

Branded Upper Midscale Hotel

Option Locust Grove, VA

Number of Units: 70

Total Land & Prep	\$350,000	
<i>per room</i>	<i>\$5,000</i>	
 Building Construction	 \$5,600,000	
<i>per room</i>	<i>\$80,000</i>	
 Fixtures, Furnishings, and Equipment	 \$1,750,000	
<i>per room</i>	<i>\$25,000</i>	
 Soft Costs	 \$700,000	
<i>per room</i>	<i>\$10,000</i>	
(interest, engineering, architectural, city permit fees, lender fees, franchise fees)	\$675,000	
 Total Project Costs:	 \$8,400,000	
<i>per room</i>	<i>\$120,000</i>	
 Requested Loan Amount:	 \$5,050,000	60.1%
Expected Cash Injection:	\$3,350,000	39.9%
 Sources of Funding		
Bank Loan	\$5,050,000	Debt Interest: 5.00%
Expected Cash Injection	\$3,350,000	Debt Terms: 20
Total:	\$8,400,000	Debt Service: \$416,860

* Pricing noted above valid for 90 days from document date shown

RAMP UP YEAR:													Rooms:
													70
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Lodging Rooms Available	2,170	1,960	2,170	2,100	2,170	2,100	2,170	2,170	2,100	2,170	2,100	2,170	25,550
Lodging Occupancy %	56.9%	58.2%	56.9%	58.8%	61.3%	67.9%	67.9%	59.1%	65.6%	60.2%	58.8%	56.9%	60.7%
Total Occ. Rooms	1,235	1,140	1,235	1,235	1,330	1,425	1,473	1,283	1,378	1,306	1,235	1,235	15,509
Average Daily Rate	\$86.73	\$86.73	\$102.41	\$107.80	\$113.68	\$115.15	\$113.78	\$113.44	\$110.74	\$112.70	\$89.67	\$82.66	\$103.59
Revenue Per Available Room (REVPAR)	\$49.36	\$50.45	\$58.28	\$63.40	\$69.67	\$78.14	\$77.21	\$67.04	\$72.64	\$67.84	\$52.73	\$47.05	\$62.88
REVENUE:													
Guest Rooms	107,112	98,872	126,476	133,133	151,194	164,089	167,538	145,480	152,544	147,214	110,742	102,089	1,606,485
Meeting Room Revenue	618	570	618	618	665	713	736	641	689	653	618	618	7,754
Vending Revenue	1,235	1,140	1,235	1,235	1,330	1,425	1,473	1,283	1,378	1,306	1,235	1,235	15,509
TOTAL HOTEL REVENUE	108,964	100,582	128,329	134,986	153,189	166,226	169,747	147,404	154,611	149,174	112,595	103,941	1,629,748
HOTEL PAYROLL EXPENSE													
Hotel Manager	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Maintenance	1,071	989	1,265	1,331	1,512	1,641	1,675	1,455	1,525	1,472	1,107	1,021	16,065
Housekeeping	6,793	6,270	6,793	6,793	7,315	7,838	8,099	7,054	7,576	7,184	6,793	6,793	85,298
Front Desk	7,498	6,921	8,853	9,319	10,584	11,486	11,728	10,184	10,678	10,305	7,752	7,146	112,454
Breakfast/Social	1,607	1,483	1,897	1,997	2,268	2,461	2,513	2,182	2,288	2,208	1,661	1,531	24,097
Workers Comp Insurance	509	479	548	561	610	649	663	592	619	599	516	499	6,845
Payroll Tax	2,545	2,397	2,739	2,805	3,051	3,246	3,313	2,962	3,097	2,995	2,581	2,495	34,227
TOTAL HOTEL PAYROLL	25,022	23,540	27,094	27,807	30,340	32,321	32,990	29,428	30,785	29,764	25,411	24,485	338,987
HOTEL OPERATING EXPENSE													
Cleaning Supplies	618	570	618	618	665	713	736	641	689	653	618	618	7,754
Laundry Supplies	926	855	926	926	998	1,069	1,104	962	1,033	980	926	926	11,632
Linens	1,235	1,140	1,235	1,235	1,330	1,425	1,473	1,283	1,378	1,306	1,235	1,235	15,509
Guest Supplies	1,544	1,425	1,544	1,544	1,663	1,781	1,841	1,603	1,722	1,633	1,544	1,544	19,386
Operating Supplies	1,050	969	1,050	1,050	1,131	1,211	1,252	1,090	1,171	1,110	1,050	1,050	13,182
Uniforms Expense	741	684	741	741	798	855	884	770	827	784	741	741	9,305
Repairs & Maintenance	536	494	632	666	756	820	838	727	763	736	554	510	8,032
Swimming Pool	625	625	625	625	625	625	625	625	625	625	625	625	7,500
Grounds/Landscaping	750	750	750	500	250	250	250	250	250	250	500	750	5,500
Franchise Royalty Fee	6,902	6,427	8,221	8,654	9,828	10,666	10,890	9,456	9,915	9,569	7,198	6,636	104,422
Training Expense	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
Property Mgmt. System Expense	536	494	632	666	756	820	838	727	763	736	554	510	8,032
Complimentary Breakfast	4,940	4,560	4,940	4,940	5,320	5,700	5,890	5,130	5,510	5,225	4,940	4,940	62,035
Travel Agent Fees	2,678	2,472	3,162	3,328	3,780	4,102	4,188	3,637	3,814	3,680	2,769	2,552	40,162
Reservations Expense	2,142	1,977	2,530	2,663	3,024	3,282	3,351	2,910	3,051	2,944	2,215	2,042	32,130
Vending Expense	618	570	618	618	665	713	736	641	689	653	618	618	7,754
Marketing / Advertising	2,179	2,012	2,567	2,700	3,064	3,325	3,395	2,948	3,092	2,983	2,252	2,079	32,595
Utilities	6,538	6,035	7,700	8,099	9,191	9,974	10,185	8,844	9,277	8,950	6,756	6,236	97,785
Cable/Internet/Phone	5,425	4,900	5,425	5,250	5,425	5,250	5,425	5,425	5,250	5,425	5,250	5,425	63,875
Dues & Subscriptions	185	171	185	185	200	214	221	192	207	196	185	185	2,326
Licenses & Permits	148	137	148	148	160	171	177	154	165	157	148	148	1,861
Credit Card Expense	2,452	2,263	2,887	3,037	3,447	3,740	3,819	3,317	3,479	3,356	2,533	2,339	36,669
Management Fee	4,359	4,023	5,133	5,399	6,128	6,649	6,790	5,896	6,184	5,967	4,504	4,158	65,190
Other Expense/Frequent Stay	2,724	2,515	3,208	3,375	3,830	4,156	4,244	3,685	3,865	3,729	2,815	2,599	40,744
TOTAL OPERATING EXPENSES	51,159	47,318	56,726	58,215	64,280	68,760	70,400	62,164	64,967	62,899	51,778	49,715	708,381
Income Before Fixed Expenses	32,783	29,724	44,508	48,964	58,569	65,146	66,357	55,812	58,859	56,511	35,406	29,741	582,380
Gross Operating Profit (GOP)	30.09%	29.55%	34.68%	36.27%	38.23%	39.19%	39.09%	37.86%	38.07%	37.88%	31.45%	28.61%	35.73%
RESERVES & FIXED EXPENSES													
Debt Service	34,738	34,738	34,738	34,738	34,738	34,738	34,738	34,738	34,738	34,738	34,738	34,738	416,860
Real Estate Taxes (Estimates)	10,363	10,363	10,363	10,363	10,363	10,363	10,363	10,363	10,363	10,363	10,363	10,363	124,355
Insurance	1,634	1,509	1,925	2,025	2,298	2,493	2,546	2,211	2,319	2,238	1,689	1,559	24,446
Reserves For Replacement	1,090	1,006	1,283	1,350	1,532	1,662	1,697	1,474	1,546	1,492	1,126	1,039	16,297
TOTAL RESERVES & FIXED	47,825	47,616	48,309	48,476	48,931	49,257	49,345	48,786	48,966	48,831	47,916	47,700	581,958
NET OPERATING INCOME (NOI)	19,696	16,847	30,937	35,226	44,377	50,628	51,750	41,764	44,631	42,418	22,228	16,780	417,281
NET CASH FLOW	(15,043)	(17,891)	(3,801)	488	9,638	15,889	17,012	7,026	9,892	7,680	(12,510)	(17,958)	422

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 rate shopping of local and surrounding hotels. 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.

Numbers projected and compared to similar markets for a hotel with the following rooms:													Rooms: 70
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Lodging Rooms Available	2,170	1,960	2,170	2,100	2,170	2,100	2,170	2,170	2,100	2,170	2,100	2,170	25,550
Lodging Occupancy %	59.9%	61.2%	59.9%	61.9%	64.5%	71.4%	71.4%	62.2%	69.0%	63.4%	61.9%	59.9%	63.9%
Total Occ. Rooms	1,300	1,200	1,300	1,300	1,400	1,500	1,550	1,350	1,450	1,375	1,300	1,300	16,325
Average Daily Rate	\$88.50	\$88.50	\$104.50	\$110.00	\$116.00	\$117.50	\$116.10	\$115.75	\$113.00	\$115.00	\$91.50	\$84.35	\$105.70
Revenue Per Available Room (REVPAR)	\$53.02	\$54.18	\$62.60	\$68.10	\$74.84	\$83.93	\$82.93	\$72.01	\$78.02	\$72.87	\$56.64	\$50.53	\$67.54
REVENUE:													
Guest Rooms	115,050	106,200	135,850	143,000	162,400	176,250	179,955	156,263	163,850	158,125	118,950	109,655	1,725,548
Meeting Room Revenue	650	600	650	650	700	750	775	675	725	688	650	650	8,163
Vending Revenue	1,300	1,200	1,300	1,300	1,400	1,500	1,550	1,350	1,450	1,375	1,300	1,300	16,325
TOTAL HOTEL REVENUE	117,000	108,000	137,800	144,950	164,500	178,500	182,280	158,288	166,025	160,188	120,900	111,605	1,750,035
HOTEL PAYROLL EXPENSE													
Hotel Manager	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	55,000
Maintenance	1,151	1,062	1,359	1,430	1,624	1,763	1,800	1,563	1,639	1,581	1,190	1,097	17,255
Housekeeping	6,500	6,000	6,500	6,500	7,000	7,500	7,750	6,750	7,250	6,875	6,500	6,500	81,625
Front Desk	6,903	6,372	8,151	8,580	9,744	10,575	10,797	9,376	9,831	9,488	7,137	6,579	103,533
Breakfast/Social	1,726	1,593	2,038	2,145	2,436	2,644	2,699	2,344	2,458	2,372	1,784	1,645	25,883
Workers Comp Insurance	478	450	515	527	574	611	623	557	583	563	485	469	6,435
Payroll Tax	2,668	2,508	2,893	2,971	3,245	3,459	3,532	3,147	3,293	3,183	2,710	2,609	36,216
TOTAL HOTEL PAYROLL	24,009	22,568	26,039	26,736	29,206	31,134	31,784	28,319	29,636	28,645	24,389	23,482	325,948
HOTEL OPERATING EXPENSE													
Cleaning Supplies	650	600	650	650	700	750	775	675	725	688	650	650	8,163
Laundry Supplies	975	900	975	975	1,050	1,125	1,163	1,013	1,088	1,031	975	975	12,244
Linens	1,300	1,200	1,300	1,300	1,400	1,500	1,550	1,350	1,450	1,375	1,300	1,300	16,325
Guest Supplies	1,625	1,500	1,625	1,625	1,750	1,875	1,938	1,688	1,813	1,719	1,625	1,625	20,406
Operating Supplies	1,105	1,020	1,105	1,105	1,190	1,275	1,318	1,148	1,233	1,169	1,105	1,105	13,876
Repairs & Maintenance	575	531	679	715	812	881	900	781	819	791	595	548	8,628
Swimming Pool	625	625	625	625	625	625	625	625	625	625	625	625	7,500
Grounds/Landscaping	750	750	750	500	250	250	250	250	250	250	500	750	5,500
Franchise Royalty Fee	7,478	6,903	8,830	9,295	10,556	11,456	11,697	10,137	10,650	10,278	7,732	7,128	112,161
Property Mgmt. System Expense	575	531	679	715	812	881	900	781	819	791	595	548	8,628
Complimentary Breakfast	5,200	4,800	5,200	5,200	5,600	6,000	6,200	5,400	5,800	5,500	5,200	5,200	65,300
Travel Agent Fees	2,876	2,655	3,396	3,575	4,060	4,406	4,499	3,907	4,096	3,953	2,974	2,741	43,139
Reservations Expense	2,301	2,124	2,717	2,860	3,248	3,525	3,599	3,125	3,277	3,163	2,379	2,193	34,511
Vending Expense	650	600	650	650	700	750	775	675	725	688	650	650	8,163
Marketing / Advertising	2,340	2,160	2,756	2,899	3,290	3,570	3,646	3,166	3,321	3,204	2,418	2,232	35,001
Utilities	5,850	5,400	6,890	7,248	8,225	8,925	9,114	7,914	8,301	8,009	6,045	5,580	87,502
Cable/Internet/Phone	5,425	4,900	5,425	5,250	5,425	5,250	5,425	5,425	5,250	5,425	5,250	5,425	63,875
Dues & Subscriptions	195	180	195	195	210	225	233	203	218	206	195	195	2,449
Licenses & Permits	156	144	156	156	168	180	186	162	174	165	156	156	1,959
Credit Card Expense	2,633	2,430	3,101	3,261	3,701	4,016	4,101	3,561	3,736	3,604	2,720	2,511	39,376
Management Fee	4,680	4,320	5,512	5,798	6,580	7,140	7,291	6,332	6,641	6,408	4,836	4,464	70,001
Other Expense/Frequent Stay	2,925	2,700	3,445	3,624	4,113	4,463	4,557	3,957	4,151	4,005	3,023	2,790	43,751
TOTAL OPERATING EXPENSES	50,890	46,973	56,662	58,221	64,465	69,069	70,740	62,294	65,160	63,045	51,547	49,392	708,455
Income Before Fixed Expenses	42,102	38,459	55,100	59,993	70,829	78,297	79,756	67,675	71,229	68,498	44,964	38,731	715,631
Gross Operating Profit (GOP)	35.98%	35.61%	39.99%	41.39%	43.06%	43.86%	43.75%	42.75%	42.90%	42.76%	37.19%	34.70%	40.89%
RESERVES & FIXED EXPENSES													
Debt Service	34,738	34,738	34,738	34,738	34,738	34,738	34,738	34,738	34,738	34,738	34,738	34,738	416,860
Real Estate Taxes (Estimates)	10,363	10,363	10,363	10,363	10,363	10,363	10,363	10,363	10,363	10,363	10,363	10,363	124,355
Insurance	1,755	1,620	2,067	2,174	2,468	2,678	2,734	2,374	2,490	2,403	1,814	1,674	26,251
Reserves For Replacement	1,170	1,080	1,378	1,450	1,645	1,785	1,823	1,583	1,660	1,602	1,209	1,116	17,500
TOTAL RESERVES & FIXED	48,026	47,801	48,546	48,725	49,214	49,564	49,658	49,058	49,252	49,106	48,124	47,891	584,966
NET OPERATING INCOME (NOI)	28,814	25,396	41,292	46,006	56,354	63,471	64,836	53,355	56,715	54,130	31,579	25,577	547,526
NET CASH FLOW	(5,924)	(9,343)	6,554	11,268	21,615	28,733	30,098	18,616	21,977	19,392	(3,160)	(9,161)	130,666

Five Year Numbers Projected Summary										
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5					
	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT					
Lodging Rooms Available	25,550	25,550	25,550	25,550	25,550					
Lodging Occupancy %	63.9%	65.8%	67.8%	70.0%	70.0%					
Total Occ. Rooms	16,325	16,815	17,319	17,873	17,873					
Average Daily Rate	\$105.70	\$108.87	\$112.14	\$114.38	\$115.52					
REVENUE:										
Guest Rooms	1,725,548	98.6%	1,830,633	97.1%	1,942,119	97.1%	2,044,352	97.2%	2,064,796	97.1%
Meeting Room Revenue	8,163	0.5%	12,611	0.7%	14,721	0.7%	15,192	0.7%	17,873	0.8%
Vending / Bar Revenue	16,325	0.9%	42,037	2.2%	43,298	2.2%	44,684	2.1%	44,684	2.1%
=====	=====	=====	=====	=====	=====					
TOTAL HOTEL REVENUE	1,750,035	100.0	1,885,281	100.0	2,000,138	100.0	2,104,228	100.0	2,127,352	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 rate shopping of local and surrounding hotels. 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.

5 Year Projection										Rooms:	
The following statistics are preliminary projection based on assumed costs of prototypical hotel.										70	
	Year 1	%	Year 2	%	Year 3	%	Year 4	%	Year 5	%	
Lodging Rooms Available	25,550		25,550		25,550		25,550		25,550		
Lodging Occupancy %	63.9%	63.9%	65.8%	65.8%	67.8%	67.8%	70.0%	70.0%	70.0%	70.0%	
Total Occ. Rooms	16,325		16,815		17,319		17,873		17,873		
Average Daily Rate	\$105.70		\$108.87		\$112.14		\$114.38		\$115.52		
Revenue Per Available Room (REVPAR)	\$67.54		\$71.65		\$76.01		\$80.01		\$80.81		
REVENUE:											
Guest Rooms	1,725,548	98.60%	1,830,633	98.42%	1,942,119	98.38%	2,044,352	98.41%	2,064,796	98.30%	
Meeting Space	8,163	0.47%	12,611	0.68%	14,721	0.75%	15,192	0.73%	17,873	0.85%	
Vending Revenue	16,325	0.93%	16,815	0.90%	17,319	0.88%	17,873	0.86%	17,873	0.85%	
TOTAL HOTEL REVENUE	1,750,035	100%	1,860,059	100%	1,974,159	100%	2,077,418	100%	2,100,542	100%	
HOTEL PAYROLL EXPENSE											
Hotel Manager	55,000	3.14%	55,825	3.00%	56,662	2.87%	57,512	2.77%	58,375	2.78%	
Maintenance	17,255	0.99%	27,460	1.48%	38,842	1.97%	51,109	2.46%	51,620	2.46%	
Housekeeping	81,625	4.66%	84,074	4.52%	86,596	4.39%	89,367	4.30%	89,367	4.25%	
Front Desk	103,533	5.92%	106,639	5.73%	109,838	5.56%	113,133	5.45%	116,527	5.55%	
Breakfast/Social	25,883	1.48%	27,460	1.48%	29,132	1.48%	30,665	1.48%	30,972	1.47%	
Workers Comp Insurance	6,435	0.37%	6,850	0.37%	7,298	0.37%	7,778	0.37%	7,897	0.38%	
Payroll Tax	36,216	2.07%	38,538	2.07%	41,046	2.08%	43,696	2.10%	44,345	2.11%	
TOTAL HOTEL PAYROLL	325,948	18.63%	346,845	18.65%	369,415	18.71%	393,260	18.93%	399,103	19.00%	
HOTEL OPERATING EXPENSE											
Cleaning Supplies	8,163	0.47%	8,407	0.45%	8,660	0.44%	8,937	0.43%	8,937	0.43%	
Laundry Supplies	12,244	0.70%	12,611	0.68%	12,989	0.66%	13,405	0.65%	13,405	0.64%	
Linens	16,325	0.93%	16,815	0.90%	17,319	0.88%	17,873	0.86%	17,873	0.85%	
Guest Supplies	20,406	1.17%	21,018	1.13%	21,649	1.10%	22,342	1.08%	22,342	1.06%	
Operating Supplies	13,876	0.79%	14,293	0.77%	14,721	0.75%	15,192	0.73%	15,192	0.72%	
Repairs & Maintenance	8,628	0.49%	9,153	0.49%	14,566	0.74%	15,333	0.74%	15,486	0.74%	
Swimming Pool Maintenance	7,500	0.43%	9,000	0.48%	10,800	0.55%	12,960	0.62%	15,552	0.74%	
Grounds/Landscape	5,500	0.31%	5,665	0.30%	5,835	0.30%	6,010	0.29%	6,190	0.29%	
Franchise Royalty Fee	112,161	6.41%	118,991	6.40%	126,238	6.39%	132,883	6.40%	134,212	6.39%	
Property Mgmt. System Expense	8,628	0.49%	9,153	0.49%	9,711	0.49%	10,222	0.49%	10,324	0.49%	
Complimentary Breakfast	65,300	3.73%	67,259	3.62%	69,277	3.51%	71,494	3.44%	71,494	3.40%	
Travel Agent Fees	43,139	2.47%	45,766	2.46%	48,553	2.46%	51,109	2.46%	51,620	2.46%	
Reservations Expense	34,511	1.97%	36,613	1.97%	38,842	1.97%	40,887	1.97%	41,296	1.97%	
Vending Expense	8,163	0.47%	8,407	0.45%	8,660	0.44%	8,937	0.43%	8,937	0.43%	
Marketing / Advertising	35,001	2.00%	37,201	2.00%	39,483	2.00%	41,548	2.00%	42,011	2.00%	
Utilities	87,502	5.00%	93,003	5.00%	98,708	5.00%	103,871	5.00%	105,027	5.00%	
Cable/Internet/Phone	63,875	3.65%	67,069	3.61%	70,422	3.57%	73,943	3.56%	77,640	3.70%	
Dues & Subscriptions	2,449	0.14%	2,522	0.14%	2,598	0.13%	2,681	0.13%	2,681	0.13%	
Licenses & Permits	1,959	0.11%	2,018	0.11%	2,078	0.11%	2,145	0.10%	2,145	0.10%	
Credit Card Expense	39,376	2.25%	41,851	2.25%	44,419	2.25%	46,742	2.25%	47,262	2.25%	
Management Fee	70,001	4.00%	74,402	4.00%	78,966	4.00%	83,097	4.00%	84,022	4.00%	
Other Expense/Frequent Stay	43,751	2.50%	46,501	2.50%	49,354	2.50%	51,935	2.50%	52,514	2.50%	
TOTAL OPERATING EXPENSES	708,455	40.48%	747,720	40.20%	793,848	40.21%	833,545	40.12%	846,161	40.28%	
Income Before Fixed Expenses	715,631	40.89%	765,495	41.15%	810,896	41.08%	850,612	40.95%	855,278	40.72%	
Gross Operating Profit (GOP)											
RESERVES & FIXED EXPENSES											
Real Estate Taxes (Estimates)	124,355	7.11%	124,355	6.69%	124,355	6.30%	124,355	5.99%	124,355	5.92%	
Insurance	26,251	1.50%	27,901	1.50%	29,612	1.50%	31,161	1.50%	31,508	1.50%	
Reserves For Replacement	17,500	1.00%	18,601	1.00%	39,483	2.00%	62,323	3.00%	84,022	4.00%	
NET OPERATING INCOME (NOI)	547,526	31.29%	594,638	31.97%	617,446	31.28%	632,774	30.46%	615,393	29.30%	
Loan (Interest Payment)	274,189	15.67%	266,141	14.31%	257,640	13.05%	248,658	11.97%	239,171	11.39%	
LOAN (Principal Reduction)	142,671	8.15%	150,719	8.10%	159,220	8.07%	168,202	8.10%	177,689	8.46%	
NET CASH FLOW	\$130,666	7.47%	\$177,779	9.56%	\$200,586	10.16%	\$215,914	10.39%	\$198,534	9.45%	
RETURN ON INVESTMENT (ROI) %	3.90%		5.31%		5.99%		6.45%		5.93%		
ROI % (Including Principal Reduction)	8.16%		9.81%		10.74%		11.47%		11.23%		

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5 Year Break Even										Rooms:	
The following statistics are preliminary projection based on assumed costs of prototypical hotel.										70	
	Year 1	%	Year 2	%	Year 3	%	Year 4	%	Year 5	%	
Lodging Rooms Available	25,550		25,550		25,550		25,550		25,550		
Lodging Occupancy %	58.4%	58.4%	57.4%	57.4%	56.9%	56.9%	56.9%	56.9%	57.0%	57.0%	
Total Occ. Rooms	14,909		14,661		14,537		14,550		14,551		
Average Daily Rate	\$105.70		\$108.87		\$112.14		\$114.38		\$115.52		
Revenue Per Available Room (REVPAR)	\$61.68		\$62.47		\$63.80		\$65.14		\$65.79		
REVENUE:											
Guest Rooms	1,575,877	98.60%	1,596,153	98.42%	1,630,133	98.38%	1,664,222	98.41%	1,680,980	98.30%	
Meeting Space	7,455	0.47%	10,996	0.68%	12,356	0.75%	12,368	0.73%	14,551	0.85%	
Vending Revenue	14,909	0.93%	14,661	0.90%	14,537	0.88%	14,550	0.86%	14,551	0.85%	
TOTAL HOTEL REVENUE	1,598,240	100%	1,621,810	100%	1,657,026	100%	1,691,140	100%	1,710,082	100%	
HOTEL PAYROLL EXPENSE											
Hotel Manager	55,000	3.44%	56,650	3.49%	58,350	3.52%	60,100	3.55%	61,903	3.62%	
Maintenance	15,759	0.99%	23,942	1.48%	32,603	1.97%	41,606	2.46%	42,025	2.46%	
Housekeeping	74,545	4.66%	73,305	4.52%	72,685	4.39%	72,750	4.30%	72,755	4.25%	
Front Desk	90,000	5.63%	92,700	5.72%	95,481	5.76%	98,345	5.82%	101,296	5.92%	
Breakfast/Social	23,638	1.48%	23,942	1.48%	24,452	1.48%	24,963	1.48%	25,215	1.47%	
Workers Comp Insurance	5,883	0.37%	6,165	0.38%	6,478	0.39%	6,820	0.40%	6,949	0.41%	
Payroll Tax	33,103	2.07%	34,588	2.13%	36,256	2.19%	38,073	2.25%	38,768	2.27%	
TOTAL HOTEL PAYROLL	297,928	18.64%	311,293	19.19%	326,304	19.69%	342,657	20.26%	348,910	20.40%	
HOTEL OPERATING EXPENSE											
Cleaning Supplies	7,455	0.47%	7,331	0.45%	7,269	0.44%	7,275	0.43%	7,276	0.43%	
Laundry Supplies	11,182	0.70%	10,996	0.68%	10,903	0.66%	10,913	0.65%	10,913	0.64%	
Linens	14,909	0.93%	14,661	0.90%	14,537	0.88%	14,550	0.86%	14,551	0.85%	
Guest Supplies	18,636	1.17%	18,326	1.13%	18,171	1.10%	18,188	1.08%	18,189	1.06%	
Operating Supplies	12,673	0.79%	12,462	0.77%	12,356	0.75%	12,368	0.73%	12,368	0.72%	
Uniforms Expense	1,491	0.09%	1,466	0.09%	1,454	0.09%	1,455	0.09%	1,455	0.09%	
Repairs & Maintenance	7,879	0.49%	7,981	0.49%	12,226	0.74%	12,482	0.74%	12,607	0.74%	
Swimming Pool Maintenance	7,500	0.47%	9,000	0.55%	10,800	0.65%	12,960	0.77%	15,552	0.91%	
Grounds/Landscape	5,500	0.34%	5,665	0.35%	5,835	0.35%	6,010	0.36%	6,190	0.36%	
Franchise Royalty Fee	102,432	6.41%	103,750	6.40%	105,959	6.39%	108,174	6.40%	109,264	6.39%	
Property Mgmt. System Expense	7,879	0.49%	7,981	0.49%	8,151	0.49%	8,321	0.49%	8,405	0.49%	
Complimentary Breakfast	59,636	3.73%	58,644	3.62%	58,148	3.51%	58,200	3.44%	58,204	3.40%	
Travel Agent Fees	39,397	2.47%	39,904	2.46%	40,753	2.46%	41,606	2.46%	42,025	2.46%	
Reservations Expense	31,518	1.97%	31,923	1.97%	32,603	1.97%	33,284	1.97%	33,620	1.97%	
Vending Expense	7,455	0.47%	7,331	0.45%	7,269	0.44%	7,275	0.43%	7,276	0.43%	
Marketing / Advertising	31,965	2.00%	32,436	2.00%	33,141	2.00%	33,823	2.00%	34,202	2.00%	
Utilities	95,894	6.00%	97,309	6.00%	99,422	6.00%	101,468	6.00%	102,605	6.00%	
Cable/Internet/Phone	63,875	4.00%	67,069	4.14%	70,422	4.25%	73,943	4.37%	77,640	4.54%	
Dues & Subscriptions	2,236	0.14%	2,199	0.14%	2,181	0.13%	2,183	0.13%	2,183	0.13%	
Licenses & Permits	1,789	0.11%	1,759	0.11%	1,744	0.11%	1,746	0.10%	1,746	0.10%	
Credit Card Expense	35,960	2.25%	36,491	2.25%	37,283	2.25%	38,051	2.25%	38,477	2.25%	
Management Fee	63,930	4.00%	64,872	4.00%	66,281	4.00%	67,646	4.00%	68,403	4.00%	
Other Expense/Frequent Stay	39,956	2.50%	40,545	2.50%	41,426	2.50%	42,278	2.50%	42,752	2.50%	
TOTAL OPERATING EXPENSES	671,146	41.99%	680,100	41.93%	698,331	42.14%	714,197	42.23%	725,902	42.45%	
Income Before Fixed Expenses	629,166		630,418		632,391		634,285		635,270		
Gross Operating Profit (GOP)											
RESERVES & FIXED EXPENSES											
Real Estate Taxes (Estimates)	124,355	7.78%	124,355	7.67%	124,355	7.50%	124,355	7.35%	124,355	7.27%	
Insurance	23,974	1.50%	24,327	1.50%	24,855	1.50%	25,367	1.50%	25,651	1.50%	
Reserves For Replacement	63,930	4.00%	64,872	4.00%	66,281	4.00%	67,646	4.00%	68,403	4.00%	
NET OPERATING INCOME (NOI)	416,908	26.09%	416,863	25.70%	416,899	25.16%	416,917	24.65%	416,861	24.38%	
Loan (Interest Payment)	274,189	17.16%	266,141	16.41%	257,640	15.55%	248,658	14.70%	239,171	13.99%	
Loan (Principal Reduction)	142,671	8.93%	150,719	9.29%	159,220	9.61%	168,202	9.95%	177,689	10.39%	
NET CASH FLOW	\$48	0.00%	\$3	0.00%	\$39	0.00%	\$58	0.00%	\$1	0.00%	

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