

- Barber/Hair Salon/Beauty Shop
- Fitness Center
- On-Site Retail
- Public Access Wifi
- Smoke-Free
- Business Center
- Meeting Event Space
- Pool
- Restaurant

TRANSPORTATION

Parking	71 available (Surface);Ratio of 0.54/Room
Airport	19 min drive to Dallas-Fort Worth International
Walk Score®	Car-Dependent (16)

Property Summary Report

Hilton Garden Inn Fort Worth Alliance Airport

2600 Westport Pky
Fort Worth, TX 76177 - Fort Worth North Submarket

Upscale
Class

HOSPITALITY

Brand	Hilton Garden Inn
Hotel Opened	Sep 2011
Operation Type	Franchise
Operation Status	Open
Hotel Grade	3

BUILDING

Type	Hotel
Year Built	Sep 1984
Year Renov	2012
Rooms	127
Location	Suburban
Stories	4
Primary Corridors	Interior
Meeting Space	3,159 SF

LAND

Land Acres	0.37 AC
Zoning	Commercial
Parcels	41483073

PARKING

Spaces	124 Surface
Ratio	0.98/Room

BUILDING AMENITIES

- Business Center
- Hot Tub
- On-Site Bar
- Public Access Wifi
- Smoke-Free
- Fitness Center
- Meeting Event Space
- Pool
- Restaurant

TRANSPORTATION

Parking	124 available (Surface);Ratio of 0.98/Room
Airport	29 min drive to Dallas-Fort Worth International
Walk Score®	Car-Dependent (19)

PROPERTY CONTACTS

True Owner	Max Reising 2221 E Continental Blvd Southlake, TX 76092
Architect	Labunski & Associates 1514 S 77 Sunshine Strip Harlingen, TX 78550 (956) 423-0582 (p)
Recorded Owner	JMR Alliance Group LP 2221 E Continental Blvd Southlake, TX 76092
Parent Company	Hilton Worldwide

STR Global - CoStar - Data by Measure - Secondary Comp Set

Occupancy (%)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2020	63.3%	73.6%	43.0%	22.0%	26.7%	38.4%	42.0%	45.7%	49.7%	51.1%	43.8%	44.4%	45.3%
2021	41.5%	59.0%	77.1%	71.9%	72.9%	74.4%	73.7%	67.2%	68.2%	69.3%	66.6%	58.0%	67.5%
2022	58.3%	67.0%	71.7%	70.6%	68.9%	70.5%	65.9%	62.6%	66.9%	71.2%	64.8%	59.1%	66.4%
2023	62.8%	66.8%	75.4%	73.8%	73.3%	70.7%	65.4%	62.0%	69.8%	70.1%	67.2%	59.1%	68.0%
2024	61.7%	66.7%	70.2%	75.4%	71.8%	71.0%							69.5%
Avg	52.4%	66.3%	60.1%	47.0%	49.8%	56.4%	57.9%	56.5%	59.0%	60.2%	55.2%	51.2%	56.0%

ADR ($)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2020	$115.92	$114.92	$112.64	$97.16	$88.31	$90.18	$89.00	$87.44	$92.31	$92.83	$84.83	$87.51	$96.09
2021	$84.27	$85.55	$89.39	$96.94	$103.12	$107.62	$105.44	$105.23	$106.39	$110.45	$107.25	$104.17	$101.46
2022	$106.00	$106.11	$113.76	$112.87	$118.07	$113.11	$111.32	$107.24	$114.68	$117.18	$111.13	$106.37	$111.72
2023	$116.28	$116.30	$119.46	$122.38	$123.36	$116.90	$111.94	$110.94	$119.70	$123.85	$119.50	$110.24	$117.83
2024	$119.51	$120.17	$122.15	$133.32	$124.84	$121.14							$123.77
Avg	$100.10	$100.24	$101.02	$97.05	$95.72	$98.90	$97.22	$96.34	$99.35	$101.64	$96.04	$95.84	$98.29

RevPAR ($)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2020	$73.39	$84.62	$48.41	$21.39	$23.55	$34.59	$37.36	$39.94	$45.87	$47.41	$37.12	$38.85	$44.38
2021	$35.01	$50.50	$68.93	$69.71	$75.19	$80.06	$77.74	$70.69	$72.61	$76.53	$71.42	$60.37	$68.51
2022	$61.81	$71.14	$81.53	$79.74	$81.39	$79.74	$73.35	$67.12	$76.68	$83.41	$72.05	$62.91	$74.23
2023	$73.00	$77.71	$90.07	$90.35	$90.47	$82.67	$73.19	$68.78	$83.50	$86.83	$80.26	$65.11	$80.14
2024	$73.69	$80.11	$85.76	$100.57	$89.64	$86.03							$85.98
Avg	$54.20	$67.56	$58.67	$45.55	$49.37	$57.33	$57.55	$55.32	$59.24	$61.97	$54.27	$49.61	$55.89

Revenue ($)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2020	$791,732	$824,530	$522,220	$223,265	$254,055	$361,068	$403,004	$430,915	$478,891	$511,493	$387,491	$419,072	$5,607,736
2021	$377,689	$492,106	$743,606	$727,796	$811,158	$835,811	$838,632	$762,578	$758,057	$1,138,825	$1,028,514	$898,270	$9,413,042
2022	$919,666	$956,066	$1,213,216	$1,148,198	$1,211,116	$1,148,244	$1,091,507	$998,702	$1,104,184	$1,241,102	$1,037,514	$936,047	$13,005,562
2023	$1,086,189	$1,044,372	$1,340,211	$1,301,111	$1,346,205	$1,190,477	$1,089,106	$1,023,467	$1,202,390	$1,292,089	$1,155,700	$968,792	$14,040,109
2024	$1,096,459	$1,076,700	$1,276,098	$1,448,263	$1,333,803	$1,238,783							$7,470,106
Avg	$584,711	$658,318	$632,913	$475,531	$532,607	$598,440	$620,818	$596,747	$618,474	$825,159	$708,003	$658,671	$7,510,389

STR Global - CoStar - 12 Month Moving Average - Secondary Comp Set

Occupancy (%)

YR.	January	February	March	April	May	June	July	August	September	October	November	December
2020	70.9%	70.7%	67.9%	63.6%	59.3%	56.1%	53.5%	51.6%	50.1%	48.1%	46.2%	45.1%
2021	43.3%	42.2%	45.1%	49.2%	53.1%	56.1%	58.8%	60.6%	62.1%	63.8%	65.7%	66.5%
2022	67.5%	68.0%	67.8%	67.7%	67.5%	67.3%	66.8%	66.4%	66.3%	66.5%	66.3%	66.4%
2023	66.8%	66.8%	67.1%	67.4%	67.8%	67.8%	67.7%	67.7%	67.9%	67.8%	68.0%	68.0%
2024	67.9%	67.9%	67.5%	67.6%	67.5%	67.5%						
Avg	57.1%	56.5%	56.5%	56.4%	56.2%	56.1%	56.2%	56.1%	56.1%	56.0%	56.0%	55.8%

ADR ($)

YR.	January	February	March	April	May	June	July	August	September	October	November	December
2020	$111.98	$112.27	$112.17	$111.48	$110.60	$109.20	$107.52	$105.74	$104.00	$101.71	$99.19	$97.81
2021	$94.46	$90.76	$88.79	$89.46	$91.10	$92.96	$94.53	$95.99	$97.17	$99.09	$100.71	$101.72
2022	$102.91	$104.19	$106.40	$107.70	$109.02	$109.50	$109.95	$110.03	$110.64	$111.25	$111.57	$111.72
2023	$112.51	$113.30	$113.84	$114.69	$115.20	$115.52	$115.58	$115.87	$116.29	$116.88	$117.54	$117.83
2024	$118.08	$118.37	$118.60	$119.61	$119.74	$120.10						
Avg	$103.22	$101.52	$100.48	$100.47	$100.85	$101.08	$101.03	$100.87	$100.59	$100.40	$99.95	$99.77

RevPAR ($)

YR.	January	February	March	April	May	June	July	August	September	October	November	December
2020	$79.38	$79.42	$76.22	$70.86	$65.56	$61.27	$57.49	$54.58	$52.09	$48.95	$45.83	$44.15
2021	$40.89	$38.27	$40.01	$43.99	$48.37	$52.11	$55.54	$58.15	$60.35	$63.25	$66.14	$67.64
2022	$69.49	$70.90	$72.09	$72.96	$73.60	$73.73	$73.43	$73.06	$73.38	$73.97	$74.02	$74.23
2023	$75.18	$75.69	$76.41	$77.28	$78.06	$78.30	$78.28	$78.42	$78.99	$79.28	$79.95	$80.14
2024	$80.20	$80.38	$80.01	$80.85	$80.78	$81.06						
Avg	$60.14	$58.85	$58.12	$57.43	$56.97	$56.69	$56.52	$56.37	$56.22	$56.10	$55.99	$55.90

Revenue ($)

YR.	January	February	March	April	May	June	July	August	September	October	November	December
2020	$10,083,187	$10,088,280	$9,680,878	$9,001,146	$8,327,308	$7,782,809	$7,302,676	$6,932,821	$6,616,903	$6,217,926	$5,821,382	$5,607,738
2021	$5,193,694	$4,861,270	$5,082,656	$5,587,186	$6,144,289	$6,619,032	$7,054,661	$7,386,323	$7,665,489	$8,292,821	$8,933,844	$9,413,041
2022	$9,955,019	$10,418,978	$10,888,589	$11,308,991	$11,708,949	$12,021,382	$12,274,257	$12,510,381	$12,856,507	$12,958,784	$12,967,784	$13,005,562
2023	$13,172,084	$13,260,390	$13,387,385	$13,540,297	$13,675,387	$13,717,620	$13,715,218	$13,739,983	$13,838,190	$13,889,177	$14,007,363	$14,040,108
2024	$14,050,379	$14,082,707	$14,018,594	$14,165,746	$14,153,344	$14,201,651						
Avg	$7,638,441	$7,474,775	$7,381,767	$7,294,166	$7,235,799	$7,200,921	$7,178,669	$7,159,572	$7,141,196	$7,255,374	$7,377,613	$7,510,390

Secondary Competitive Hotel Properties Data Summary

Secondary Competitive Set			
Property Name	Industry Segment	Open Date	Room Count
Homewood Suites Trophy Club FWN	Upscale	2016	110
Residence Inn FW Alliance Airport	Upscale	1999	111
aloft FW Trophy Club	Upscale	2021	132
Hilton Garden Inn FW Alliance Airport	Upscale	2011	127
Secondary Competitive Set Room Count Average			120
Source: CoStar/STR Core Distinction Group, LLC			

Secondary Competitive Hotel Properties Data Summary

Secondary Competitive Set Current			
Time Frame	**Occupancy**	**Average Daily Rate**	**Revenue Per Available Room**
YTD	69.5%	$123.77	$85.98
3 Month Average	72.7%	$126.55	$92.05
12 Month Average	67.5%	$120.10	$81.06
Source: CoStar/STR Core Distinction Group, LLC			

Secondary Competitive Set Prior Year			
Time Frame	**Occupancy**	**Average Daily Rate**	**Revenue Per Available Room**
12 Month Average	67.8%	$116.00	$78.00
Source: CoStar/STR Core Distinction Group, LLC			

Secondary Competitive Set Year Over Year Percentage Change			
Time Frame	**Occupancy**	**Average Daily Rate**	**Revenue Per Available Room**
Percent of Change	-0.4%	4.0%	3.5%
Source: CoStar/STR Core Distinction Group, LLC			

Secondary Competitive Hotel Rate Shops

Secondary Competitive Set Listed Rates - Weekday				
Property Name	AUG	NOV	FEB	MAY
Homewood Suites Trophy Club FWN	$179	$185	$185	$189
Residence Inn FW Alliance Airport	$135	$140	$135	$145
aloft FW Trophy Club	$170	$150	$180	$160
Hilton Garden Inn FW Alliance Airport	$120	$140	$140	$140
Secondary Competitive Set Average	$151	$154	$160	$159
Secondary Competitive Set Rate Average				$156
Source: CoStar/STR Core Distinction Group, LLC				

Secondary Competitive Set Listed Rates - Weekend				
Property Name	AUG	NOV	FEB	MAY
Homewood Suites Trophy Club FWN	$135	$115	$125	$189
Residence Inn FW Alliance Airport	$135	$135	$135	$135
aloft FW Trophy Club	$120	$110	$170	$110
Hilton Garden Inn FW Alliance Airport	$100	$100	$120	$130
Secondary Competitive Set Average	$123	$115	$138	$141
Secondary Competitive Set Rate Average				$129
Source: CoStar/STR Core Distinction Group, LLC				

Secondary Competitive Hotel Trends & Projections

Secondary Competitive Set Trend			
Time Frame	**Occupancy**	**Average Daily Rate**	**Revenue Per Available Room**
YTD	69.5%	$123.77	$85.98
3 Month Average	72.7%	$126.55	$92.05
12 Month Average	67.5%	$120.10	$81.06

Source: CoStar/STR Core Distinction Group, LLC

Projected Secondary Competitive Set Rates	
Time Frame	**Average Daily Rate**
3 Month Average	**$126.55**
12 Month Average	**$120.10**
Future Quoted Rate Average	**$129.00**
Projected Average Daily Rates	**$125.22**

Source: Google Travel/CoStar/STR Core Distinction Group, LLC

REGIONAL INDUSTRY DATA OVERVIEW

For the purposes of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group reviewed Regional/Market/Submarket data to help gain knowledge of the market and surrounding areas. The following information will be analyzed in Regional Industry Overview Data:

- Regional Competitive Hotel Properties Data Summary
- Market Overview
- Performance Data
- Past Construction Data
- Under Construction Data
- Sales Data
- Economy Data
- Submarket Data

Data can be found in Appendix.

Regional Competitive Hotel Properties Data Summary
Denton/Lewisville/McKinney Hospitality

Regional Submarket Competitive Set Performance			
Time Frame	**Occupancy**	**Average Daily Rate**	**Revenue Per Available Room**
YTD	69.8%	$109.12	$76.19
3 Month Average	72.3%	$108.69	$78.57
12 Month Average	68.6%	$107.13	$73.47
Source: CoStar/STR Core Distinction Group, LLC			

Regional Submarket Performance by Class (Running 12 Months)			
Time Frame	**Occupancy**	**Average Daily Rate**	**Revenue Per Available Room**
Luxury & Upper Upscale	60.4%	$204.62	$123.67
Upscale & Upper Midscale	70.0%	$113.69	$79.53
Midscale & Economy	69.2%	$66.06	$45.75
Source: CoStar/STR Core Distinction Group, LLC			

ECONOMIC IMPACT SUMMARY

In this section of the report, Core Distinction Group has compiled a summary of what the potential direct and indirect economic impact could be for the proposed hotel development. This projection offers revenue and job creation information based on this hotel's recommendations stated throughout this report, as well as the occupancy and average rate projected.

- Direct Economic Impact
    - City Sales Tax Revenue
    - Lodging/Bed Tax Revenue
    - Real Estate Tax Revenue
- Indirect Economic Impact
    - Rooms Sold
    - Average Indirect Food Revenue and Jobs Needed
    - Average Indirect Entertainment/Activities Revenue and Jobs Needed
    - Average Indirect Alcoholic Beverages Revenue and Jobs Needed

Direct Economic Impact

When considering the potential Direct Economic Impact of a new hotel in the community, you look at the direct tax revenue the community is gaining from the project. This takes into consideration Lodging/Bed Taxes when applicable, Sales Taxes and Real Estate Taxes. Below you will find the estimated tax revenue of this project broken down in each category:

Sales Tax Revenue Per Year	
Year	**Sales Tax**
Year One	$230,039
Year Two	$243,755
Year Three	$258,299
Year Four	$271,061
Year Five	$281,803
First Five Years Total:	**$1,284,956**

Based on the minimum combined 2024 sales tax rate for Justin, Texas is 8.25%. This is the total of state, county, and city tax rates.

Lodging/Bed Tax Revenue Per Year	
Year	**Lodging/Bed Tax**
Year One	$160,412
Year Two	$170,181
Year Three	$180,545
Year Four	$189,681
Year Five	$197,344
First Five Years Total:	**$898,162**

Based on a current 6% Average Transient Lodging Tax in Justin, TX.

Real Estate Tax Revenue Per Year (Based on Estimates)	
Year	**Real Estate Tax**
Year One	$39,853
Year Two	$39,853
Year Three	$39,853
Year Four	$39,853
Year Five	$39,853
First Five Years Total:	**$199,264**

This information does not account for the collateral economic impact as well. There are many collateral economic impacts that can be accounted for. Additional revenue (and usage) from your sewer, water, trash disposal, utilities and so on all noted in the Pro Forma. The construction period can also promote additional economic growth. All of these add up and vary.

Indirect Economic Impact Estimates

When considering the potential Indirect Economic Impact of a new hotel in the community, you look at the spending of the guest within the community. For the purpose of this summary, we have identified the potential spending on food/dining. This does not take into consideration any taxes increased by said purchases. Below you will find the average rooms sold each year for the potential hotel project:

Rooms Sold Per Year Average		
Year	**Occupancy**	**Rooms Sold**
Year One	71.5%	20,875
Year Two	73.6%	21,502
Year Three	75.8%	22,147
Year Four	77.4%	22,590
Year Five	78.9%	23,041

Taking this into consideration, the estimates of rooms sold each day can be found below:

Average Rooms Per Night Sold	
Year One	57
Year Two	59
Year Three	61
Year Four	62
Year Five	63

Indirect Economic Impact Estimates (continued)

The average cost of food in the United States of America is $58 per day. Based on the spending habits of previous travelers, when dining out an average meal in the United States of America should cost around $23 per person. Breakfast prices are usually a little cheaper than lunch or dinner. The price of food in sit-down restaurants in the United States of America is often higher than fast food prices or street food prices. The total estimated indirect food revenue in your community is estimated* to be around:

Average Indirect Food Revenue Per Day	
Year One	$3,317
Year Two	$3,417
Year Three	$3,519
Year Four	$3,590
Year Five	$3,661

Average Indirect Food Revenue Per Year	
Year One	$1,210,772
Year Two	$1,247,095
Year Three	$1,284,508
Year Four	$1,310,198
Year Five	$1,336,402
First Five Years Total:	**$6,388,974**

** Based on the assumption of one person per room night sold.*

Based on this information, it can be assumed this additional revenue will also create indirect food service jobs. When considering the additional food revenue into your community, industry standards states that around 30% of revenue goes towards labor. Based on the amount of additional revenue, this would bring in the following amount of full-time equivalent jobs*:

Average Indirect Food Service Jobs Needed	
Year One	16.8
Year Two	17.3
Year Three	17.8
Year Four	18.2
Year Five	18.5

** Based on 32 hours a week and the median average base hourly rate of Food Service Workers of $13 per hour, at the time of this report according to www.payscale.com.*

Indirect Economic Impact Estimates (continued)

Entertainment and activities in the United States of America typically cost an average of $55 per person, per day. This includes fees paid for admission tickets to museums and attractions, day tours, and other sightseeing expense.

Average Indirect Entertainment/Activities Revenue Per Day	
Year One	$3,146
Year Two	$3,240
Year Three	$3,337
Year Four	$3,404
Year Five	$3,472

Average Indirect Entertainment/Activities Revenue Per Year	
Year One	$1,148,146
Year Two	$1,182,590
Year Three	$1,218,068
Year Four	$1,242,429
Year Five	$1,267,278
First Five Years Total:	**$6,058,510**

** Based on the assumption of one person per room night sold.*

Based on this information, it can be assumed this additional revenue will also create indirect tour guide or tourism industry jobs. When considering the additional food revenue into your community, industry standards states that around 25% of revenue goes towards labor. Based on the amount of additional revenue, this would bring in the following amount of full-time equivalent jobs*:

Average Indirect Entertainment/Activities Jobs Needed	
Year One	8.3
Year Two	8.5
Year Three	8.8
Year Four	8.9
Year Five	9.1

** Based on 32 hours a week and the median average base hourly rate of Tour Guide of $20.89 per hour, at the time of this report according to www.salary.com.*

Indirect Economic Impact Estimates (continued)

The average person spends about $27 on alcoholic beverages in the United States of America per day.

Average Indirect Alcoholic Beverages Revenue Per Day	
Year One	$1,544
Year Two	$1,591
Year Three	$1,638
Year Four	$1,671
Year Five	$1,704

Average Indirect Alcoholic Beverages Revenue Per Year	
Year One	$563,635
Year Two	$580,544
Year Three	$597,961
Year Four	$609,920
Year Five	$622,118
First Five Years Total:	**$2,974,178**

** Based on the assumption of one person per room night sold.*

Based on this information, it can be assumed this additional revenue will also create indirect bartender jobs. When considering the additional alcoholic beverage revenue into your community, industry standards states that around 30% of revenue goes towards labor. Based on the amount of additional revenue, this would bring in the following amount of full-time equivalent jobs*:

Average Indirect Bartender Jobs Needed	
Year One	8.1
Year Two	8.3
Year Three	8.6
Year Four	8.8
Year Five	8.9

** Based on 32 hours a week and the median average base hourly rate of a bartender of $12.55 per hour, at the time of this report according to www.salary.com.*

Indirect Economic Impact Estimates (continued)

The average price for Tips and Handouts in the United States of America is $33 per day. The usual amount for a tip in the United States of America is 10% - 20%.

Average Indirect Tips/Handouts Revenue Per Day	
Year One	$1,887
Year Two	$1,944
Year Three	$2,002
Year Four	$2,042
Year Five	$2,083

Average Indirect Tips/Handouts Revenue Per Year	
Year One	$688,887
Year Two	$709,554
Year Three	$730,841
Year Four	$745,457
Year Five	$760,367
First Five Years Total:	**$3,635,106**

** Based on the assumption of one person per room night sold.*

Based on this additional revenue being paid, the increase in both food, beverage, and entertainment/activity, service worker's hourly wage would increase substantially in the market.

Source: BudgetYourTravel.com

CONCLUSION

For the purposes of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group LLC offers an overview and overall description of the conclusion and recommendations found through its research and analysis. This section will contain:

- Recommended Hotel Segment Recommendations for Market Studied
- Recommended Sleeping Room Configuration Recommendations for Market Studied
- Expected Economic Impact of Hotel in Market Studied

Conclusion and Recommendations

Property segment recommended for the potential development of a hotel is an Upscale to Upper Midscale hotel. This type of hotel would allow the property to be positioned properly at the subject site. It is anticipated that a new hotel would capture displaced Lodging Demand currently staying in markets surrounding Justin, TX. Additionally, the newness of the hotel should be well received in the marketplace. It's location will be ideal to serve Justin and regional markets. This type of hotel would also be capable of adjusting rates to best fit the demand in the market and the seasonality of the area.

Property size recommendation of a newly developed hotel was researched to be between 80-90 guestrooms in this report. This would position it to be similar in size to the average room size of 87 noted by the competitive set surveyed. The size would assist the property in achieving the Occupancy projections listed in this report. It is not advisable to over-build in this market at this time. Expansion of the hotel in future years could be considered as the market's Lodging Demand grows. Adjusting the room count will modify Performance.

The recommended Sleeping Room Configuration should be compatible with the overall Market Segmentation of the area. The property should offer a comparable selection of guestrooms with both single occupancy king bedded rooms to double occupancy double queen bedded guestrooms.

Economic Impact Potential: There are multiple economic impacts of building and developing a new hotel in a community. Some direct impact drivers include projected hotel revenue including all room revenues, meeting room revenue, as well as vending/bar revenue. On average, this size property will create 12-18 full time equivalent jobs. Indirect impact includes all jobs and income generated by businesses that supply goods and services to the hotel. Below you will find a summary of the total Estimated Economic Impact of the potential new hotel project over the first five years open:

Estimated Increase in Sales Tax	$1,284,956
Estimated Increase in Lodging Tax	$898,162
Estimated Increase in Real Estate Tax	$199,264
Estimated Increase in Restaurant Sales Revenue	$6,388,974
Estimated Increase in Entertainment Revenue	$6,058,510
Estimated Increase in Alcohol Sales Revenue	$2,974,178
Estimated Increase in Tips Revenue	$3,635,106

UNDERSTANDING THE TERMS

For the purposes of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group, LLC has taken the time to offer detailed definitions of words and terms highlighted throughout this report. This section contains the information to help readers navigate industry terms.

Understanding Terms:

Below you will find definitions of industry terms used throughout this report to help the reader gain an understanding of certain phrases and indicators:

Average Daily Rate (ADR)

A measure of the average rate paid for rooms sold, calculated by dividing room revenue by rooms sold. ADR = Room Revenue / Rooms Sold

Chain Scale

Chain Scale segments are grouped primarily according to actual average room rates. An independent hotel, regardless of average room rate, is included as a separate Chain Scale category. The Chain Scale segments are: Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale, Economy and Independent.

Competitive Set (Comp Set)

A peer group of hotels that competes for business and is selected to benchmark the subject property's performance.

Date-To-Date Comparison

Comparison of daily performance by actual calendar date (1st of January this year vs. 1st of January last year).

Day-To-Day Comparison

Comparison of daily performance by day of week (Monday this year vs. Monday last year).

Demand

The number of rooms sold in a specified time period (excludes complimentary rooms).

Group Rooms

Typically defined as 10 or more rooms per night sold, pursuant to a signed agreement. Refer to Data Reporting Guidelines for more specific application.

Understanding Terms (Continued):

Index

Measures a hotel's performance relative to an aggregated grouping of hotels (i.e., competitive set, market or submarket). We utilize indexes to measure performance in three key areas: Occupancy, ADR and RevPAR. An index of 100 means a hotel is capturing a fair share compared to the aggregated group of hotels. An index greater than 100 represents more than a fair share of the aggregated group's performance. Conversely, an index below 100 reflects less than a fair share of the aggregated group's performance.

Occupancy (OCC)

Percentage of available rooms sold during a specified time period. Occupancy is calculated by dividing the number of rooms sold by rooms available. Occupancy = Rooms Sold / Rooms Available

Revenue Per Available Room (RevPAR)

Total room revenue divided by the total number of available rooms. Room Revenue/Rooms Available = RevPAR

Total Revenue

Revenue from all hotel operations - including rooms, Food and Beverage, other revenue departments (i.e., spa, golf, parking) and miscellaneous revenue (i.e., rentals, leases, resort fees and cancellation fees).

Year to Date

Period starting at the beginning of the current year and ending on the current date.

Understanding Terms (Continued):

Hotel Types - Hotel classifications are driven primarily by building structure and, secondarily, by service level. Hotel types include:

All-Inclusive: Property with rooms sold only as a complete package, bundling overnight accommodations and value-added amenities and services (i.e., food, beverage, activities and gratuities, etc.)

All-Suite: Property with guestroom inventory that exclusively consists of rooms offering more space and furniture than a typical hotel room, including a designated living area or multiple rooms.

B&B/Inn: Independently owned and operated properties that typically include breakfast in the room rates, 20 rooms or fewer and a resident/owner innkeeper.

Boutique: Hotel that appeals to guests because of its atypical amenity and room configurations. Boutiques are normally independent (with fewer than 200 rooms), have a high average rate and offer high levels of service. Boutique hotels often provide authentic cultural, historic experiences and interesting guest services.

Condo: Individually and wholly-owned condominium units. Inventory is included in a rental pool operated and serviced by a management company.

Conference Center: Lodging hotel with a major focus on conference facilities.

Convention Center: Property with a minimum of 300 rooms and large meeting facilities (minimum of 20,000 square feet).

Destination Resort: Property that appeals to leisure travelers, typically located in resort markets, and considered a destination in and of themselves with extensive amenity offerings. These properties are typically larger and full-service.

Extended Stay: Properties typically focused on attracting guests for extended periods. These properties quote weekly rates. The typical length of stay average for guests is four to seven nights.

Full Service Hotel: Typically Upscale, Upper Upscale and Luxury properties with a wide variety of onsite amenities, such as restaurants, meeting spaces, exercise rooms or spas.

Gaming/Casino: Property with a major focus on casino operations.

Understanding Terms (Continued):

Hotel Types - Hotel classifications are driven primarily by building structure and, secondarily, by service level. Hotel types include:

- Golf: Property that includes a golf course amenity as part of its operations. A property does not qualify if it only has privileges on a nearby course.
- Hotel/Motel: Standard hotel or motel operation.
- Limited Service: Property that offers limited facilities and amenities, typically without a full-service restaurant. These hotels are often in the Economy, Midscale or Upper Midscale class.
- Lifestyle Brand: Group of hotels operating under the same brand that is adapted to reflect current trends.
- New Build: Property built from the ground up, not a conversion of a building that was not previously a hotel.
- Ski: Property with onsite access to ski slopes.
- Soft Brand: Collection of hotels that allows owners and operators to affiliate with a major chain while retaining their unique name, design and orientation.
- Spa: Property with an onsite spa facility and full-time staff offering spa treatments.
- Timeshare: Property that typically is a resort condominium unit, in which multiple parties hold property use rights, and each timeshare owner is allotted a period of time when the property may be used.
- Waterpark: An indoor or outdoor waterpark resort with a lodging establishment containing an aquatic facility.

LEADERSHIP

LISA PENNAU

Mrs. Pennau offers more than 25 years of hospitality industry experience. She began in the industry as a rental car agent at the airport in Oshkosh, Wisconsin where she worked while completing her degrees in both hospitality management and sales & marketing at the local college. Lisa moved on to work as a manager in training for Super 8 hotels in Wichita, Kansas and quickly was promoted to general manager of a Super 8 in Omaha, Nebraska. She was recruited by Baymont to become a traveling manager and served several distressed Midwest properties until moving on to work for Hilton as a General Manager at a Hampton Inn Minnetonka, MN. When that hotel sold, Lisa was promoted by the new owners to Regional Director of Operations for Pillar Hotels overseeing 25+ Midwest hotels, in both both rural and metropolitan markets, including Minnesota, Wisconsin, Illinois, Iowa, North Dakota, and South Dakota. During her 10 years as Regional Director of Operations, Lisa oversaw multiple brands such as: Choice, Hilton, Hyatt, IHG, and Marriott. In her final year with Pillar she received the highest honor of Regional Director of the Year for Highest Performing Hotels in all capacities including, revenue, operations, guest service score, turnover, etc.

JESSICA JUNKER

Miss Junker offers more than 18 years of hospitality industry experience. From her beginning in the industry as a banquet server at a full-service hotel in downtown Green Bay, Wisconsin, to overseeing that very property as the manager in only a couple of years. Jessica moved on to work as a Director of Sales at a Residence Inn by Marriott, Area Director of Sales with Interstate Hotels, and Regional Director of Sales and Marketing with Pillar Hotels working on Sales, Marketing, and Revenue Management of anywhere between 15 and 52 hotels with every major and not so major brand in the country. After learning everything she needed about running a hotel, she set her sights on what happens before a hotel is built. She worked in many separate executive roles within an up-and-coming hotel franchise. Miss Junker offers hands-on expert knowledge in hotel operations, sales, marketing, training, contracting, development, construction, really all things hotels. She gained this knowledge from industry leaders like Marriott, Hilton, InterContinental Hotels Group, Choice Hotels, TMI Hospitality, Interstate Hotels, Pillar Hotels & Resorts, Cobblestone Hotels, Wyndham Hotels & Resorts, and many more.

SCOPE OF WORK

Core Distinction Group takes immense pride in the work we do. Throughout each phase of our projects we communicate with our clients regularly. This ensures everyone involved in the project is up-to-date on the progress. We also keep a very tight timeline on our projects. Each phase is well thoughtout and followed consistently. The objective of our studies are to identify and determine the need for lodging in the community, the loss of lodging to the area due to lack of quality or amount of lodging, as well as determine if there is enough need to justify a new hotel. A new hotel that makes good business sense. Below you will find each part and its timing in the process:

RESEARCH & COMMUNITY OUTREACH

This phase involves speaking with community leaders to compile a list of potential demand generators in the local and regional community. Research and Community Outreach is conducted within the first one to two weeks following receipt of the retainer.

SITE VISIT & COMMUNITY INTERVIEWS

This phase involves an in-depth local tour given by community leaders to help Core Distinction understand said community and need for lodging. The tour also includes a detailed analysis of potential sites for the project.

COMMUNITY INTERVIEWS

This phase involves conducting online and phone interviews with potential demand generators gathered during the Research and Community Outreach of the study process. This phase will take place in the first two weeks of the study process.

DATA COMPILATION

This phase of the process involves compiling all the data gathered during our visit to gain the overall picture of what is needed for the community. This phase is conducted in the two weeks following our community visit completion.

*DATA RECEIVING & REPORTING

Once all the demand generator information is gathered, Core Distinction Group begins pulling industry data for target market as well as industry trends to help us gain a better understanding of the local and regional opportunity areas.

COST GATHERING

This involves all things cost. Core Distinction Group gathers actual cost for the development, construction, financing, taxes, and all other ongoing costs associated with the specific project.

PROJECT PRO FORMA

Immediately following Development and Operational Cost Gathering, Core Distinction Group will construct a project, brand, market, and scale specific Pro Forma that is bank, investor, brand and developer friendly.

DRAFT COMPLETION/SUBMITTAL

After Core Distinction has conducted all previous phases, we complete a draft of the study and financial pro forma and submit it for review by the contracted entity. Changes to the study may be made at this point but are limited to spelling and grammar updates.

FINAL

After all requested changes are made and final payment is received, Core Distinction Group will submit a final draft of the Hotel Market Feasibility Study and Brand Specific Pro Forma to the community for distribution.

*If at this point, Core Distinction Group does not feel there is enough need for lodging to merit the costs of a new build hotel, we will stop the process, communicate with the community and offer alternative options for accommodations. If this happens, the contracted entity is not responsible for the remaining study costs highlighted in (Cost) and will receive a report indicating the reasoning behind the decision.

DISCLAIMER

Thank you for the opportunity to complete this market and feasibility study for the proposed hotel project located in Justin, TX. We have studied the market area for additional demand for a lodging facility and the results of our fieldwork and analysis are presented in this report. We have also made recommendations for the scope of the proposed project, including general site location, size of hotel, and brand segment.

We hereby certify that we have no undisclosed interest in the property and our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

The conclusions presented in this report are based upon the information available and received at the time the report was filed. Core Distinction Group, LLC (CDG) has taken every possible precaution to evaluate this information for its complete accuracy and reliability. Parts of this report were prepared or arranged by third-party contributors, as indicated throughout the document. While third-party contributions have been reviewed by CDG for reasonableness and consistency to be included in this report, third-party information has not been fully audited or sought to be verified by CDG. CDG does not provide financial advice.

It should be understood that economic and marketplace conditions are in constant change. The results presented in this report are the professional opinion of CDG and are based on information available at the time of the report preparation. These opinions infer that market conditions do not change the information received upon which those opinions have been based. CDG assumes no responsibility for changes in the marketplace. CDG assumes no responsibility for information that becomes outdated once this report is written; nor are we responsible for keeping this information current after the date of the final document presentation.

CDG makes no express or implied representation or warranty that the contents of this report are verified, accurate, suitably qualified, reasonable or free from errors, omissions or other defects of any kind or nature. Those who rely on this report do so at their own risk and CDG disclaims all liability, damages or loss with respect to such reliance.

It is presumed that those reading this report understand the contents and recommendations. If this reader is unclear of understanding the contents, clarification can be received directly from a representative of CDG. While the terms of CDG's engagement do not require that revisions be made to this report to reflect events or conditions which occur subsequent to the date of completion of fieldwork, we are available to discuss the necessity for revisions in view of changes in the economic climate or market factors affecting the proposed hotel project.

Please do not hesitate to call should you have any comments or questions.

Sincerely,
Core Distinction Group, LLC

LPennau

Lisa L. Pennau
Owner

APPENDICES

For the purpose of this Comprehensive Hotel Market Feasibility Study, large amounts of data was collected. The Appendices hold the detailed information of each data set collected. This section contains the following information:

- Detailed Community Survey Responses
- Primary Competitive Set Analytics
- Secondary Competitive Set Analytics
- Regional Lodging Industry Submarket Report

APPENDIX TWO

PRIMARY COMPETITIVE SET ANALYTICS

TAKING THE FIRST STEP TO DEVELOP A NEW HOTEL

Search Analytics

INVENTORY ROOMS	UNDER CONSTRUCTION ROOMS	12 MO OCC RATE	12 MO ADR	12 MO REVPAR	MARKET SALE PRICE/ROOM	MARKET CAP RATE
559 +0%	0 -	69.1% +1.4%	$107 +2.8%	$74 +4.2%	$84.5K +14.2%	9.6% +0.4%
Prior Period 559	Prior Period 0	Prior Period 68.2%	Prior Period $104	Prior Period $71	Prior Period $74K	Prior Period 9.2%

Key Metrics

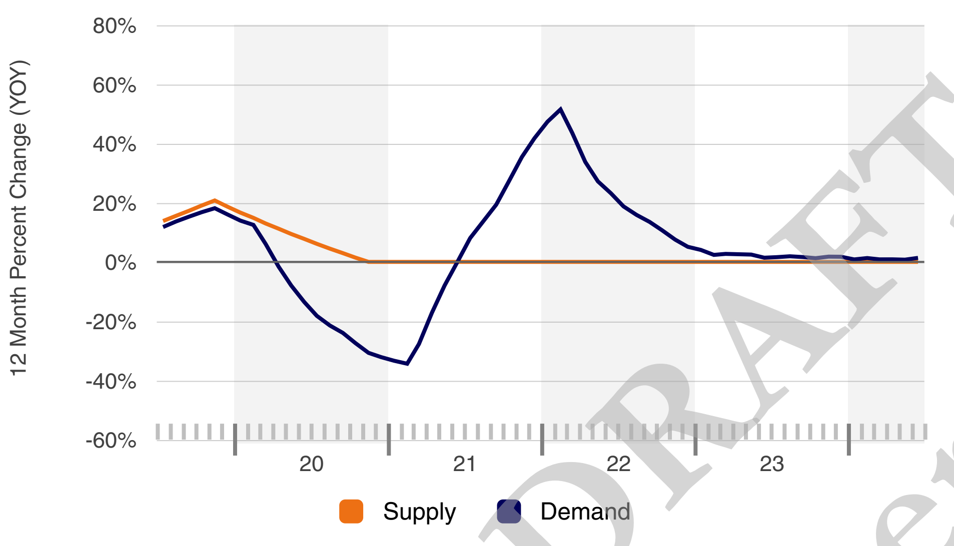
Inventory	
Existing Properties	6
12 Mo Delivered Rooms	0
12 Mo Delivered Properties	0
12 Mo Recently Opened Rooms	0
12 Mo Recently Opened Properties	0
Under Construction Properties	0

Sales Past Year	
Sales Volume	$0
Properties Sold	1
Months to Sale	-
Average Price Per Building	-
Market Price Per Room	$84.5K
Market Cap Rate	9.6%

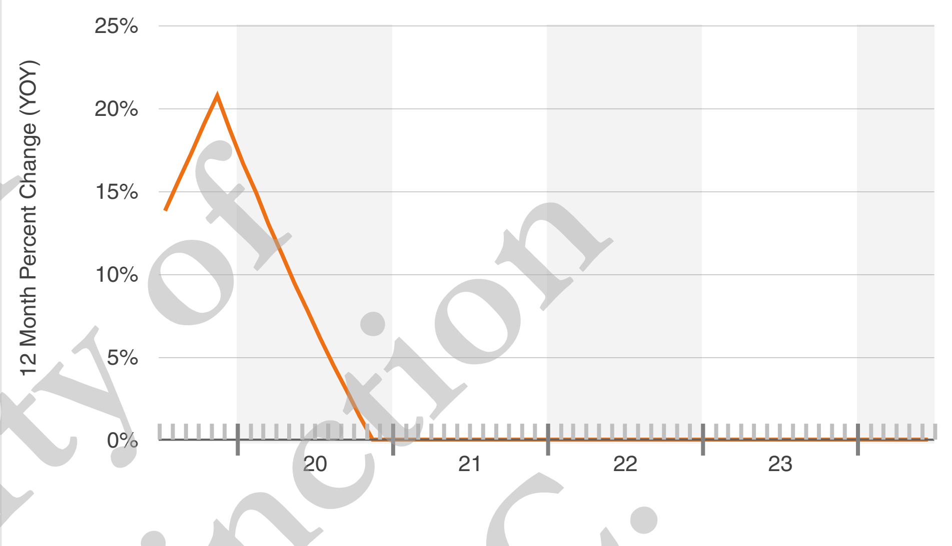
Performance Trend	
Occupancy Rate	74.8%
Average Daily Rate	$108.48
Revenue Per Available Room	$81.18
YTD Occupancy Rate	70.4%
YTD Average Daily Rate	$109.20
YTD RevPAR	$76.89
3 Mo Occupancy Rate	74.6%
3 Mo Average Daily Rate	$113.05
3 Mo RevPAR	$84.35
12 Mo Occupancy Rate	69.1%
12 Mo Average Daily Rate	$106.58
12 Mo RevPAR	$73.63

Search Analytics

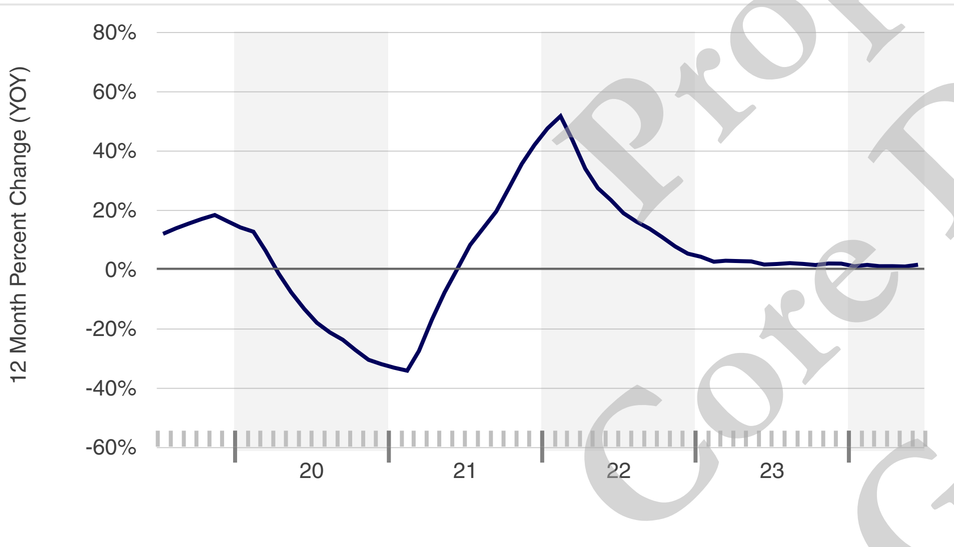
Supply & Demand Change



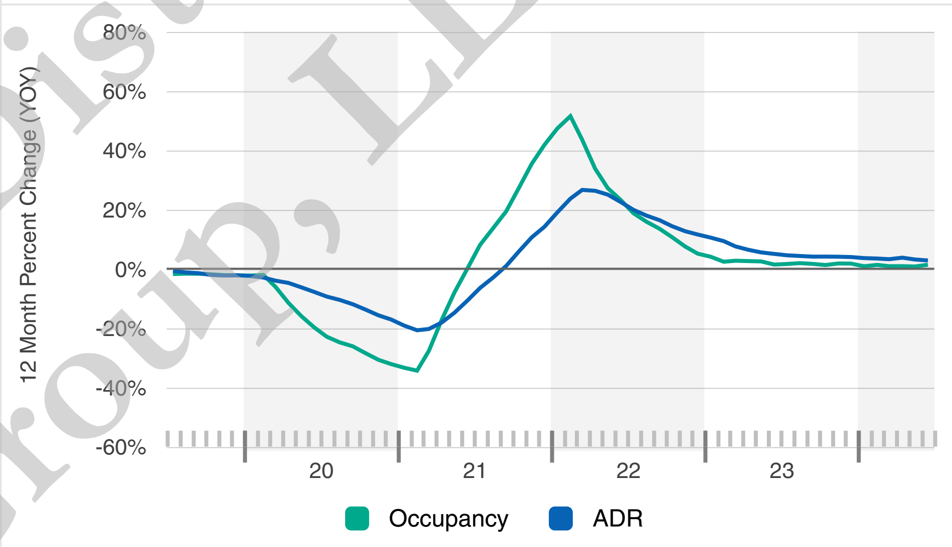
Supply Change



Demand Change

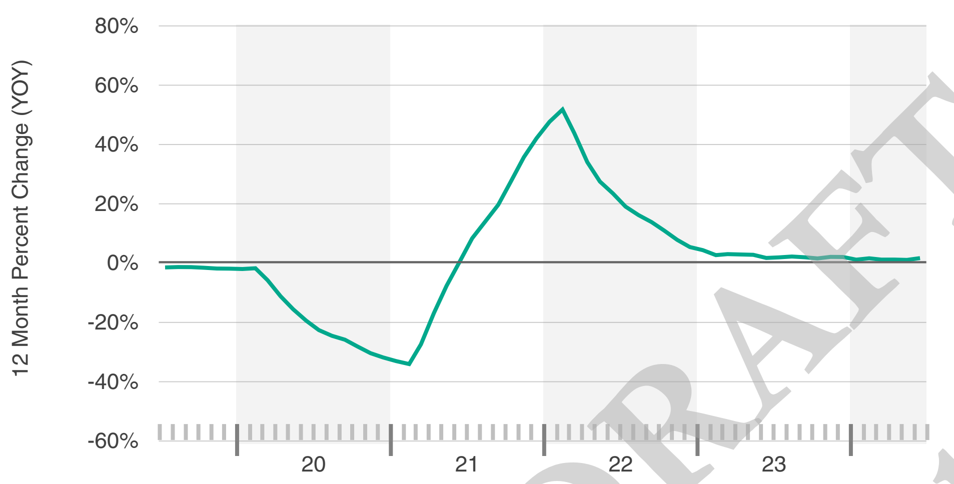


Occupancy & ADR Change

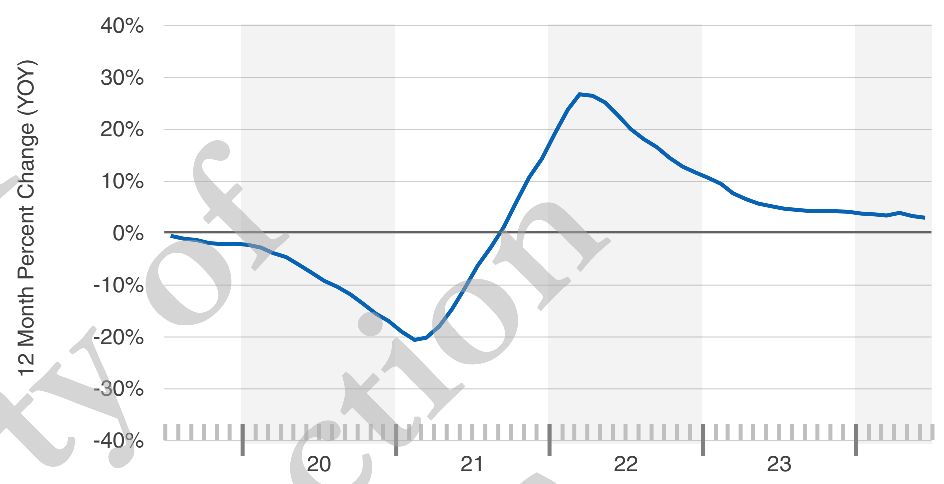


Search Analytics

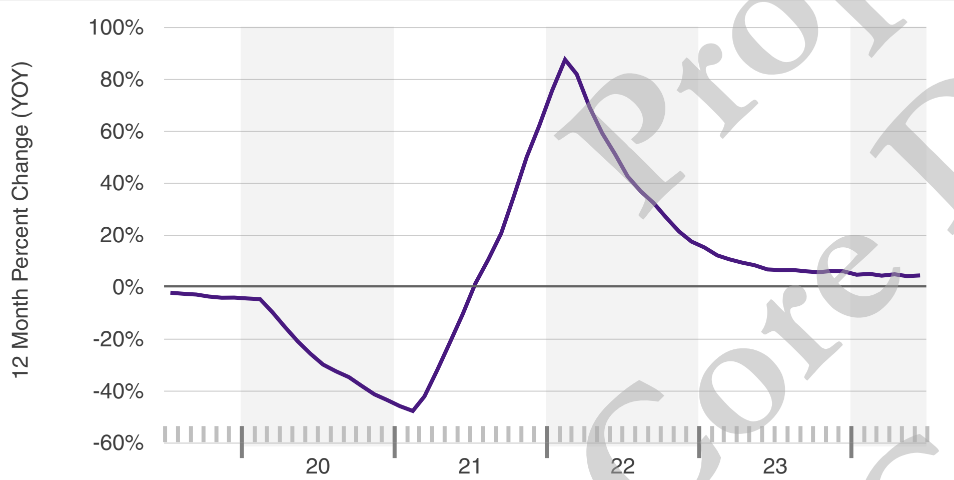
Occupancy Change



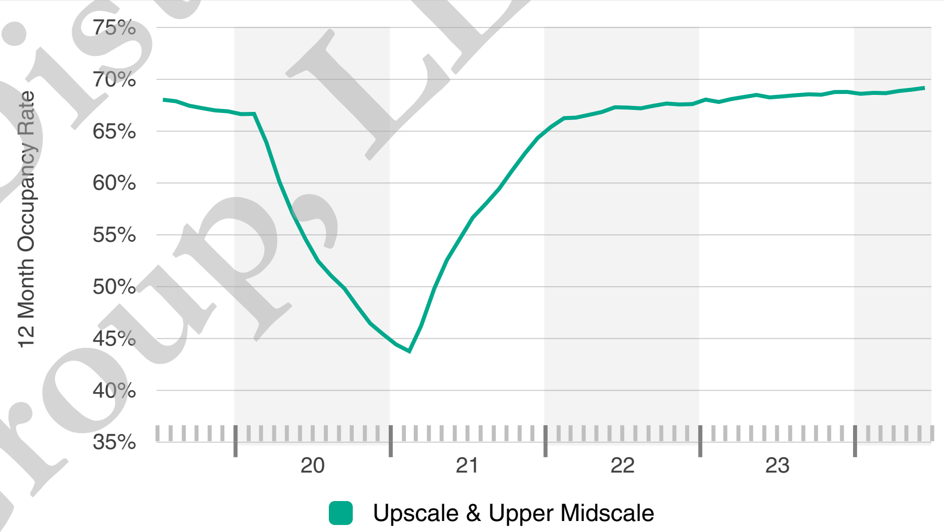
ADR Change



RevPAR Change

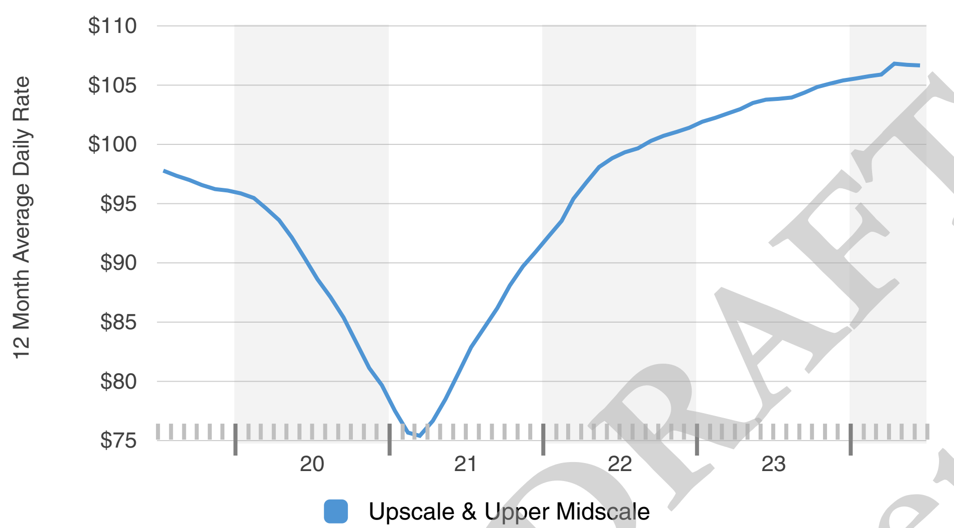


Occupancy By Class

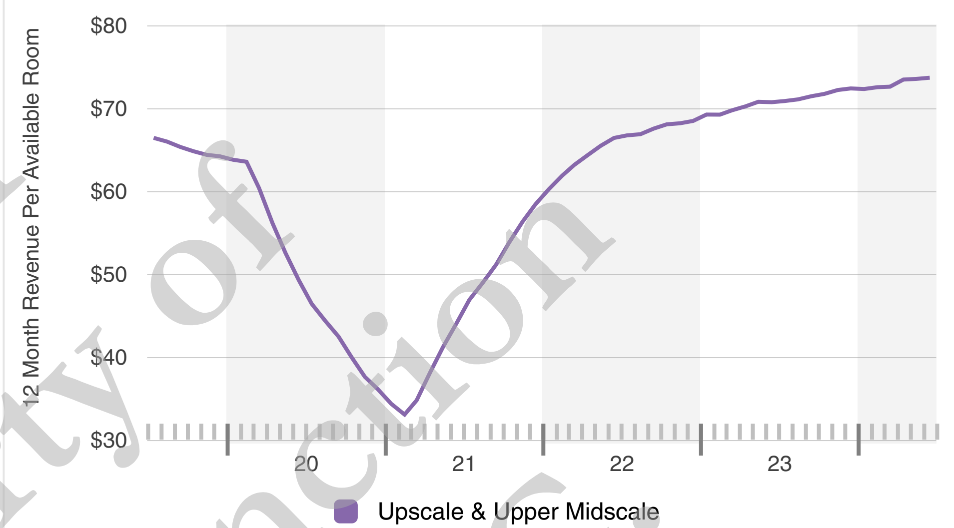


Search Analytics

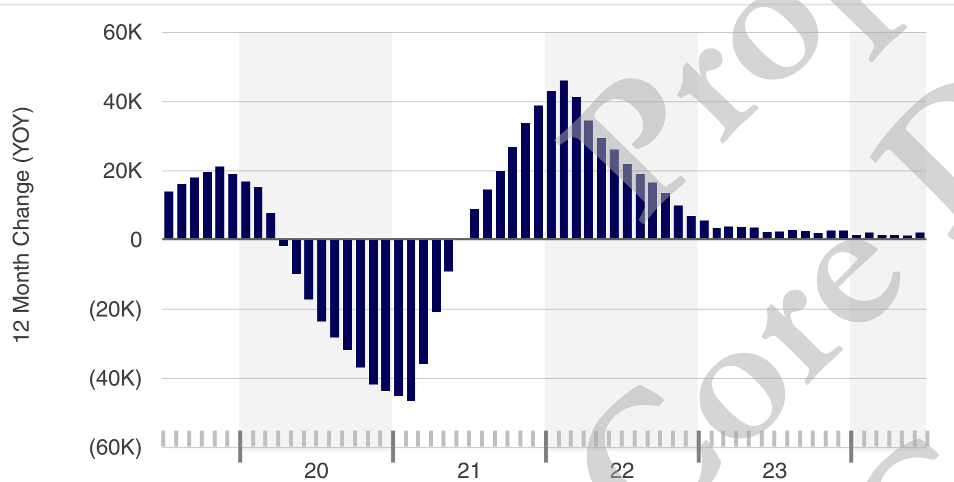
ADR By Class



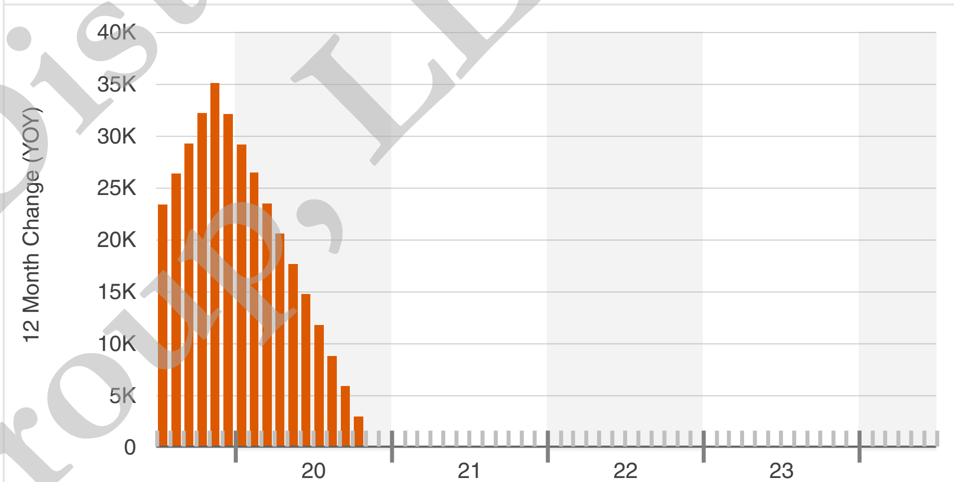
RevPAR By Class



Demand Change

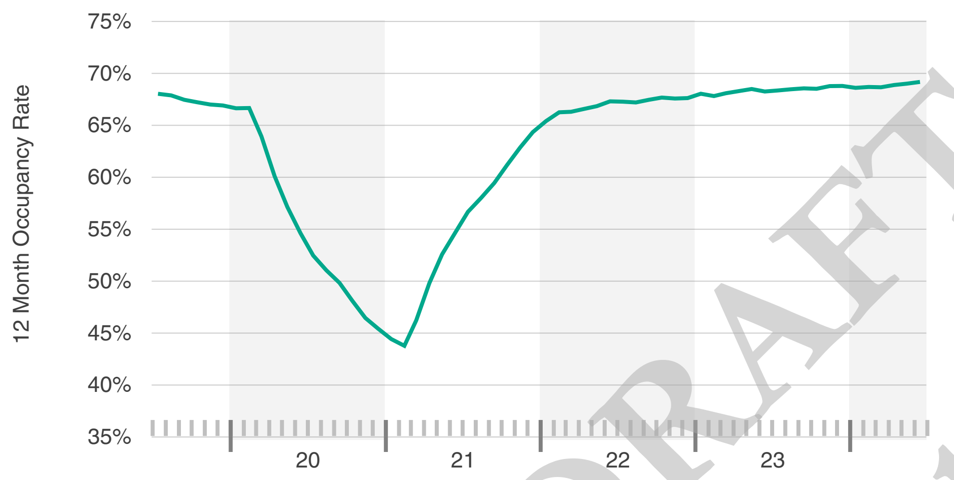


Supply Change

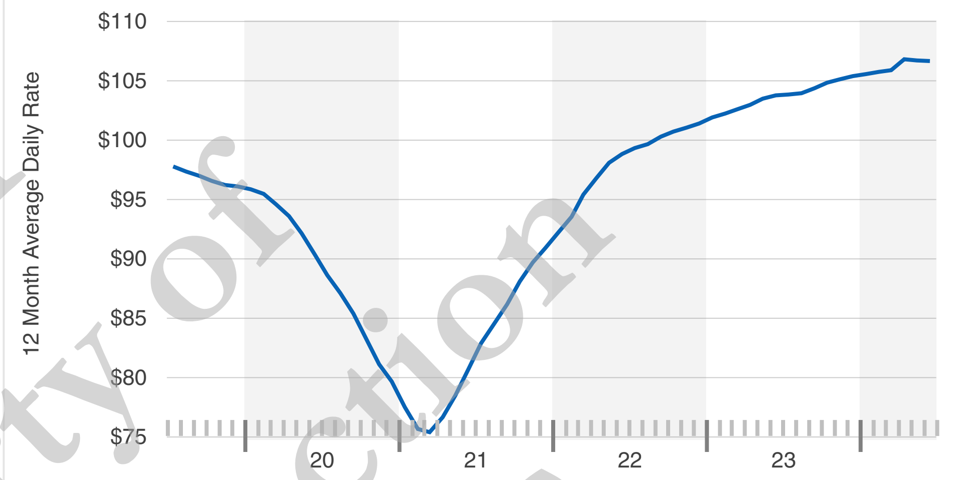


Search Analytics

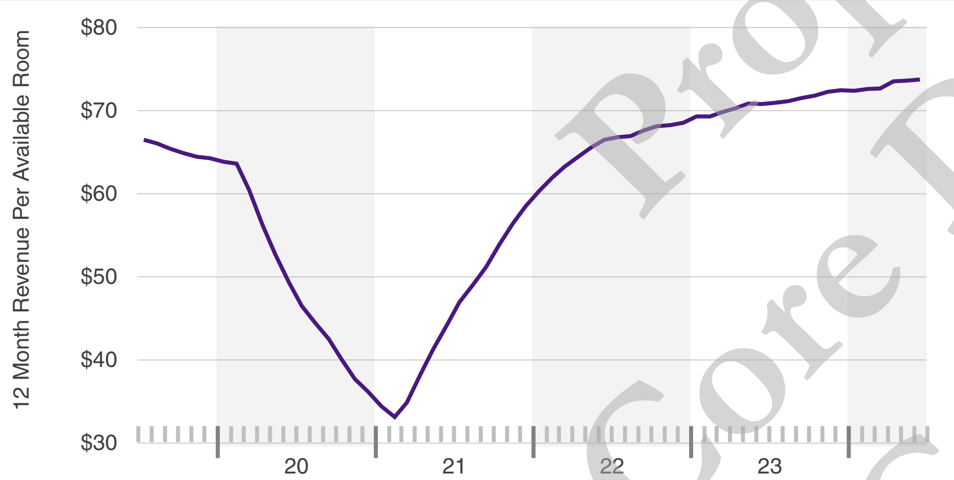
Occupancy



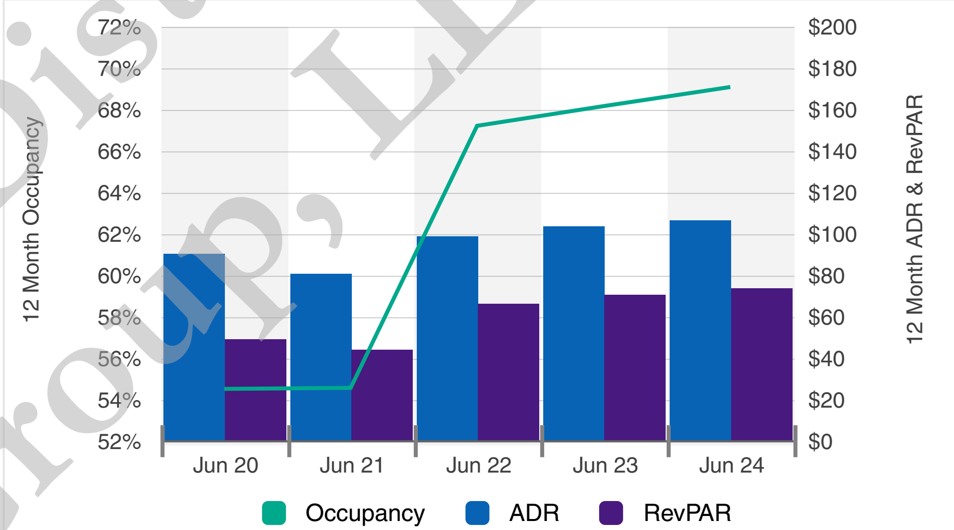
ADR



RevPAR

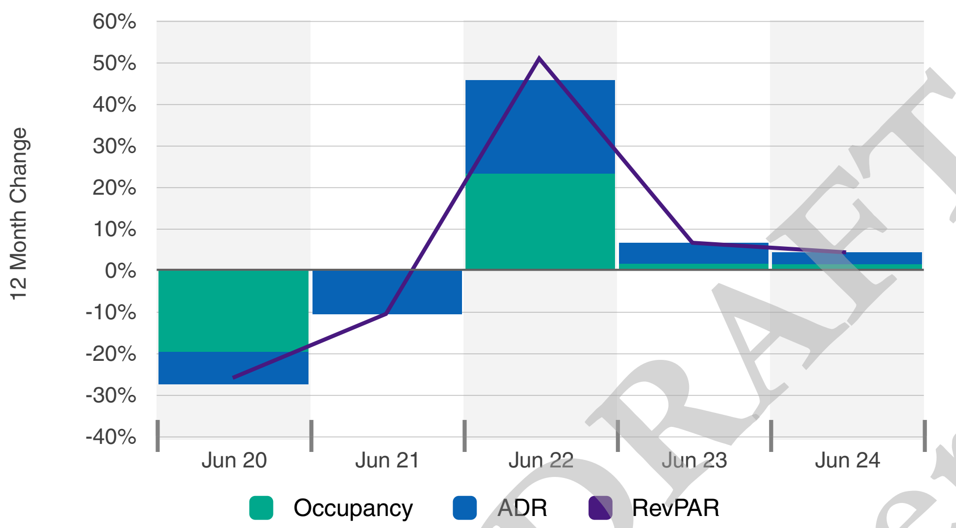


Occupancy, ADR & RevPAR

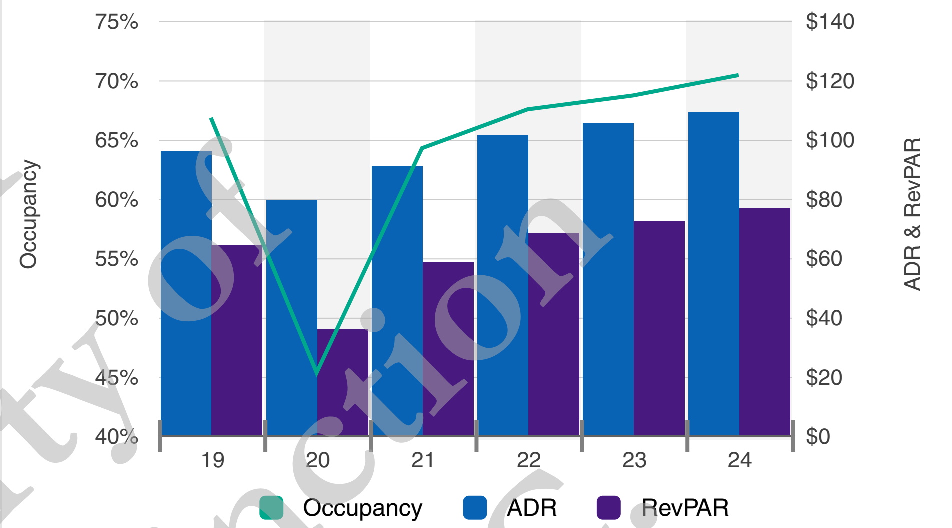


Search Analytics

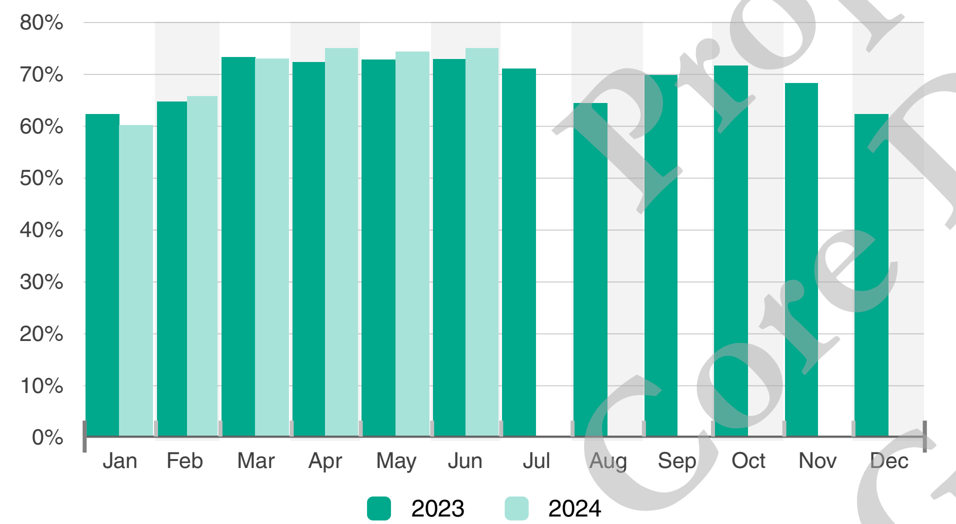
RevPAR Growth Composition



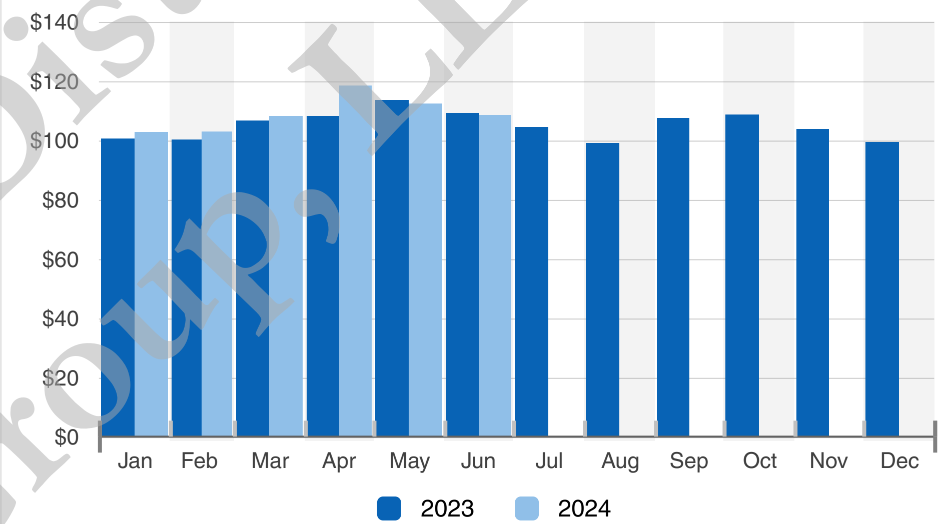
Occupancy, ADR & RevPAR Annualized vs YTD



Occupancy Monthly

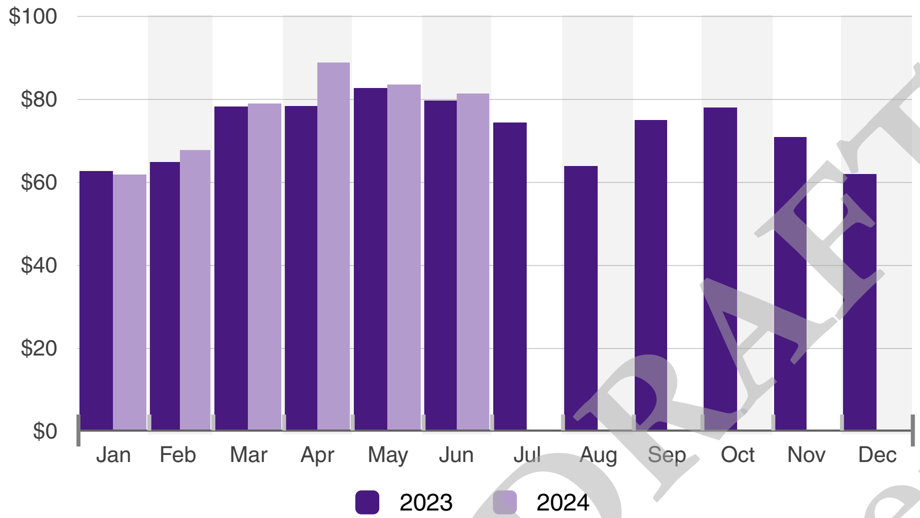


ADR Monthly



Search Analytics

RevPAR Monthly



Rooms Delivered

No Data Available

No data available for the past 5 years

Rooms Under Construction

No Data Available

No data available for the past 5 years

Delivered, Demolished & Net Delivered Rooms

No Data Available

No data available for the past 5 years

Search Analytics

Rooms Delivered By Class

No Data Available

No data available for the past 5 years

Demolished Rooms

No Data Available

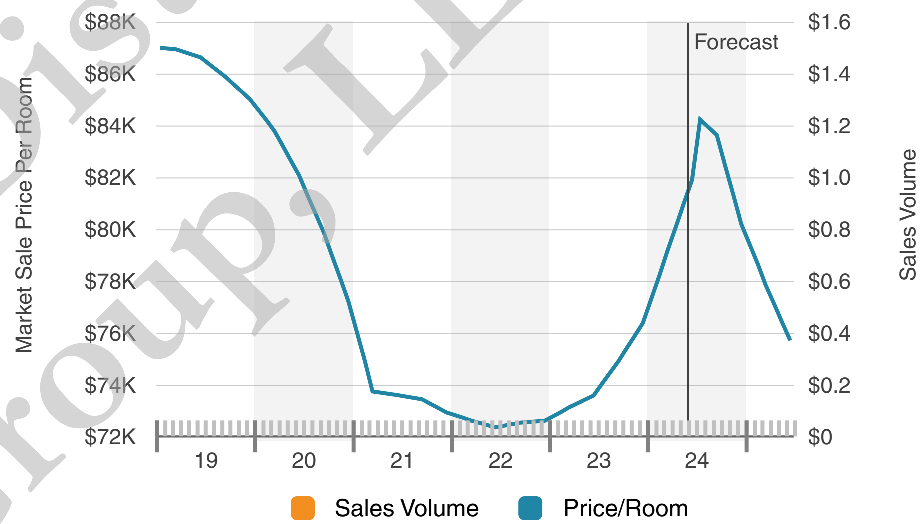
No data available for the past 5 years

Rooms Under Construction % of Inventory

No Data Available

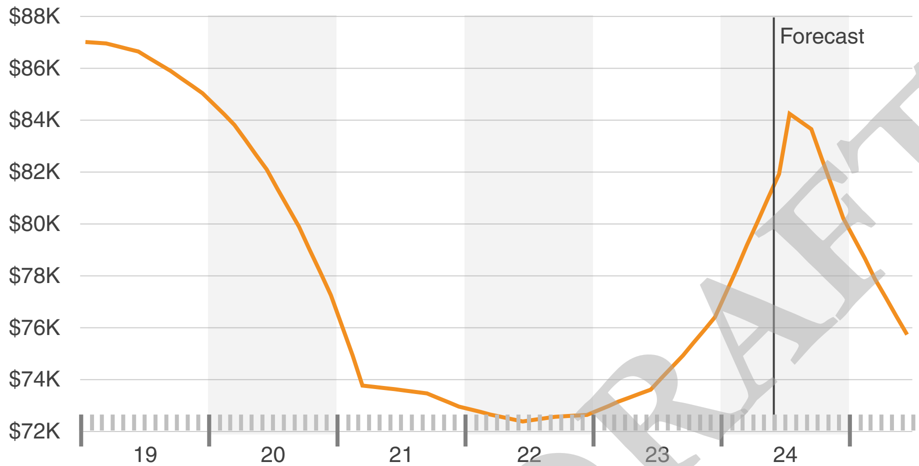
No data available for the past 5 years

Sales Volume & Market Sale Price Per Room



Search Analytics

Market Sale Price Per Room

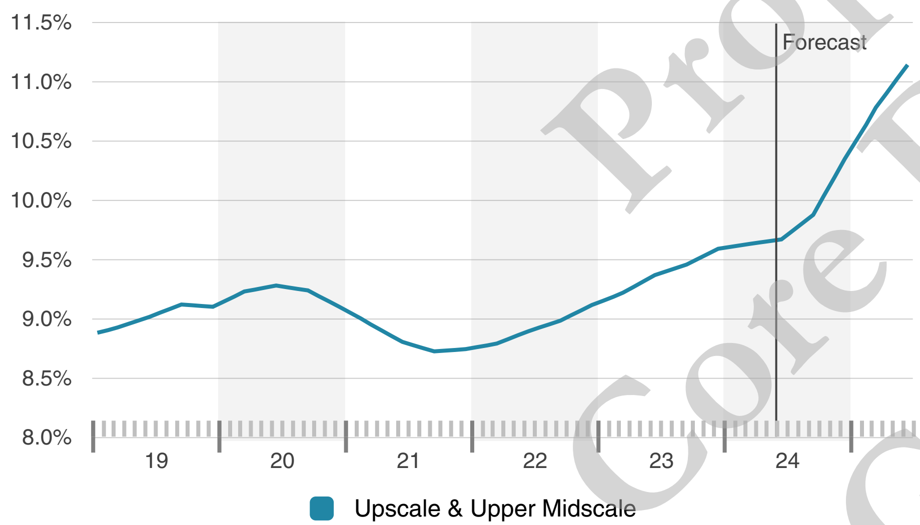


Sales Volume

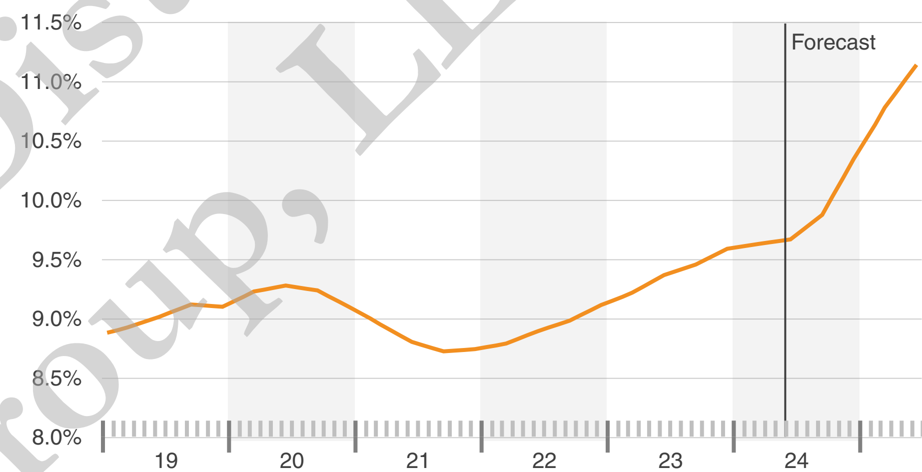
No Data Available

No data available for the past 5 years

Market Cap Rate By Class



Market Cap Rate



APPENDIX THREE

SECONDARY COMPETITIVE SET ANALYTICS

TAKING THE FIRST STEP TO DEVELOP A NEW HOTEL

Search Analytics

INVENTORY ROOMS	UNDER CONSTRUCTION ROOMS	12 MO OCC RATE	12 MO ADR	12 MO REVPAR	MARKET SALE PRICE/ROOM	MARKET CAP RATE
480 +0%	0 -	67.5% -0.4%	$120 +4.0%	$81 +3.5%	$110K +12.9%	9.1% +0.5%
Prior Period 480	Prior Period 0	Prior Period 67.8%	Prior Period $116	Prior Period $78	Prior Period $97.7K	Prior Period 8.6%

Key Metrics

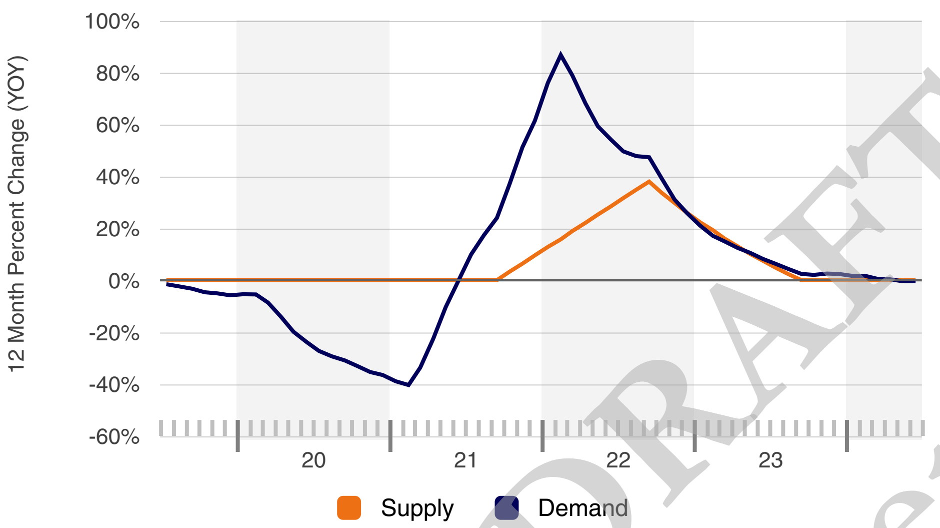
Inventory	
Existing Properties	4
12 Mo Delivered Rooms	0
12 Mo Delivered Properties	0
12 Mo Recently Opened Rooms	0
12 Mo Recently Opened Properties	0
Under Construction Properties	0

Sales Past Year	
Sales Volume	$0
Properties Sold	0
Months to Sale	-
Average Price Per Building	-
Market Price Per Room	$110K
Market Cap Rate	9.1%

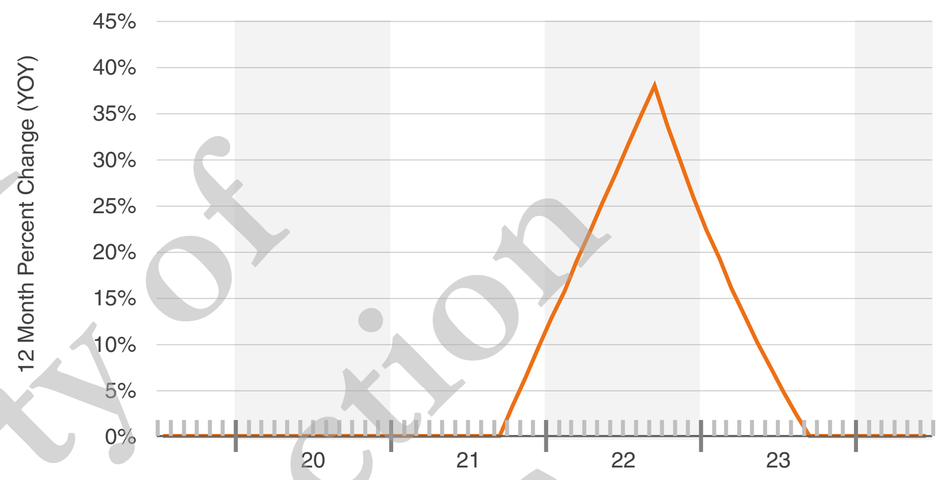
Performance Trend	
Occupancy Rate	71.0%
Average Daily Rate	$121.14
Revenue Per Available Room	$86.03
YTD Occupancy Rate	69.5%
YTD Average Daily Rate	$123.77
YTD RevPAR	$85.98
3 Mo Occupancy Rate	72.7%
3 Mo Average Daily Rate	$126.55
3 Mo RevPAR	$92.05
12 Mo Occupancy Rate	67.5%
12 Mo Average Daily Rate	$120.10
12 Mo RevPAR	$81.06

Search Analytics

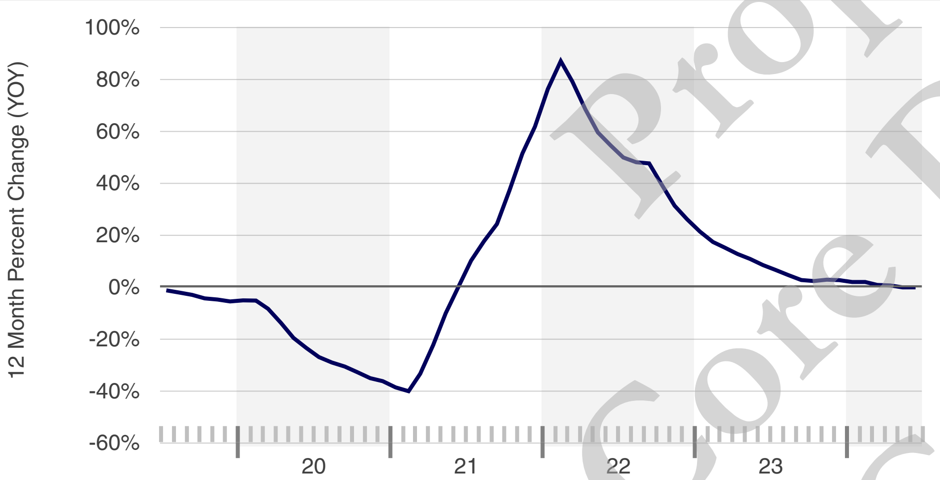
Supply & Demand Change



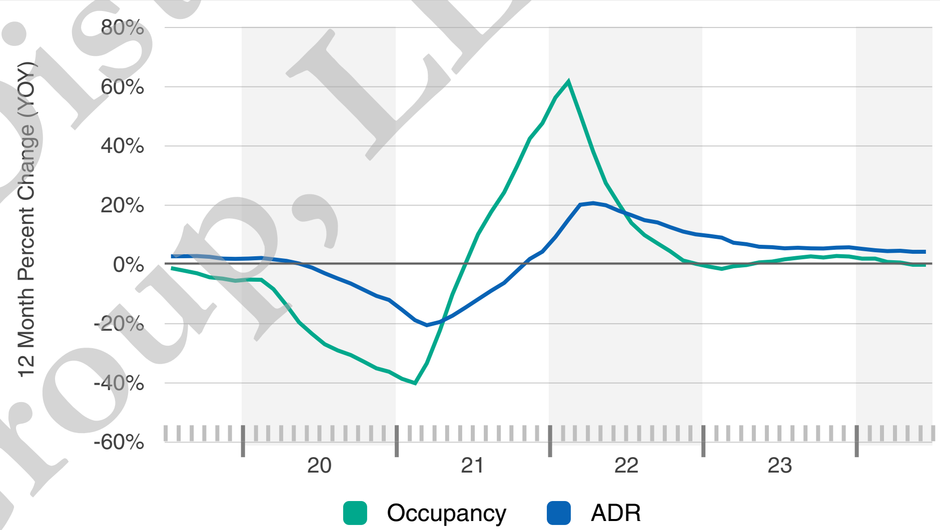
Supply Change



Demand Change

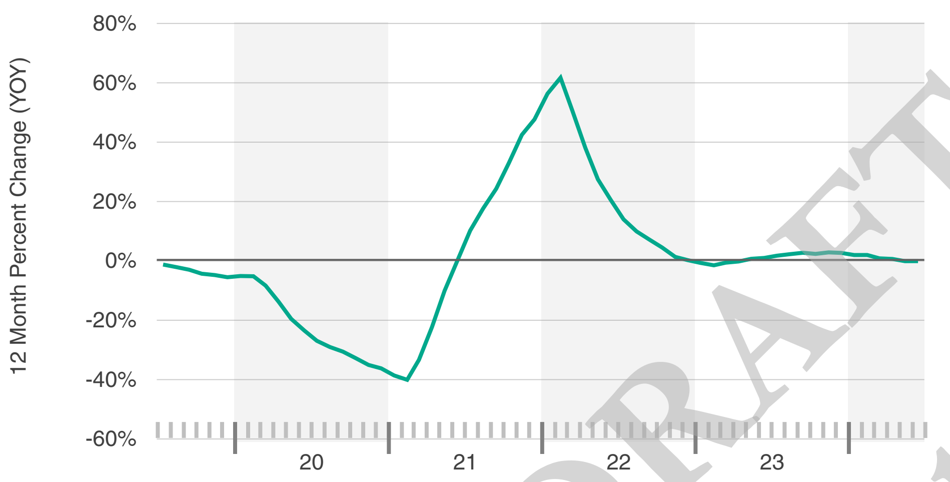


Occupancy & ADR Change

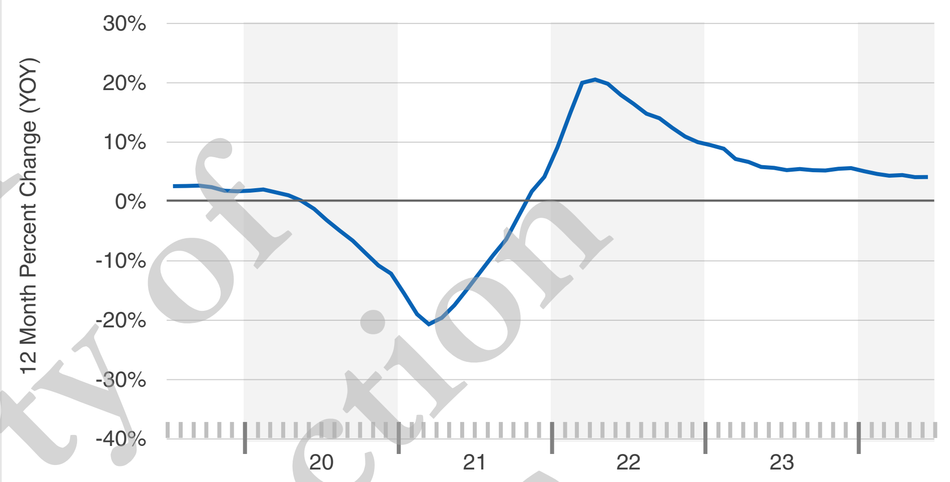


Search Analytics

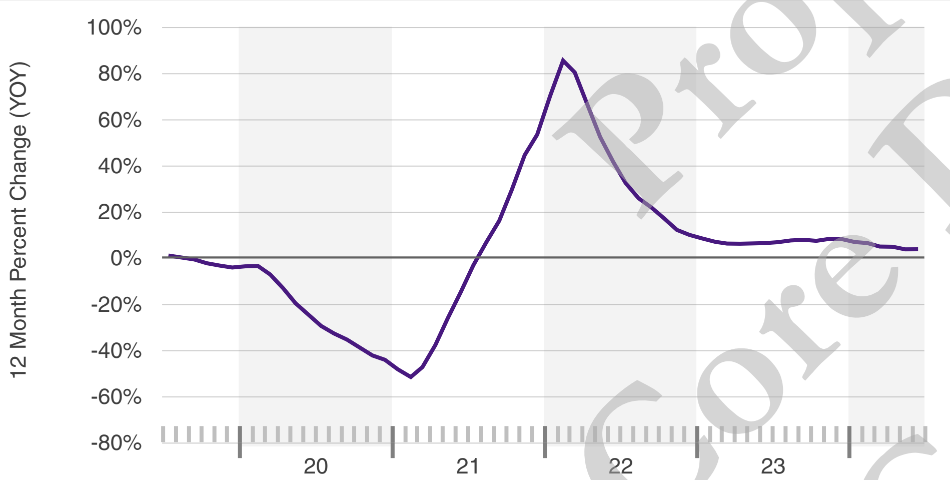
Occupancy Change



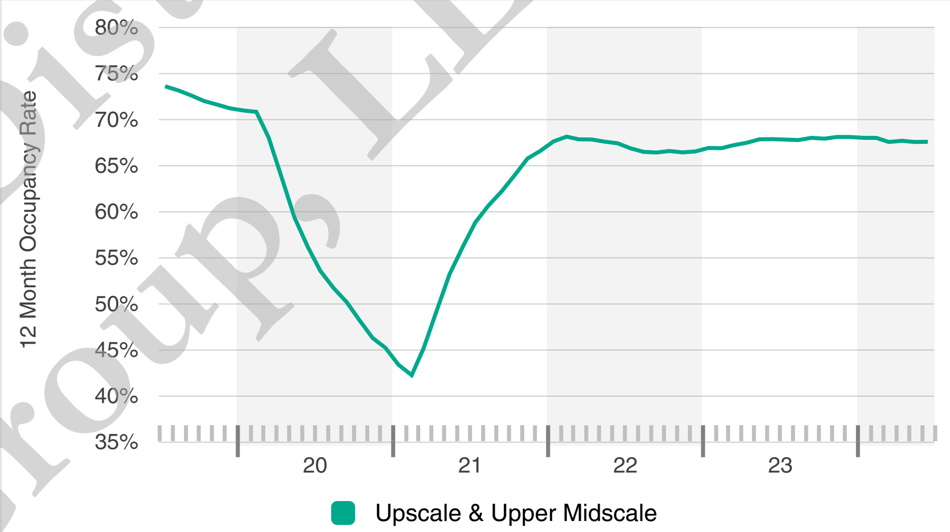
ADR Change



RevPAR Change

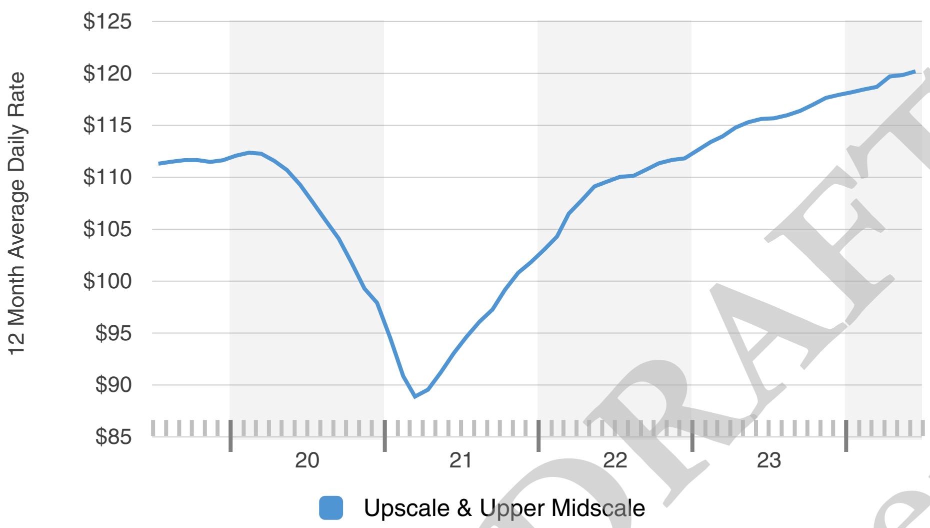


Occupancy By Class

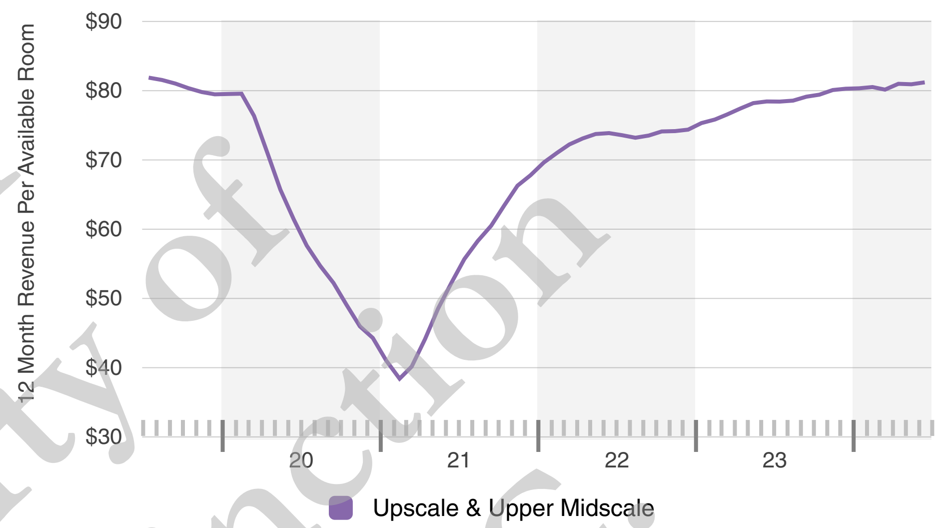


Search Analytics

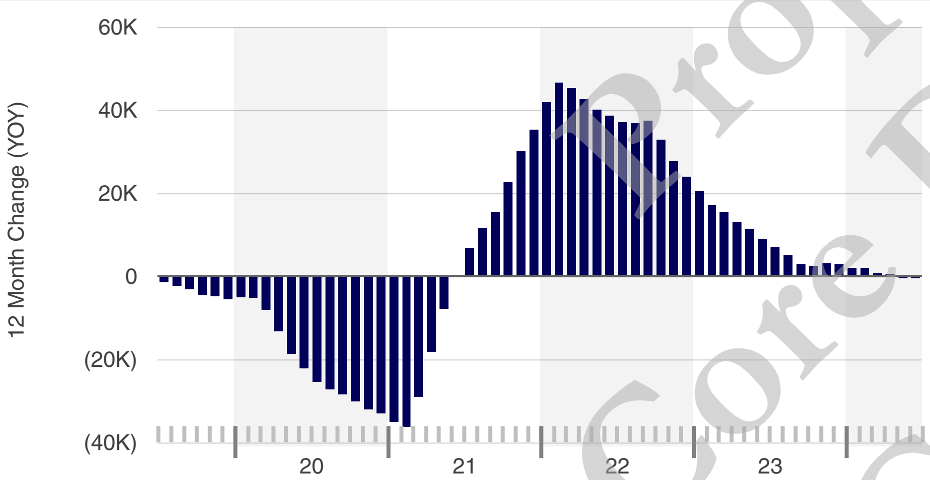
ADR By Class



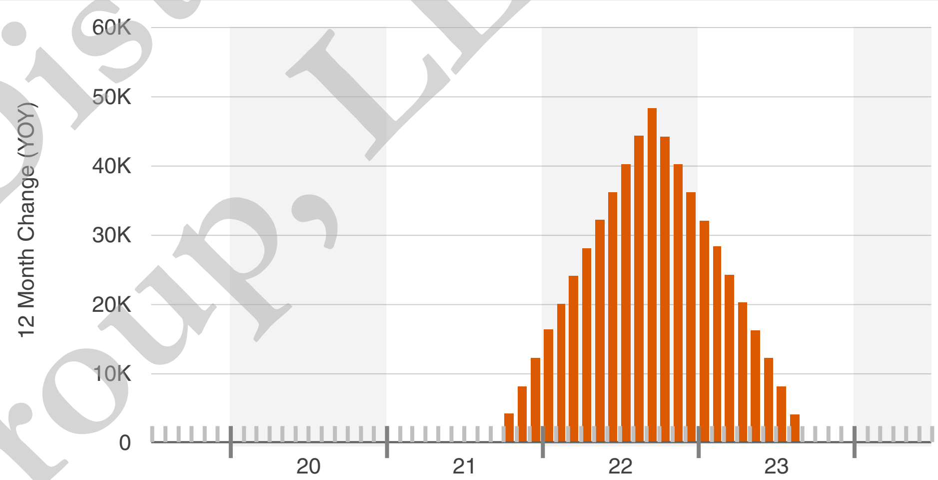
RevPAR By Class



Demand Change

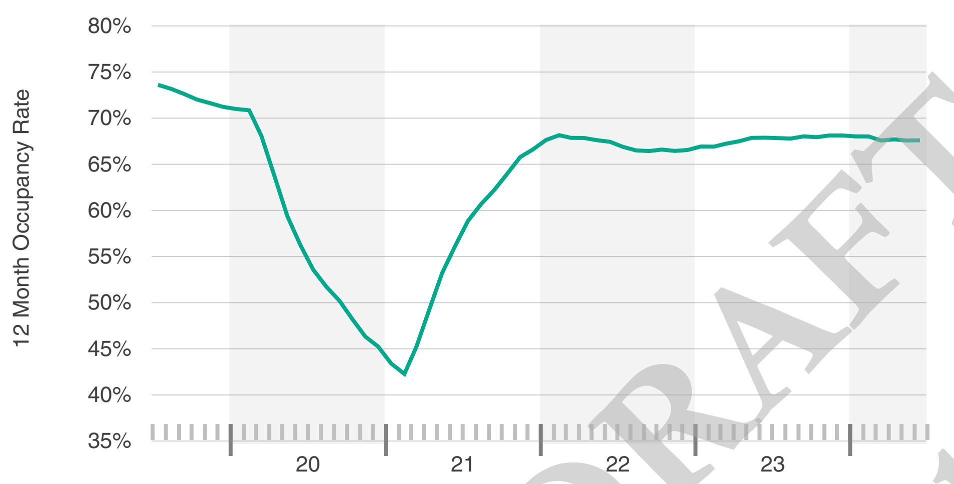


Supply Change

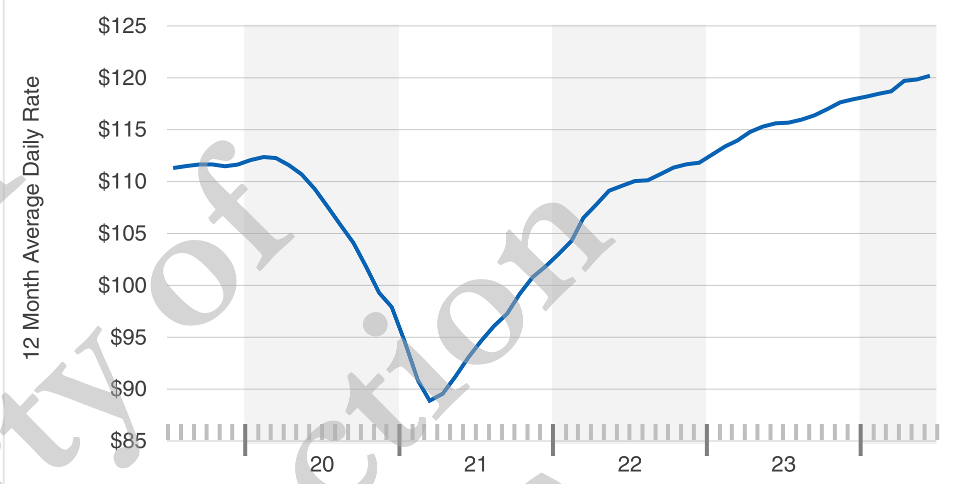


Search Analytics

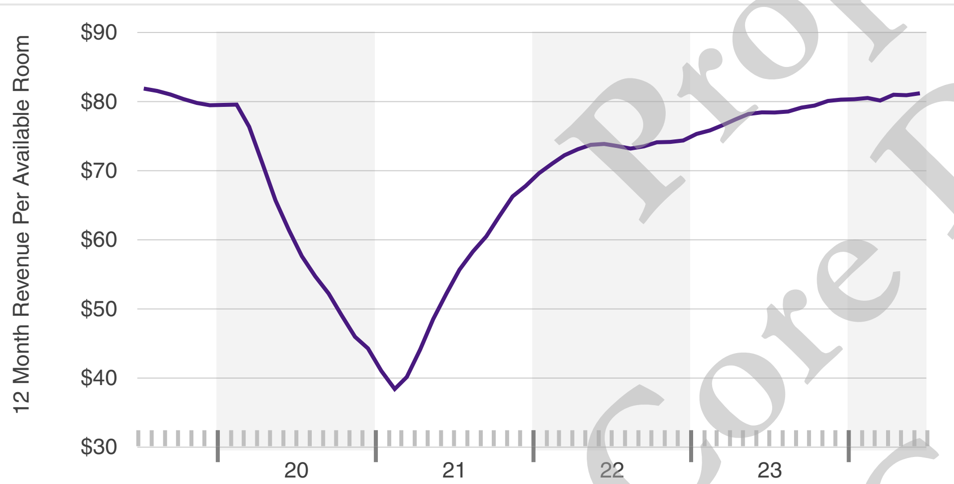
Occupancy



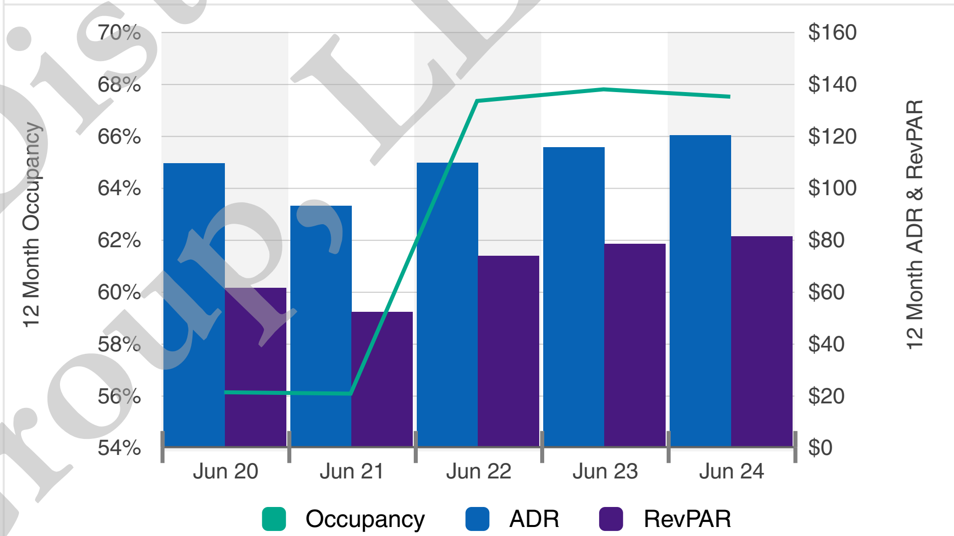
ADR



RevPAR

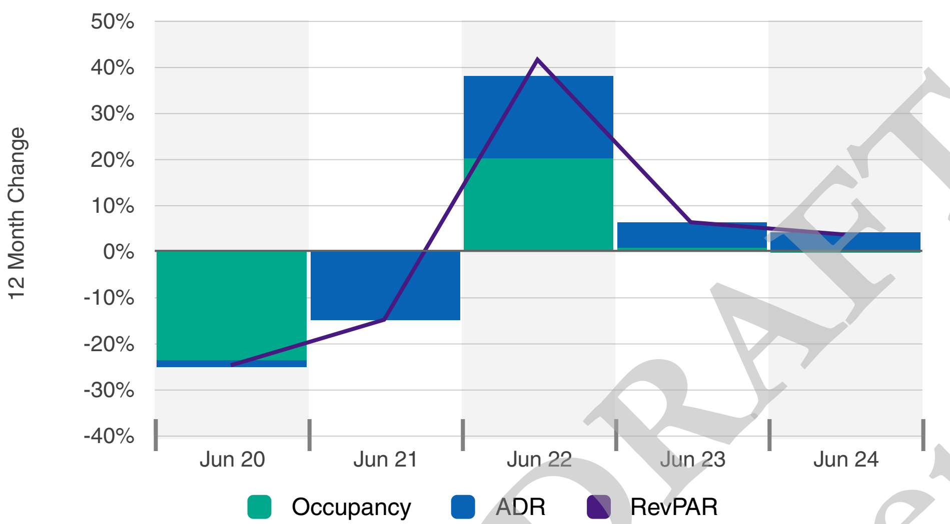


Occupancy, ADR & RevPAR

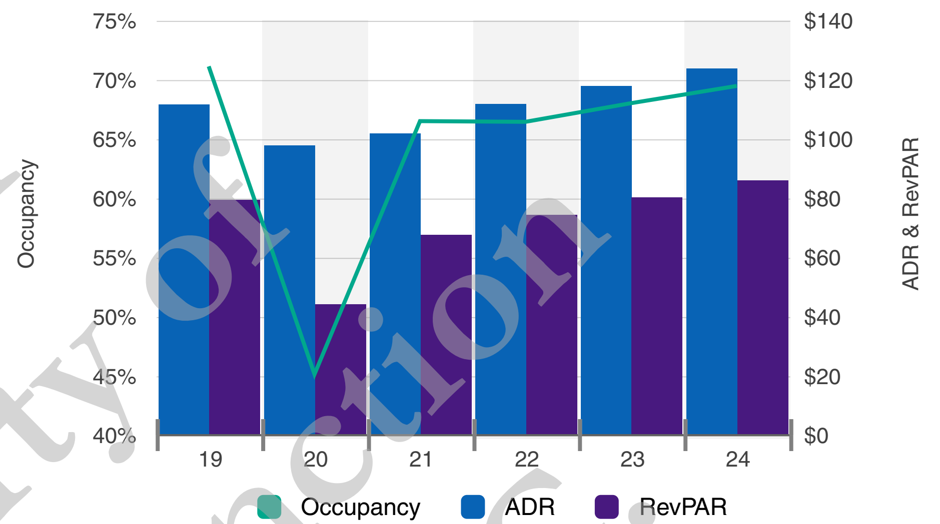


Search Analytics

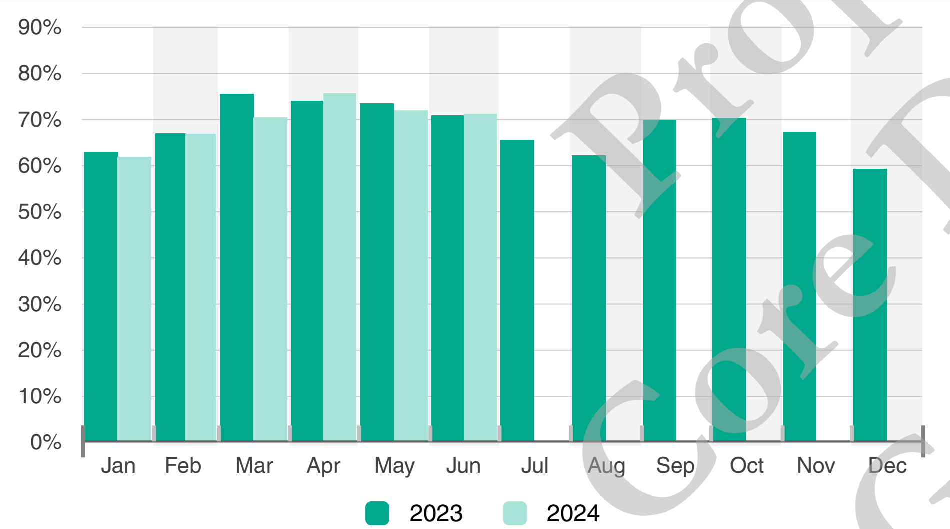
RevPAR Growth Composition



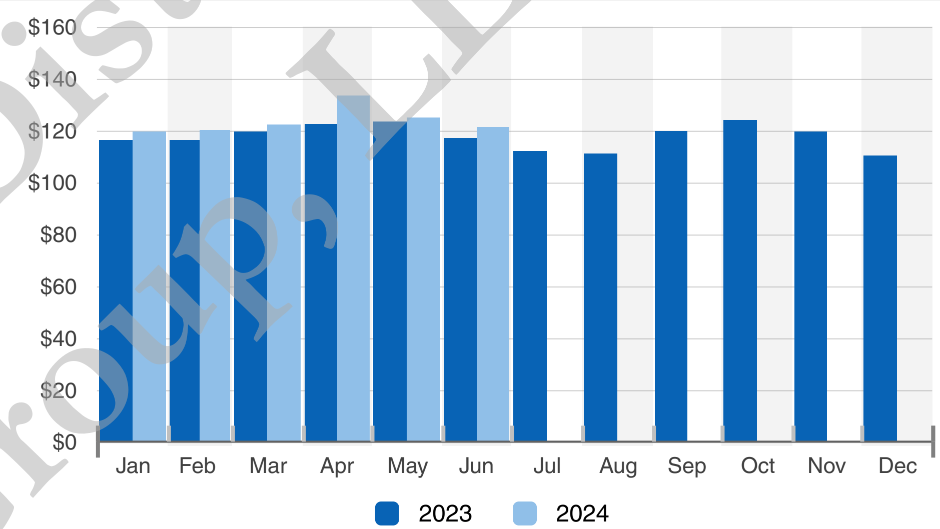
Occupancy, ADR & RevPAR Annualized vs YTD



Occupancy Monthly

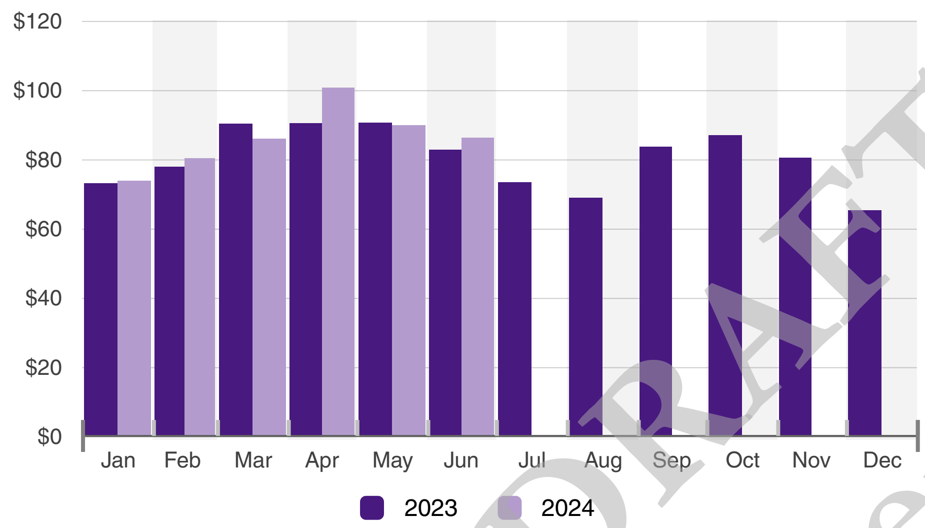


ADR Monthly

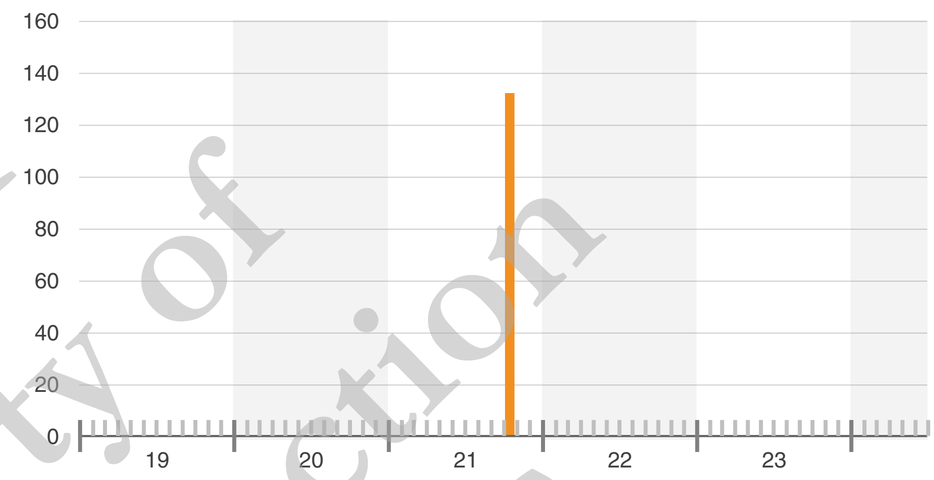


Search Analytics

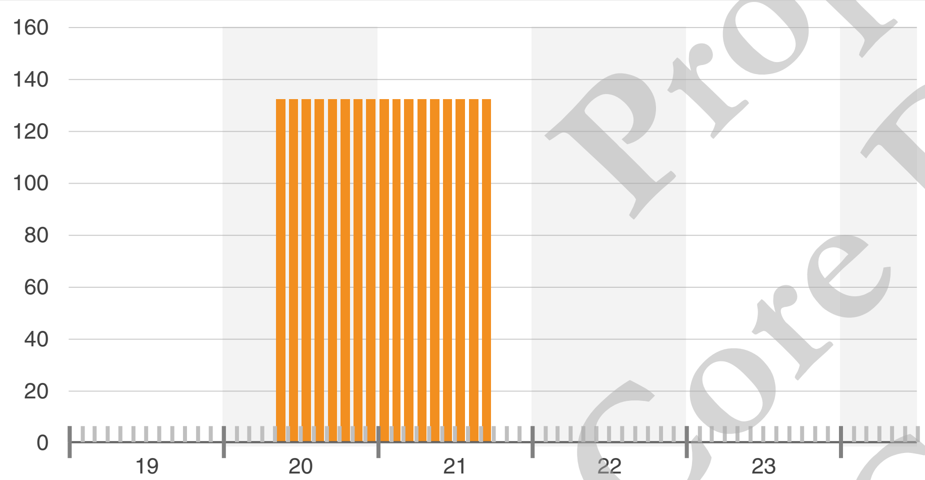
RevPAR Monthly



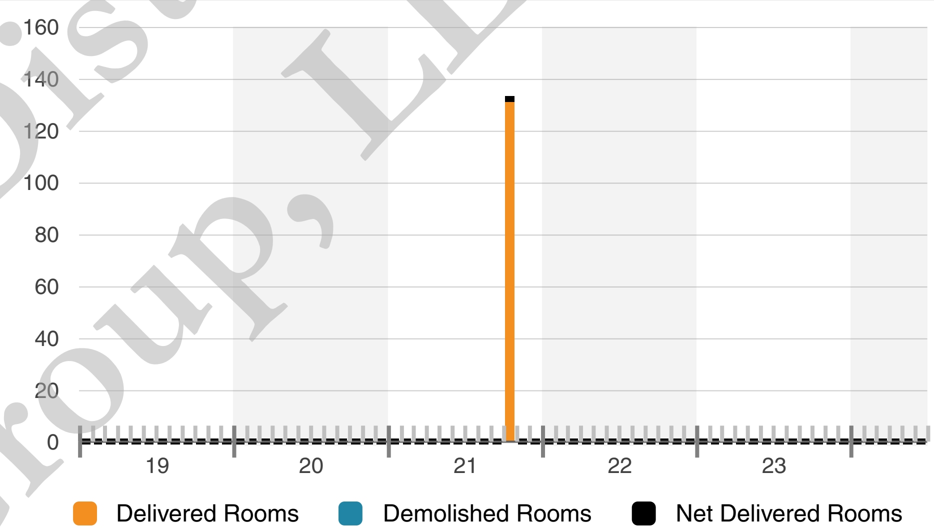
Rooms Delivered



Rooms Under Construction

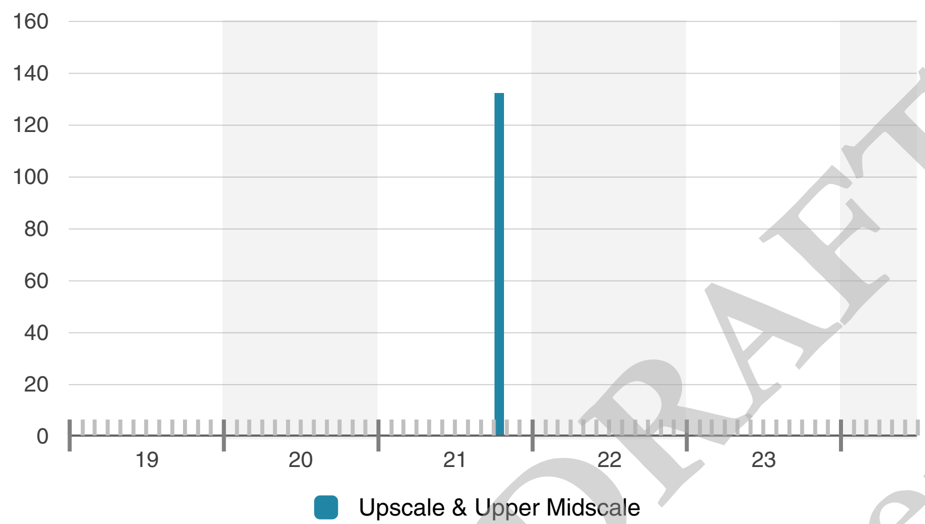


Delivered, Demolished & Net Delivered Rooms



Search Analytics

Rooms Delivered By Class

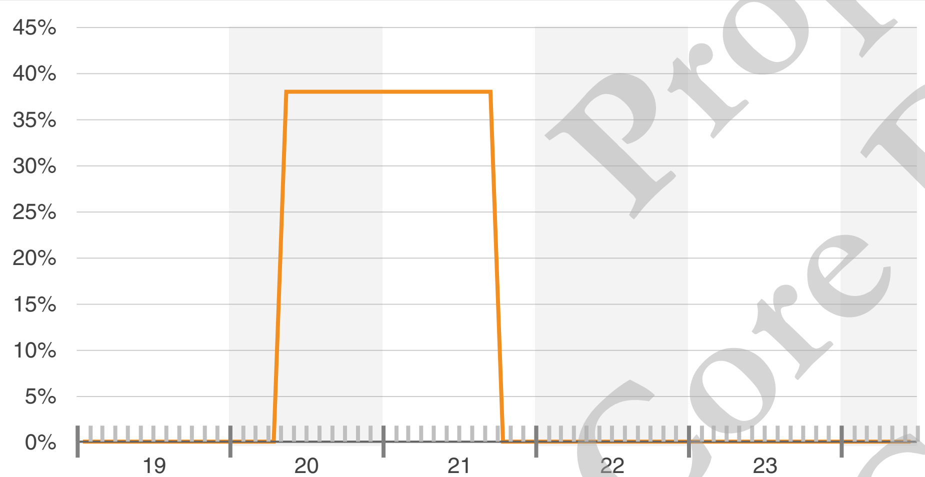


Demolished Rooms

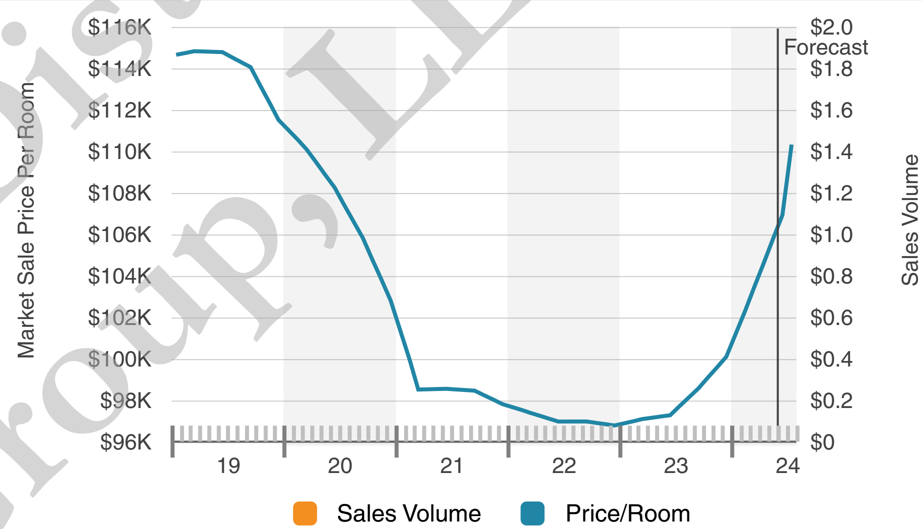
No Data Available

No data available for the past 5 years

Rooms Under Construction % of Inventory

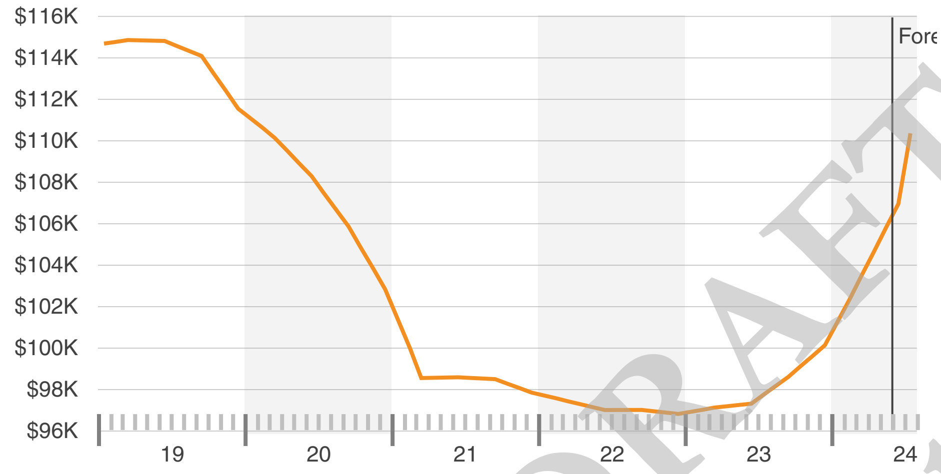


Sales Volume & Market Sale Price Per Room



Search Analytics

Market Sale Price Per Room

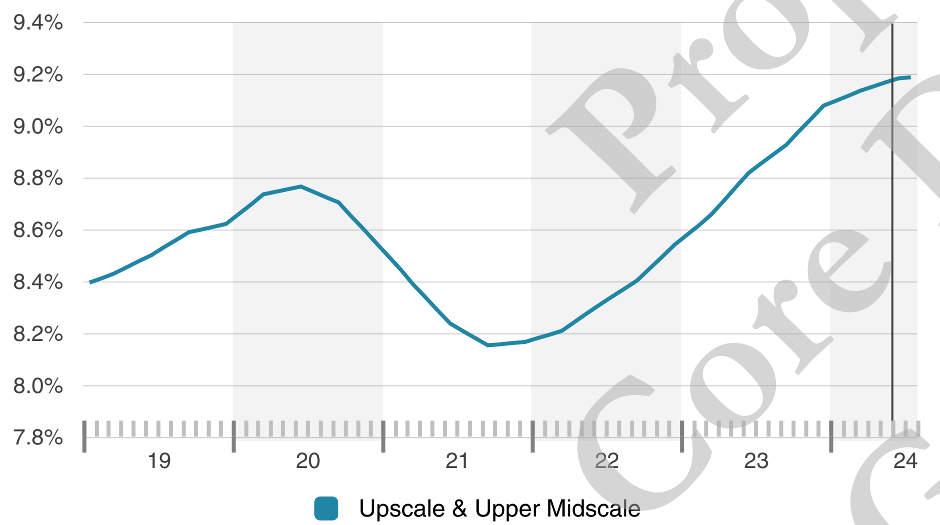


Sales Volume

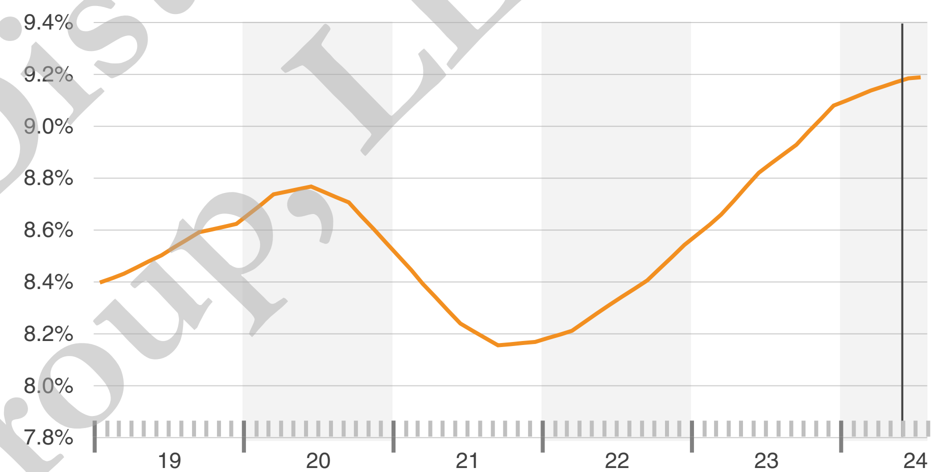
No Data Available

No data available for the past 5 years

Market Cap Rate By Class

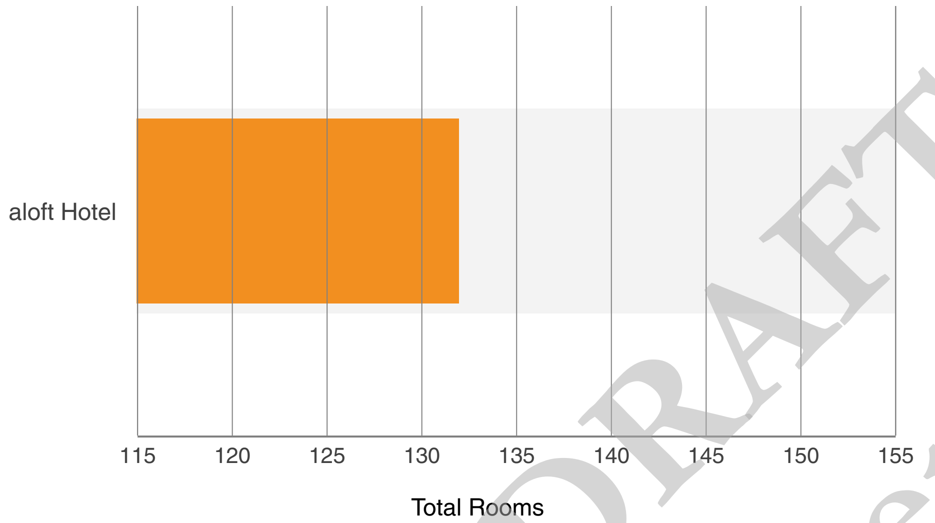


Market Cap Rate



Search Analytics

Top Brand Delivered



Top Sellers

No Data Available

No data available for the current selection

Top Seller Brokers

No Data Available

No data available for the current selection

Top Buyers

No Data Available

No data available for the current selection

APPENDIX FOUR

REGIONAL LODGING INDUSTRY SUBMARKET REPORT

Core Distinction Group

TAKING THE FIRST STEP TO DEVELOP A NEW HOTEL

Overview

Denton/Lewisville/McKinney Hospitality

12 Mo Occupancy	12 Mo ADR	12 Mo RevPAR	12 Mo Supply	12 Mo Demand
68.6%	$107.13	$73.47	4.9M	3.3M

Denton/Lewisville/McKinney is a large submarket, and contains around 13,000 rooms spread over 129 properties. Like the market, Denton/Lewisville/McKinney is characterized by larger hotels. This aspect isn't quite as pronounced in the Denton/Lewisville/McKinney submarket, where hotels have 104 rooms per building on average, versus the 121 room per building average in the Dallas market. The national norm registers at around 90 rooms per building.

In the past 12 months, monthly occupancy has averaged 68.6%, moderately above the market average of 65.6% for the same period.

As of July, 12-month average RevPAR in the Denton/Lewisville/McKinney hotel submarket was firmly in the green, and climbing at an annual rate of 7.5%. That's even stronger than the 3.6% increase observed in the broader Dallas market.

There are about 1,700 rooms underway in the Denton/Lewisville/McKinney submarket, the largest under construction pipeline in more than a decade. This is a continuation of new development in the submarket: About 1,100 rooms delivered within the past three years, sufficient to drive a considerable expansion of the existing inventory in percentage terms.

The submarket does see sales activity, but is not a particularly active grounds for hotel investment. On average, one or two deals per year have closed in recent years.

KEY INDICATORS

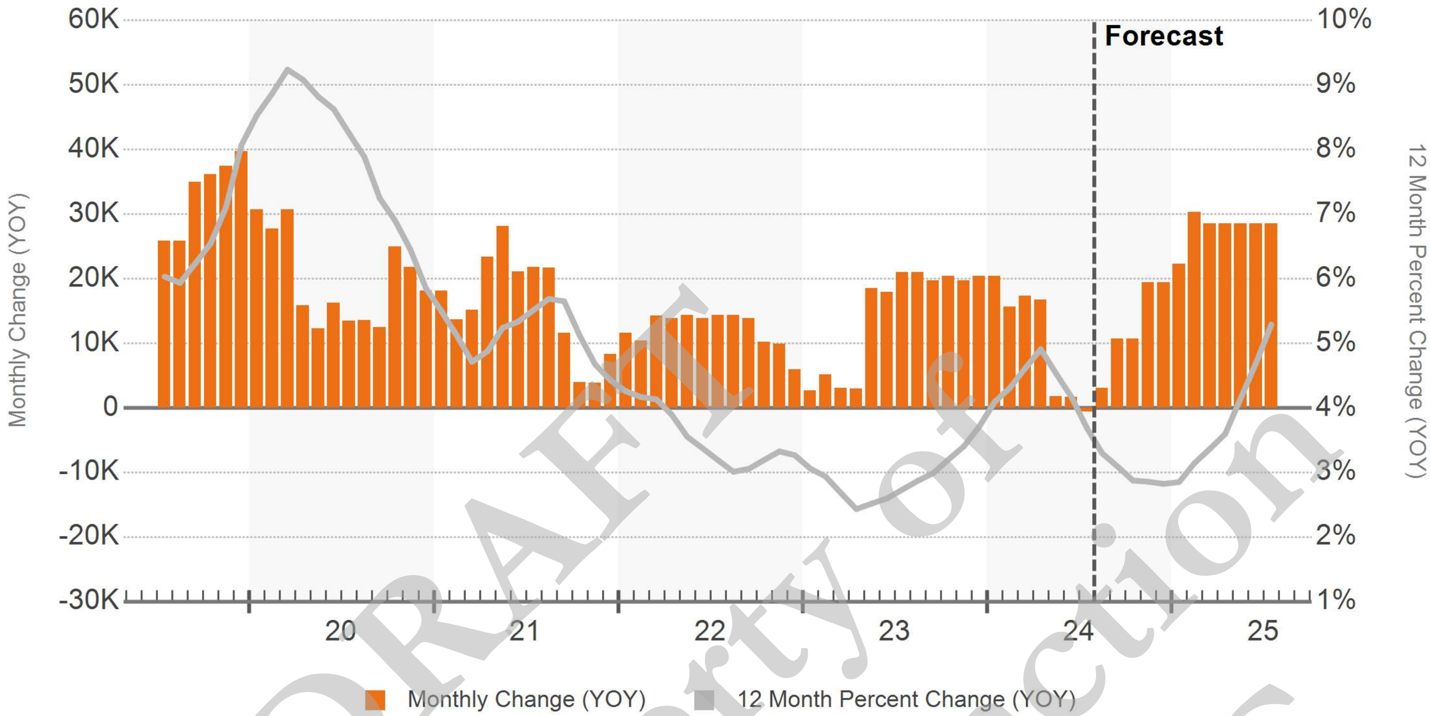
Class	Rooms	12 Mo Occ	12 Mo ADR	12 Mo RevPAR	12 Mo Delivered	Under Construction
Luxury & Upper Upscale	1,599	60.4%	$204.62	$123.67	0	110
Upscale & Upper Midscale	7,291	70.0%	$113.69	$79.53	0	1,320
Midscale & Economy	4,486	69.2%	$66.06	$45.75	0	299
Total	13,376	68.6%	$107.13	$73.47	0	1,729

Average Trend	Current	3 Mo	YTD	12 Mo	Historical Average	Forecast Average
Occupancy	69.9%	72.3%	69.8%	68.6%	63.8%	69.6%
Occupancy Change	0.3%	1.2%	-0.7%	-0.8%	0.2%	0.5%
ADR	$104.92	$108.69	$109.12	$107.13	$91.88	$124.24
ADR Change	2.0%	2.2%	6.9%	8.3%	4.0%	4.2%
RevPAR	$73.32	$78.57	$76.19	$73.47	$58.57	$86.52
RevPAR Change	2.3%	3.4%	6.2%	7.5%	4.3%	4.6%

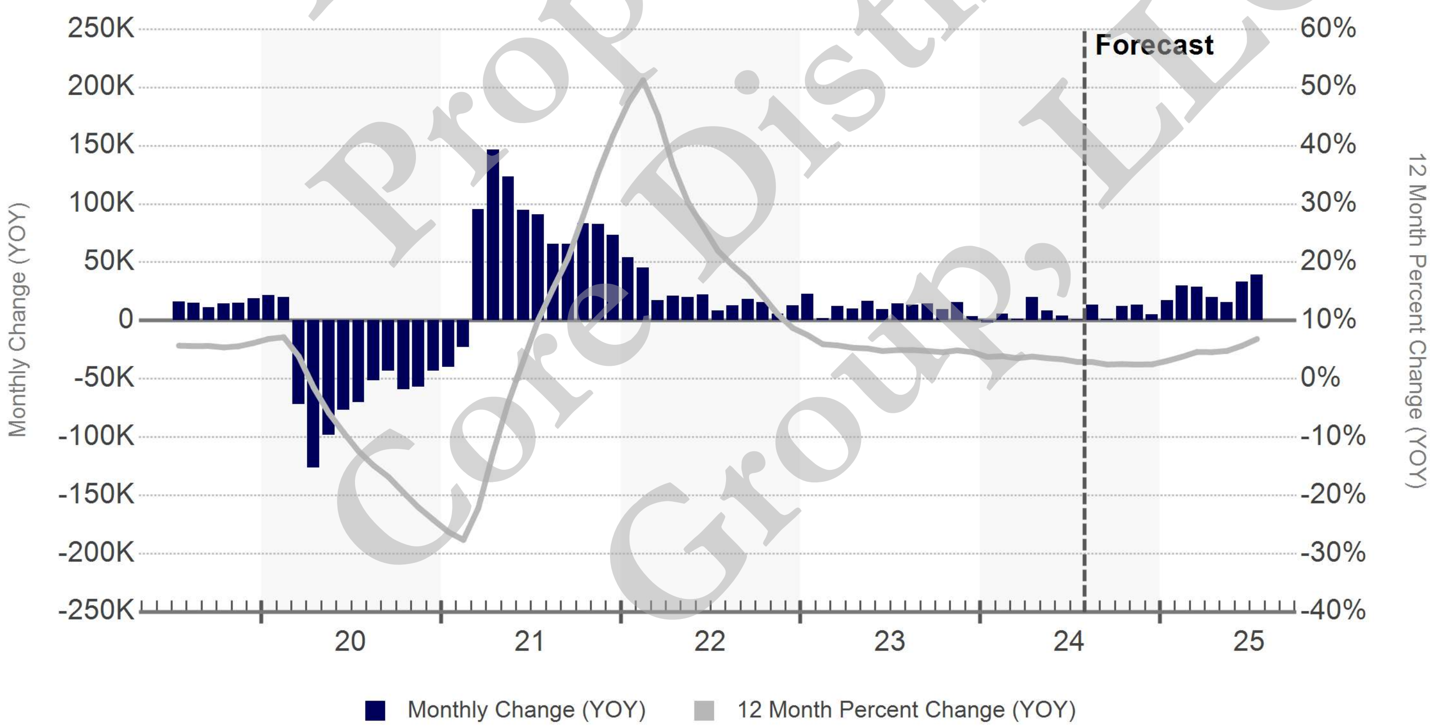
Performance

Denton/Lewisville/McKinney Hospitality

SUPPLY CHANGE



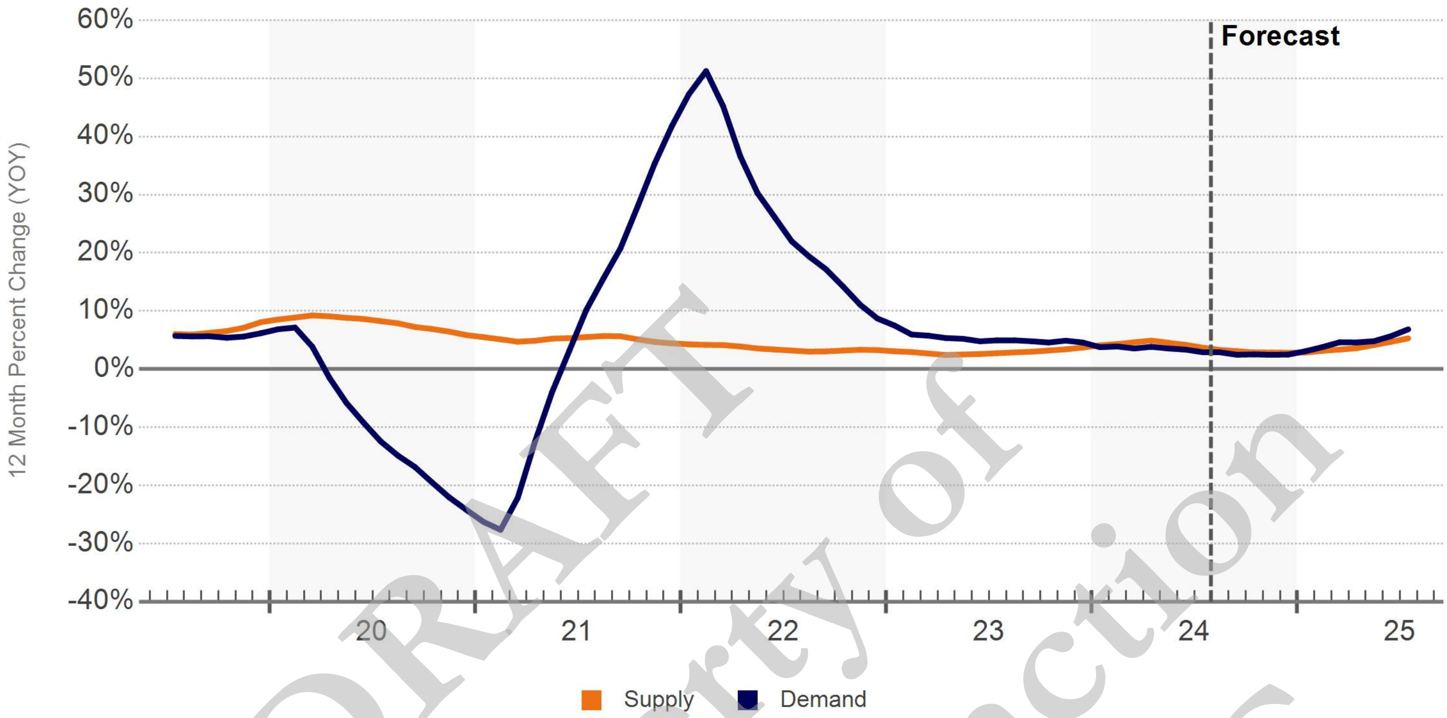
DEMAND CHANGE



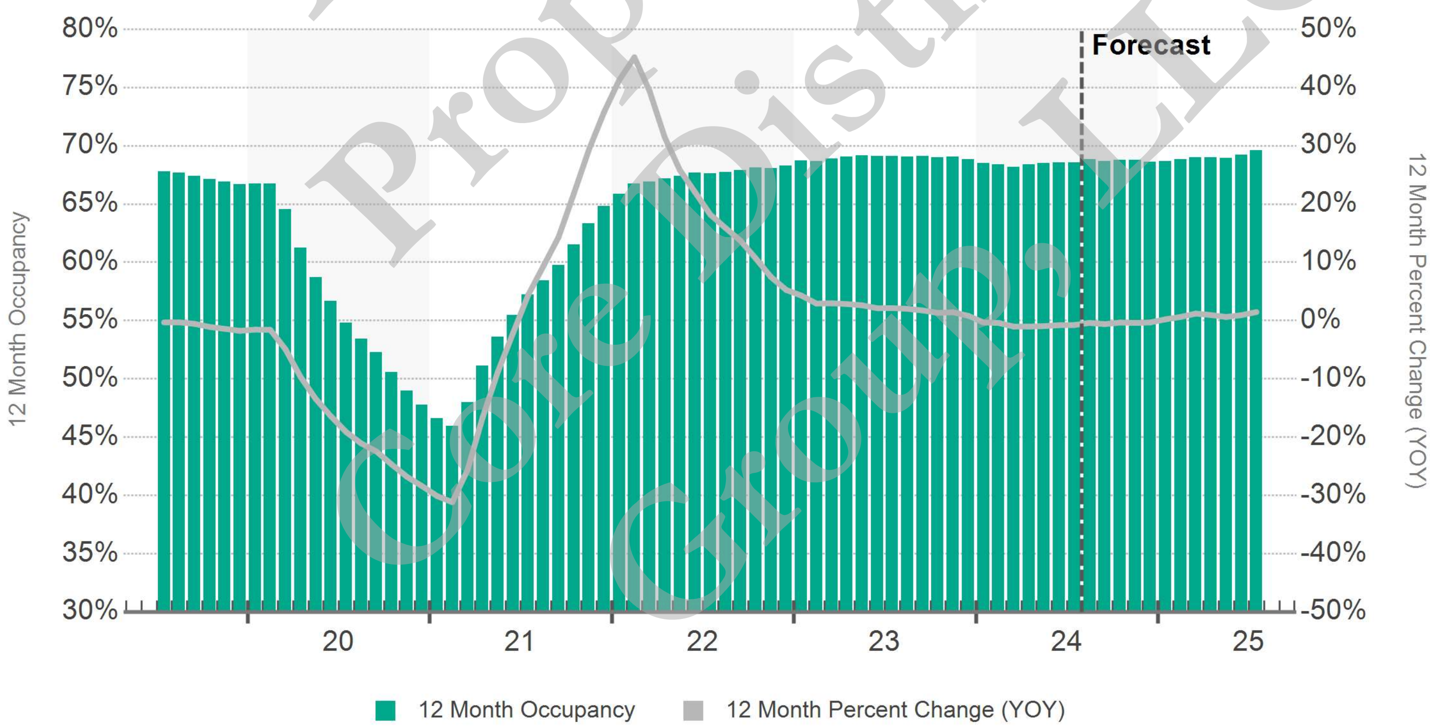
Performance

Denton/Lewisville/McKinney Hospitality

SUPPLY & DEMAND CHANGE



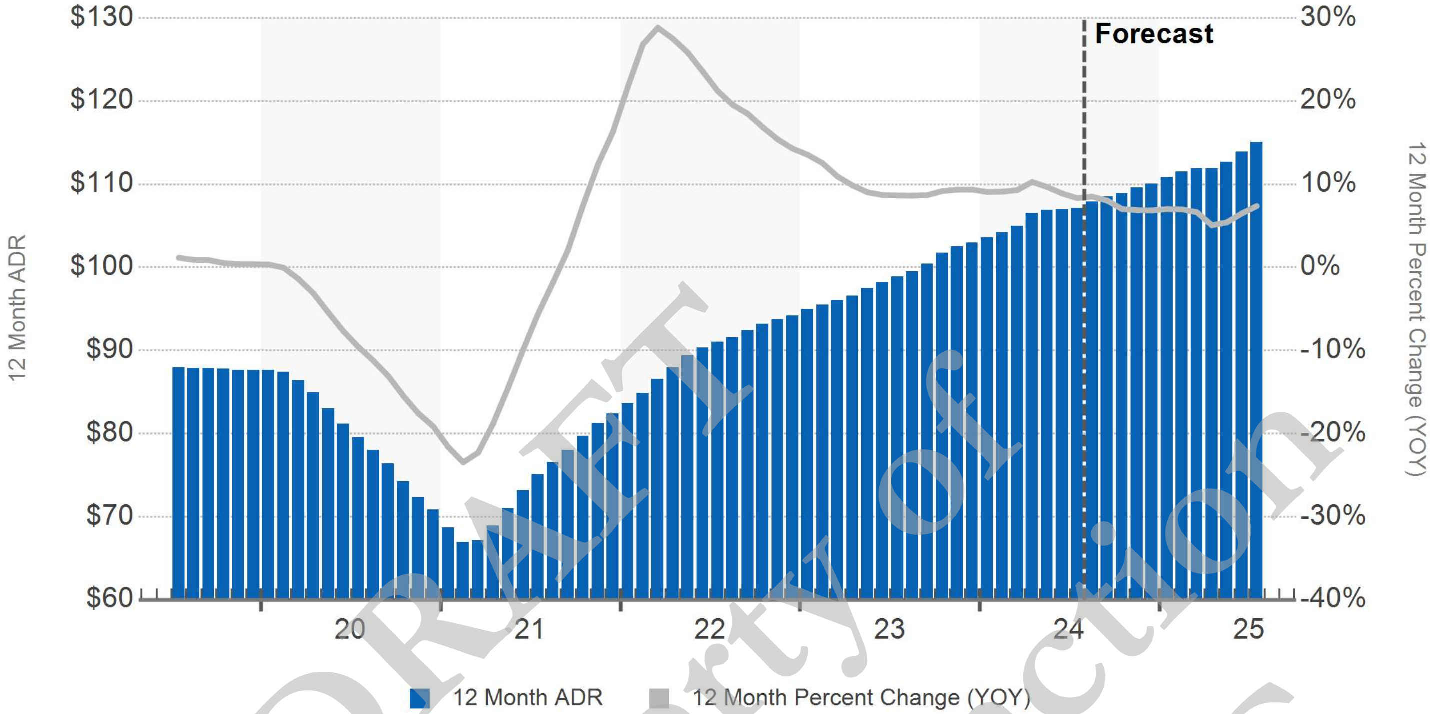
OCCUPANCY



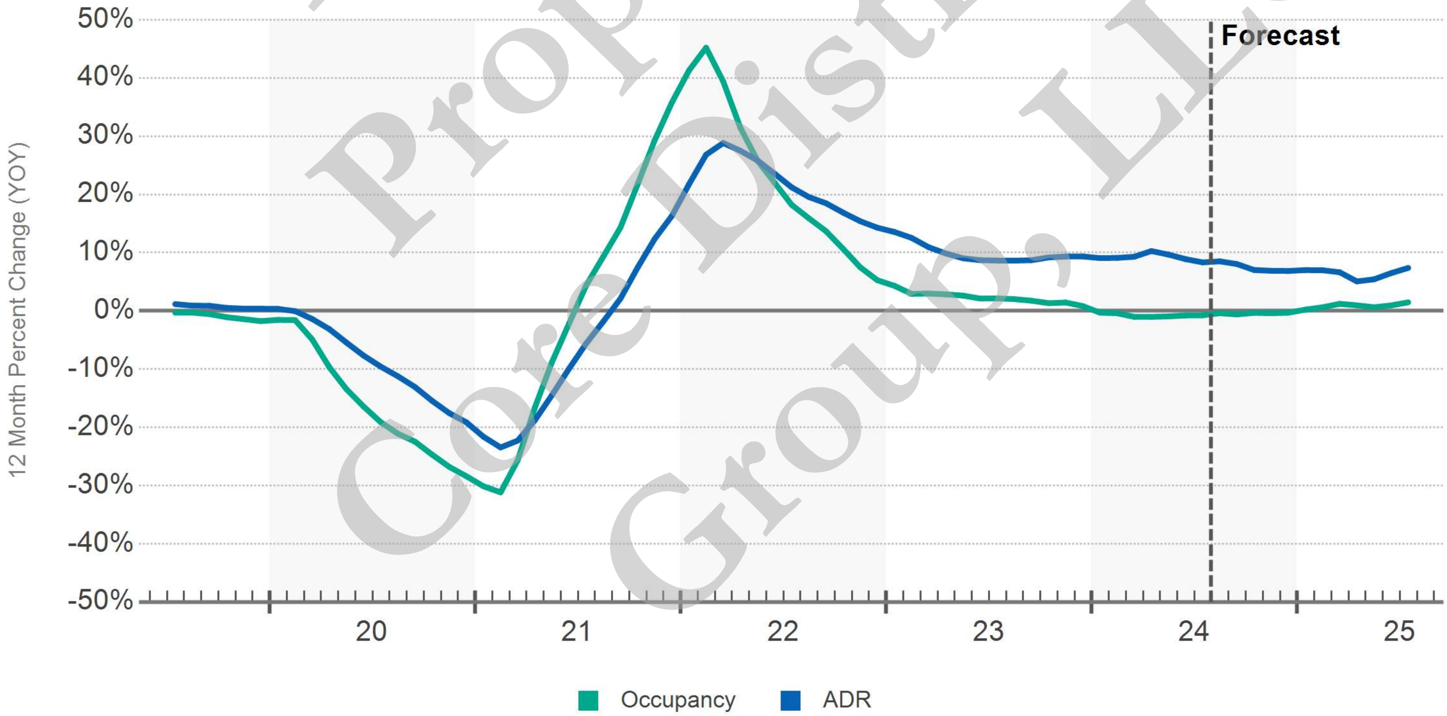
Performance

Denton/Lewisville/McKinney Hospitality

ADR



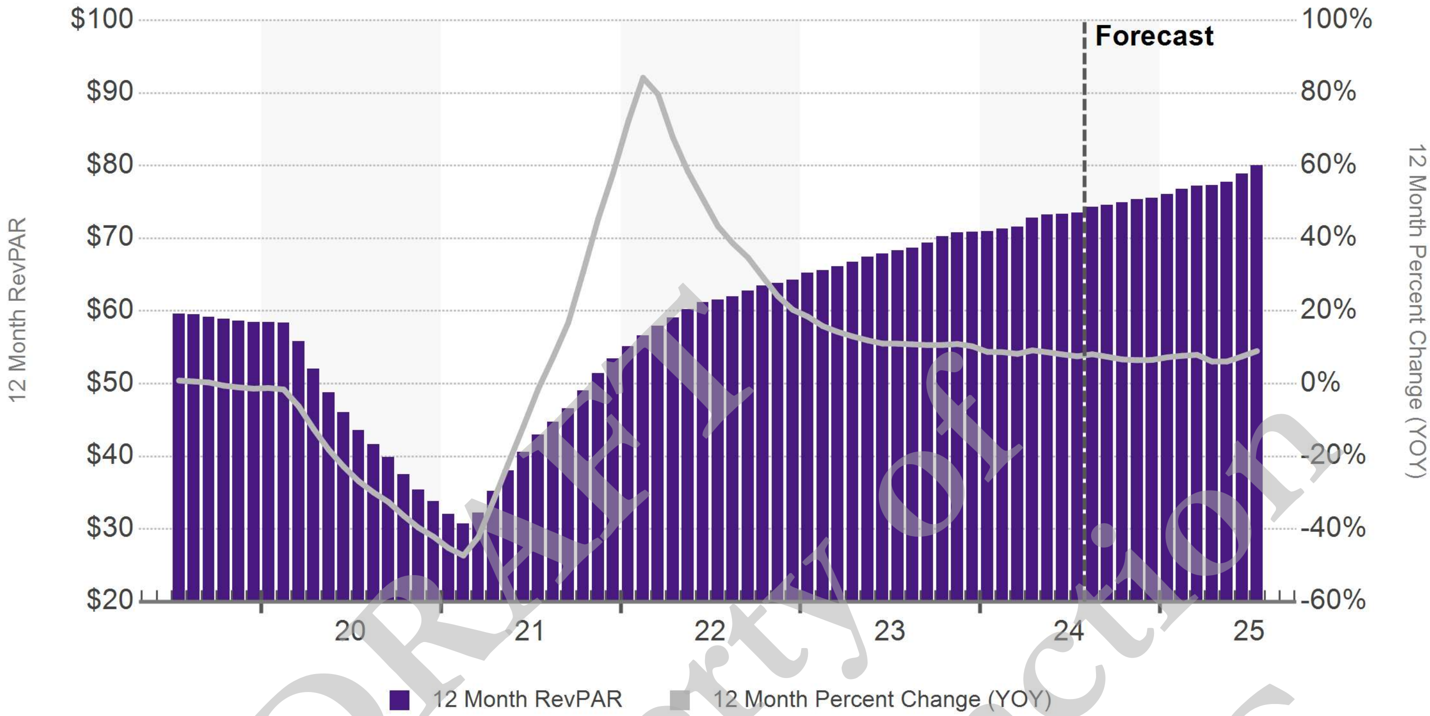
OCCUPANCY & ADR CHANGE



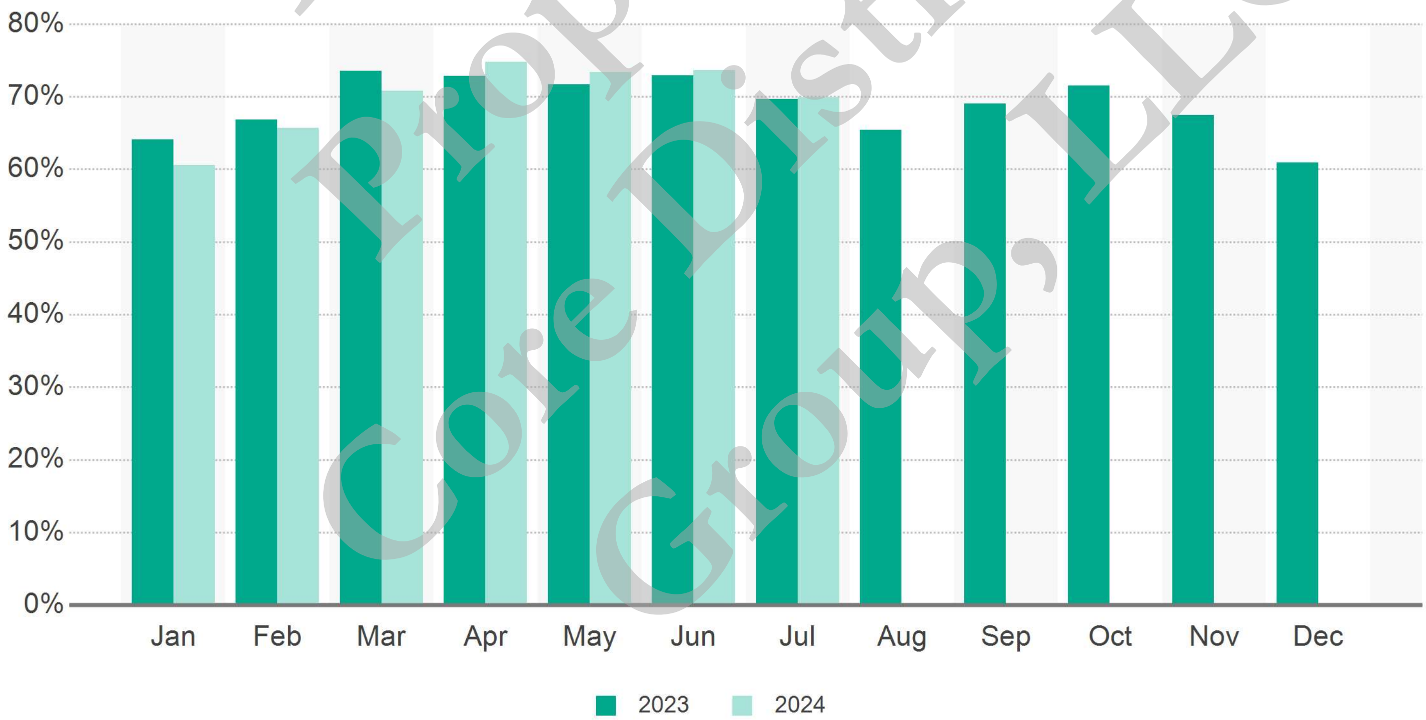
Performance

Denton/Lewisville/McKinney Hospitality

REVPAR



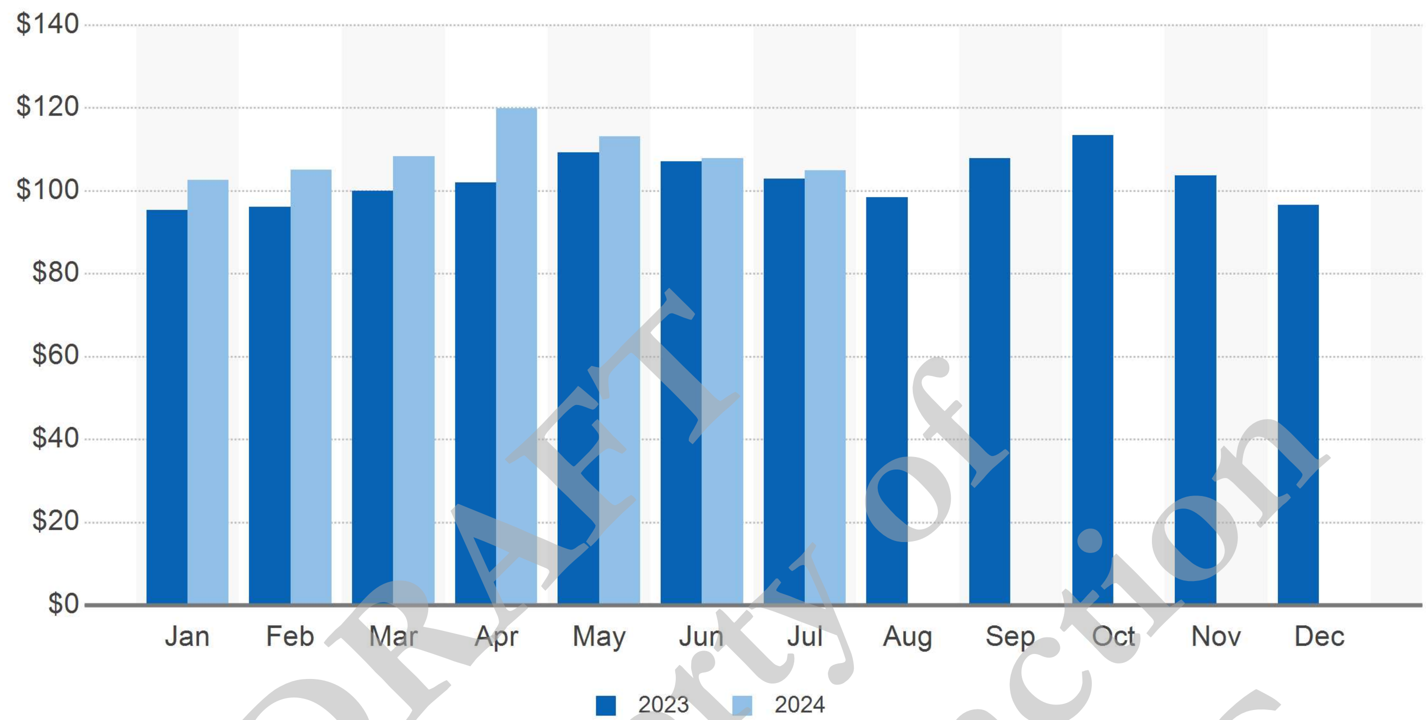
OCCUPANCY MONTHLY



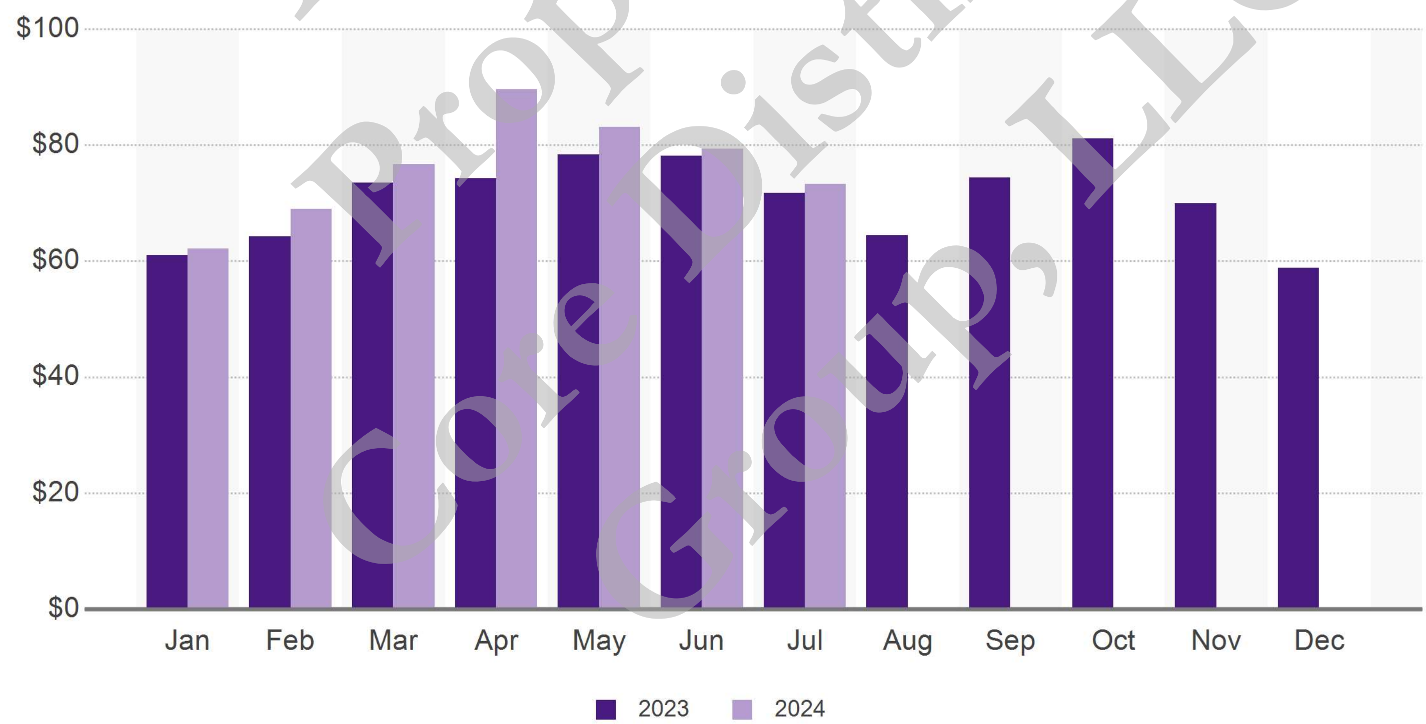
Performance

Denton/Lewisville/McKinney Hospitality

ADR MONTHLY



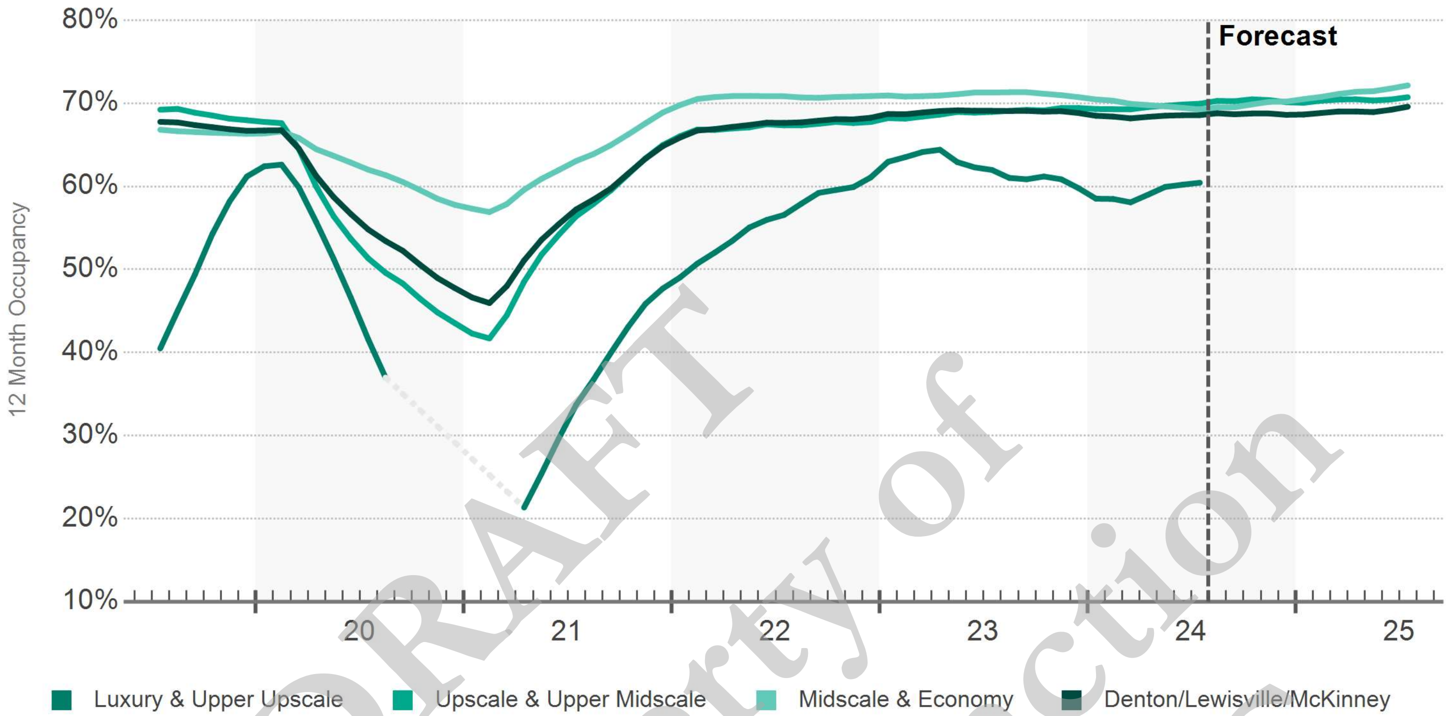
REVPAR MONTHLY



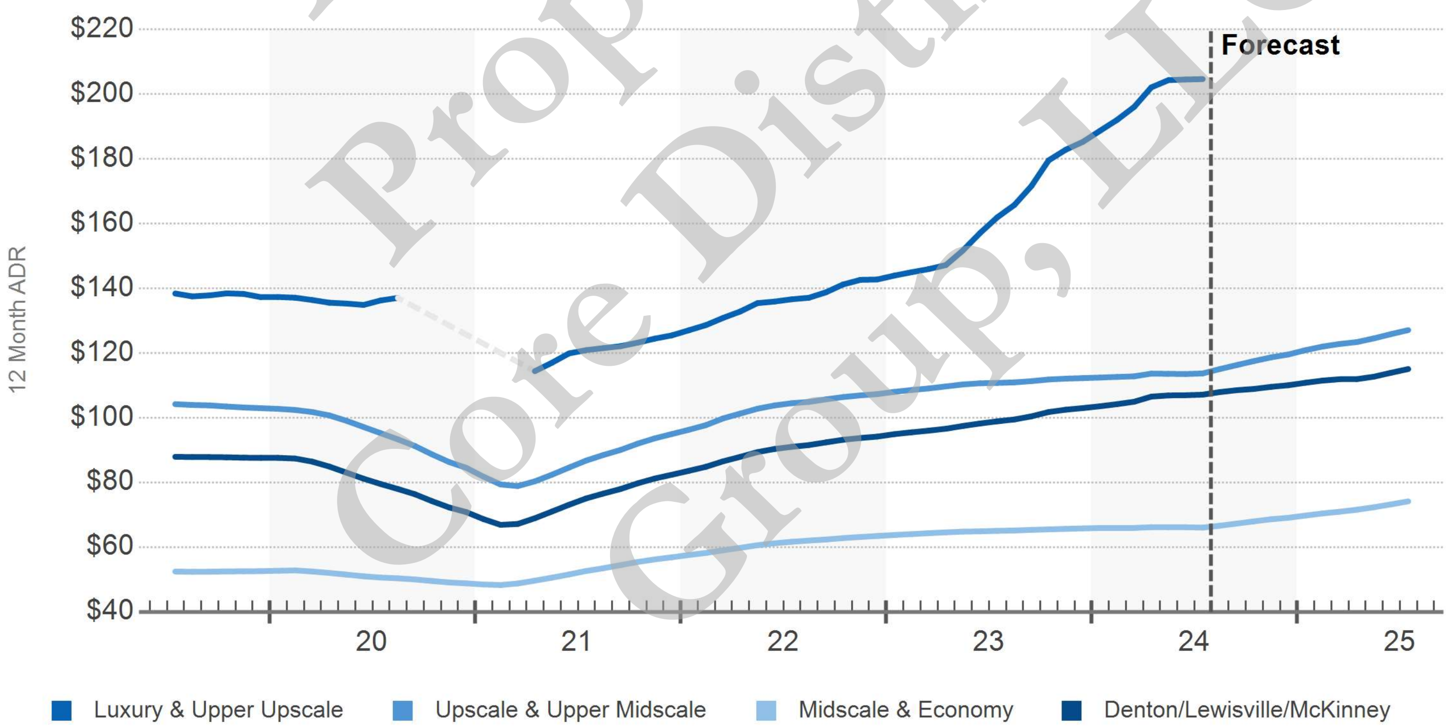
Performance

Denton/Lewisville/McKinney Hospitality

OCCUPANCY BY CLASS



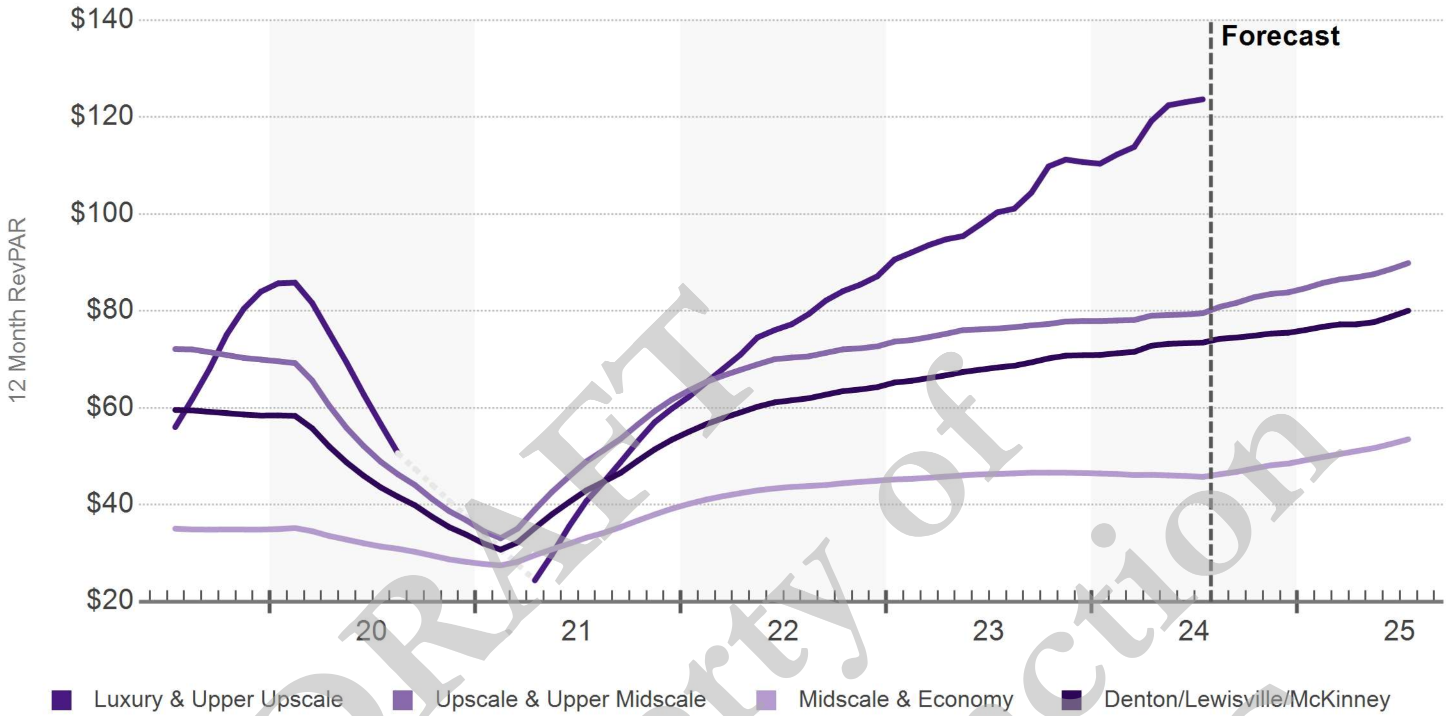
ADR BY CLASS



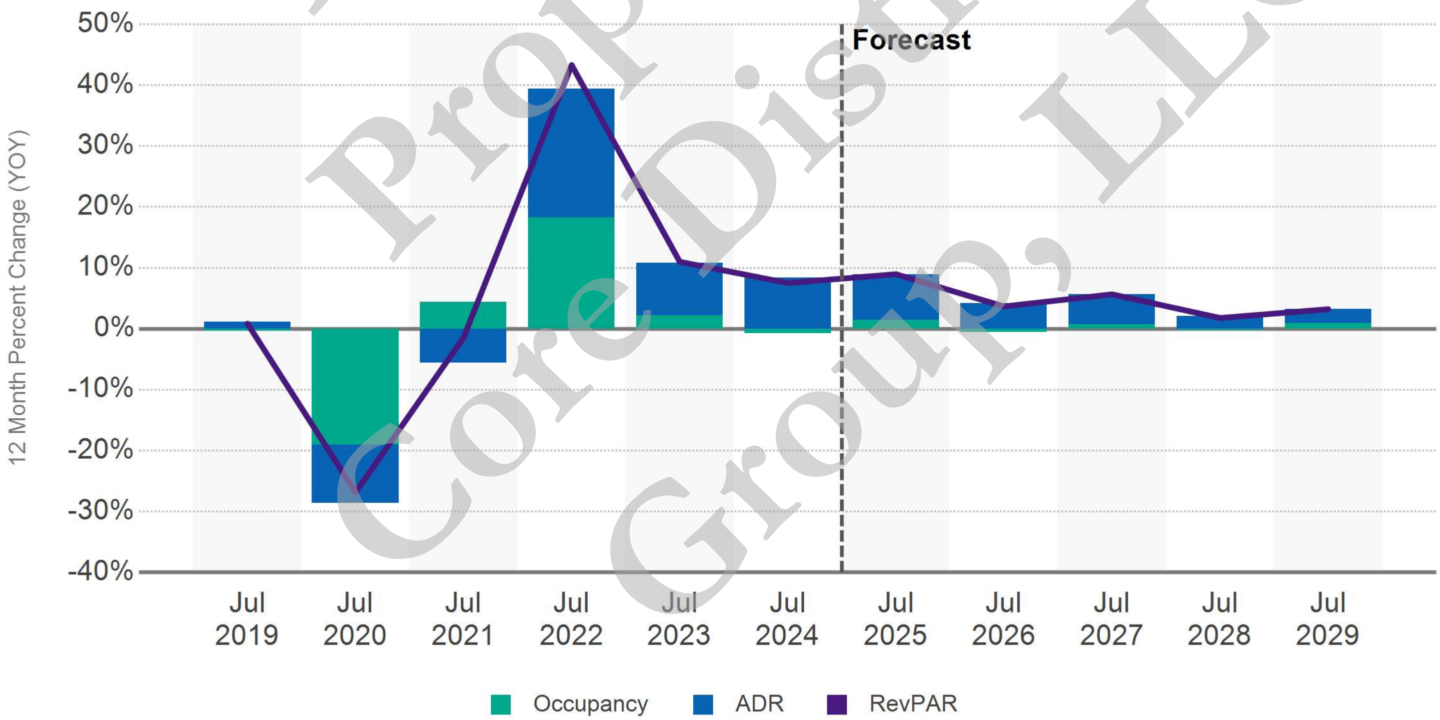
Performance

Denton/Lewisville/McKinney Hospitality

REVPAR BY CLASS



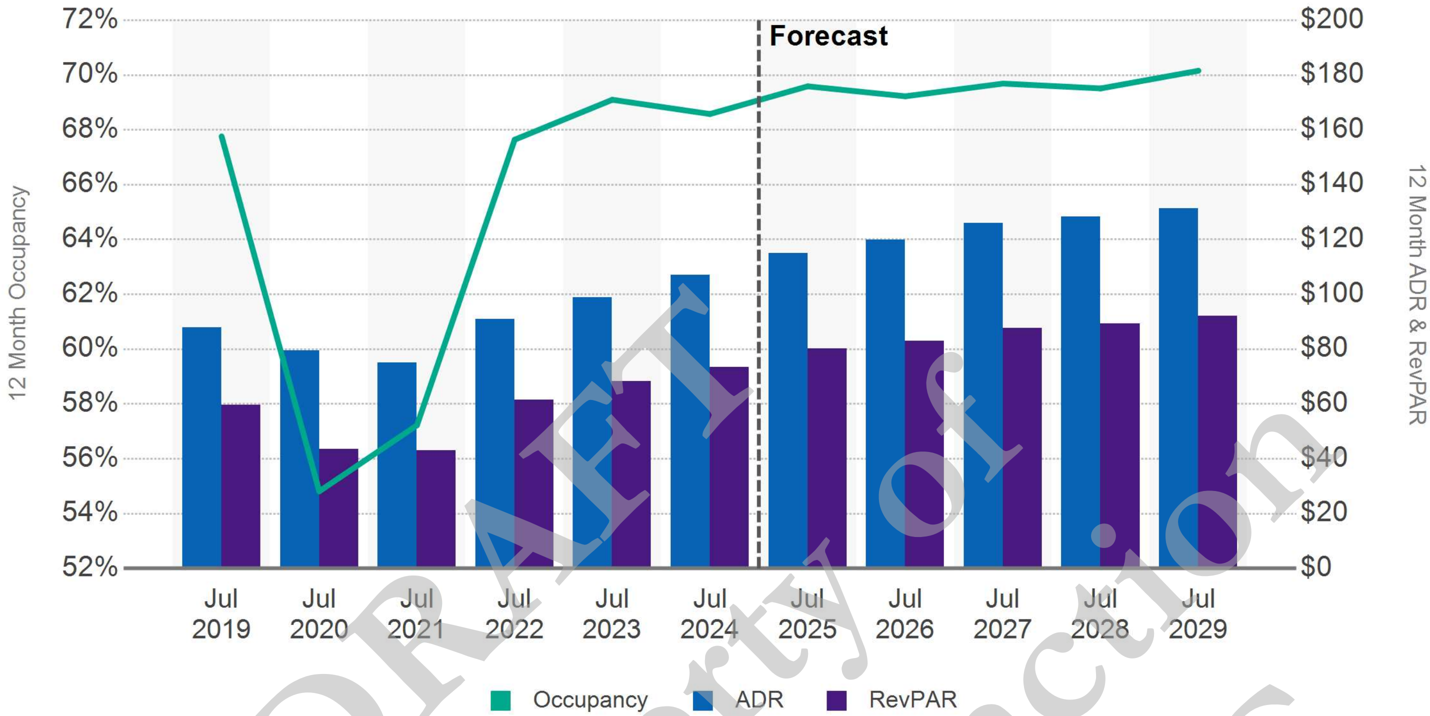
REVPAR GROWTH COMPOSITION



Performance

Denton/Lewisville/McKinney Hospitality

OCCUPANCY, ADR & REVPAR



Performance

Denton/Lewisville/McKinney Hospitality

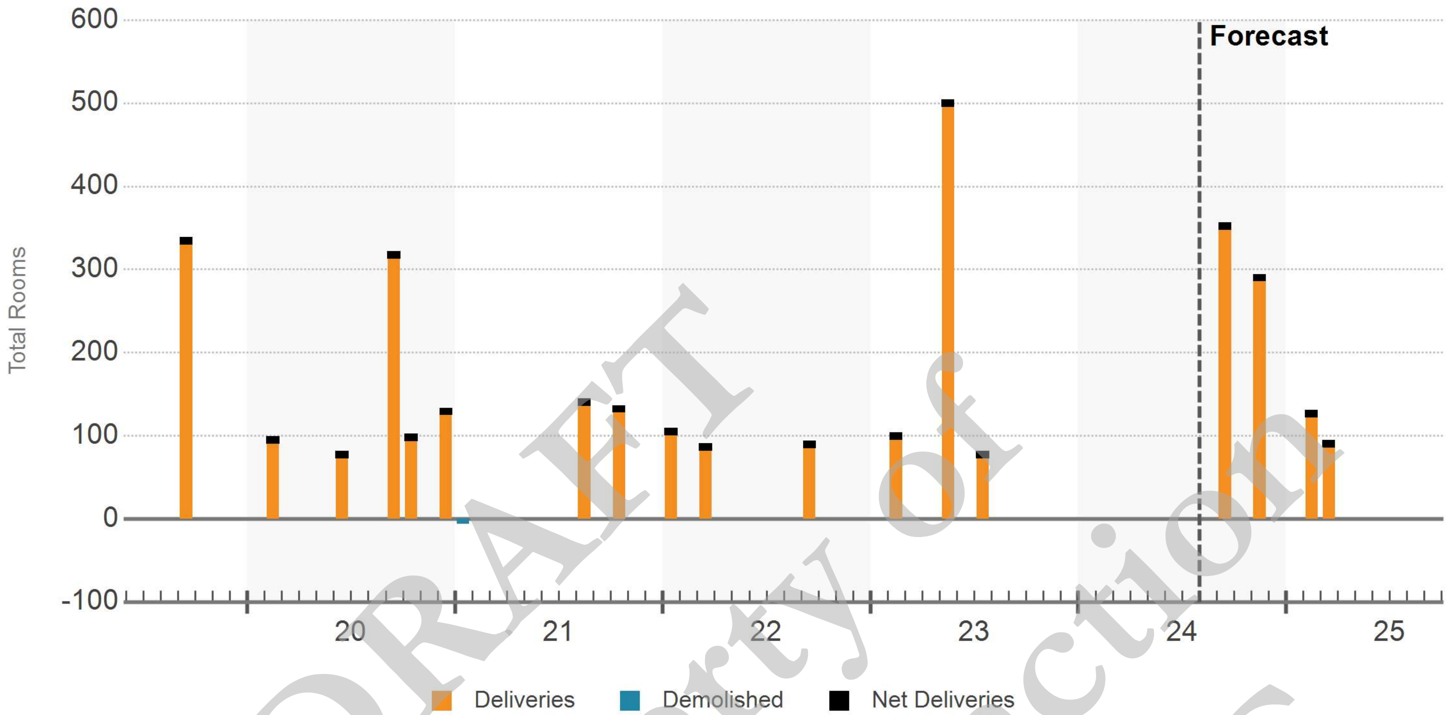
FULL-SERVICE HOTELS PROFITABILITY (ANNUAL)

	2022			2021-2022 % Change	
Market	% of Revenues	PAR	POR	PAR	POR
Revenue					
Rooms	69.9%	$26,549	$121.67	41.6%	15.7%
Food	14.8%	$5,604	$25.68	113.6%	74.5%
Beverage	4.0%	$1,536	$7.04	84.4%	50.6%
Other F&B	9.1%	$3,455	$15.83	84.1%	50.4%
Other Departments	0.9%	$350	$1.61	26.0%	2.9%
Miscellaneous Income	1.3%	$494	$2.26	-22.4%	-36.6%
Total Revenue	100%	$37,987	$174.09	52.0%	24.2%
Operating Expenses					
Rooms	23.3%	$6,183	$28.34	39.3%	13.8%
Food & Beverage	59.2%	$6,268	$28.72	82.5%	49.1%
Other Departments	86.1%	$302	$1.38	151.5%	105.5%
Administrative & General	10.6%	$4,028	$18.46	29.2%	5.5%
Information & Telecommunication Systems	1.9%	$728	$3.34	21.9%	-0.4%
Sales & Marketing	12.1%	$4,613	$21.14	38.1%	12.8%
Property Operations & Maintenance	6.0%	$2,275	$10.43	21.5%	-0.7%
Utilities	5.3%	$2,013	$9.23	15.0%	-6.1%
Gross Operating Profit	30.5%	$11,577	$53.05	83.1%	49.6%
Management Fees	3.2%	$1,213	$5.56	62.7%	32.9%
Rent	1.3%	$489	$2.24	37.9%	12.6%
Property Taxes	3.2%	$1,211	$5.55	-13.1%	-29.0%
Insurance	1.7%	$629	$2.88	35.5%	10.7%
EBITDA	21.1%	$8,034	$36.82	139.0%	95.2%
Total Labor Costs	33.1%	$12,562	$57.57	47.6%	20.6%

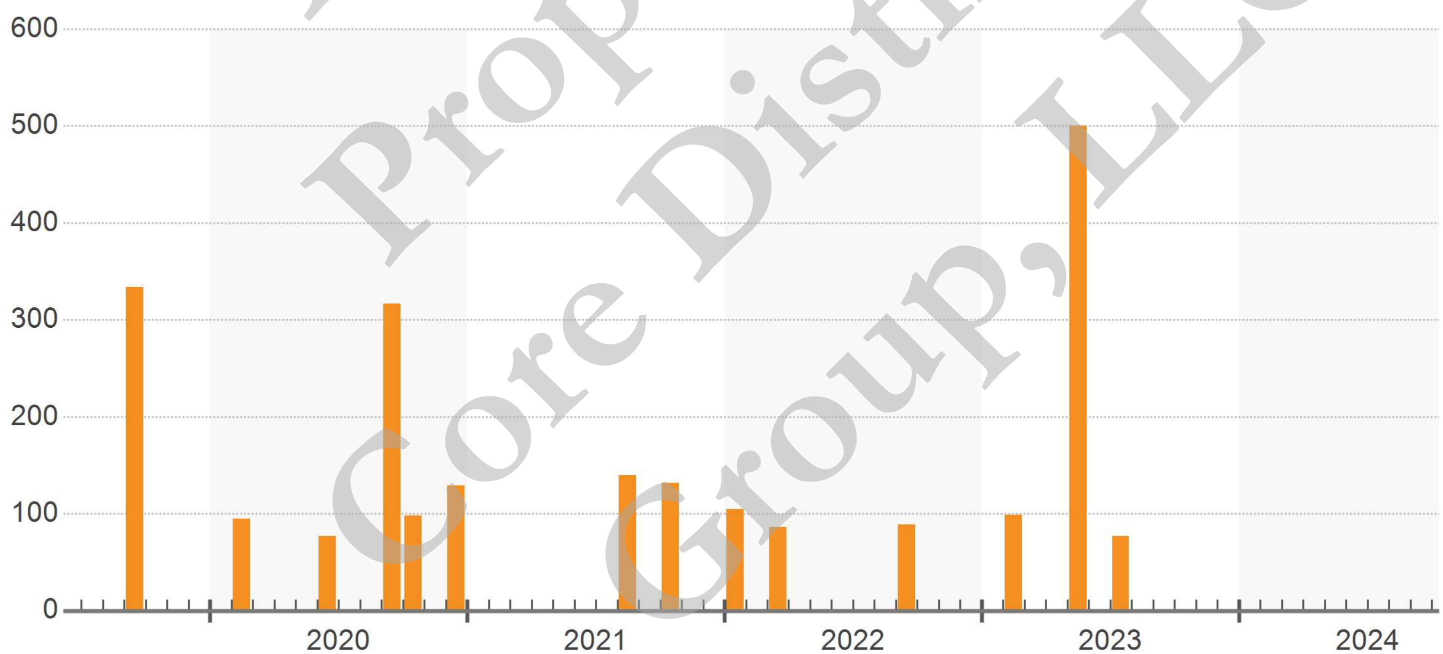
(1) For Annual P&L, the current year exchange rate is used for each year going back in time. This current year exchange rate is the average of all 12 monthly rates for that year.
(2) Percentage of Revenues for departmental expenses (Rooms, Food & Beverage, and Other Departments) are based on their respective departmental revenues. All other expense percentages are based on Total Revenue.
(3) Labor costs are already included in the operating expenses above. Amounts shown in Total Labor Costs are for additional detail only.

Construction

DELIVERIES & DEMOLITIONS



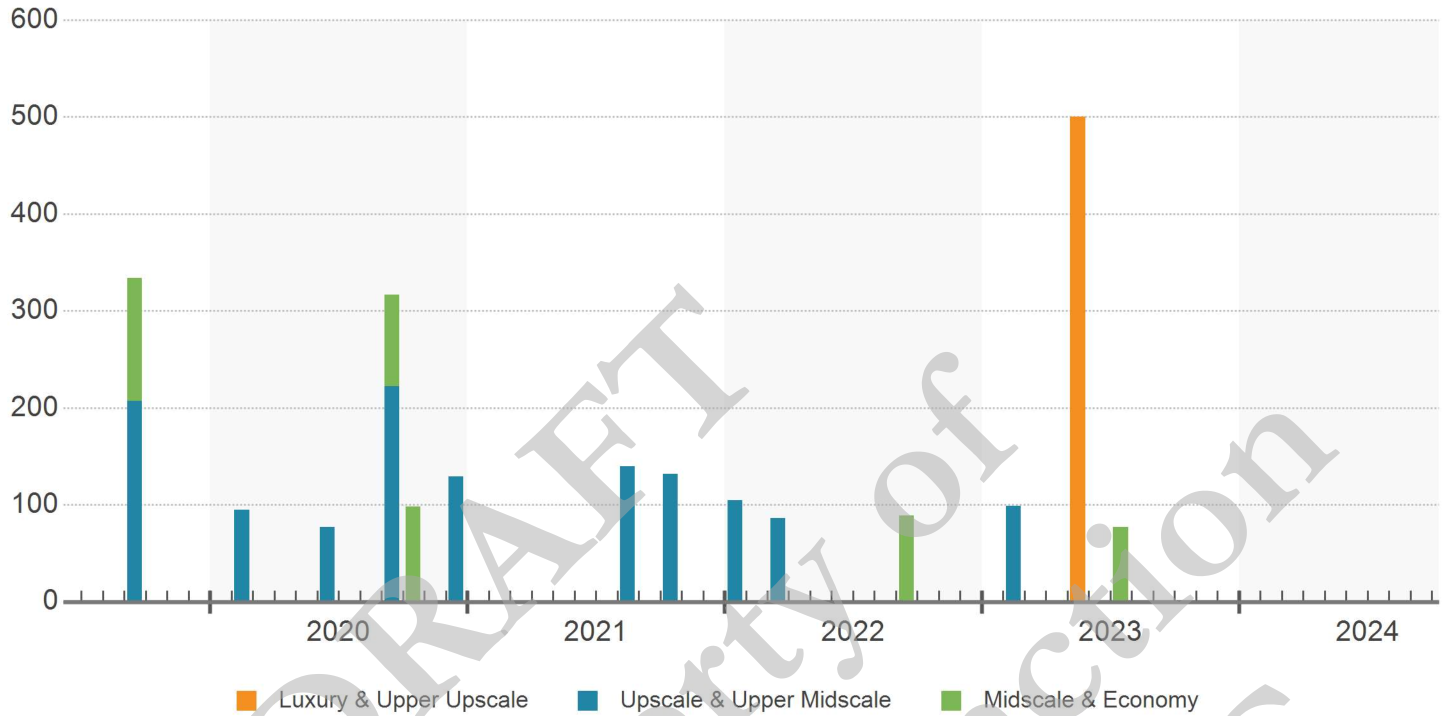
ROOMS DELIVERED



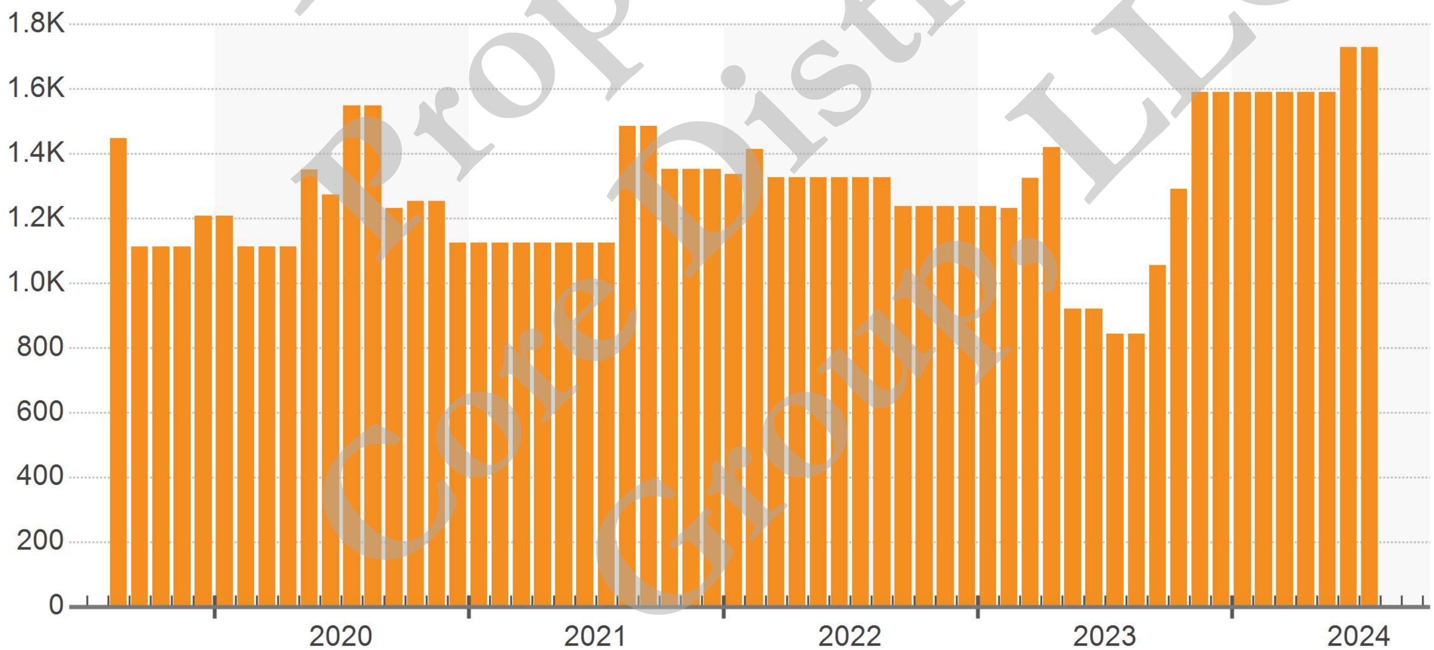
Construction

Denton/Lewisville/McKinney Hospitality

ROOMS DELIVERED BY CLASS



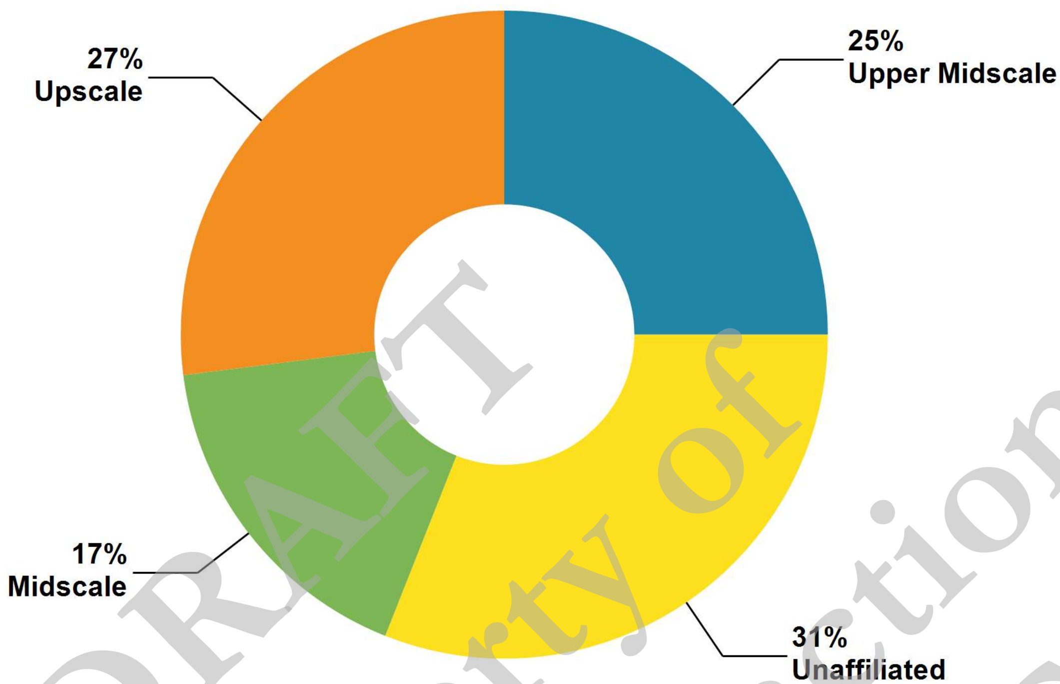
ROOMS UNDER CONSTRUCTION



Construction

Denton/Lewisville/McKinney Hospitality

TOTAL ROOMS UNDER CONSTRUCTION BY SCALE



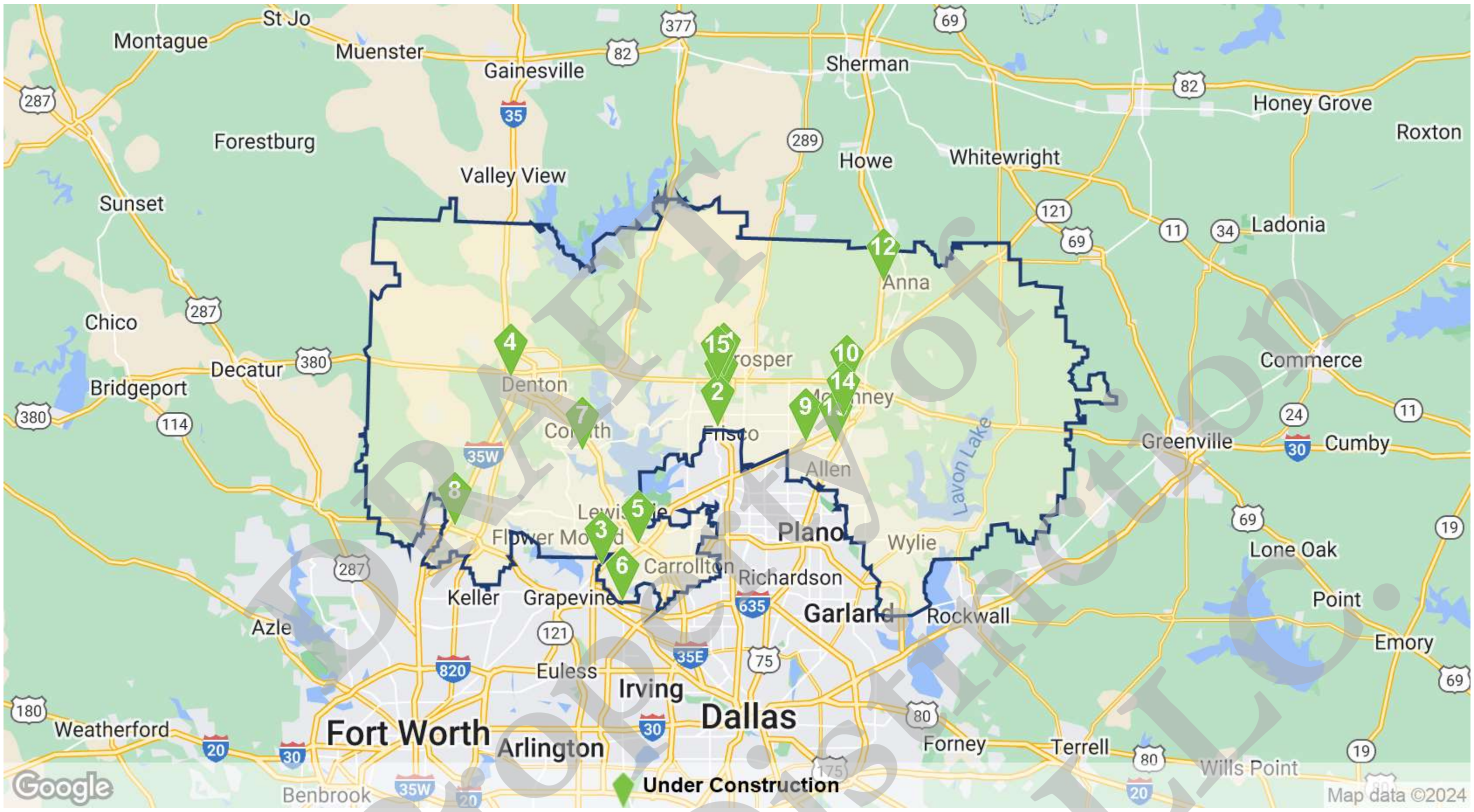
ROOMS UNDER CONSTRUCTION BY SCALE

Under Construction Properties

Denton/Lewisville/McKinney Hospitality

Properties	Rooms	Percent of Inventory	Average Rooms
15	1,729	12.9%	115

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

	Property Name/Address	Class	Rooms	Stories	Start	Complete	Brand/Developer
1	Universal Kids Resort Hotel Dallas Pkwy	Upper Midscale	300	10	Nov 2023	Nov 2025	- Universal Orlando Resort
2	Courtyard Dallas Frisco 4884 Main St	Upscale	148	6	Sep 2017	Sep 2024	Courtyard Chase Hospitality
3	Home2 Suites by Hilton Coppell G… NEQ Highway 121	Upper Midscale	126	6	Oct 2023	Feb 2025	Home2 Suites by Hilton -
4	Home2 Suites by Hilton Denton NEQ of I-35 and Scripture	Upper Midscale	120	4	Jun 2024	Oct 2025	Home2 Suites by Hilton O`Reilly Hospitality Managem…
5	Tru by Hilton Lewisville Vista Ridg… 795 E Vista Ridge Mall Dr	Midscale	120	5	Oct 2020	Sep 2024	Tru by Hilton Patel Construction, Inc
6	SpringHill Suites By Marriott Dalla… 150 S Hackberry Rd	Upscale	120	5	Dec 2017	Dec 2025	SpringHill Suites Chase Hospitality
7	The Olana Hotel, Spa & Villas 1851 Turbeville Rd	Upper Upscale	110	3	Sep 2023	Sep 2025	- -

Under Construction Properties

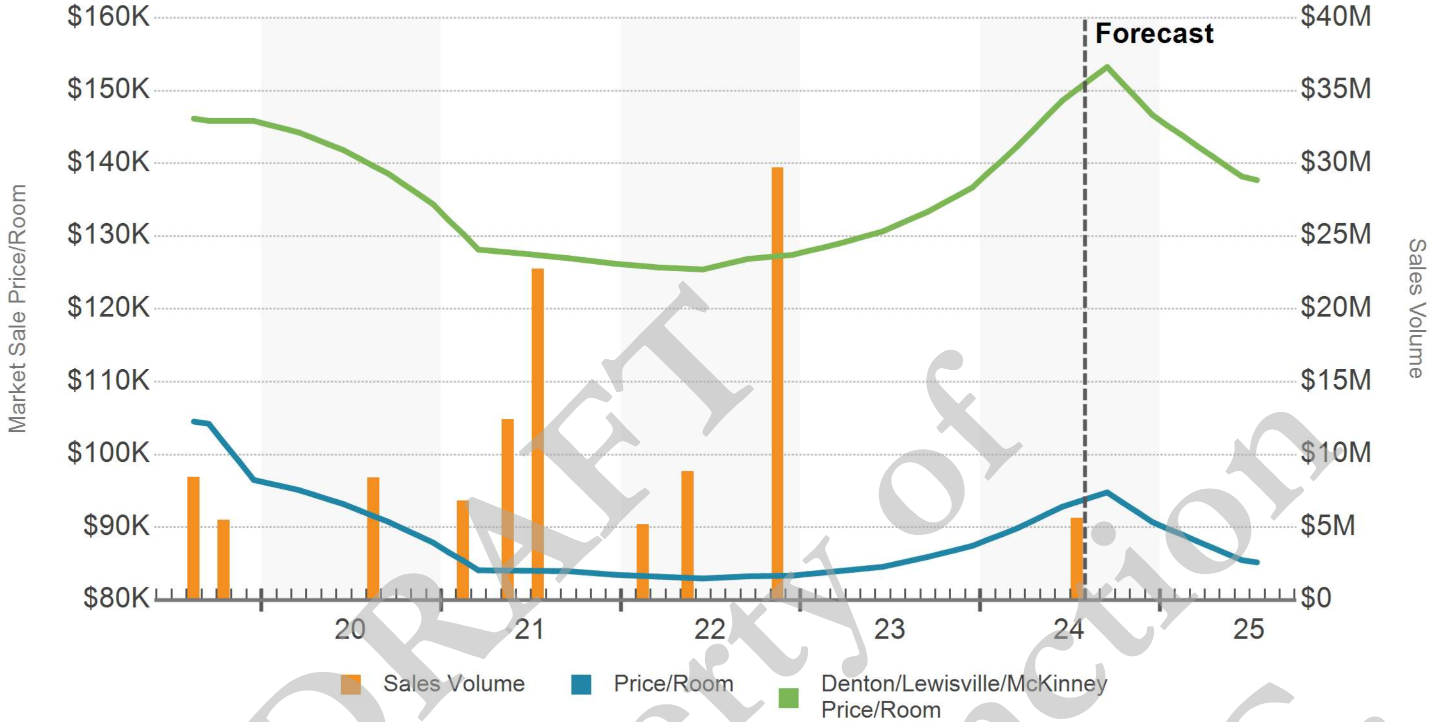
UNDER CONSTRUCTION

	Property Name/Address	Class	Rooms	Stories	Start	Complete	Brand/Developer
8	Cambria Hotel Northlake 4240 State Highway 114	Upscale	109	4	Oct 2023	Aug 2025	Cambria Hotels Lodging Host Hotel Corp
9	Denizen McKinney State Highway 121	Upscale	102	4	Sep 2023	Nov 2024	- Archtower Capital, LLC
10	Avid Dallas North - McKinney 901 N Central Expy SB	Midscale	95	4	Apr 2023	Nov 2024	Avid -
11	Holiday Inn Express & Suites Fris… 1100 Mahard Parkway Pky	Upper Midscale	93	4	Mar 2023	Nov 2024	Holiday Inn Express -
12	Holiday Inn Express Anna-McKinn… 509 Buddy Hays Lane	Upper Midscale	93	4	Feb 2023	Oct 2025	Holiday Inn Express Zablink Hotels
13	Staybridge Suites Allen, TX 2283 N Central Expy	Upscale	90	5	Jul 2020	Mar 2025	Staybridge Suites -
14	Tru by Hilton McKinney 3100 Craig Dr	Midscale	84	4	Aug 2019	Sep 2024	Tru by Hilton Mig Five Star LLC
15	The Bays at Frisco Hotel The Bays At Frisco	Upper Midscale	19	4	Jun 2024	Dec 2025	- TaylorMade Golf Company, Inc.

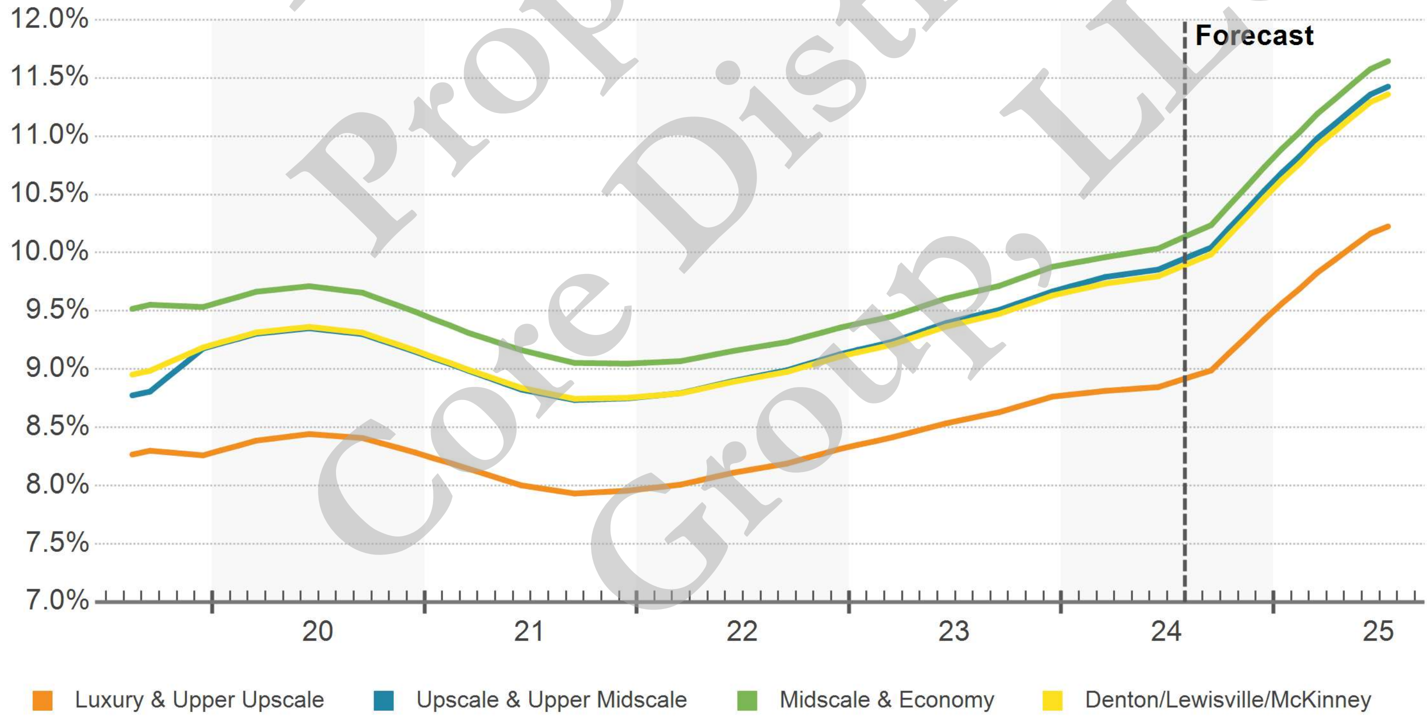
Sales

Denton/Lewisville/McKinney Hospitality

SALES VOLUME & MARKET SALE PRICE PER ROOM



MARKET CAP RATE

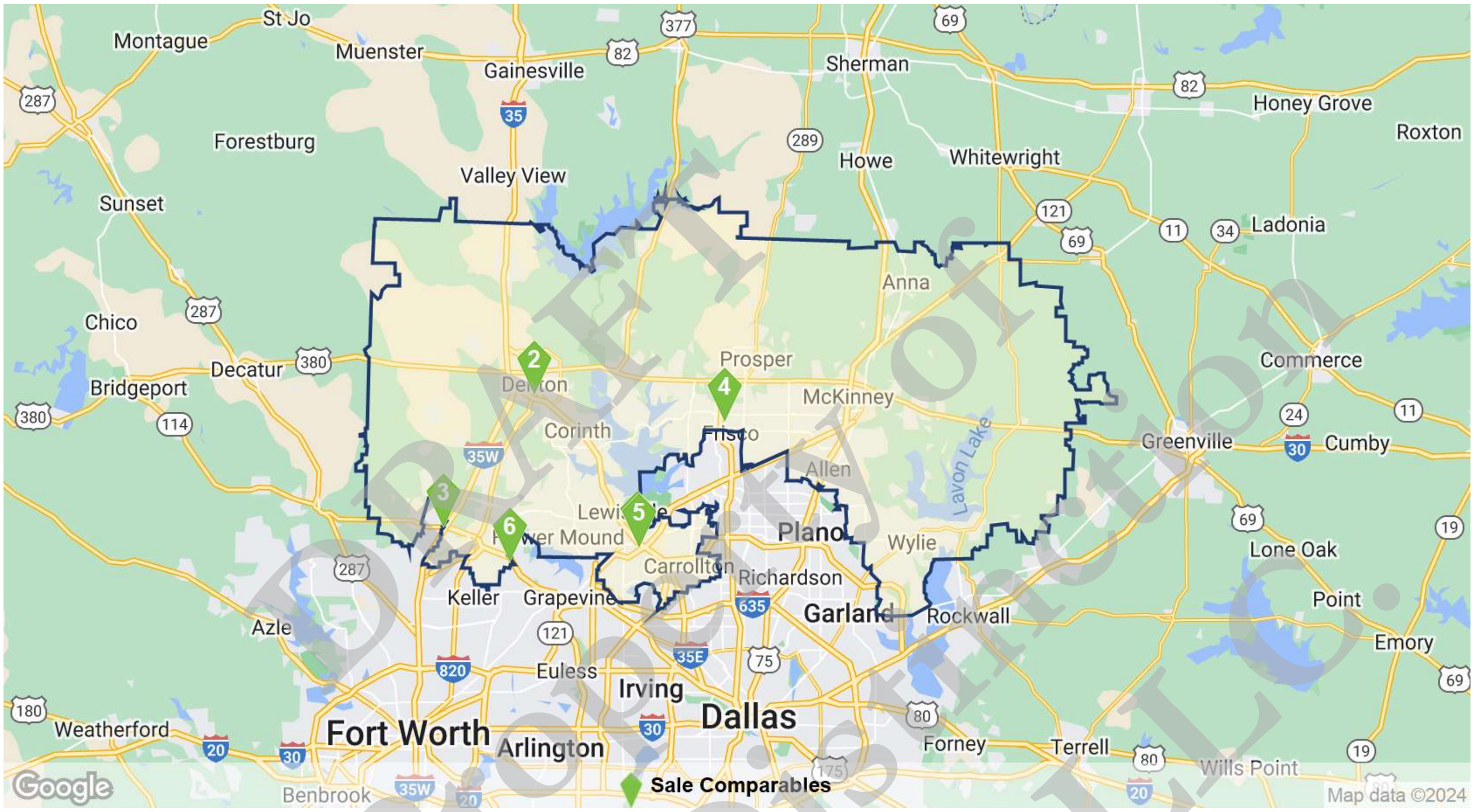


Sales Past 12 Months

Denton/Lewisville/McKinney Hospitality

Sale Comparables	Average Price/Room	Average Price	Average Cap Rate
6	$78K	$5.6M	5.7%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sale Attributes	Low	Average	Median	High
Sale Price	$5,623,750	$5,623,750	$5,623,750	$5,623,750
Price/Room	$78,108	$78,108	$78,108	$78,108
Cap Rate	4.9%	5.7%	4.9%	6.5%
Time Since Sale in Months	1.2	6.4	4.8	10.8
Property Attributes	Low	Average	Median	High
Property Size in Rooms	24	116	75	294
Number of Floors	3	4	4	7
Total Meeting Space	260	3,898	3,898	14,788
Year Built	1990	2003	1999	2014
Class	Upper Midscale	Upscale	Upscale	Upper Upscale

Sales Past 12 Months

Denton/Lewisville/McKinney Hospitality

RECENT SIGNIFICANT SALES

		Property Information				Sale Information		
	Property Name/Address	Class	Yr Built	Rooms	Brand	Sale Date	Price	Price/Room
1	Residence Inn Dallas Lewisville 755 E Vista Ridge Mall Dr	Upscale	1996	72	Residence Inn	7/17/2024	$5,623,750	$78,108
2	SpringHill Suites Denton 1434 Centre Place Dr	Upscale	2007	129	SpringHill Suites	3/29/2024	-	-
3	La Quinta Inns & Suites Northlake… 13501 Raceway Dr	Upper Midscale	2014	75	La Quinta Inns & Suites	3/28/2024	-	-
4	Hampton Inn & Suites Dallas/Frisc… 6070 Sports Village Rd	Upper Midscale	2014	103	Hampton by Hilton	12/20/2023	-	-
5	Courtyard Dallas Lewisville 2701 Lake Vista Dr	Upscale	1999	24	Courtyard	12/1/2023	-	-
6	Marriott Dallas/Fort Worth Westlake 1301 Solana Blvd	Upper Upscale	1990	294	Marriott	9/27/2023	-	-

Appendix

Denton/Lewisville/McKinney Hospitality

OVERALL SUPPLY & DEMAND

	Supply			Demand		
Year	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2028	5,514,363	0	0%	3,830,340	(11,069)	-0.3%
2027	5,514,363	0	0%	3,841,409	6,707	0.2%
2026	5,514,363	215,272	4.1%	3,834,702	149,175	4.0%
2025	5,299,091	352,792	7.1%	3,685,527	291,846	8.6%
2024	4,946,299	135,840	2.8%	3,393,681	82,859	2.5%
YTD	2,835,924	72,766	2.6%	1,980,158	38,083	2.0%
2023	4,810,459	172,187	3.7%	3,310,822	144,724	4.6%
2022	4,638,272	146,742	3.3%	3,166,098	253,800	8.7%
2021	4,491,530	190,446	4.4%	2,912,298	858,299	41.8%
2020	4,301,084	237,799	5.9%	2,053,999	(655,881)	-24.2%
2019	4,063,285	303,326	8.1%	2,709,880	157,470	6.2%
2018	3,759,959	324,143	9.4%	2,552,410	164,034	6.9%
2017	3,435,816	216,821	6.7%	2,388,376	92,550	4.0%
2016	3,218,995	89,233	2.9%	2,295,826	102,983	4.7%
2015	3,129,762	37,809	1.2%	2,192,843	104,608	5.0%
2014	3,091,953	17,148	0.6%	2,088,235	133,034	6.8%

LUXURY & UPPER UPSCALE SUPPLY & DEMAND

	Supply			Demand		
Year	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2028	623,782	0	0%			
2027	623,782	0	0%			
2026	623,782	26,413	4.4%			
2025	597,369	13,734	2.4%			
2024	583,635	60,000	11.5%			
YTD	338,988	60,000	21.5%	211,600	39,696	23.1%
2023	523,635	122,500	30.5%	313,036	68,055	27.8%
2022	401,135	0	0%	244,981	53,637	28.0%
2021	401,135	53,802	15.5%	191,344		
2020	347,333	(53,802)	-13.4%			
2019	401,135	109,500	37.5%	245,451		
2018	291,635	106,212	57.3%			
2017	185,423	9,858	5.6%			
2016	175,565	5,797	3.4%			
2015	169,768	62,458	58.2%			
2014	107,310	0	0%			

Appendix

Denton/Lewisville/McKinney Hospitality

UPSCALE & UPPER MIDSCALE SUPPLY & DEMAND

	Supply			Demand		
Year	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2028	3,142,592	0	0%	2,223,312	(6,511)	-0.3%
2027	3,142,592	0	0%	2,229,823	15,926	0.7%
2026	3,142,592	188,859	6.4%	2,213,897	137,763	6.6%
2025	2,953,733	263,054	9.8%	2,076,134	189,151	10.0%
2024	2,690,679	32,533	1.2%	1,886,983	41,277	2.2%
YTD	1,545,692	3,069	0.2%	1,104,843	15,861	1.5%
2023	2,658,146	38,140	1.5%	1,845,706	70,674	4.0%
2022	2,620,006	147,347	6.0%	1,775,032	168,487	10.5%
2021	2,472,659	88,726	3.7%	1,606,545	568,626	54.8%
2020	2,383,933	219,173	10.1%	1,037,919	(433,359)	-29.5%
2019	2,164,760	141,874	7.0%	1,471,278	76,588	5.5%
2018	2,022,886	216,588	12.0%	1,394,690	115,417	9.0%
2017	1,806,298	213,997	13.4%	1,279,273	105,439	9.0%
2016	1,592,301	106,771	7.2%	1,173,834	98,032	9.1%
2015	1,485,530	38,629	2.7%	1,075,802	59,762	5.9%
2014	1,446,901	22,371	1.6%	1,016,040	54,786	5.7%

MIDSCALE & ECONOMY SUPPLY & DEMAND

	Supply			Demand		
Year	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2028	1,747,989	0	0%	1,253,709	(3,793)	-0.3%
2027	1,747,989	0	0%	1,257,502	(8,075)	-0.6%
2026	1,747,989	0	0%	1,265,577	3,614	0.3%
2025	1,747,989	76,004	4.5%	1,261,963	88,046	7.5%
2024	1,671,985	43,307	2.7%	1,173,917	21,837	1.9%
YTD	951,244	9,697	1.0%	663,716	(17,473)	-2.6%
2023	1,628,678	11,547	0.7%	1,152,080	5,995	0.5%
2022	1,617,131	(605)	0%	1,146,085	31,676	2.8%
2021	1,617,736	47,918	3.1%	1,114,409	207,423	22.9%
2020	1,569,818	72,428	4.8%	906,986	(86,165)	-8.7%
2019	1,497,390	51,952	3.6%	993,151	16,191	1.7%
2018	1,445,438	1,343	0.1%	976,960	(3,661)	-0.4%
2017	1,444,095	(7,034)	-0.5%	980,621	(20,149)	-2.0%
2016	1,451,129	(23,335)	-1.6%	1,000,770	(12,969)	-1.3%
2015	1,474,464	(63,278)	-4.1%	1,013,739	8,360	0.8%
2014	1,537,742	(5,223)	-0.3%	1,005,379	83,224	9.0%

Appendix

Denton/Lewisville/McKinney Hospitality

OVERALL PERFORMANCE

	Occupancy		ADR		RevPAR	
Year	Percent	% Change	Per Room	% Change	Per Room	% Change
2028	69.5%	-0.3%	$129.58	2.1%	$90.01	1.8%
2027	69.7%	0.2%	$126.97	3.8%	$88.45	4.0%
2026	69.5%	0%	$122.34	4.7%	$85.07	4.7%
2025	69.6%	1.4%	$116.83	6.2%	$81.26	7.6%
2024	68.6%	-0.3%	$110.04	6.9%	$75.50	6.5%
YTD	69.8%	-0.7%	$109.12	6.9%	$76.19	6.2%
2023	68.8%	0.8%	$102.98	9.4%	$70.88	10.3%
2022	68.3%	5.3%	$94.17	14.3%	$64.28	20.3%
2021	64.8%	35.8%	$82.40	16.3%	$53.43	57.9%
2020	47.8%	-28.4%	$70.84	-19.1%	$33.83	-42.1%
2019	66.7%	-1.8%	$87.60	0.4%	$58.43	-1.4%
2018	67.9%	-2.3%	$87.27	2.0%	$59.24	-0.4%
2017	69.5%	-2.5%	$85.54	2.5%	$59.46	-0.1%
2016	71.3%	1.8%	$83.43	7.8%	$59.51	9.7%
2015	70.1%	3.7%	$77.43	7.1%	$54.25	11.1%
2014	67.5%	6.2%	$72.28	4.9%	$48.82	11.4%

LUXURY & UPPER UPSCALE PERFORMANCE

	Occupancy		ADR		RevPAR	
Year	Percent	% Change	Per Room	% Change	Per Room	% Change
2028						
2027						
2026						
2025						
2024						
YTD	62.4%	1.3%	$207.55	20.0%	$129.56	21.6%
2023	59.8%	-2.1%	$185.23	29.8%	$110.73	27.0%
2022	61.1%	28.0%	$142.72	13.8%	$87.16	45.7%
2021	47.7%		$125.44		$59.84	
2020						
2019	61.2%		$137.25		$83.98	
2018						
2017						
2016						
2015						
2014						

Appendix

UPSCALE & UPPER MIDSCALE PERFORMANCE

	Occupancy		ADR		RevPAR	
Year	Percent	% Change	Per Room	% Change	Per Room	% Change
2028	70.7%	-0.3%	$141.33	2.0%	$99.99	1.7%
2027	71.0%	0.7%	$138.54	3.6%	$98.30	4.4%
2026	70.4%	0.2%	$133.71	4.3%	$94.19	4.6%
2025	70.3%	0.2%	$128.17	7.2%	$90.09	7.5%
2024	70.1%	1.0%	$119.54	6.5%	$83.84	7.6%
YTD	71.5%	1.3%	$115.88	2.1%	$82.83	3.4%
2023	69.4%	2.5%	$112.24	4.6%	$77.93	7.2%
2022	67.7%	4.3%	$107.30	13.0%	$72.69	17.8%
2021	65.0%	49.2%	$94.96	12.4%	$61.70	67.7%
2020	43.5%	-35.9%	$84.51	-17.9%	$36.79	-47.4%
2019	68.0%	-1.4%	$102.95	-1.7%	$69.97	-3.1%
2018	68.9%	-2.7%	$104.71	-1.3%	$72.19	-3.9%
2017	70.8%	-3.9%	$106.08	0.7%	$75.13	-3.3%
2016	73.7%	1.8%	$105.40	5.1%	$77.70	6.9%
2015	72.4%	3.1%	$100.33	5.3%	$72.66	8.6%
2014	70.2%	4.1%	$95.25	5.4%	$66.88	9.7%

MIDSCALE & ECONOMY PERFORMANCE

	Occupancy		ADR		RevPAR	
Year	Percent	% Change	Per Room	% Change	Per Room	% Change
2028	71.7%	-0.3%	$84.73	2.1%	$60.77	1.8%
2027	71.9%	-0.6%	$82.95	4.6%	$59.67	3.9%
2026	72.4%	0.3%	$79.30	4.9%	$57.41	5.2%
2025	72.2%	2.8%	$75.62	9.4%	$54.59	12.5%
2024	70.2%	-0.7%	$69.09	5.0%	$48.51	4.2%
YTD	69.8%	-3.6%	$66.49	0.7%	$46.39	-2.9%
2023	70.7%	-0.2%	$65.81	3.7%	$46.55	3.5%
2022	70.9%	2.9%	$63.46	11.6%	$44.98	14.8%
2021	68.9%	19.2%	$56.89	16.5%	$39.19	38.9%
2020	57.8%	-12.9%	$48.83	-7.2%	$28.21	-19.1%
2019	66.3%	-1.9%	$52.59	-0.4%	$34.88	-2.3%
2018	67.6%	-0.5%	$52.81	-0.1%	$35.70	-0.5%
2017	67.9%	-1.5%	$52.84	2.3%	$35.88	0.7%
2016	69.0%	0.3%	$51.67	9.5%	$35.63	9.8%
2015	68.8%	5.2%	$47.19	6.9%	$32.44	12.4%
2014	65.4%	9.4%	$44.14	5.1%	$28.86	15.0%

Appendix

Denton/Lewisville/McKinney Hospitality

OVERALL SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2028	-	-	-	-	-	-	$106,649	195	10.7%
2027	-	-	-	-	-	-	$99,700	183	11.0%
2026	-	-	-	-	-	-	$90,959	167	11.5%
2025	-	-	-	-	-	-	$84,903	156	11.6%
2024	-	-	-	-	-	-	$90,729	166	10.5%
YTD	1	$5.6M	0.5%	$5,623,750	$78,108	5.7%	$95,699	175	9.8%
2023	-	-	-	-	-	-	$87,445	160	9.6%
2022	5	$43.8M	3.3%	$8,751,031	$103,538	11.1%	$83,357	153	9.1%
2021	7	$42M	5.4%	$5,994,250	$62,163	-	$83,482	153	8.8%
2020	2	$8.4M	2.0%	$4,200,000	$34,855	9.2%	$87,863	161	9.2%
2019	3	$36M	3.0%	$11,983,333	$103,305	11.5%	$96,501	177	9.2%
2018	2	$24.5M	2.1%	$12,250,000	$111,872	11.2%	$105,734	194	8.7%
2017	-	-	-	-	-	-	$103,531	190	8.7%
2016	1	$5.5M	0.7%	$5,500,000	$80,882	9.0%	$97,717	179	8.7%
2015	5	$22M	4.7%	$4,407,739	$54,417	12.3%	$90,941	167	8.6%
2014	2	$26.7M	4.4%	$13,337,164	$73,080	-	$83,069	152	8.6%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.
(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

LUXURY & UPPER UPSCALE SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2028	-	-	-	-	-	-	$224,131	199	9.6%
2027	-	-	-	-	-	-	$209,527	186	9.9%
2026	-	-	-	-	-	-	$191,158	169	10.4%
2025	-	-	-	-	-	-	$178,430	158	10.5%
2024	-	-	-	-	-	-	$190,673	169	9.4%
YTD	-	-	-	-	-	-	$201,118	178	8.8%
2023	-	-	-	-	-	-	$181,322	161	8.8%
2022	-	-	-	-	-	-	$172,479	153	8.3%
2021	-	-	-	-	-	-	$173,725	154	8.0%
2020	-	-	-	-	-	-	$183,968	163	8.3%
2019	1	$22M	17.0%	$22,000,000	$117,647	-	$203,941	181	8.3%
2018	-	-	-	-	-	-	$209,165	185	8.0%
2017	-	-	-	-	-	-	$206,855	183	7.9%
2016	-	-	-	-	-	-	$202,388	179	7.8%
2015	-	-	-	-	-	-	$192,919	171	7.7%
2014	1	$20.9M	100%	$20,874,327	$71,001	-	$177,195	157	7.7%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.
(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

Appendix

Denton/Lewisville/McKinney Hospitality

UPSCALE & UPPER MIDSCALE SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2028	-	-	-	-	-	-	$107,590	187	10.7%
2027	-	-	-	-	-	-	$100,580	174	11.1%
2026	-	-	-	-	-	-	$91,762	159	11.6%
2025	-	-	-	-	-	-	$85,652	149	11.7%
2024	-	-	-	-	-	-	$91,529	159	10.5%
YTD	1	$5.6M	1.0%	$5,623,750	$78,108	5.7%	$96,543	167	9.9%
2023	-	-	-	-	-	-	$88,860	154	9.7%
2022	5	$43.8M	5.9%	$8,751,031	$103,538	11.1%	$85,115	148	9.1%
2021	6	$38.4M	8.8%	$6,401,625	$62,252	-	$85,597	148	8.7%
2020	-	-	-	-	-	-	$90,096	156	9.1%
2019	1	$5.5M	1.0%	$5,500,000	$90,164	-	$98,743	171	9.2%
2018	2	$24.5M	3.9%	$12,250,000	$111,872	11.2%	$113,290	196	8.6%
2017	-	-	-	-	-	-	$110,741	192	8.5%
2016	1	$5.5M	1.5%	$5,500,000	$80,882	9.0%	$103,324	179	8.6%
2015	3	$11.8M	5.2%	$3,933,333	$55,660	13.5%	$95,257	165	8.5%
2014	1	$5.8M	1.8%	$5,800,000	$81,690	-	$86,867	151	8.5%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.
(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

MIDSCALE & ECONOMY SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2028	-	-	-	-	-	-	$63,055	223	10.9%
2027	-	-	-	-	-	-	$58,947	209	11.3%
2026	-	-	-	-	-	-	$53,779	191	11.8%
2025	-	-	-	-	-	-	$50,198	178	11.9%
2024	-	-	-	-	-	-	$53,643	190	10.7%
YTD	-	-	-	-	-	-	$56,581	201	10.1%
2023	-	-	-	-	-	-	$51,422	182	9.9%
2022	-	-	-	-	-	-	$48,413	172	9.4%
2021	1	$3.6M	1.3%	$3,550,000	$61,207	-	$47,498	168	9.0%
2020	2	$8.4M	5.4%	$4,200,000	$34,855	9.2%	$49,577	176	9.5%
2019	1	$8.5M	2.4%	$8,450,000	$84,500	11.5%	$54,154	192	9.5%
2018	-	-	-	-	-	-	$55,286	196	9.3%
2017	-	-	-	-	-	-	$53,745	190	9.2%
2016	-	-	-	-	-	-	$50,326	178	9.3%
2015	2	$10.2M	4.7%	$5,119,348	$53,050	10.4%	$46,823	166	9.2%
2014	-	-	-	-	-	-	$42,680	151	9.1%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.
(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

Appendix

Denton/Lewisville/McKinney Hospitality

DELIVERIES & UNDER CONSTRUCTION

	Inventory			Deliveries		Net Deliveries		Under Construction	
Year	Bldgs	Rooms	% Change	Bldgs	Rooms	Bldgs	Rooms	Bldgs	Rooms
YTD	129	13,376	0%	0	0	0	0	15	1,729
2023	129	13,377	5.2%	3	676	3	676	13	1,590
2022	127	12,721	1.5%	3	280	3	280	8	1,238
2021	125	12,531	2.2%	2	272	1	266	9	1,352
2020	123	12,264	5.0%	7	716	7	716	10	1,124
2019	117	11,680	11.5%	6	817	6	817	11	1,208
2018	107	10,480	1.1%	2	176	2	176	13	1,653
2017	106	10,371	12.9%	10	1,263	9	1,263	7	951
2016	97	9,188	5.5%	5	612	4	522	10	1,263
2015	93	8,707	4.3%	1	187	0	58	7	839
2014	90	8,347	-1.1%	3	297	1	128	2	332

COMPREHENSIVE HOTEL MARKET FEASIBILITY STUDY FINANCIAL PROFORMA

PREPARED FOR

JUSTIN, TEXAS

PREPARED BY
Core Distinction Group, LLC

Lisa Pennau - Founding Partner
l.pennau@coredistinctiongroup.com

Jessica Junker - Managing Partner
j.junker@coredistinctiongroup.com

Offices in Wisconsin

INCLUDES
Projected Land Costs
Projected Building Costs
Projected Fixture, Furnishings, and Equipment Costs
Projected Soft Costs
Projected Investment
Projected Revenue
Projected Expenses
Projected Return on Investment

Core Distinction Group

TAKING THE FIRST STEP TO DEVELOP A NEW HOTEL

Cobblestone Hotel & Suites
Justin, TX
Number of Units: 80

Building Specifications: 80 unit, 4-story Main Street Prototype Hotel & Suites with standard and extended stay rooms, guest cocktail lounge, hot breakfast, fitness room, meeting room, pool and two elevators. No Restaurant.

Total Land & Prep	**$1,350,000**	
per room	*$16,875*	
Raw Land **(TBD)**	$0	
Permit & Community (plan review/permit/inspect/impact/tap fees/etc.)	$550,000	
Site Utility & Excav. (sewer/water/electric/grading & fill/drainage/etc.)	$800,000	
Building Construction	**$9,980,000**	
per room	*$124,750*	
Fixtures, Furnishings, and Equipment	**$1,395,000**	
per room	*$17,438*	
Indirect/Soft Costs	**$2,062,000**	
per room	*$25,775*	
Appraisal	$7,000	
Architectural / Engineering	$120,000	
Cobblestone Franchise Fee	$40,000	
Surveys	$20,000	
Development Services	$980,000	
Pre-Opening Services	$40,000	
Working Capital	$170,000	
Legal and Accounting Fees	$15,000	
Construction Period Interest / Loan Fees / Closing	$450,000	
Insurance & Taxes During Construction	$20,000	
Project Contingency	$200,000	
Total Project Costs:	**$14,787,000**	
per room	*$184,838*	
Requested Loan Amount:	$10,350,900	70.0%
Expected Cash Injection:	$4,436,100	30.0%

Sources of Funding

Bank Loan	10,350,900	**Debt Interest:**	7.50%
Expected Cash Injection	4,436,100	**Debt Terms:**	25
Total:	**$14,787,000**	**Debt Service:**	$917,907

First Full Year Open

Rooms: 80

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Lodging Rooms Available	2,480	2,240	2,480	2,400	2,480	2,400	2,480	2,480	2,400	2,480	2,400	2,480	29,200
Lodging Occupancy %	64.7%	67.1%	76.2%	75.2%	75.6%	75.8%	73.8%	66.9%	72.4%	74.4%	70.9%	64.7%	71.5%
Total Occ. Rooms	1,604	1,504	1,889	1,804	1,874	1,819	1,830	1,660	1,739	1,846	1,701	1,606	20,875
Average Daily Rate	$122.31	$122.48	$128.74	$140.93	$133.75	$129.17	$126.87	$120.26	$130.40	$131.99	$125.93	$120.64	$128.07
Revenue Per Available Room (REVPAR)	$79.10	$82.22	$98.04	$105.95	$101.08	$97.89	$93.63	$80.49	$94.47	$98.24	$89.27	$78.11	$91.56
Revenue:													
Guest Room Revenue	196,174	184,181	243,146	254,276	250,678	234,948	232,201	199,619	226,735	243,626	214,245	193,704	2,673,533
Meeting Room Revenue	802	752	944	902	937	909	915	830	869	923	851	803	10,438
Marketplace/Lounge	8,020	7,519	9,443	9,021	9,371	9,095	9,151	8,299	8,694	9,229	8,506	8,028	104,377
TOTAL HOTEL REVENUE	**204,995**	**192,452**	**253,534**	**264,199**	**260,987**	**244,952**	**242,267**	**208,748**	**236,298**	**253,777**	**223,602**	**202,535**	**2,788,347**
Hotel Payroll Expenses:													
Hotel Manager	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	75,000
Housekeeping/Maintenance	12,029	11,279	14,165	13,532	14,057	13,642	13,727	12,449	13,041	13,843	12,759	12,042	156,565
Front Desk	7,440	6,960	9,300	9,000	9,300	10,800	11,160	11,160	9,000	9,300	7,200	7,440	108,060
Workers Comp Insurance	643	612	743	720	740	767	778	746	707	735	655	643	8,491
Payroll Tax	3,295	3,138	3,807	3,688	3,793	3,932	3,989	3,826	3,625	3,766	3,358	3,297	43,514
TOTAL HOTEL PAYROLL	**29,658**	**28,238**	**34,265**	**33,189**	**34,140**	**35,392**	**35,905**	**34,431**	**32,623**	**33,894**	**30,223**	**29,673**	**391,630**
Hotel Operating Expenses:													
Cleaning Supplies	882	827	1,039	992	1,031	1,000	1,007	913	956	1,015	936	883	11,481
Laundry Supplies	802	752	944	902	937	909	915	830	869	923	851	803	10,438
Linens	1,203	1,128	1,417	1,353	1,406	1,364	1,373	1,245	1,304	1,384	1,276	1,204	15,657
Guest Supplies	1,604	1,504	1,889	1,804	1,874	1,819	1,830	1,660	1,739	1,846	1,701	1,606	20,875
Operating Supplies	1,363	1,278	1,605	1,534	1,593	1,546	1,556	1,411	1,478	1,569	1,446	1,365	17,744
Repairs & Maintenance	1,962	1,842	2,431	2,543	2,507	2,349	2,322	1,996	2,267	2,436	2,142	1,937	26,735
Swimming Pool Maintenance	833	833	833	833	833	833	833	833	833	833	833	833	10,000
Franchise Fees	9,300	8,400	9,300	9,000	9,300	9,000	9,300	9,300	9,000	9,300	9,000	9,300	109,500
Marketing Funds Fee	1,860	1,680	1,860	1,800	1,860	1,800	1,860	1,860	1,800	1,860	1,800	1,860	21,900
Reservation Expense	775	775	775	775	775	775	775	775	775	775	775	775	9,300
PMS Fee	555	555	555	555	555	555	555	555	555	555	555	555	6,660
Complimentary Breakfast	5,614	5,263	6,610	6,315	6,560	6,366	6,406	5,810	6,086	6,460	5,954	5,620	73,064
Travel Agent Fees	7,847	7,367	9,726	10,171	10,027	9,398	9,288	7,985	9,069	9,745	8,570	7,748	106,941
Vending Expense	4,010	3,760	4,722	4,511	4,686	4,547	4,576	4,150	4,347	4,614	4,253	4,014	52,188
Marketing / Advertising	**981**	**921**	1,216	1,271	1,253	1,175	1,161	998	1,134	1,218	1,071	969	13,368
Utilities	**5,125**	**4,811**	6,338	6,605	6,525	6,124	6,057	5,219	5,907	6,344	5,590	5,063	69,709
Cable/Internet/Phone	**2,480**	**2,240**	2,480	2,400	2,480	2,400	2,480	2,480	2,400	2,480	2,400	2,480	29,200
Credit Card Expense	4,612	4,330	5,705	5,944	5,872	5,511	5,451	4,697	5,317	5,710	5,031	4,557	62,738
Management Fee	12,300	11,547	15,212	15,852	15,659	14,697	14,536	12,525	14,178	15,227	13,416	12,152	167,301
TOTAL OPERATING EXPENSES	**64,108**	**59,814**	**74,657**	**75,161**	**75,733**	**72,171**	**72,280**	**65,241**	**70,015**	**74,295**	**67,601**	**63,724**	**834,799**
Income Before Fixed Expenses	111,230	104,400	144,612	155,849	151,114	137,390	134,082	109,076	133,661	145,588	125,778	109,138	1,561,918
Gross Operating Profit (GOP)	54.26%	54.25%	57.04%	58.99%	57.90%	56.09%	55.34%	52.25%	56.56%	57.37%	56.25%	53.89%	56.02%
Reserves & Fixed Expenses:													
Debt Service	76,492	76,492	76,492	76,492	76,492	76,492	76,492	76,492	76,492	76,492	76,492	76,492	917,907
Real Estate Taxes (Estimates)	3,321	3,321	3,321	3,321	3,321	3,321	3,321	3,321	3,321	3,321	3,321	3,321	39,853
Insurance	3,075	2,887	3,803	3,963	3,915	3,674	3,634	3,131	3,544	3,807	3,354	3,038	41,825
Reserves For Replacement	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RESERVES & FIXED	**82,888**	**82,700**	**83,616**	**83,776**	**83,728**	**83,488**	**83,447**	**82,945**	**83,358**	**83,620**	**83,167**	**82,851**	**999,585**
NET OPERATING INCOME (NOI)	**104,834**	**98,192**	**137,488**	**148,565**	**143,878**	**130,394**	**127,127**	**102,624**	**126,796**	**138,460**	**119,103**	**102,779**	**1,480,240**
NET CASH FLOW	**28,342**	**21,700**	**60,995**	**72,073**	**67,386**	**53,902**	**50,635**	**26,132**	**50,303**	**61,968**	**42,611**	**26,287**	**562,333**

Five Year Numbers Projected Summary

	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
	AMOUNT		AMOUNT		AMOUNT		AMOUNT		AMOUNT	
Lodging Rooms Available	29,200		29,200		29,200		29,200		29,200	
Lodging Occupancy %	71.5%		73.6%		75.8%		77.4%		78.9%	
Total Occ. Rooms	20,875		21,502		22,147		22,590		23,041	
Average Daily Rate	$128.07		$131.91		$135.87		$139.95		$142.75	
REVENUE:										
Guest Room Revenue	2,673,533	95.9%	2,836,351	96.0%	3,009,085	96.1%	3,161,344	96.2%	3,289,063	96.3%
Meeting Room Revenue	10,438	0.4%	10,751	0.4%	11,073	0.4%	11,295	0.3%	11,521	0.3%
Marketplace/Lounge	104,377	3.7%	107,508	3.6%	110,733	3.5%	112,948	3.4%	115,207	3.4%
	=======		=======		=======		=======		=======	
TOTAL HOTEL REVENUE	**2,788,347**	**100.0**	**2,954,610**	**100.0**	**3,130,891**	**100.0**	**3,285,587**	**100.0**	**3,415,790**	**100.0**

NOTE: The above information is a forwards looking projection of anticipated expenses and profits with regard to this project based on the professional experience of Core Distinction Group LLC (CDG) participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by Smith Travel Research (STR) in the market's proximity along with to date range shopping of local and surrounding hotels. This projection could change due to changes and in the economy, both locally and overall, the acceptance of the project by the local community and patrons and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward projections are not warranted by CDG and are subject to change and fluctuation.

5 Year Projection

Rooms: 80

	Year 1	Year 2	Year 3	Year 4	Year 5
Lodging Rooms Available	29,200	29,200	29,200	29,200	29,200
Lodging Occupancy %	71.5%	73.6%	75.8%	77.4%	78.9%
Total Occ. Rooms	20,875	21,502	22,147	22,590	23,041
Average Daily Rate	$128.07	$131.91	$135.87	$139.95	$142.75
Revenue Per Available Room (REVPAR)	$91.56	$97.14	$103.05	$108.27	$112.64
Revenue:					
Guest Room Revenue	2,673,533	2,836,351	3,009,085	3,161,344	3,289,063
Meeting Room Revenue	10,438	10,751	11,073	11,295	11,521
Marketplace/Lounge	104,377	107,508	110,733	112,948	115,207
TOTAL HOTEL REVENUE	**2,788,347**	**2,954,610**	**3,130,891**	**3,285,587**	**3,415,790**
Hotel Payroll Expenses:					
Hotel Manager	75,000	76,125	77,267	78,426	79,602
Housekeeping/Maintenance	156,565	161,262	166,100	169,422	172,811
Front Desk	108,060	111,302	114,641	118,080	121,622
Workers Comp Insurance	8,491	8,717	8,950	9,148	9,351
Payroll Tax	43,514	44,676	45,870	46,885	47,923
TOTAL HOTEL PAYROLL	**391,630**	**402,082**	**412,828**	**421,961**	**431,310**
Hotel Operating Expenses:					
Cleaning Supplies	11,481	11,826	12,181	12,424	12,673
Laundry Supplies	10,438	10,751	11,073	11,295	11,521
Linens	15,657	16,126	16,610	16,942	17,281
Guest Supplies	20,875	21,502	22,147	22,590	23,041
Operating Supplies	17,744	18,276	18,825	19,201	19,585
Repairs & Maintenance	26,735	28,364	37,614	39,517	49,336
Swimming Pool Maintenance	10,000	11,500	13,225	15,209	17,490
Franchise Fees	109,500	109,500	109,500	109,500	109,500
Marketing Funds Fee	21,900	21,900	21,900	21,900	21,900
Reservation Expense	9,300	9,300	9,300	9,300	9,300
PMS Fee	6,660	6,660	6,660	6,660	6,660
Complimentary Breakfast	73,064	75,256	77,513	79,064	80,645
Travel Agent Fees	106,941	113,454	120,363	126,454	131,563
Vending Expense	52,188	53,754	55,367	56,474	57,604
Marketing / Advertising	13,368	14,182	15,045	15,807	16,445
Utilities	69,709	73,865	78,272	82,140	85,395
Cable/Internet/Phone	29,200	30,076	30,978	31,908	32,865
Credit Card Expense	62,738	66,479	70,445	73,926	76,855
Management Fee	167,301	177,277	187,853	197,135	204,947
TOTAL OPERATING EXPENSES	**834,799**	**870,047**	**914,872**	**947,444**	**984,606**
Income Before Fixed Expenses Gross Operating Profit (GOP)	**1,561,918**	**1,682,481**	**1,803,192**	**1,916,182**	**1,999,875**
Reserves & Fixed Expenses:					
Real Estate Taxes (Estimates)	39,853	39,853	39,853	39,853	39,853
Insurance	41,825	44,319	46,963	49,284	51,237
Reserves For Replacement	0	59,092	93,927	131,423	136,632
NET OPERATING INCOME (NOI)	**1,480,240**	**1,539,217**	**1,622,449**	**1,695,622**	**1,772,154**
Loan (Interest Payment)	771,348	759,970	747,709	734,496	720,257
Loan (Principal Reduction)	146,559	157,937	170,198	183,411	197,650
Debt Service	917,907	917,907	917,907	917,907	917,907
NET CASH FLOW	**$562,333**	**$621,310**	**$704,542**	**$777,715**	**$854,247**
RETURN ON INVESTMENT (ROI) %	**12.68%**	**14.01%**	**15.88%**	**17.53%**	**19.26%**
ROI % (Including Principal Reduction)	**15.98%**	**17.57%**	**19.72%**	**21.67%**	**23.71%**

NOTE: The above information is a forwards looking projection of anticipated expenses and profits with regard to this project based on the professional experience of Core Distinction Group LLC (CDG) participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by Smith Travel Research (STR) in the market's proximity along with to date range shopping of local and surrounding hotels. This projection could change due to changes and in the economy, both locally and overall, the acceptance of the project by the local community and patrons and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward projections are not warranted by CDG and are subject to change and fluctuation.

5 Year Break Even

Rooms: 80

	Year 1	Year 2	Year 3	Year 4	Year 5
Lodging Rooms Available	29,200	29,200	29,200	29,200	29,200
Lodging Occupancy %	50.8%	50.9%	50.4%	49.8%	49.2%
Total Occ. Rooms	14,824	14,852	14,721	14,546	14,371
Average Daily Rate	$128.07	$131.91	$135.87	$139.95	$142.75
Revenue Per Available Room (REVPAR)	$65.02	$67.10	$68.50	$69.71	$70.25
Revenue:					
Guest Room Revenue	1,898,526	1,959,176	2,000,152	2,035,666	2,051,398
Meeting Room Revenue	7,412	7,426	7,361	7,273	7,186
Marketplace/Lounge	74,120	74,260	73,605	72,730	71,855
TOTAL HOTEL REVENUE	**1,980,058**	**2,040,862**	**2,081,117**	**2,115,669**	**2,130,439**
Hotel Payroll Expenses:					
Hotel Manager	75,000	77,250	79,568	81,955	84,413
Housekeeping/Maintenance	111,180	111,390	110,408	109,095	107,783
Front Desk	90,000	92,700	95,481	98,345	101,296
Workers Comp Insurance	6,905	7,034	7,136	7,235	7,337
Payroll Tax	35,386	36,047	36,574	37,079	37,604
TOTAL HOTEL PAYROLL	**318,470**	**324,420**	**329,166**	**333,709**	**338,432**
Hotel Operating Expenses:					
Cleaning Supplies	8,153	8,169	8,097	8,000	7,904
Laundry Supplies	7,412	7,426	7,361	7,273	7,186
Linens	11,118	11,139	11,041	10,910	10,778
Guest Supplies	14,824	14,852	14,721	14,546	14,371
Operating Supplies	12,600	12,624	12,513	12,364	12,215
Repairs & Maintenance	18,985	19,592	25,002	25,446	30,771
Swimming Pool Maintenance	10,000	11,500	13,225	15,209	17,490
Franchise Fees	109,500	109,500	109,500	109,500	109,500
Marketing Funds Fee	21,900	21,900	21,900	21,900	21,900
Reservation Expense	9,300	9,300	9,300	9,300	9,300
PMS Fee	6,660	6,660	6,660	6,660	6,660
Complimentary Breakfast	59,296	59,408	58,884	58,184	57,484
Travel Agent Fees	75,941	78,367	80,006	81,427	82,056
Vending Expense	37,060	37,130	36,803	36,365	35,928
Marketing / Advertising	9,493	9,796	10,001	10,178	10,257
Utilities	69,302	71,430	72,839	74,048	74,565
Cable/Internet/Phone	29,200	30,076	30,978	31,908	32,865
Credit Card Expense	44,551	45,919	46,825	47,603	47,935
Management Fee	118,803	122,452	124,867	126,940	127,826
TOTAL OPERATING EXPENSES	**674,099**	**687,240**	**700,521**	**707,760**	**716,991**
Income Before Fixed Expenses Gross Operating Profit (GOP)	**987,489**	**1,029,202**	**1,051,429**	**1,074,200**	**1,075,016**
Reserves & Fixed Expenses:					
Real Estate Taxes (Estimates)	39,853	39,853	39,853	39,853	39,853
Insurance	29,701	30,613	31,217	31,735	31,957
Reserves For Replacement	0	40,817	62,434	84,627	85,218
NET OPERATING INCOME (NOI)	**917,935**	**917,919**	**917,926**	**917,985**	**917,989**
Loan (Interest Payment)	771,348	759,970	747,709	734,496	720,257
Loan (Principal Reduction)	146,559	157,937	170,198	183,411	197,650
NET CASH FLOW	**$28**	**$12**	**$19**	**$78**	**$82**

NOTE: The above information is a forwards looking projection of anticipated expenses and profits with regard to this project based on the professional experience of Core Distinction Group LLC (CDG) participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by Smith Travel Research (STR) in the market's proximity along with to date range shopping of local and surrounding hotels. This projection could change due to changes and in the economy, both locally and overall, the acceptance of the project by the local community and patrons and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward projections are not warranted by CDG and are subject to change and fluctuation.

Lodging Demand Analysis

1st Quarter (Jan-Mar)	January	February	March	
Lodging Rooms Available	2,480	2,240	2,480	
Lodging Occupancy %	64.7%	67.1%	76.2%	
Total Occ. Rooms	1,604	1,504	1,889	
Average Daily Rate	122.31	122.48	128.74	
Total Revenue	**$196,174**	**$184,181**	**$243,146**	
2nd Quarter (Apr-June)	**April**	**May**	**June**	
Lodging Rooms Available	2,400	2,480	2,400	
Lodging Occupancy %	75.2%	75.6%	75.8%	
Total Occ. Rooms	1,804	1,874	1,819	
Average Daily Rate	140.93	133.75	129.17	
Total Revenue	**$254,276**	**$250,678**	**$234,948**	
3rd Quarter (July-Sept)	**July**	**August**	**September**	
Lodging Rooms Available	2,480	2,480	2,400	
Lodging Occupancy %	73.8%	66.9%	72.4%	
Total Occ. Rooms	1,830	1,660	1,739	
Average Daily Rate	126.87	120.26	130.40	
Total Revenue	**$232,201**	**$199,619**	**$226,735**	
4th Quarter (Oct-Dec)	**October**	**November**	**December**	**TOTAL**
Lodging Rooms Available	2,480	2,400	2,480	29,200
Lodging Occupancy %	74.4%	70.9%	64.7%	71.5%
Total Occ. Rooms	1,846	1,701	1,606	20,875
Average Daily Rate	131.99	125.93	120.64	$128.07
Total Revenue	**$243,626**	**$214,245**	**$193,704**	**2,673,533**

** The above forecasts represent projections for occupancy, ADR, and revenue of a developed 80 unit lodging option. Financial Returns projected based on specific brand chosen for development. Development costs and FDD required by each brand for financial projection estimates.*

NOTE: The above information is a forward looking projection of anticipated occupancies, average daily rate and revenue based on the professional experience of Core Distinction Group LLC's participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by CoStar/Smith Travel Research (STR) in the market's proximity along with to date rate shopping of local and surrounding hotels, and community feedback. This projection could change due to changes in the economy (both locally and overall), the acceptance of the project by the local community and patrons, and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward looking projections are not warranted by CDG and are subject to change and fluctuation.

Source: Core Distinction Group LLC

1-5 Year Projections:

OCC%	ADR:	REVPAR	Room Revenue:	
71.5%	**$128.07**	**$91.56**	**$2,673,533**	**YEAR 1**
OCC%	ADR:	REVPAR	Room Revenue:	
73.6%	**$131.91**	**$97.14**	**$2,836,351**	**YEAR 2**
OCC%	ADR:	REVPAR	Room Revenue:	
75.8%	**$135.87**	**$103.05**	**$3,009,085**	**YEAR 3**
OCC%	ADR:	REVPAR	Room Revenue:	
77.4%	**$139.95**	**$108.27**	**$3,161,344**	**YEAR 4**
OCC%	ADR:	REVPAR	Room Revenue:	
78.9%	**$142.75**	**$112.64**	**$3,289,063**	**YEAR 5**

It should be noted that the above projections are considered to be forecasted for the first full year open. Consideration for a ramp up period at a minimum of 90 to 180 days is typical for new hotel development. It should be noted that projections shown in any forward reaching Pro Forma will indicate a first partial year ramp up period for comparison and budget planning. The opening of this potential hotel development should be in timing up to 90 days prior to peak season to ensure highest potential profitability in year 1. A minimum of $150k should be factored into the total project cost under working capital to offset this first year ramp up period loss potential. Hotels used in this seasonality analysis are from the regional market of Justin, TX. The market's demand patterns appear average.

Source: Core Distinction Group LLC

Proposed Property

In this section of the report, Core Distinction Group has compiled a projection of income and expense for the proposed hotel development. This projection is based on the hotel's recommendations stated throughout this report, as well as the occupancy and average rate projected throughout this report. This section of the report also details construction/development costs gathered by Core Distinction Group.

Proposed Property Description

The quality of a lodging facility's physical improvements has a direct influence on marketability, attainable occupancy, and average room rate. The design and functionality of the structure can also affect operating efficiency and overall profitability. This section investigates the subject property's proposed physical improvements and personal property in an effort to determine how they are expected to contribute to attainable cash flows.

Projected Construction/Development Costs

Gathering the most accurate costs available may help ensure the hotel project projection estimates set in this report be as accurate as possible. Core Distinction Group requested construction/development costs directly from a reputable hotel construction company and/or the brand selected by the client. Core Distinction Group is not responsible for any discrepancies in costs in the future. The total estimated costs for this proposed hotel development project are listed in table below:

Hotel Construction/Development Costs in Justin, TX	
Total Estimated Costs	**$14,787,000**

Hotel Construction/Development Costs in Justin, TX		
Total Estimated Costs	**$184,838**	**per room/key**

Projected Hotel Development Revenue

In this section of this report, Core Distinction Group has compiled projections of revenue for the proposed hotel. This projection is based on the hotel's recommendations stated throughout this report, as well as the occupancy and average rate projected throughout this report. Room revenue is determined by two variables: occupancy and average rate. We projected occupancy and average rate in a previous section of this report. The proposed subject hotel is expected to stabilize by year three. Due to the scale of the proposed hotel development, the revenue will also contain a small amount of food and beverage revenue, telephone revenue, meeting space revenue and miscellaneous revenue. Below you will find a five year projection of total revenue for the proposed hotel development:

Five Year Projected Hotel Development Revenue
Year 1
$2,788,347.22
Year 2
$2,954,609.79
Year 3
$3,130,891.32

Projected Hotel Development Payroll

The projected hotel development payroll expenses consist of all payroll associated with the revenue obtained by the proposed property. Core Distinction Group includes; the General Manager salary, all maintenance payroll, all housekeeping payroll, all front desk payroll, as well as workers compensation insurance and any payroll taxes in its evaluation. Below you will find the forecasted five year proposed property's total payroll:

Five Year Projected Hotel Development Total Payroll
Year 1
$391,630.45
Year 2
$402,082.09
Year 3
$412,827.83

Projected Hotel Development Operating Expenses

The projected hotel development operating expenses consist of all operating expenses associated with the revenue obtained by the proposed property. Core Distinction Group includes the following in its operating expenses:

Cleaning Supply Expenses - All expenses related to the cleaning of the proposed hotel project.

Laundry Supply Expenses - All expenses related to the laundering of the linens at the proposed hotel project.

Linen Expenses - All expenses related to the ongoing cost of replacing linens at the proposed hotel project.

Guest Supply Expenses - All expenses related to the restocking of supplies used by the guest at proposed hotel project.

Operating Supply Expenses - All expenses related to the operations of the proposed hotel project.

Repairs and Maintenance Expenses - All expenses related to the repair and maintenance of the proposed hotel project. It should be noted that as a new hotel, these amounts may be lower in the first year or two of operation. However, this also does include any contracts such as elevator maintenance, fire alarm monitoring, etc.

Swimming Pool Maintenance Expenses - All expenses related to the upkeep of the pool at the proposed hotel project. It should be noted that if the proposed hotel does not have a pool, this number will not be present in the proposed hotel project expenses.

Grounds and Landscaping Expenses - All expenses related to the ongoing maintenance of lawn, landscaping and snow removal (if applicable) of the proposed hotel project.

Franchise Fee Expenses - All expenses related to the ongoing fees charged by the franchise to the proposed hotel project.

Property Management System Expenses - All expenses related to the ongoing fees charged by the property management system of the proposed hotel project.

Breakfast Expenses - All expenses related to the breakfast provided by the proposed hotel project.

Travel Agent Fee Expenses - All expenses related to the ongoing fees charged by any travel agent booking revenue at the proposed hotel project. This also includes online travel agent websites.

Reservation Expenses - All expenses related to the ongoing fees charged by the central reservation system of proposed hotel project.

Projected Hotel Development Operating Expenses (continued)

Vending and Bar Expenses - All expenses related to the bar or vending area of the proposed hotel project.

Office Expenses - All expenses related to the office supplies need at the proposed hotel project.

Marketing and Advertising Expenses - All expenses related to the marketing and advertising done for the proposed hotel project.

Utility Expenses - All expenses related to the utilities utilized at the proposed hotel project.

Telephone Expenses - All expenses related to the phone system at the proposed hotel project.

Internet Expenses - All expenses related to the internet system at the proposed hotel project.

Cable Expenses - All expenses related to the cable system at the proposed hotel project.

Waste Removal Expenses - All expenses related to the removal of waste at the proposed hotel project.

Dues and Subscription Expenses - All expenses related to any dues or subscriptions utilized at proposed hotel project.

Licenses and Permitting Expenses - All expenses related to any ongoing licenses or permits for the proposed hotel project.

Credit Card Processing Expenses - All expenses related to the credit card processing system at the proposed hotel project.

Management Fee Expenses - All expenses related to the ongoing professional hotel management fees of the proposed hotel project.

Accounting Service Expenses - All expenses related to the ongoing, professional accounting or accountant fees of the proposed hotel project.

Other Expenses/Frequent Stay Program Expenses - All expenses related to the brand's frequent stay program at the proposed hotel project. This line also includes any miscellaneous expenses.

Projected Hotel Development Operating Expenses (continued)

Below you will find the forecasted five year, proposed property's total operating expenses:

Five Year Projected Hotel Development Total Operating Expenses
Year 1
$834,799.00
Year 2
$870,046.65
Year 3
$914,871.98
Year 4
$947,444.12
Year 5
$984,605.76

Projected Hotel Development Reserves and Fixed Expenses

The projected hotel development reserves and fixed expenses consist of all fixed monthly expenses as well as the reserve for replacement expenses associated with the revenue obtained by the proposed property. Core Distinction Group includes the following in its reserves and fixed expenses:

Real Estate Tax Expenses - This expense relates to the real estate taxes assessed for the proposed hotel project. In some cases this item could be an estimate and/or may be reduced due to incentives. Depending on the taxing policy of the municipality, property taxes can be based on the value of the real property or the value of the personal property and the real property. We have based our estimate of the proposed subject property's market value (for tax purposes) on an analysis of assessments of comparable hotel properties in the local municipality. The numbers below are based on what was available to Core Distinction Group representatives at the time of conducting the research in this report.

Insurance Expenses - This expense relates to the ongoing property insurance for the proposed hotel project. In some cases this item could be an estimate. The insurance expense consists of the cost of insuring the hotel and its contents against damage or destruction by fire, weather, sprinkler leakage, boiler explosion, plate glass breakage, and so forth. General insurance costs also include premiums relating to liability, fidelity, and theft coverage. Insurance rates are based on many factors, including building design and construction, fire detection and extinguishing equipment, fire district, distance from the firehouse, and the area's fire experience. Insurance expenses do not vary with occupancy. The numbers to follow are based on what was available to Core Distinction Group representatives at the time of conducting the research in this report.

Reserve for Replacement Expenses - Furniture, fixtures, and equipment are essential to the operation of a lodging facility, and their quality often influences a property's revenue-producing abilities. This expense line includes all non-real estate items that are capitalized, rather than expensed. The furniture, fixtures, and equipment of a hotel are exposed to heavy use and must be replaced at regular intervals. The useful life of these items is determined by their quality, durability, and the amount of guest traffic and use. Periodic replacement of furniture, fixtures, and equipment is essential to maintain the quality, image, and revenue-producing potential of a lodging facility. Studies have indicated that on an ongoing basis a minimum of 4 percent is required to properly maintain hotels. Because the proposed hotel will be a new construction, we used a buildable approach whereas, in the first two years of operation, the reserve was estimated to be 3 percent and in subsequent years the reserve for replacement was estimated to be 4 percent of total sales and is estimated to provide sufficient funds for future capital improvements.

Projected Hotel Development Reserves and Fixed Expenses (continued)

Below you will find the forecasted five year, proposed property's total reserves and fixed expenses:

Five Year Projected Hotel Development Total Reserves and Fixed Expenses
Year 1
$81,678.04
Year 2
$143,264.18
Year 3
$180,742.94
Year 4
$220,560.13
Year 5
$227,721.30

Projected Hotel Development Loan Expenses

The projected hotel development loan expenses consist of all monthly expenses incurred by the proposed property. Based on our analysis of the current lodging industry's mortgage market and adjustments for specific factors, such as the property's site, proposed facility, and conditions in the hotel market, it is our opinion that a 7.5% interest, 25-year amortization mortgage is appropriate for the proposed subject hotel. In the mortgage equity analysis, we have applied a loan-to-cost ratio of 70%, which is reasonable to expect based on this interest rate and current parameters. Below you will find the forecasted five year, proposed property's total loan expenses:

Five Year Projected Hotel Development Total Interest Payment
Year 1
$771,348
Year 2
$759,970
Year 3
$747,709
Year 4
$734,496
Year 5
$720,257

Five Year Projected Hotel Development Total Principal Reduction
Year 1
$146,559
Year 2
$157,937
Year 3
$170,198
Year 4
$183,411
Year 5
$197,650

Projected Hotel Development Income

The projected hotel development income is measured by two separate parameters for the proposed property:

Return On Investment (ROI) is a performance measure used to evaluate the efficiency of an investment or compare the efficiency of a number of different investments. ROI tries to directly measure the amount of return on a particular investment relative to the investment's cost.

ROI % (Including Principal Reduction) is a calculation used to analyze the profitability of income-generating real estate investments. ROI equals all revenue from the property, minus all reasonably necessary operating expenses, and principle loan payment.

The projected Return On Investment (ROI) and Net Operating Income ROI % (Including Principal Reduction) are as follows:

Five Year Projected - Total Return On Investment (ROI)
Year 1
12.68%
Year 2
14.01%
Year 3
15.88%
Year 4
17.53%
Year 5
19.26%

Five Year Projected - ROI % (Including Principal Reduction)
Year 1
15.98%
Year 2
17.57%
Year 3
19.72%
Year 4
21.67%
Year 5
23.71%