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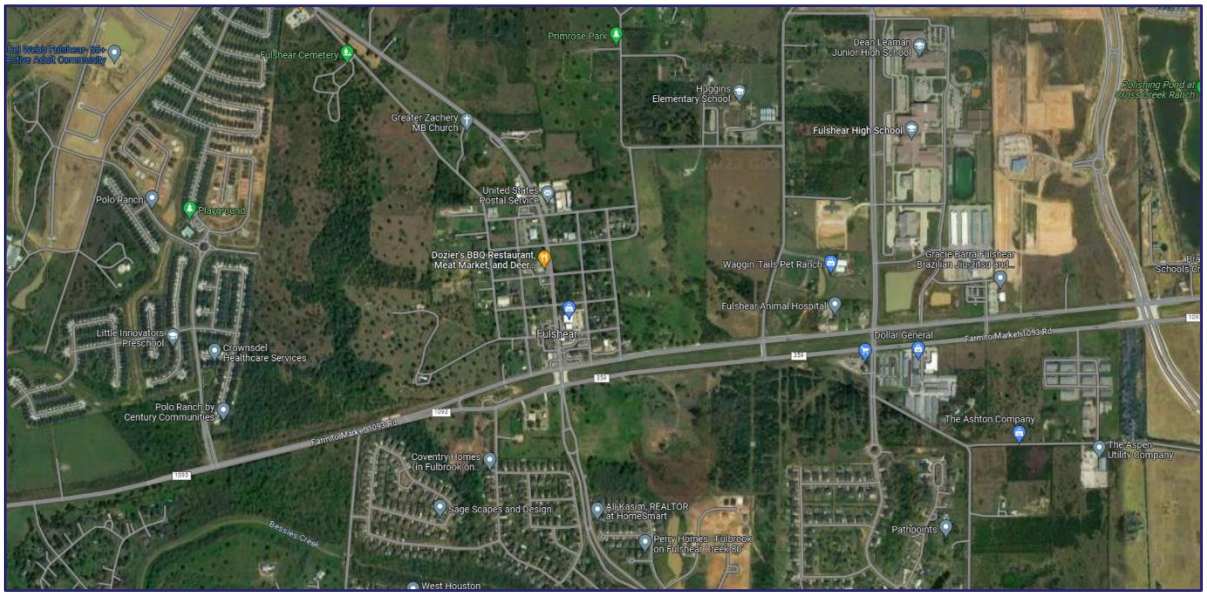
HOTEL DATA + ANALYTICS

Hotel Feasibility Study



Hyatt Place
Fulshear, Texas

Fulshear, Texas 77441

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Contents

April 25, 2023

FEASIBILITY STUDY

Hyatt Place

Fulshear, Texas

Executive Summary

This study has been prepared to determine the financial feasibility of building and operating a Hyatt Place hotel located along FM 1093, near downtown Fulshear, Texas. The property is expected to open as a 90-unit Hyatt Place hotel in January of 2025, and have enhanced architectural features, as well as the additional amenity of a roof-top food and beverage operation. The hotel is expected to capitalize on the lack of lodging in the area, and capture business from the Westpark Tollway / FM 1093.

Project quality is set to meet the physical and operating standards of the Hyatt Place hotel brand, a product of the Hyatt Corporation (Hyatt Hotels, Hyatt Place, Hyatt House, and Andaz). All projections herein are based on operating this hotel as a Hyatt Place and retaining the brand in good standing at the time of an assumed sale after 10 years. Actual consumer market acceptance for Hyatt Place hotels in Texas has been measured and quantified versus local market averages and is assumed for this proposed project. Operating costs are set at the average level for similar select service hotels in the region.

KEY FINDING: Building and operating a Hyatt Place hotel at this location generates an unleveraged, pre-tax return on total invested capital exceeding 15%, with a return on equity exceeding 33% (DCF). This return on invested capital also assumes that improvements are completed at the estimated cost of $120,000 per unit, plus a land value of $725,000. This is a good hotel investment. Project details follow:

Total Hotel Investment		
Land Value:	$ 725,000	
Improvements Budget:	$10,800,000	@ $120,000 per key[1]
Total Investment:	$11,525,000	
Pre-Tax Project Return:	15.18%[2]	
Pre-Tax Return on Equity:	33.10%[3]	

1. Source Strategies' estimate of land and development costs.
2. After reserve for on-going renovations.
3. Assuming 70% equity and 30% debt at a 7.25% pre-tax debt cost; calculated weighted average.

With projections starting January 2025, cash flow market projections for the subject Hyatt Place, before taxes and after renovation reserves, should be available for debt service, income tax and dividends as follows. All results reflect operation by professional management:

Project Performance Summary

	Occupancy Percent	Average $ Rate*	$ REVPAR	Total Revenue	Cash Flow**	
Year I	71.1%	$109.98	$78.14	$2,875,062	$1,063,316	
Year II	74.0%	$124.27	$91.99	$3,384,359	$1,365,351	
Year III	73.8%	$132.97	$98.13	$3,610,386	$1,497,147	
Year IV	72.4%	$136.96	$99.09	$3,645,811	$1,507,273	
Year V	73.1%	$139.70	$102.07	$3,755,185	$1,548,362	
Year VI	73.0%	$141.10	$103.07	$3,792,031	$1,544,981	
Year VII	73.0%	$142.51	$104.08	$3,829,239	$1,541,059	
Year VIII	73.0%	$143.93	$105.10	$3,866,811	$1,536,575	
Year IX	73.0%	$145.37	$106.13	$3,904,752	$1,531,512	
Year X	72.8%	$146.83	$106.91	$3,933,495	$19,774,533	***

*Year I ADR equates to approximately $105 in current market dollars. **Before Income Tax & Financing expense, and reflecting $1,797,181 in reserves for capital expenditures/property renovation ($19,969 per unit).

Year III (2027) of operation after opening for the hotel, illustrating the first stabilized year of performance, shows the following results:

Year III 2027

Room Revenues	$3,223,559		
Total Revenues	$3,610,386		
Income Before Fixed Costs	$1,886,918	52.3%	
Net Income Before Tax & Fin.	$1,397,520	38.7%	
Cash Flow Before Financing	$1,497,147	41.5%	*
Occupancy %	73.8%		
Average Daily Rate	$132.97		
$ REVPAR	$98.13		
Per Occupied Room Cost	$57.48		

*Before deductions of loan principal and interest, before income tax deductions, and before any equity payout.

SUMMARY OF CRITICAL ASSUMPTIONS: Three assumptions are used to create the projections in this study: market projection; derivation of the subject hotel performance within that market; and projected operating expenses. Assumptions are summarized as follows (see page 10 for ***Market REVPAR History***, and page 8 for ***Methodology***):

1. Local Market: An examination of the local *Fulshear Area Zip Codes*[4] market reflects a mixture of a slowly growing number of newer properties, along with a high percentage of older hotels vulnerable to new competition. Typically, a new hotel will have a significant advantage over older products. The average hotel room in the local market is only 16 years old, well past the peak performing first ten years of the life cycle of the typical hotel building, which becomes stylistically and structurally obsolete after 30+ years. This 30-year life cycle is significantly longer for high-rise and/or concrete structures. Out of 2,769 total rooms in the local market, 1,825, or 66% have been built since 2009, while 23%, or 632 rooms were opened before 1999 (over 24 years old). There is usually a wide and dramatic gap between the performance of new and older properties, with newer hotel inventory easily outperforming older hotels that are well past their peak. Overall, this is a fairly new group of hotels and lodging properties.

Fulshear Area Market
Recent History

	ADR	Occ	REVPAR
Latest 12 Months	$84.76	59.0%	$49.98
Calendar Year 2021	$80.52	62.0%	$49.98
Calendar Year 2020	$70.50	54.6%	$38.99
Calendar Year 2019	$76.28	59.2%	$45.20

Demographics: Consumer spending within 10 miles of the site is expected to have been approximately $4 billion in 2022. Data from the 2010 census within a 10-mile radius of downtown Fulshear shows the population at 136 thousand people in 2010 and is currently estimated to be 277 thousand people. This population is expected to rise to 333 thousand by 2027. There are currently estimated to be 89 thousand households within this 10-mile radius with an average household income of $153,000. A high level of 84% of these households are owner-occupied. See ***Exhibit IX*** for further details.[5]

Local Market: We are comfortable with market projections and expect market demand growth levels in the area to continue at a moderate pace over the next nine years. The amount of recovering demand and rising supply in the market will cause occupancy to return to an average equilibrium level of 60% by 2023. REVPAR is projected to increase at a 3.4% annual rate in the next five years (versus an annual 0.2% decrease in each of the past nine years). Detailed ***Local Market Performance History and Projection*** begins on page 20.

4. Fulshear Area Zip Codes: 77423/494/471/474.
5. Source: CoStar Analytics. Report attached as a separate file/pdf.

Fulshear Area Market

Year*	Occupancy %	$ REVPAR
2013	64.2%	$50.84
2015	66.4%	$55.77
2017	66.6%	$55.69
2019	59.2%	$45.20
2021	62.0%	$49.98
Last 12 Months	59.0%	$49.98
Projected		
2023	60.1%	$52.49
2026	60.1%	$57.36
2031	60.1%	$66.49
Historical Annual Compound Growth Rates		
Past 9 Year Average	-0.9%	-0.2%
Past 4 Year Average	-0.6%	0.8%
Past 1 Year Average	14.4%	29.4%
Future Annual Compound Growth Rates		
Next 9 Years	0.2%	3.2%
Next 5 Years	0.4%	3.4%
*Calendar Year basis.		

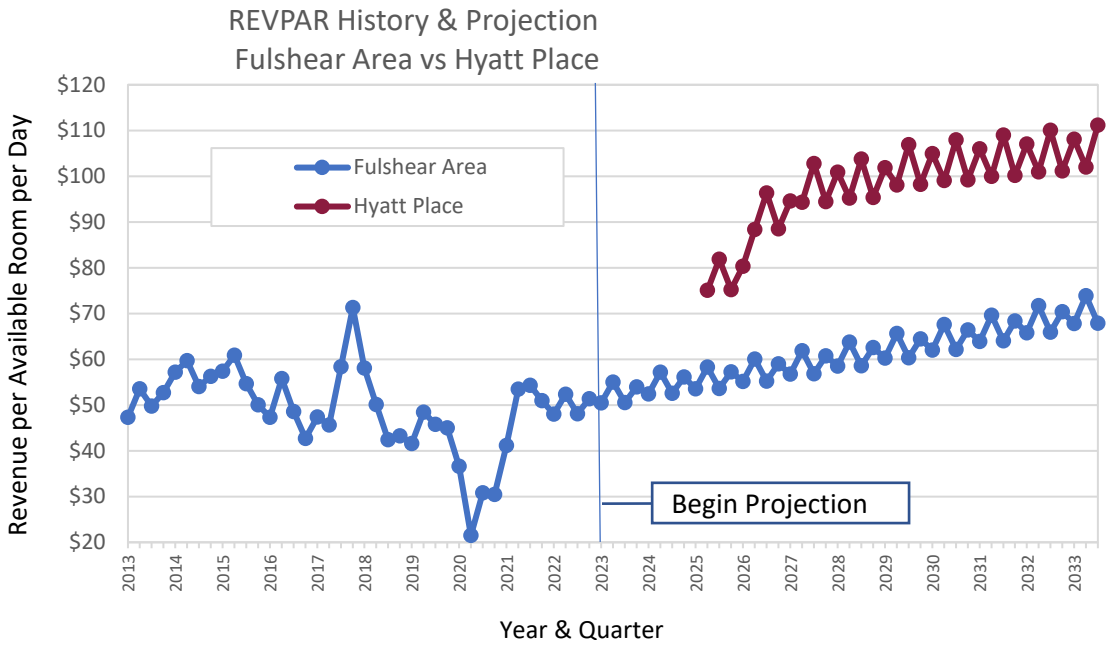
REVPAR

The critical statistic used in this study is **REVPAR**. REVPAR means *revenue per available room per day* and reflects the average daily room revenue yield of every room in a property or market (not just occupied rooms). REVPAR is generated by multiplying occupancy times rate (i.e., REVPAR = % occupancy times average daily rate), and is the most effective and important tool in the evaluation of the success of any lodging concern.

2. **Derivation of the Subject Property:** Versus the local market's REVPAR dollar projections, the REVPAR index of the hotel peaks In Year III at 166% of the market average REVPAR. After Year III, the Index for the hotel declines due to the normal aging cycle. Detailed REVPAR derivation and subsequent projections commence on page 29:

Hyatt Place Derivation			
Data in 2022 $'s	**Year I**	**Year II**	**Year III**
Base: Name & Quality	1.43	1.43	1.43
x Brand Age Adjustment	1.09	1.09	1.09
x Site Value Adjustment	0.80	0.80	0.80
x Size Adjustment	1.15	1.15	1.15
x Other Adjustments	1.00	1.00	1.00
x Newness Adjustment	0.98	1.12	1.16
= Performance Factor	**140%**	**160%**	**166%**
x Market REVPAR	$49.98	$49.98	$49.98
= Projected Performance	**$70.13**	**$80.15**	**$83.01**

The projected REVPAR performance of the subject hotel, versus the local area market average REVPAR reflects the fact that the subject is expected to perform at a level just below the market average:



3. **Operating Expenses:** Expenses are set at the level of similar select service lodging products, with analysis and expense levels assumed from the Host Almanac by STR operating statistics, inflated at 3% per annum.

Methodology

To develop Pro Forma financial results for the proposed project, two major sets of assumptions have been developed. First, the future market's average REVPAR is forecast on a reasonable and economically sound basis; the performance of the project is dependent on this market forecast and varies from it only due to specific variables of the project. Second, the specific variables of the project are combined and expressed as an index for each quarter of the forecast, an index that is used to adjust the overall market performance to the specific project.

Market REVPAR Forecast

The large **Six County Area** market area[6] is examined historically and projected. The key to the market projections is to stabilize the wider area market in the future at a sustainable, average equilibrium for occupancy, a level which we have determined to be approximately 60% for successful markets of this type. This occupancy level is highly relevant as a long-term, equilibrium occupancy, a level where investors are more neutral about adding new hotel rooms to the market and an average that will reoccur over long periods of time (e.g., 20 years).

After the wider market area is forecast, the performance of **the Fulshear Area Zip Codes**[7] market is examined historically and projected. The key in the market projection is to stabilize this market area in the future at a sustainable, average equilibrium for occupancy, a level which we have determined to be approximately 60% in this market, a level which addresses the current demand for hotel rooms and the current difficulty in building new hotel properties. Over the 20 years from 1987 through 2007, according to the Source Strategies database, hotel occupancy in Texas has averaged 60%, and 62% in most Texas metros. The REVPAR projection of the local market is then the pro forma market environment of the project. This project will vary from the norm for only project-specific differences, and then only relatively.

This study incorporates historical fluctuations in the local hotel market, the current pandemic, the rebound from past national recessions, and the continued impact of local demand generators. In our *Market REVPAR History* section, we highlight historical hotel performance, noting the effect of past recessions. Consequently, our market projections consider how the lodging industry reacts in times of economic downturn and in normal times. See the *Market REVPAR History* section for further details and expectations for the future, both short and longer term.

6. Houston Metro Area Counties: Fort Bend, Harris, Brazoria, Waller, Austin, Wharton.
7. Fulshear Area Zip Codes: 77423/494/471/474.

Development of Project REVPAR Indices

Source Strategies determine the expected performance of the proposed hotel based on six factors. All six factors are independent and modify a market's projected REVPAR average to reflect the subject property's particular characteristics. These factors are:

1. **Base Value:** The effect of the brand, including specified product quality levels.
2. **Brand Aging:** Effect of the brand's overall age on its average performance.
3. **Property Size:** Effect of the project's size, or room count, on results.
4. **Other Adjustments:** Accounting for various factors, including under- or over-supply in the subject hotel's product segment.
5. **Aging Adjustment:** Effect of normal hotel life cycle patterns on the project (e.g., the effect of the project's newness compared to older competition).
6. **Site:** Likely influence of the selected site on results.

With the development of these factors a revenue projection for the proposed operation begins to take form by combining these factors into a combined index that is applied to the overall market wide REVPAR projection, resulting in the forecast of the project's theoretical REVPAR. This combined index changes as the project ages through the normal life cycle of a hotel.

Using this derived REVPAR for the project, a REVPAR stream is developed from which room revenues, estimated rate, occupancy and room-nights sold are produced. At this point, the investment and operational costs can be laid against the revenue line to generate pro forma financial performance and discounted cash flow analysis.

The calculation of the operating costs per occupied room (before fixed/capital costs are deducted) is important to examine carefully because it is highly stable and predictable, regardless of occupancy and rate. Operating cost statistics are determined using industry standard publications and Source Strategies financial models. From national average occupancies, costs are categorized as fixed, semi-variable or variable, resulting in the highly leveraged profit performance characteristic of lodging products, depending on occupancy and REVPAR performance (i.e., variable costs increase proportionately with higher occupancy levels while fixed costs do not). Furthermore, with industry standard capital expenditures profiles (as detailed in Exhibit VII *CapEx – A Study of Capital Expenditures in the US Hotel Industry*), a method has been applied to determine an appropriate amount of renovation reserves to ensure that the property is maintained at the franchisor's required level.

All relevant market area individual hotel/motel five-year histories are included in this study, using the Source Strategies database of all Texas hotels and motels (includes each hotel's brand, room count, room revenue, occupancy, rate and REVPAR). This methodology is attached at the end of this report.

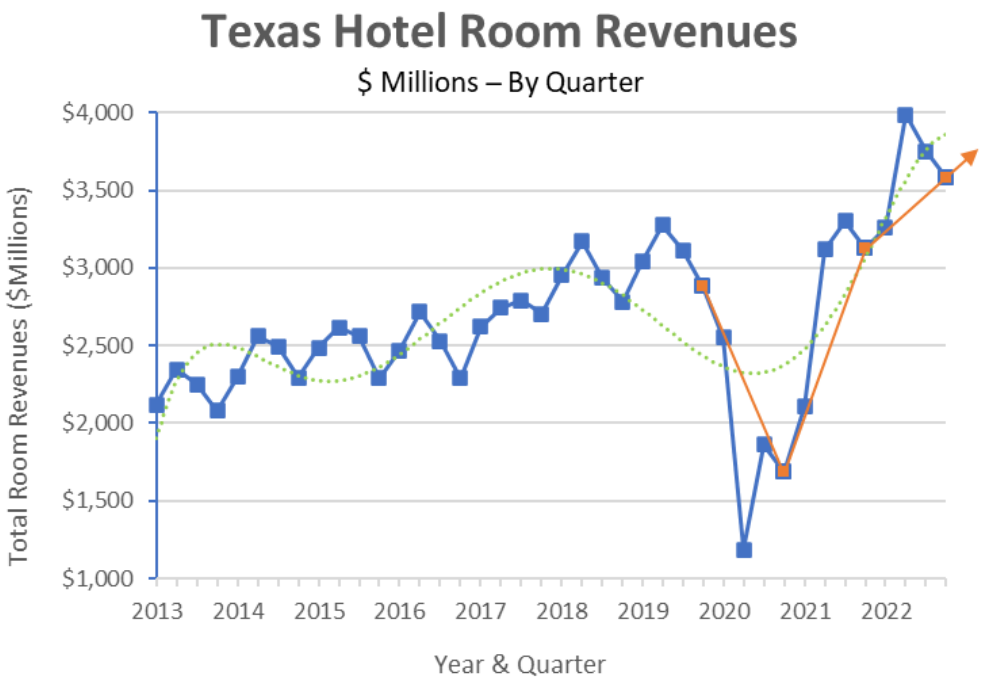
Market REVPAR History

State of Texas

Since 1980, the State of Texas has experienced generally strong growth, with occasional periods of economic downturn, one of the worst being the recession that began in 2009. In 1982-1983 the Texas market suffered through six consecutive quarters of major demand declines, with a sharp plummet of 24% in the first quarter of 1983. Two years later, every quarter in 1986 posted significant demand decreases of 19% or more.

Before the COVID-19 pandemic downturn of 2020, the most recent periods of decline were the Great Recession of 2009 and 2001, during which the onset of a recession was coupled, and accelerated by, the terrorist attacks of 9/11. Beginning in the Third quarter of 2001, seven of the next eight quarters showed declining room demand, and it was not until the first quarter of 2004 that healthy levels of growth resumed. REVPAR did not return to pre-downturn levels for 16 quarters following 9/11 and 15 quarters after the Great Recession.

We have considered these historical market patterns in formulating our projections for all markets. Though there are differences in each economic downturn, and areas across the state are impacted differently depending on factors driving demand – particularly Oil & Gas development and production - there is much that can be discerned from historical positive and negative trending performances.



Hotel Market: State of Texas 1990 - 1999

Year & Qtr	# Htls & Mtls	# Rooms	Room-Nights Sold 000's (1)	Total Room Revenues $ 000's	% Occ. (2)	$ Rate (3)	$ RPAR (4)	% Growth Vs. Prior Yr			
								Supply	Real	ADR	$ Rev.
1990 Q1	2,128	214,051	11,805	$553,320	61.3	$46.87	$28.72	0	6.8	2.7	9.7
1990 Q2	2,309	218,422	12,929	$621,759	65.0	$48.09	$31.28	1.1	5.6	4	9.8
1990 Q3	2,486	222,992	12,865	$633,123	62.7	$49.21	$30.86	1.8	-2.3	7.4	4.9
1990 Q4	2,194	215,429	10,640	$516,473	53.7	$48.54	$26.06	0.3	-2.9	6.1	3
1991 Q1	2,284	216,154	11,566	$565,085	59.5	$48.86	$29.05	1.0	-2.0	4.2	2.1
1991 Q2	2,448	219,862	12,773	$649,194	63.8	$50.82	$32.45	0.7	-1.2	5.7	4.4
1991 Q3	2,488	220,995	13,246	$664,304	65.1	$50.15	$32.67	-0.9	3.0	1.9	4.9
1991 Q4	2,286	217,641	11,080	$548,844	55.3	$49.53	$27.41	1.0	4.1	2.0	6.3
1992 Q1	2,307	218,028	11,594	$590,250	59.1	$50.91	$30.08	0.9	0.2	4.2	4.5
1992 Q2	2,484	221,953	12,745	$669,602	63.1	$52.54	$33.15	1.0	-0.2	3.4	3.1
1992 Q3	2,544	223,066	13,701	$715,176	66.8	$52.20	$34.85	0.9	3.4	4.1	7.7
1992 Q4	2,355	219,610	11,523	$591,250	57.0	$51.31	$29.26	0.9	4.0	3.6	7.7
1993 Q1	2,358	219,849	11,895	$625,741	60.1	$52.60	$31.62	0.8	2.6	3.3	6.0
1993 Q2	2,520	223,200	12,949	$706,243	63.8	$54.54	$34.77	0.6	1.6	3.8	5.5
1993 Q3	2,582	225,251	14,012	$753,292	67.6	$53.76	$36.35	1.0	2.3	3.0	5.3
1993 Q4	2,378	221,198	11,677	$616,985	57.4	$52.84	$30.32	0.7	1.3	3.0	4.4
1994 Q1	2,410	222,093	12,409	$673,515	62.1	$54.27	$33.70	1.0	4.3	3.2	7.6
1994 Q2	2,589	227,029	13,608	$767,336	65.9	$56.39	$37.14	1.7	5.1	3.4	8.7
1994 Q3	2,660	229,750	13,943	$787,263	66.0	$56.46	$37.25	2.0	-0.5	5.0	4.5
1994 Q4	2,470	225,865	12,265	$674,587	59.0	$55.00	$32.46	2.1	5.0	4.1	9.3
1995 Q1	2,452	224,390	12,637	$740,927	62.6	$58.63	$36.69	1.0	1.8	8.0	10.0
1995 Q2	2,599	228,476	13,653	$813,137	65.7	$59.56	$39.11	0.6	0.3	5.6	6.0
1995 Q3	2,694	233,983	13,977	$828,759	64.9	$59.30	$38.50	1.8	0.2	5.0	5.3
1995 Q4	2,597	231,786	12,357	$719,922	57.9	$58.26	$33.76	2.6	0.7	5.9	6.7
1996 Q1	2,589	232,887	13,336	$827,453	63.6	$62.04	$39.48	3.8	5.5	5.8	11.7
1996 Q2	2,730	238,395	14,015	$872,560	64.6	$62.26	$40.22	4.3	2.7	4.5	7.3
1996 Q3	2,727	242,137	14,060	$874,796	63.1	$62.22	$39.27	3.5	0.6	4.9	5.6
1996 Q4	2,660	241,218	12,583	$774,445	56.7	$61.55	$34.90	4.1	1.8	5.6	7.6
1997 Q1	2,687	244,628	13,271	$854,727	60.3	$64.41	$38.82	5.0	-0.5	3.8	3.3
1997 Q2	2,767	249,653	14,598	$956,235	64.3	$65.51	$42.09	4.7	4.2	5.2	9.6
1997 Q3	2,831	253,789	14,778	$960,539	63.3	$65.00	$41.14	4.8	5.1	4.5	9.8
1997 Q4	2,794	256,641	13,525	$874,113	57.3	$64.63	$37.02	6.4	7.5	5.0	12.9
1998 Q1	2,839	257,550	14,425	$967,289	62.2	$67.06	$41.73	5.3	8.7	4.1	13.2
1998 Q2	2,922	262,741	15,514	$1,059,745	64.9	$68.31	$44.32	5.2	6.3	4.3	10.8
1998 Q3	3,011	270,046	16,048	$1,058,541	64.6	$65.96	$42.61	6.4	8.6	1.5	10.2
1998 Q4	2,970	270,745	14,463	$944,329	58.1	$65.29	$37.91	5.5	6.9	1.0	8.0
1999 Q1	3,037	276,858	15,264	$1,034,222	61.3	$67.76	$41.51	7.5	5.8	1.0	6.9
1999 Q2	3,118	282,091	16,226	$1,134,795	63.2	$69.94	$44.21	7.4	4.6	2.4	7.1
1999 Q3	3,209	289,244	16,682	$1,114,859	62.7	$66.83	$41.90	7.1	4.0	1.3	5.3
1999 Q4	3,196	288,416	14,650	$974,591	55.2	$66.53	$36.73	6.5	1.3	1.9	3.2
CGR %	**Past 9 yrs**	**3.0%**	**3.0%**	**7.0%**	**0.0%**	**3.9%**	**3.9%**				
	Past 4 yrs	**5.5%**	**4.5%**	**8.2%**	**-0.9%**	**3.6%**	**2.6%**				
	Past 2 yrs	**6.4%**	**5.8%**	**8.1%**	**-0.6%**	**2.2%**	**1.6%**				
	Past 1 yr	**7.1%**	**3.9%**	**5.7%**	**-3.0%**	**1.7%**	**-1.3%**				

1. Room-nights sold (derived from est. rate and actual revenues) 2. Occupancy nights sold divided by nights available for sale.
3. Avg. price for room-nights sold; Directories, Surveys, & experience. 4. $ Revenue per available room per day (room sales per day)

Hotel Market: State of Texas 2000 - 2009

Year & Qtr	# Htls & Mtls	# Rooms	Room-Nights Sold 000's (1)	Total Room Revenues $ 000's	% Occ. (2)	$ Rate (3)	$ RPAR (4)	% Growth Vs. Prior Yr			
								Supply	Real	ADR	$ Rev.
2000 Q1	3,211	288,840	15,995	$1,121,091	61.5	$70.09	$43.13	4.3	4.8	3.4	8.4
2000 Q2	3,337	294,411	17,078	$1,236,477	63.7	$72.40	$46.15	4.4	5.3	3.5	9
2000 Q3	3,369	299,065	17,169	$1,217,493	62.4	$70.91	$44.25	3.4	2.9	6.1	9.2
2000 Q4	3,342	297,980	15,285	$1,068,043	55.8	$69.87	$38.96	3.3	4.3	5	9.6
2001 Q1	3,384	300,781	16,560	$1,190,233	61.2	$71.87	$43.97	4.1	3.5	2.5	6.2
2001 Q2	3,507	304,382	17,296	$1,241,862	62.4	$71.80	$44.83	3.4	1.3	-0.8	0.4
2001 Q3	3,559	309,066	16,812	$1,164,068	59.1	$69.24	$40.94	3.3	-2.1	-2.4	-4.4
2001 Q4	3,502	306,150	14,493	$960,198	51.5	$66.25	$34.09	2.7	-5.2	-5.2	-10.1
2002 Q1	3,544	307,947	15,879	$1,110,468	57.3	$69.94	$40.07	2.4	-4.1	-2.7	-6.7
2002 Q2	3,652	312,349	17,053	$1,226,509	60.0	$71.92	$43.15	2.6	-1.4	0.2	-1.2
2002 Q3	3,674	316,462	16,544	$1,158,085	56.8	$70.00	$39.78	2.4	-1.6	1.1	-0.5
2002 Q4	3,609	312,346	14,679	$985,295	51.1	$67.13	$34.29	2.0	1.3	1.3	2.6
2003 Q1	3,636	314,854	15,307	$1,055,883	54.0	$68.98	$37.26	2.2	-3.6	-1.4	-4.9
2003 Q2	3,744	316,970	16,706	$1,169,279	57.9	$69.99	$40.54	1.5	-2.0	-2.7	-4.7
2003 Q3	3,768	321,781	16,723	$1,160,730	56.5	$69.41	$39.21	1.7	1.1	-0.8	0.2
2003 Q4	3,694	318,369	14,869	$986,916	50.8	$66.37	$33.69	1.9	1.3	-1.1	0.2
2004 Q1	3,706	321,083	16,178	$1,145,227	56.0	$70.79	$39.63	2.0	5.7	2.6	8.5
2004 Q2	3,837	325,898	17,461	$1,235,685	58.9	$70.77	$41.67	2.8	4.5	1.1	5.7
2004 Q3	3,871	330,490	17,646	$1,263,169	58.0	$71.58	$41.54	2.7	5.5	3.1	8.8
2004 Q4	3,783	327,182	15,881	$1,079,679	52.8	$67.98	$35.87	2.8	6.8	2.4	9.4
2005 Q1	3,804	327,276	16,978	$1,213,285	57.6	$71.46	$41.19	1.9	4.9	0.9	5.9
2005 Q2	3,934	330,064	18,582	$1,391,341	61.9	$74.87	$46.32	1.3	6.4	5.8	12.6
2005 Q3	4,001	336,006	19,064	$1,444,489	61.7	$75.77	$46.73	1.7	8.0	5.9	14.4
2005 Q4	3,914	332,055	18,523	$1,382,624	60.6	$74.64	$45.26	1.5	16.6	9.8	28.1
2006 Q1	3,927	332,581	18,894	$1,479,407	63.1	$78.30	$49.43	1.6	11.3	9.6	21.9
2006 Q2	4,070	335,437	19,319	$1,610,518	63.3	$83.36	$52.76	1.6	4.0	11.3	15.8
2006 Q3	4,130	341,794	19,727	$1,606,990	62.7	$81.46	$51.10	1.7	3.5	7.5	11.2
2006 Q4	4,036	339,252	18,000	$1,440,662	57.7	$80.04	$46.16	2.2	-2.8	7.2	4.2
2007 Q1	4,047	340,683	19,329	$1,614,425	63.0	$83.52	$52.65	2.4	2.3	6.7	9.1
2007 Q2	4,209	344,229	19,881	$1,756,158	63.5	$88.33	$56.06	2.6	2.9	6.0	9.0
2007 Q3	4,257	350,625	20,256	$1,738,845	62.8	$85.84	$53.91	2.6	2.7	5.4	8.2
2007 Q4	4,160	347,986	18,580	$1,565,299	58.0	$84.25	$48.89	2.6	3.2	5.3	8.7
2008 Q1	4,176	350,247	19,600	$1,735,629	62.2	$88.55	$55.06	2.8	1.4	6.0	7.5
2008 Q2	4,358	355,814	20,550	$1,915,910	63.5	$93.23	$59.17	3.4	3.4	5.5	9.1
2008 Q3	4,416	362,801	21,116	$1,903,181	63.3	$90.13	$57.02	3.5	4.2	5.0	9.5
2008 Q4	4,213	355,845	19,176	$1,691,786	58.6	$88.23	$51.68	2.3	3.2	4.7	8.1
2009 Q1	4,187	359,311	18,555	$1,587,078	57.4	$85.54	$49.08	2.6	-5.3	-3.4	-8.6
2009 Q2	4,396	366,615	18,490	$1,606,301	55.4	$86.87	$48.15	3.0	-10.0	-6.8	-16.2
2009 Q3	4,465	376,420	18,951	$1,585,946	54.7	$83.69	$45.80	3.8	-10.2	-7.1	-16.7
2009 Q4	4,315	374,410	17,116	$1,366,465	49.7	$79.83	$39.67	5.2	-10.7	-9.5	-19.2
CGR %	**Past 9 yrs**	**2.5%**	**1.2%**	**3.2%**	**-1.3%**	**1.9%**	**0.6%**				
	Past 4 yrs	**2.7%**	**0.0%**	**3.1%**	**-2.6%**	**3.1%**	**0.4%**				
	Past 2 yrs	**3.3%**	**-3.2%**	**-4.0%**	**-6.3%**	**-0.9%**	**-7.1%**				
	Past 1 yr	**3.7%**	**-9.1%**	**-15.2%**	**-12.3%**	**-6.7%**	**-18.0%**				

1. Room-nights sold (derived from est. rate and actual revenues) 2. Occupancy nights sold divided by nights available for sale.
3. Avg. price for room-nights sold; Directories, Surveys, & experience. 4. $ Revenue per available room per day (room sales per day)

Hotel Market: State of Texas 2010 - 2019

Year & Qtr	# Htls & Mtls	# Rooms	Room-Nights Sold 000's (1)	Total Room Revenues $ 000's	% Occ. (2)	$ Rate (3)	$ RPAR (4)	% Growth Vs. Prior Yr			
								Supply	Real	ADR	$ Rev.
2010 Q1	4,347	378,818	18,986	$1,541,596	55.7	$81.20	$45.22	5.4	2.3	-5.1	-2.9
2010 Q2	4,588	386,695	20,125	$1,725,238	57.2	$85.72	$49.03	5.5	8.8	-1.3	7.4
2010 Q3	4,614	392,397	20,768	$1,734,977	57.5	$83.54	$48.06	4.2	9.6	-0.2	9.4
2010 Q4	4,386	386,086	18,586	$1,534,439	52.3	$82.56	$43.20	3.1	8.6	3.4	12.3
2011 Q1	4,373	387,566	20,892	$1,775,855	59.9	$85.00	$50.91	2.3	10.0	4.7	15.2
2011 Q2	4,625	393,399	21,864	$1,940,404	61.1	$88.75	$54.20	1.7	8.6	3.5	12.5
2011 Q3	4,606	398,406	22,536	$1,941,707	61.5	$86.16	$52.97	1.5	8.5	3.1	11.9
2011 Q4	4,383	389,041	19,957	$1,702,649	55.8	$85.32	$47.57	0.8	7.4	3.3	11.0
2012 Q1	4,386	390,487	22,184	$1,930,172	63.1	$87.01	$54.92	0.8	6.2	2.4	8.7
2012 Q2	4,628	397,172	23,482	$2,162,378	65.0	$92.09	$59.83	1.0	7.4	3.8	11.4
2012 Q3	4,637	402,068	23,386	$2,109,568	63.2	$90.20	$57.03	0.9	3.8	4.7	8.6
2012 Q4	4,424	392,827	21,256	$1,902,427	58.8	$89.50	$52.64	1.0	6.5	4.9	11.7
2013 Q1	4,472	395,935	23,080	$2,121,117	64.8	$91.90	$59.52	1.4	4.0	5.6	9.9
2013 Q2	4,681	401,983	24,182	$2,347,253	66.1	$97.07	$64.17	1.2	3.0	5.4	8.5
2013 Q3	4,712	405,252	23,798	$2,251,680	63.8	$94.62	$60.39	0.8	1.8	4.9	6.7
2013 Q4	4,474	397,610	22,160	$2,080,850	60.6	$93.90	$56.88	1.2	4.2	4.9	9.4
2014 Q1	4,542	402,095	23,913	$2,298,836	66.1	$96.13	$63.52	1.6	3.6	4.6	8.4
2014 Q2	4,720	407,370	25,221	$2,558,737	68.0	$101.45	$69.02	1.3	4.3	4.5	9.0
2014 Q3	4,796	410,685	25,090	$2,494,612	66.4	$99.43	$66.02	1.3	5.4	5.1	10.8
2014 Q4	4,563	404,076	23,464	$2,294,653	63.1	$97.79	$61.73	1.6	5.9	4.1	10.3
2015 Q1	4,618	408,802	24,730	$2,485,815	67.2	$100.52	$67.56	1.7	3.4	4.6	8.1
2015 Q2	4,827	415,494	25,071	$2,615,111	66.3	$104.31	$69.16	2.0	-0.6	2.8	2.2
2015 Q3	4,848	418,358	25,085	$2,557,970	65.2	$101.97	$66.46	1.9	0.0	2.6	2.5
2015 Q4	4,586	412,332	23,192	$2,290,046	61.1	$98.74	$60.37	2.0	-1.2	1.0	-0.2
2016 Q1	4,645	417,760	24,607	$2,468,662	65.4	$100.33	$65.66	2.2	-0.5	-0.2	-0.7
2016 Q2	4,858	425,002	25,653	$2,718,156	66.3	$105.96	$70.28	2.3	2.3	1.6	3.9
2016 Q3	4,929	429,484	24,907	$2,528,728	63.0	$101.53	$64.00	2.7	-0.7	-0.4	-1.1
2016 Q4	4,673	424,368	23,226	$2,288,843	59.5	$98.55	$58.63	2.9	0.1	-0.2	-0.1
2017 Q1	4,798	432,000	25,149	$2,619,326	64.7	$104.15	$67.36	3.4	2.2	3.8	6.1
2017 Q2	5,062	440,100	26,027	$2,741,001	65.0	$105.31	$68.44	3.6	1.5	-0.6	0.8
2017 Q3	5,251	450,700	27,150	$2,793,238	65.5	$102.88	$67.37	4.9	9.0	1.3	10.5
2017 Q4	5,017	445,100	26,118	$2,702,107	63.8	$103.46	$65.99	4.9	12.5	5.0	18.1
2018 Q1	5,104	455,800	27,747	$2,950,816	67.6	$106.35	$71.93	5.5	10.3	2.1	12.7
2018 Q2	5,461	466,800	28,504	$3,172,539	67.1	$111.30	$74.68	6.1	9.5	5.7	15.7
2018 Q3	5,564	472,000	27,534	$2,934,083	63.4	$106.56	$67.57	4.7	1.4	3.6	5.0
2018 Q4	5,225	466,600	26,743	$2,782,067	62.3	$104.03	$64.81	4.8	2.4	0.6	3.0
2019 Q1	5,321	474,200	27,970	$3,039,116	65.5	$108.66	$71.22	4.0	0.8	2.2	3.0
2019 Q2	5,636	482,100	29,452	$3,274,786	67.1	$111.19	$74.65	3.3	3.3	-0.1	3.2
2019 Q3	5,809	493,600	29,133	$3,139,065	64.1	$107.75	$69.12	4.6	5.8	1.1	7.0
2019 Q4	5,586	496,300	28,319	$2,882,176	62.0	$101.77	$63.12	6.4	5.9	-2.2	3.6
CGR %	**Past 9 yrs**	**2.6%**	**4.3%**	**7.3%**	**1.7%**	**2.9%**	**4.6%**				
	Past 4 yrs	**4.1%**	**4.0%**	**5.5%**	**-0.1%**	**1.4%**	**1.4%**				
	Past 2 yrs	**4.9%**	**4.9%**	**6.6%**	**-0.1%**	**1.6%**	**1.6%**				
	Past 1 yr	**4.6%**	**3.9%**	**4.2%**	**-0.7%**	**0.3%**	**-0.3%**				

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3. Avg. price for room-nights sold; Directories, Surveys, & experience. 4. $ Revenue per available room per day (room sales per day)

Hotel Market: State of Texas 2020 - Present

Year & Qtr	# Htls & Mtls	# Rooms	Room-Nights Sold 000's (1)	Total Room Revenues $ 000's	% Occ. (2)	$ Rate (3)	$ RPAR (4)	% Growth Vs. Prior Yr			
								Supply	Real	ADR	$ Rev.
2020 Q1	5,290	482,100	25,191	$2,549,924	58.1	$101.22	$58.77	1.7	-9.9	-6.8	-16.1
2020 Q2	5,304	472,300	15,403	$1,175,955	35.8	$76.35	$27.36	-2	-47.7	-31.3	-63.3
2020 Q3	5,705	511,800	21,907	$1,860,294	46.5	$84.92	$39.51	1.2	-27.9	-17.5	-40.6
2020 Q4	5,542	504,500	20,404	$1,685,507	44.0	$82.61	$36.32	1.6	-25.8	-21.2	-41.6
2021 Q1	5,685	528,300	24,837	$2,106,438	52.2	$84.81	$44.30	6.6	-3.9	-14.1	-17.5
2021 Q2	6,084	558,800	30,885	$3,118,760	60.7	$100.98	$61.33	17.4	99.8	31.8	163.3
2021 Q3	6,208	561,000	30,941	$3,300,922	59.9	$106.68	$63.95	9.6	41.2	25.6	77.4
2021 Q4	5,972	546,700	29,058	$3,121,751	57.8	$107.43	$62.07	8.4	42.4	30.0	85.2
2022 Q1	5,929	562,400	29,650	$3,259,554	58.6	$109.93	$64.39	6.5	19.4	29.6	54.7
2022 Q2	6,189	584,700	33,345	$3,987,509	62.7	$119.58	$74.94	4.6	8.0	18.4	27.9
2022 Q3	6,198	584,000	32,396	$3,748,721	60.3	$115.71	$69.78	4.1	4.7	8.5	13.6
2022 Q4	6,023	553,300	31,274	$3,582,503	61.4	$114.55	$70.37	1.2	7.6	6.6	14.8
CGR %	**Past 9 yrs**	**4.0%**	**3.5%**	**5.8%**	**-0.5%**	**2.2%**	**1.7%**				
	Past 4 yrs	**5.3%**	**3.5%**	**5.3%**	**-1.7%**	**1.8%**	**0.0%**				
	Past 2 yrs	**7.2%**	**23.1%**	**41.5%**	**14.9%**	**15.8%**	**32.0%**				
	Past 1 yr	**4.1%**	**9.5%**	**25.2%**	**5.4%**	**15.0%**	**20.6%**				

1. Room-nights sold (derived from est. rate and actual revenues) 2. Occupancy nights sold divided by nights available for sale.
3. Avg. price for room-nights sold; Directories, Surveys, & experience. 4. $ Revenue per available room per day (room sales per day)

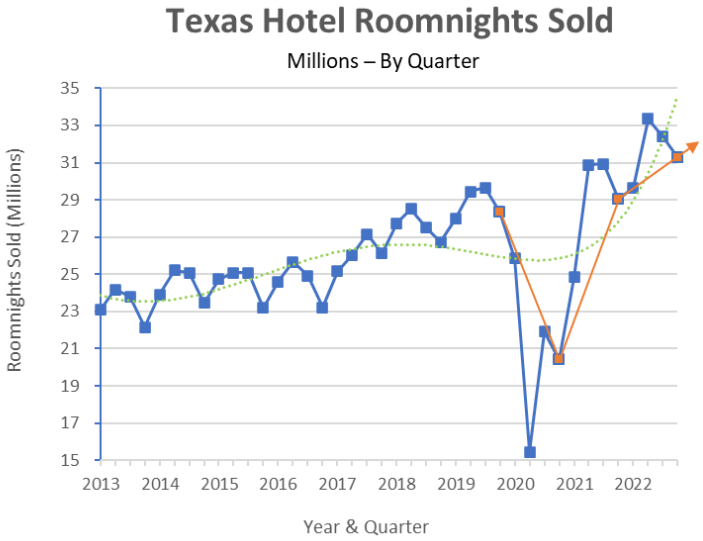
Texas lodging revenues rebounded 25.2% over the past year driven by dramatic recovery of demand starting in the Second Quarter of 2021. REVPAR rose 20.6% year-over-year, based on a 5.4% increase in occupancy and a 15% rate increase. Demand (as measured by room-nights sold) for the last year rose 9.5% as consumers put Covid-19 pandemic concerns behind them. Supply gained 4.1% in the last 12 months. Revenue and demand increases will slow as the pandemic recovery recedes and should return to a more normal cycle. Inflationary and recession concerns are expected to slow these increases through 2023.

Annual occupancy in 2022 was 61.4%, up from 57.8% in 2021 and well above the historically low 46.3% in 2020. Statewide 2022 occupancy was still below the pre-pandemic occupancy levels of 64.7% in 2019 and 65.1% in 2018. Occupancy was 61.4% in the latest quarter.

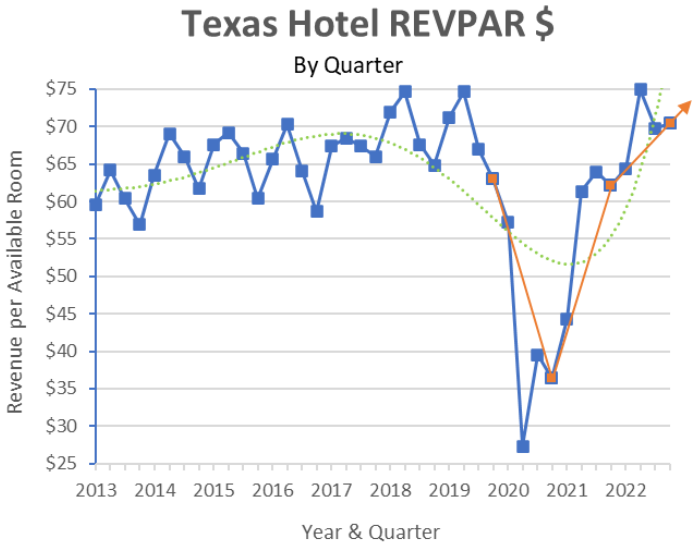
Statewide demand rose 9.6% in 2022, slowing from 2021's nearly 40% increase. Demand had fallen sharply more than 28% in 2020 due to the Covid-19 pandemic. 2019 state-wide real demand increased 3.7%. 2020 was the worst year of demand losses we have seen in over 30 years covering the Texas lodging industry. By comparison, the year after the September 11, 2001, terrorist attacks demand fell 3.1%. The worst year of the Great Recession of 2009 saw demand fall off 9.1% for the year. Demand increased 7.6% in the latest quarter driven by strength in the state's energy sector.

State of Texas: Projections & Expectations

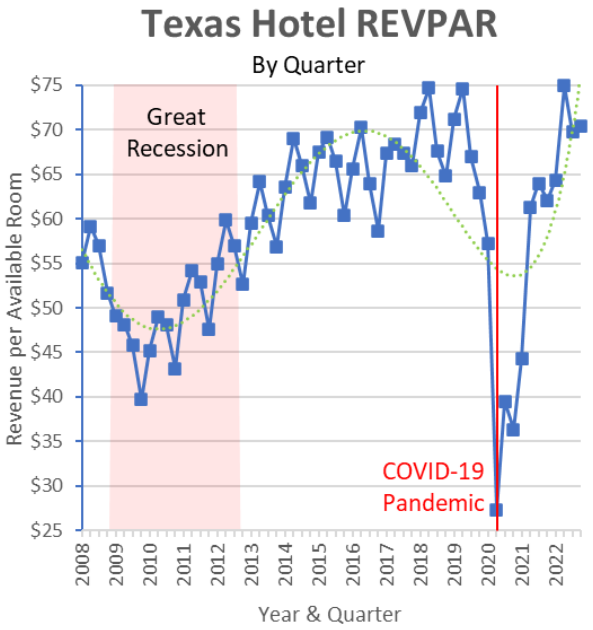
In making projections for the future, we have considered the historical market patterns for the state of Texas and for the relevant sub-markets within Texas. We have noted the recovery that started in 2010, but since has lost its strong growth trends due to the decline in the price of oil. While demand was high through 2019, the collapse in crude oil prices in 2020 combined with COVID-19 pandemic concerns caused demand and revenues to drop sharply.

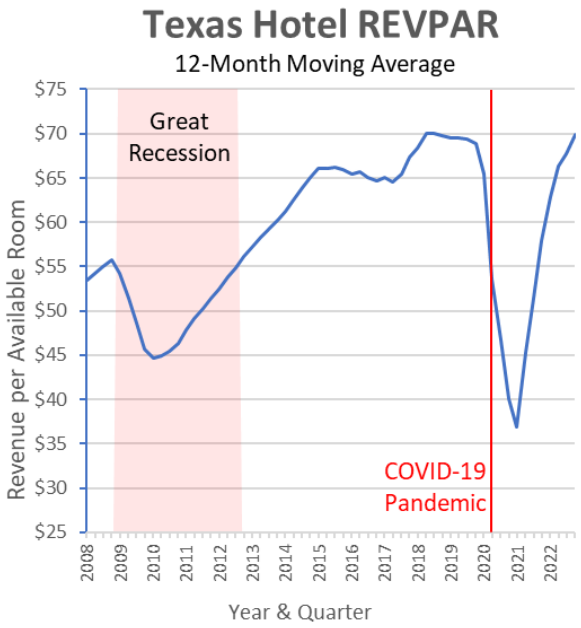


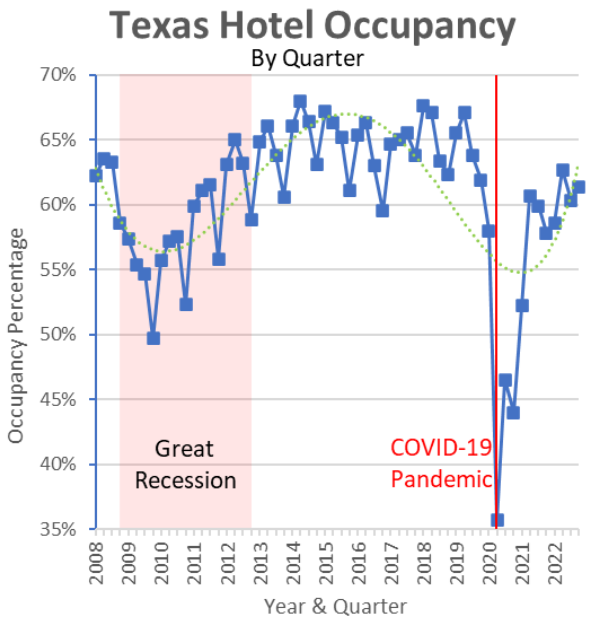
The COVID-19 pandemic severely affecting lodging demand, leading to a historic falloff in room-nights sold. Demand recovered significantly starting in the Second Quarter of 2021, and further variants of the Covid virus do not seem likely to curtail demand like they did in 2020. With widespread distribution of COVID-19 vaccines, most tourist and leisure markets exceeded 2019 levels of demand and revenues. Business, group and convention travel has been slower to recover but is coming back in most markets with more expected throughout 2023 despite looming inflation and recession concerns. Occupancy will remain below 2019 levels through 2023, but revenues and REVPAR will continued to be bolstered by strong average daily rate (ADR) increases.

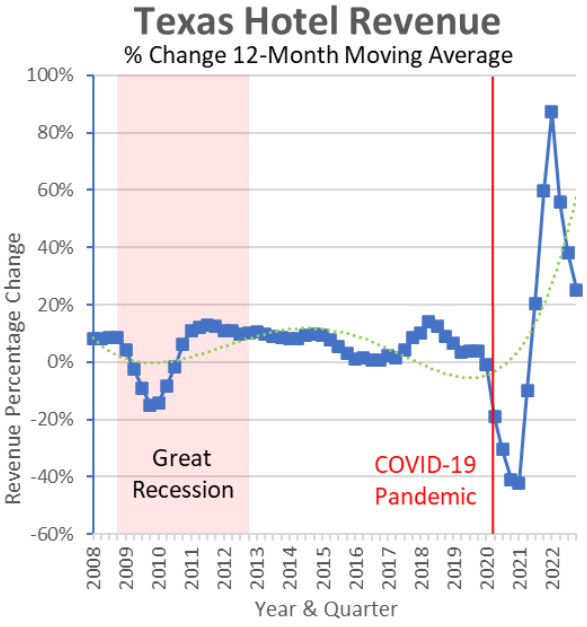


The charts below show the length and severity of the 2008 financial crisis and subsequent "Great Recession" compared to the current situation. REVPAR did not return to 2008 levels for 15 quarters following the downturn of the "Great Recession". This downturn was not as severe for lodging industry demand as the current COVID-19 pandemic.









Wider Market Performance

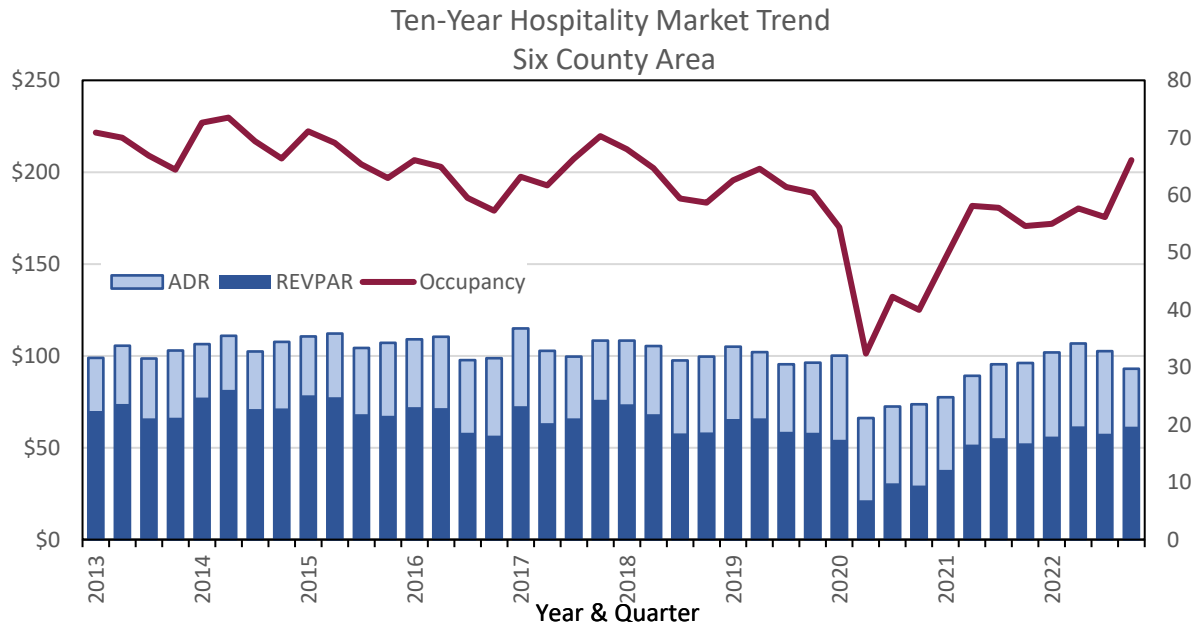
Wider Market REVPAR History:

Over the past nine years, the Six County Area[8] had an annual 1.3% increase in demand, annual increase of 1.2% in total room revenues, and a 1.7% annual decrease in REVPAR; note that market interruptions like the recent pandemic are reflected in these results. Occupancy fell 1.6% per year over the nine years. Supply increased by 3% per year, with room rates flat for the period. The severity of the 2020 COVID-19 pandemic was such that it pulls down even 9-year averages.

Over the past four years, demand has been flat, coupled with supply increases of 1.6% annually. Revenues over this period fell an average of 0.5% per year, while REVPAR fell 2.1% annually. Room rates fell 0.4% on average and occupancy fell 1.6% per year in this period.

Moving into the performance of the past two years, demand rose an average of 20.3% annually, while supply rose by 2.2% per year. These results caused occupancy to increase by 17.9% annually, and REVPAR to rise 32% per year. Rates increased 12.9% per year, and yearly revenues rose 34.6% annually.

Most recent history, the 12 months ending December 31, 2022, shows a slight softening of market results as the recovery from the pandemic wanes. Real demand rose 7.6%, rates rose 12.9%, and revenues rose 20.3%; occupancy rose 7% as supply rose by 0.6%; REVPAR rose 20% for the average hotel room.



8. Houston Area Counties: Fort Bend, Harris, Brazoria, Waller, Austin, Wharton.

Lodging Market History: Six County Area

Year & Qtr	# Htls & Mtls	# Rooms	Room-Nights Sold 000's (1)	Total Room Revenues $ 000's	% Occ. (2)	$ Rate (3)	$ RPAR (4)	% Growth Vs. Prior Yr			
								Supply	Real	ADR	$ Rev.
2013 Q1	702	69,242	4,418	436,620	70.9	98.83	70.06				
2013 Q2	707	69,519	4,431	467,517	70.0	105.51	73.90				
2013 Q3	708	69,341	4,271	421,058	66.9	98.59	66.00				
2013 Q4	707	69,203	4,103	422,067	64.4	102.87	66.29				
2014 Q1	716	69,856	4,565	485,873	72.6	106.43	77.28	0.9%	3.3%	7.7%	11.3%
2014 Q2	719	69,972	4,680	518,719	73.5	110.84	81.46	0.7%	5.6%	5.1%	11.0%
2014 Q3	725	70,144	4,478	458,227	69.4	102.33	71.01	1.2%	4.8%	3.8%	8.8%
2014 Q4	726	70,801	4,325	465,451	66.4	107.63	71.46	2.3%	5.4%	4.6%	10.3%
2015 Q1	737	71,543	4,578	506,124	71.1	110.55	78.60	2.4%	0.3%	3.9%	4.2%
2015 Q2	744	72,014	4,531	508,224	69.1	112.16	77.55	2.9%	-3.2%	1.2%	-2.0%
2015 Q3	745	72,304	4,353	454,183	65.4	104.35	68.28	3.1%	-2.8%	2.0%	-0.9%
2015 Q4	757	73,357	4,252	455,050	63.0	107.03	67.43	3.6%	-1.7%	-0.6%	-2.2%
2016 Q1	769	74,941	4,461	486,004	66.1	108.95	72.06	4.7%	-2.6%	-1.4%	-4.0%
2016 Q2	775	75,714	4,468	493,495	64.9	110.44	71.63	5.1%	-1.4%	-1.5%	-2.9%
2016 Q3	785	76,499	4,185	408,995	59.5	97.73	58.11	5.8%	-3.9%	-6.3%	-9.9%
2016 Q4	796	77,761	4,097	404,286	57.3	98.68	56.51	6.0%	-3.6%	-7.8%	-11.2%
2017 Q1	814	80,042	4,550	523,256	63.2	115.00	72.64	6.8%	2.0%	5.6%	7.7%
2017 Q2	822	80,465	4,520	464,581	61.7	102.78	63.45	6.3%	1.2%	-6.9%	-5.9%
2017 Q3	854	81,863	4,996	497,257	66.3	99.54	66.02	7.0%	19.4%	1.9%	21.6%
2017 Q4	874	82,883	5,357	580,267	70.3	108.31	76.10	6.6%	30.8%	9.8%	43.5%
2018 Q1	888	84,282	5,156	558,140	68.0	108.26	73.58	5.3%	13.3%	-5.9%	6.7%
2018 Q2	889	84,969	5,006	527,331	64.7	105.34	68.20	5.6%	10.7%	2.5%	13.5%
2018 Q3	877	84,624	4,622	450,646	59.4	97.49	57.88	3.4%	-7.5%	-2.1%	-9.4%
2018 Q4	872	84,915	4,583	456,229	58.7	99.55	58.40	2.5%	-14.5%	-8.1%	-21.4%
2019 Q1	886	86,145	4,853	509,533	62.6	104.99	65.72	2.2%	-5.9%	-3.0%	-8.7%
2019 Q2	905	87,275	5,130	523,659	64.6	102.09	65.94	2.7%	2.5%	-3.1%	-0.7%
2019 Q3	918	88,345	4,990	476,253	61.4	95.45	58.60	4.4%	7.9%	-2.1%	5.7%
2019 Q4	928	89,164	4,951	476,440	60.4	96.23	58.08	5.0%	8.0%	-3.3%	4.4%
2020 Q1	918	89,096	4,359	436,155	54.4	100.06	54.39	3.4%	-10.2%	-4.7%	-14.4%
2020 Q2	900	83,166	2,454	162,449	32.4	66.21	21.46	-4.7%	-52.2%	-35.1%	-69.0%
2020 Q3	923	86,033	3,347	242,262	42.3	72.39	30.61	-2.6%	-32.9%	-24.2%	-49.1%
2020 Q4	926	87,525	3,219	237,025	40.0	73.63	29.44	-1.8%	-35.0%	-23.5%	-50.3%
2021 Q1	941	88,155	3,892	301,254	49.1	77.40	37.97	-1.1%	-10.7%	-22.6%	-30.9%
2021 Q2	960	89,794	4,749	423,125	58.1	89.11	51.78	8.0%	93.5%	34.6%	160.5%
2021 Q3	969	90,503	4,812	458,941	57.8	95.37	55.12	5.2%	43.8%	31.7%	89.4%
2021 Q4	959	90,830	4,559	438,339	54.6	96.16	52.46	3.8%	41.6%	30.6%	84.9%
2022 Q1	955	90,981	4,505	459,110	55.0	101.91	56.07	3.2%	15.8%	31.7%	52.4%
2022 Q2	962	91,178	4,790	510,978	57.7	106.68	61.58	1.5%	0.9%	19.7%	20.8%
2022 Q3	957	89,837	4,643	476,269	56.2	102.59	57.62	-0.7%	-3.5%	7.6%	3.8%
2022 Q4	946	89,378	5,436	505,104	66.1	92.91	61.43	-1.6%	19.3%	-3.4%	15.2%
CGR %	**Past 9 yrs**	**3.0%**	**1.3%**	**1.2%**	**-1.6%**	**0.0%**	**-1.7%**				
	Past 4 yrs	**1.6%**	**0.0%**	**-0.5%**	**-1.6%**	**-0.4%**	**-2.1%**				
	Past 2 yrs	**2.2%**	**20.3%**	**34.6%**	**17.9%**	**13.8%**	**32.0%**				
	Past 1 yr	**0.6%**	**7.6%**	**20.3%**	**7.0%**	**12.9%**	**20.0%**				

1. Room-nights sold (derived from estimated rate and actual revenues) 2. Occupancy equals nights sold divided by nights available for sale.
3. Average price for Room-nights sold; Directories, Surveys, & experience. 4. $ Revenue per available room per day (room sales per day)

Wider Market REVPAR Forecast:

The **Six County Area** occupancy is projected to slowly rise, eventually returning to the estimated long-term equilibrium occupancy level of 60% by 2023 (in the latest year, this market had an average occupancy of 59%, and had an average 61% occupancy over the past ten years). ***For the next nine years***, real demand (room nights sold) is projected at an average 2.2% growth rate, above the projected net supply growth of 1.9% annually. With 3% average daily rate inflation, market gross revenues will gain 5.3% annually, and REVPAR should increase 3.3% annually during the nine-year forecast. Occupancy is expected to rise 0.3%.

Note that REVPAR growth for every individual hotel unit is well below the total revenue growth of the market, with average REVPAR in our projection rising at 4.1% per annum **over the next five years** (well above the 1.7% average annual REVPAR decrease of the past nine years). Revenues are forecast to grow by 6% per year on the strength of 2.3% growth in real demand and a 3.6% annual gain in room rates. Occupancy over the next five years is expected to increase 0.5% annually as supply rises 2.3% per year.

Equilibrium Occupancy

These assumptions relative to demand, supply, and occupancy reflect the fact that over the past 20 years overall occupancy in Texas has averaged about 61%, a level considered to be ***Equilibrium Occupancy*** state-wide. This fact considers that larger and more successful metro area markets generate higher overall occupancy and REVPAR numbers than state averages, while rural areas lag these averages (per Source Strategies database). *Equilibrium Occupancy* is further explained by the fact that new investment money will eventually be attracted to an under-supplied market until market occupancy falls and lower returns on capital are the result. The equilibrium occupancy point is where net, new supply is being added at about the same rate as growth in demand, and where return on investment is in balance with the cost of capital. Fueled by moderate, steady demand growth, the wider market has room for appropriately positioned new development, added at similar rates to demand. Higher quality new lodging products at or above mid-priced levels are performing very well in the market despite overall performance numbers being moderated by the large number of older, obsolete, budget and independent hotels. These older, existing competitors are highly vulnerable to the superior attractiveness of newly built lodging. This pattern can be seen in the success of chain operations at or above the mid-priced levels.

Lodging Market Projection: Six County Area

Year & Qtr	# Htls & Mtls	# Rooms	Room-Nights Sold 000's (1)	Total Room Revenues $ 000's	% Occ. (2)	$ Rate (3)	$ RPAR (4)	% Growth Vs. Prior Yr			
								Supply	Real	ADR	$ Rev.
2023 Q1	974	91,891	4,685	$501,353	56.7	$107.01	$60.62	1.0%	4.0%	5.0%	9.2%
2023 Q2	981	92,090	4,981	$557,986	59.4	$112.01	$66.58	1.0%	4.0%	5.0%	9.2%
2023 Q3	976	90,735	4,828	$520,102	57.8	$107.72	$62.31	1.0%	4.0%	5.0%	9.2%
2023 Q4	965	90,272	5,491	$535,654	66.1	$97.56	$64.50	1.0%	1.0%	5.0%	6.0%
2024 Q1	1,004	93,729	4,873	$542,264	57.8	$111.29	$64.28	2.0%	4.0%	4.0%	8.2%
2024 Q2	1,011	93,932	5,181	$603,517	60.6	$116.49	$70.61	2.0%	4.0%	4.0%	8.2%
2024 Q3	1,006	92,550	5,021	$562,543	59.0	$112.03	$66.07	2.0%	4.0%	4.0%	8.2%
2024 Q4	994	92,077	5,546	$562,651	65.5	$101.46	$66.42	2.0%	1.0%	4.0%	5.0%
2025 Q1	1,034	95,603	4,970	$569,702	57.8	$114.62	$66.21	2.0%	2.0%	3.0%	5.1%
2025 Q2	1,042	95,810	5,284	$634,055	60.6	$119.99	$72.72	2.0%	2.0%	3.0%	5.1%
2025 Q3	1,036	94,401	5,122	$591,008	59.0	$115.39	$68.05	2.0%	2.0%	3.0%	5.1%
2025 Q4	1,024	93,919	5,601	$585,326	64.8	$104.50	$67.74	2.0%	1.0%	3.0%	4.0%
2026 Q1	1,066	97,515	5,070	$598,529	57.8	$118.06	$68.20	2.0%	2.0%	3.0%	5.1%
2026 Q2	1,073	97,726	5,390	$666,138	60.6	$123.59	$74.91	2.0%	2.0%	3.0%	5.1%
2026 Q3	1,068	96,289	5,224	$620,913	59.0	$118.85	$70.09	2.0%	2.0%	3.0%	5.1%
2026 Q4	1,056	95,797	5,657	$608,915	64.2	$107.64	$69.09	2.0%	1.0%	3.0%	4.0%
2027 Q1	1,098	99,466	5,171	$628,815	57.8	$121.60	$70.24	2.0%	2.0%	3.0%	5.1%
2027 Q2	1,106	99,681	5,498	$699,845	60.6	$127.30	$77.15	2.0%	2.0%	3.0%	5.1%
2027 Q3	1,100	98,215	5,329	$652,331	59.0	$122.42	$72.19	2.0%	2.0%	3.0%	5.1%
2027 Q4	1,088	97,713	5,714	$633,454	63.6	$110.87	$70.47	2.0%	1.0%	3.0%	4.0%
2028 Q1	1,131	101,455	5,274	$660,633	57.8	$125.25	$72.35	2.0%	2.0%	3.0%	5.1%
2028 Q2	1,139	101,675	5,608	$735,257	60.6	$131.12	$79.47	2.0%	2.0%	3.0%	5.1%
2028 Q3	1,134	100,179	5,435	$685,339	59.0	$126.09	$74.36	2.0%	2.0%	3.0%	5.1%
2028 Q4	1,120	99,667	5,828	$665,507	63.6	$114.19	$72.58	2.0%	2.0%	3.0%	5.1%
2029 Q1	1,165	103,484	5,380	$687,322	57.8	$127.76	$73.80	2.0%	2.0%	2.0%	4.0%
2029 Q2	1,174	103,708	5,720	$764,962	60.6	$133.74	$81.06	2.0%	2.0%	2.0%	4.0%
2029 Q3	1,168	102,183	5,544	$713,026	59.0	$128.61	$75.85	2.0%	2.0%	2.0%	4.0%
2029 Q4	1,154	101,661	5,945	$692,393	63.6	$116.48	$74.03	2.0%	2.0%	2.0%	4.0%
2030 Q1	1,201	105,554	5,487	$715,090	57.8	$130.31	$75.27	2.0%	2.0%	2.0%	4.0%
2030 Q2	1,210	105,782	5,834	$795,866	60.6	$136.41	$82.68	2.0%	2.0%	2.0%	4.0%
2030 Q3	1,203	104,226	5,655	$741,833	59.0	$131.18	$77.36	2.0%	2.0%	2.0%	4.0%
2030 Q4	1,189	103,694	6,063	$720,366	63.6	$118.80	$75.51	2.0%	2.0%	2.0%	4.0%
2031 Q1	1,237	107,665	5,597	$743,980	57.8	$132.92	$76.78	2.0%	2.0%	2.0%	4.0%
2031 Q2	1,246	107,898	5,951	$828,019	60.6	$139.14	$84.33	2.0%	2.0%	2.0%	4.0%
2031 Q3	1,240	106,311	5,768	$771,803	59.0	$133.81	$78.91	2.0%	2.0%	2.0%	4.0%
2031 Q4	1,225	105,768	6,185	$749,469	63.6	$121.18	$77.02	2.0%	2.0%	2.0%	4.0%
2032 Q1	1,275	109,818	5,709	$774,037	57.8	$135.58	$78.32	2.0%	2.0%	2.0%	4.0%
2032 Q2	1,284	110,056	6,070	$861,471	60.6	$141.92	$86.02	2.0%	2.0%	2.0%	4.0%
2032 Q3	1,277	108,437	5,883	$802,983	59.0	$136.48	$80.49	2.0%	2.0%	2.0%	4.0%
2032 Q4	1,263	107,883	6,308	$779,747	63.6	$123.60	$78.56	2.0%	2.0%	2.0%	4.0%
2033 Q1	1,313	112,014	5,823	$805,308	57.8	$138.29	$79.88	2.0%	2.0%	2.0%	4.0%
2033 Q2	1,323	112,257	6,191	$896,274	60.6	$144.76	$87.74	2.0%	2.0%	2.0%	4.0%
2033 Q3	1,316	110,606	6,001	$835,424	59.0	$139.21	$82.10	2.0%	2.0%	2.0%	4.0%
2033 Q4	1,301	110,041	6,435	$811,249	63.6	$126.08	$80.13	2.0%	2.0%	2.0%	4.0%
CGR %	**Next 9 yrs**	**1.9%**	**2.2%**	**5.3%**	**0.3%**	**3.0%**	**3.3%**				
	Next 5 yrs	**1.8%**	**2.3%**	**6.0%**	**0.5%**	**3.6%**	**4.1%**				
HISTORY											
CGR %	**Past 9 yrs**	**3.0%**	**1.3%**	**1.2%**	**-1.6%**	**0.0%**	**-1.7%**				
	Past 4 yrs	**1.6%**	**0.0%**	**-0.5%**	**-1.6%**	**-0.4%**	**-2.1%**				
	Past 2 yrs	**2.2%**	**20.3%**	**34.6%**	**17.9%**	**13.8%**	**32.0%**				

1. Room-nights sold (derived from estimated rate and actual revenues) 2. Occupancy equals nights sold divided by nights available for sale.
3. Average price for Room-nights sold; Directories, Surveys, & experience. 4. $ Revenue per available room per day (room sales per day)

Local Market Performance

The subject hotel's market in the Fulshear Area Zip Codes market[9] currently generates a REVPAR of $50, well below the Texas average of $70:

PERIOD: 12 MONTHS ENDING DECEMBER 31, 2022
LODGING MARKET: FULSHEAR AREA ZIP CODES

BRAND	# HTL	# RMS 000S	* % RMS	EST. RNS 000S	% RNS	$ AMT. 000S	% AMT	EST. %OCC	EST. $ RATE	$ RPAR
COURTYARD KATY		.1	4.0	27	4.5	3,720	7.3	66.1	138.98	91.83
FAIRFIELD KATY		.1	3.3	21	3.4	2,036	4.0	61.2	99.06	60.62
HAMPTON ROSENBERG		.1	2.8	17	2.9	1,760	3.5	60.8	102.97	62.62
HOL EXP BROOKSHIRE		.1	2.7	15	2.5	1,123	2.2	54.3	75.57	41.02
HOLID INN KATY		.1	3.6	23	3.8	2,466	4.9	62.1	108.85	67.57
RESIDENCE KATY		.1	4.5	32	5.3	3,732	7.4	69.1	117.46	81.16
TOTAL ABOVE		**.6**	**20.9**	**134**	**22.4**	**14,837**	**29.3**	**63.0**	**110.97**	**69.97**
HOL EXP SEALY		.1	2.5	16	2.7	1,656	3.3	63.0	102.88	64.80
ELEMENT	1	.1	5.1	31	5.3	3,157	6.2	60.3	100.25	60.48
HOMEWOOD	1	.1	4.4	31	5.2	4,543	9.0	70.6	145.70	102.87
TOT SUITES	**2**	**.3**	**9.5**	**63**	**10.5**	**7,700**	**15.2**	**65.0**	**122.86**	**79.91**
ALOFT	1	.1	3.7	22	3.7	1,979	3.9	57.8	90.13	52.14
HILT GARD	1	.1	3.6	22	3.7	2,341	4.6	59.6	106.52	63.49
OTHER MUP	1	.1	2.3	15	2.6	1,171	2.3	67.3	75.71	50.92
TOT MID/UPS	**3**	**.3**	**9.6**	**59**	**9.9**	**5,491**	**10.8**	**60.7**	**92.44**	**56.13**
COMFO STE	1	.1	3.2	19	3.1	1,383	2.7	58.4	73.71	43.06
SPRNGHILL	2	.2	6.7	42	7.0	3,278	6.5	61.2	78.51	48.03
TOT MIN STE	**3**	**.3**	**9.9**	**61**	**10.1**	**4,661**	**9.2**	**60.3**	**77.02**	**46.44**
BW PLUS	1	.1	2.8	17	2.9	1,357	2.7	60.8	78.37	47.66
CNTRY INN	1	.1	2.3	13	2.2	953	1.9	56.1	73.79	41.42
LA QUINTA	3	.2	7.6	46	7.7	3,917	7.7	59.5	85.53	50.86
TRU	1	.1	3.8	22	3.6	1,714	3.4	56.2	79.64	44.73
TOT LTD SVE	**6**	**.5**	**16.4**	**98**	**16.3**	**7,940**	**15.7**	**58.5**	**81.40**	**47.60**
BST VALUE	1	.1	2.4	10	1.7	341	.7	42.4	33.31	14.14
DAYS INN	1	.0	1.8	12	1.9	765	1.5	64.8	66.01	42.77
KNIGHTS	1	.1	3.2	18	3.0	746	1.5	54.5	41.65	22.70
MOTEL 6	1	.1	2.4	17	2.8	1,131	2.2	67.9	68.14	46.24
PALACE	1	.1	1.8	9	1.6	371	.7	50.9	39.98	20.34
SCOTTISH	2	.0	1.7	11	1.9	695	1.4	64.8	61.37	39.77
SUPER 8	3	.1	4.7	24	4.1	1,199	2.4	51.4	49.19	25.28
TOT BUDGET	**10**	**.5**	**18.0**	**101**	**16.9**	**5,248**	**10.3**	**55.5**	**51.80**	**28.76**
TOT IND HTL	**6**	**.4**	**13.1**	**67**	**11.2**	**3,182**	**6.3**	**50.2**	**47.55**	**23.89**
TOT MARKET	**37**	**2.8**	**100.0**	**598**	**100.0**	**50,716**	**100**	**59.0**	**84.78**	**49.98**

* All figures annualized. Includes taxed and est non-tax room revenues.

9. Fulshear Area Zip Codes: 77423/494/471/474.

Local Market REVPAR History:

Over the past nine years, the Fulshear Area Zip Codes Market[10] has shown annual real demand (room-nights sold) gains of 1.3%, annual gains of 1.2% in total room revenues, and a 1.7% annual decrease in REVPAR. Occupancy fell 1.6% annually over each of the nine years. Supply increased 3% annually over the nine years, with room rates flat. The Covid 19 pandemic has influenced the entire period measured, but less so than in most markets.

Over the past four years, flat demand was coupled with supply increases of 1.6%. Revenues over this period fell by 0.5% per year, while REVPAR fell 2.1%, occupancy fell 1.6%, and room rates fell 0.4% per year.

Over the last two years, real demand rose 20.3%, and supply increased 2.2% per year. Rates rose 13.8%, and yearly revenues rose 34.6% annually. These results caused occupancy to rise 17.9% annually, and REVPAR to rise by 32% per year.

In the latest year, results clearly show no slowdown in demand for the area: demand rose by 7.6%, while supply rose 0.6%. Rates rose 12.9%, revenues rose by 20.3%, and occupancy rose 7% for the year. REVPAR rose 20%. Market occupancy averaged 59%, below the 61% average for the overall state of Texas.

10. Fulshear Area Zip Codes: 77423/494/471/474.

Lodging Market Projection: Fulshear Area

Year & Qtr	# Htls & Mtls	# Rooms	Room-Nights Sold 000's (1)	Total Room Revenues $ 000's	% Occ. (2)	$ Rate (3)	$ RPAR (4)	% Growth Vs. Prior Yr			
								Supply	Real	ADR	$ Rev.
2023 Q1	38	2,819	149	12,800	58.9	$85.64	50.45	1.0%	3.0%	3.0%	6.1%
2023 Q2	38	2,819	158	14,107	61.5	$89.46	54.99	1.0%	3.0%	3.0%	6.1%
2023 Q3	37	2,797	148	13,002	57.6	$87.79	50.54	1.0%	3.0%	3.0%	6.1%
2023 Q4	37	2,797	161	13,890	62.5	$86.33	53.98	1.0%	3.0%	3.0%	6.1%
2024 Q1	39	2,903	155	13,711	59.5	$88.21	52.47	3.0%	4.0%	3.0%	7.1%
2024 Q2	39	2,903	164	15,111	62.1	$92.14	57.19	3.0%	4.0%	3.0%	7.1%
2024 Q3	38	2,881	154	13,928	58.1	$90.42	52.56	3.0%	4.0%	3.0%	7.1%
2024 Q4	38	2,881	167	14,879	63.1	$88.92	56.14	3.0%	4.0%	3.0%	7.1%
2025 Q1	41	3,020	160	14,546	58.9	$90.86	53.52	4.0%	3.0%	3.0%	6.1%
2025 Q2	41	3,020	169	16,031	61.5	$94.90	58.34	4.0%	3.0%	3.0%	6.1%
2025 Q3	40	2,996	159	14,776	57.6	$93.13	53.61	4.0%	3.0%	3.0%	6.1%
2025 Q4	40	2,996	172	15,785	62.5	$91.59	57.27	4.0%	3.0%	3.0%	6.1%
2026 Q1	43	3,110	165	15,432	58.9	$93.59	55.13	3.0%	3.0%	3.0%	6.1%
2026 Q2	43	3,110	174	17,007	61.5	$97.75	60.09	3.0%	3.0%	3.0%	6.1%
2026 Q3	42	3,086	163	15,676	57.6	$95.93	55.22	3.0%	3.0%	3.0%	6.1%
2026 Q4	42	3,086	178	16,746	62.5	$94.34	58.99	3.0%	3.0%	3.0%	6.1%
2027 Q1	45	3,204	170	16,372	58.9	$96.39	56.78	3.0%	3.0%	3.0%	6.1%
2027 Q2	45	3,204	179	18,043	61.5	$100.68	61.89	3.0%	3.0%	3.0%	6.1%
2027 Q3	43	3,178	168	16,631	57.6	$98.80	56.88	3.0%	3.0%	3.0%	6.1%
2027 Q4	43	3,178	183	17,766	62.5	$97.17	60.76	3.0%	3.0%	3.0%	6.1%
2028 Q1	46	3,268	173	17,200	58.9	$99.29	58.49	2.0%	2.0%	3.0%	5.1%
2028 Q2	46	3,268	183	18,956	61.5	$103.70	63.75	2.0%	2.0%	3.0%	5.1%
2028 Q3	45	3,242	172	17,473	57.6	$101.77	58.58	2.0%	2.0%	3.0%	5.1%
2028 Q4	45	3,242	186	18,665	62.5	$100.09	62.58	2.0%	2.0%	3.0%	5.1%
2029 Q1	47	3,333	177	18,071	58.9	$102.26	60.24	2.0%	2.0%	3.0%	5.1%
2029 Q2	47	3,333	186	19,915	61.5	$106.81	65.66	2.0%	2.0%	3.0%	5.1%
2029 Q3	46	3,307	175	18,357	57.6	$104.82	60.34	2.0%	2.0%	3.0%	5.1%
2029 Q4	46	3,307	190	19,610	62.5	$103.09	64.46	2.0%	2.0%	3.0%	5.1%
2030 Q1	49	3,400	180	18,985	58.9	$105.33	62.05	2.0%	2.0%	3.0%	5.1%
2030 Q2	49	3,400	190	20,923	61.5	$110.02	67.63	2.0%	2.0%	3.0%	5.1%
2030 Q3	48	3,373	179	19,286	57.6	$107.97	62.15	2.0%	2.0%	3.0%	5.1%
2030 Q4	48	3,373	194	20,602	62.5	$106.18	66.39	2.0%	2.0%	3.0%	5.1%
2031 Q1	50	3,468	184	19,946	58.9	$108.49	63.91	2.0%	2.0%	3.0%	5.1%
2031 Q2	50	3,468	194	21,982	61.5	$113.32	69.66	2.0%	2.0%	3.0%	5.1%
2031 Q3	49	3,440	182	20,261	57.6	$111.21	64.02	2.0%	2.0%	3.0%	5.1%
2031 Q4	49	3,440	198	21,644	62.5	$109.37	68.39	2.0%	2.0%	3.0%	5.1%
2032 Q1	52	3,537	188	20,955	58.9	$111.75	65.83	2.0%	2.0%	3.0%	5.1%
2032 Q2	52	3,537	198	23,094	61.5	$116.72	71.75	2.0%	2.0%	3.0%	5.1%
2032 Q3	50	3,509	186	21,287	57.6	$114.54	65.94	2.0%	2.0%	3.0%	5.1%
2032 Q4	50	3,509	202	22,740	62.5	$112.65	70.44	2.0%	2.0%	3.0%	5.1%
2033 Q1	53	3,608	191	22,015	58.9	$115.10	67.80	2.0%	2.0%	3.0%	5.1%
2033 Q2	53	3,608	202	24,263	61.5	$120.22	73.90	2.0%	2.0%	3.0%	5.1%
2033 Q3	52	3,579	190	22,364	57.6	$117.98	67.92	2.0%	2.0%	3.0%	5.1%
2033 Q4	52	3,579	206	23,890	62.5	$116.03	72.55	2.0%	2.0%	3.0%	5.1%
CGR %	**Next 9 yrs**	2.4%	2.7%	5.7%	0.2%	3.0%	3.2%				
	Next 5 yrs	2.8%	3.2%	6.3%	0.4%	3.0%	3.4%				
HISTORY											
CGR %	**Past 9 yrs**	5.6%	4.6%	5.4%	-0.9%	0.8%	-0.2%				
	Past 4 yrs	4.6%	3.9%	5.4%	-0.6%	1.5%	0.8%				
	Past 2 yrs	1.8%	16.4%	31.8%	14.4%	13.5%	29.4%				

1. Room-nights sold (derived from estimated rate and actual revenues) 2. Occupancy equals nights sold divided by nights available for sale.
3. Average price for Room-nights sold; Directories, Surveys, & experience. 4. $ Revenue per available room per day (room sales per day).

Local Market REVPAR Forecast:

Overall market occupancy is projected to rise slightly in the long term, with the expected equilibrium occupancy level to be 60% for the local area. Demand is expected to increase 2.7% per year with supply rising at a slightly slower rate of 2.4% for the next nine years. This translates to occupancy stabilizing at the expected occupancy equilibrium level in the early years of our forecast. REVPAR is expected to rise 3.2% annually in the period, based on rates rising 3% per year.

These assumptions relative to demand, supply, and occupancy reflect the fact that over the past 20 years overall occupancy in Texas has averaged about 61%, a level considered to be 'Equilibrium Occupancy' state-wide. This fact considers that larger and more successful wide area markets generate higher overall occupancy and REVPAR numbers than state averages, while rural and Interstate highways areas lag these averages (per the Source Strategies, database). 'Equilibrium Occupancy' is further explained by the fact that new investment money will eventually be attracted to an under-supplied market until market occupancy falls and lower returns on capital are the result. The equilibrium occupancy point is where net, new supply is being added at about the same rate as growth in demand, and where return on investment is in balance with the cost of capital. The local area market is currently operating at a healthy level with relatively high occupancy for the last several years, which has attracted new development. Higher quality new lodging products at or above mid-priced levels are performing well in the market. Any older, existing competitors are vulnerable to the superior attractiveness of newly built, major-branded lodging. This pattern can be seen in the success of chain operations at or above the mid-priced levels. Given our growth assumptions, room supply consequently grows from 2,780 rooms currently to 3,454 in 2031, 24% higher and representing 674 ***net*** new rooms (gross new openings, less closings).

REVPAR growth for every individual hotel unit is below the total revenue growth of the market, with the average REVPAR in our projection rising 3.4% per annum over the next *five* years. Revenues during this upcoming period are forecast to rise by 6.3% per year on demand gains of 3.2% per year and a 3% annual increase in prices (room rates). Occupancy over the next five years is expected to increase 0.4% per year as supply grows 2.8%. If supply should grow 360 rooms over forecast (+10%), without demand also growing faster than forecast, average individual hotel REVPAR would decline by 9% versus the projection, dropping from the estimated REVPAR of $68 to $62 by 2031.

Lodging Market Projection: Fulshear Area

Year & Qtr	# Htls & Mtls	# Rooms	Room-Nights Sold 000's (1)	Total Room Revenues $ 000's	% Occ. (2)	$ Rate (3)	$ RPAR (4)	% Growth Vs. Prior Yr			
								Supply	Real	ADR	$ Rev.
2023 Q1	38	2,819	149	12,800	58.9	$85.64	50.45	1.0%	3.0%	3.0%	6.1%
2023 Q2	38	2,819	158	14,107	61.5	$89.46	54.99	1.0%	3.0%	3.0%	6.1%
2023 Q3	37	2,797	148	13,002	57.6	$87.79	50.54	1.0%	3.0%	3.0%	6.1%
2023 Q4	37	2,797	161	13,890	62.5	$86.33	53.98	1.0%	3.0%	3.0%	6.1%
2024 Q1	39	2,903	155	13,711	59.5	$88.21	52.47	3.0%	4.0%	3.0%	7.1%
2024 Q2	39	2,903	164	15,111	62.1	$92.14	57.19	3.0%	4.0%	3.0%	7.1%
2024 Q3	38	2,881	154	13,928	58.1	$90.42	52.56	3.0%	4.0%	3.0%	7.1%
2024 Q4	38	2,881	167	14,879	63.1	$88.92	56.14	3.0%	4.0%	3.0%	7.1%
2025 Q1	41	3,020	160	14,546	58.9	$90.86	53.52	4.0%	3.0%	3.0%	6.1%
2025 Q2	41	3,020	169	16,031	61.5	$94.90	58.34	4.0%	3.0%	3.0%	6.1%
2025 Q3	40	2,996	159	14,776	57.6	$93.13	53.61	4.0%	3.0%	3.0%	6.1%
2025 Q4	40	2,996	172	15,785	62.5	$91.59	57.27	4.0%	3.0%	3.0%	6.1%
2026 Q1	43	3,110	165	15,432	58.9	$93.59	55.13	3.0%	3.0%	3.0%	6.1%
2026 Q2	43	3,110	174	17,007	61.5	$97.75	60.09	3.0%	3.0%	3.0%	6.1%
2026 Q3	42	3,086	163	15,676	57.6	$95.93	55.22	3.0%	3.0%	3.0%	6.1%
2026 Q4	42	3,086	178	16,746	62.5	$94.34	58.99	3.0%	3.0%	3.0%	6.1%
2027 Q1	45	3,204	170	16,372	58.9	$96.39	56.78	3.0%	3.0%	3.0%	6.1%
2027 Q2	45	3,204	179	18,043	61.5	$100.68	61.89	3.0%	3.0%	3.0%	6.1%
2027 Q3	43	3,178	168	16,631	57.6	$98.80	56.88	3.0%	3.0%	3.0%	6.1%
2027 Q4	43	3,178	183	17,766	62.5	$97.17	60.76	3.0%	3.0%	3.0%	6.1%
2028 Q1	46	3,268	173	17,200	58.9	$99.29	58.49	2.0%	2.0%	3.0%	5.1%
2028 Q2	46	3,268	183	18,956	61.5	$103.70	63.75	2.0%	2.0%	3.0%	5.1%
2028 Q3	45	3,242	172	17,473	57.6	$101.77	58.58	2.0%	2.0%	3.0%	5.1%
2028 Q4	45	3,242	186	18,665	62.5	$100.09	62.58	2.0%	2.0%	3.0%	5.1%
2029 Q1	47	3,333	177	18,071	58.9	$102.26	60.24	2.0%	2.0%	3.0%	5.1%
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2029 Q3	46	3,307	175	18,357	57.6	$104.82	60.34	2.0%	2.0%	3.0%	5.1%
2029 Q4	46	3,307	190	19,610	62.5	$103.09	64.46	2.0%	2.0%	3.0%	5.1%
2030 Q1	49	3,400	180	18,985	58.9	$105.33	62.05	2.0%	2.0%	3.0%	5.1%
2030 Q2	49	3,400	190	20,923	61.5	$110.02	67.63	2.0%	2.0%	3.0%	5.1%
2030 Q3	48	3,373	179	19,286	57.6	$107.97	62.15	2.0%	2.0%	3.0%	5.1%
2030 Q4	48	3,373	194	20,602	62.5	$106.18	66.39	2.0%	2.0%	3.0%	5.1%
2031 Q1	50	3,468	184	19,946	58.9	$108.49	63.91	2.0%	2.0%	3.0%	5.1%
2031 Q2	50	3,468	194	21,982	61.5	$113.32	69.66	2.0%	2.0%	3.0%	5.1%
2031 Q3	49	3,440	182	20,261	57.6	$111.21	64.02	2.0%	2.0%	3.0%	5.1%
2031 Q4	49	3,440	198	21,644	62.5	$109.37	68.39	2.0%	2.0%	3.0%	5.1%
2032 Q1	52	3,537	188	20,955	58.9	$111.75	65.83	2.0%	2.0%	3.0%	5.1%
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2032 Q3	50	3,509	186	21,287	57.6	$114.54	65.94	2.0%	2.0%	3.0%	5.1%
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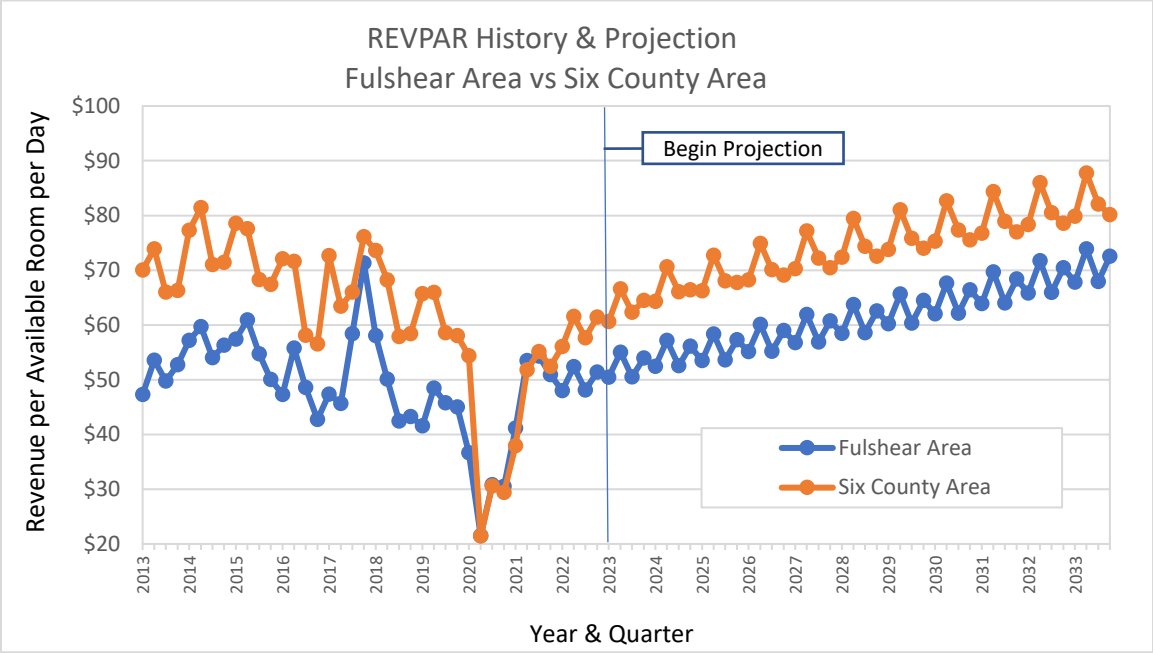
2033 Q3	52	3,579	190	22,364	57.6	$117.98	67.92	2.0%	2.0%	3.0%	5.1%
2033 Q4	52	3,579	206	23,890	62.5	$116.03	72.55	2.0%	2.0%	3.0%	5.1%
CGR %	**Next 9 yrs**	2.4%	2.7%	5.7%	0.2%	3.0%	3.2%				
	Next 5 yrs	2.8%	3.2%	6.3%	0.4%	3.0%	3.4%				
HISTORY											
CGR %	**Past 9 yrs**	5.6%	4.6%	5.4%	-0.9%	0.8%	-0.2%				
	Past 4 yrs	4.6%	3.9%	5.4%	-0.6%	1.5%	0.8%				
	Past 2 yrs	1.8%	16.4%	31.8%	14.4%	13.5%	29.4%				

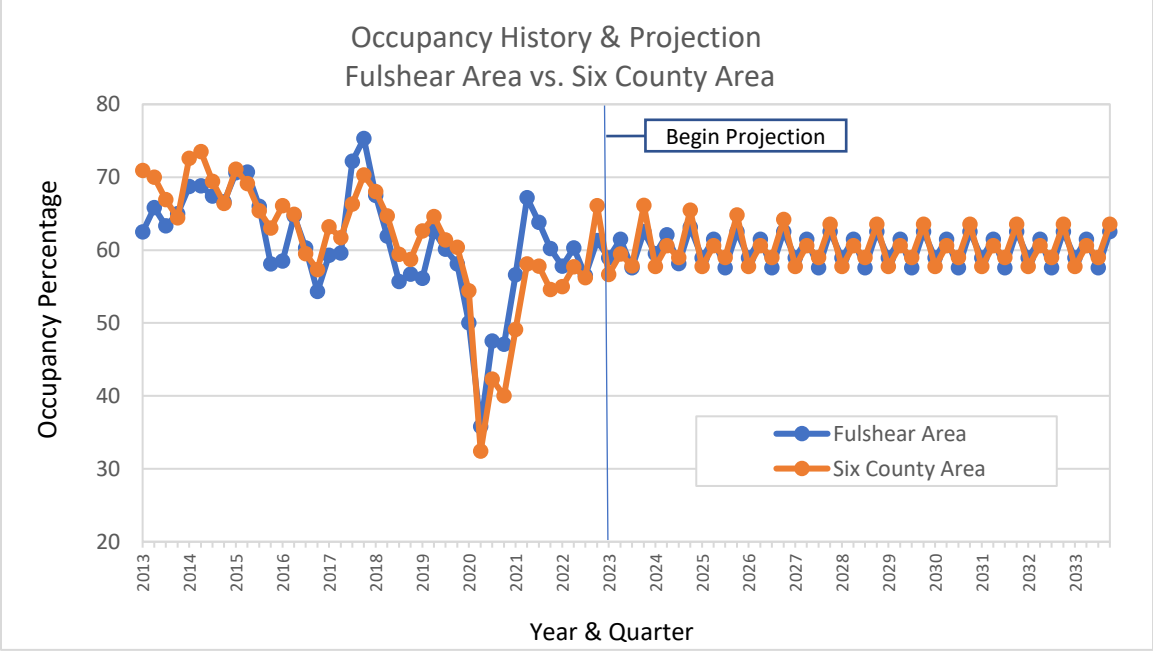
1. Room-nights sold (derived from estimated rate and actual revenues) 2. Occupancy equals nights sold divided by nights available for sale.
3. Average price for Room-nights sold; Directories, Surveys, & experience. 4. $ Revenue per available room per day (room sales per day)

Local and Wider Markets Compared

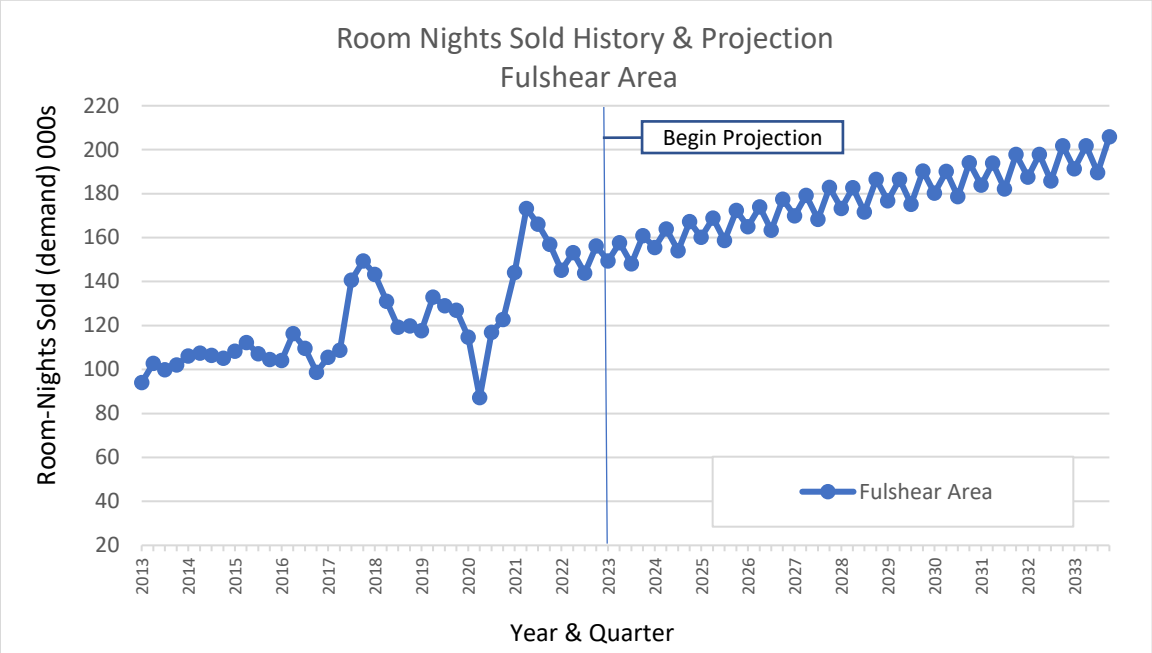
A graph of the REVPAR history and projection for both the local and wider market shows the expected return to more typical levels of REVPAR and REVPAR growth, incorporating the solid results from the past two years:



The occupancy projection for the local market is for a return to normal levels, correcting after the rapid increases of the past ten years. We expect local occupancy to stabilize in the 60% average range by the middle years of our forecast:



The Room-nights Sold history and projection graph shows the reasonable nature of the 'trend' expectations for the local market. With recent returns to more typical growth, and assuming steady population, economic, and infrastructure growth, we assume a more normal demand pattern in the future:



The local market REVPAR index was at a level of 84% of the wider market in the latest year, compared to an historically fluctuating annual average over the past nine years:

Market Revenue Per Available (RevPAR) Room History

Yr & Qtr	Wider Market Area	Local Area	Wider/ Local Index	Year
2013 Q1	$70.06	$47.32	68	
2013 Q2	$73.90	$53.56	72	
2013 Q3	$66.00	$49.77	75	
2013 Q4	$66.29	$52.72	80	74
2014 Q1	$77.28	$57.17	74	
2014 Q2	$81.46	$59.71	73	
2014 Q3	$71.01	$54.04	76	
2014 Q4	$71.46	$56.28	79	76
2015 Q1	$78.60	$57.40	73	
2015 Q2	$77.55	$60.91	79	
2015 Q3	$68.28	$54.70	80	
2015 Q4	$67.43	$50.06	74	76
2016 Q1	$72.06	$47.32	66	
2016 Q2	$71.63	$55.78	78	
2016 Q3	$58.11	$48.57	84	
2016 Q4	$56.51	$42.73	76	76
2017 Q1	$72.64	$47.38	65	
2017 Q2	$63.45	$45.67	72	
2017 Q3	$66.02	$58.39	88	
2017 Q4	$76.10	$71.33	94	80
2018 Q1	$73.58	$58.07	79	
2018 Q2	$68.20	$50.11	73	
2018 Q3	$57.88	$42.47	73	
2018 Q4	$58.40	$43.27	74	75
2019 Q1	$65.72	$41.58	63	
2019 Q2	$65.94	$48.45	73	
2019 Q3	$58.60	$45.76	78	
2019 Q4	$58.08	$45.01	77	73
2020 Q1	$54.39	$36.64	67	
2020 Q2	$21.46	$21.52	100	
2020 Q3	$30.61	$30.80	101	
2020 Q4	$29.44	$30.51	104	93
2021 Q1	$37.97	$41.15	108	
2021 Q2	$51.78	$53.51	103	
2021 Q3	$55.12	$54.33	99	
2021 Q4	$52.46	$50.94	97	102
2022 Q1	$56.07	$48.03	86	
2022 Q2	$61.58	$52.36	85	
2022 Q3	$57.62	$48.12	84	
2022 Q4	$61.43	$51.40	84	84

CGR %		
Past 9 yrs	**-1.7%**	**-0.2%**
Past 4 yrs	**-2.1%**	**0.8%**
Past 2 yrs	**32.0%**	**29.4%**
Past 1 yr	**20.0%**	**0.0%**

The REVPAR forecast calls for the local market REVPAR index to remain stable versus the wider market:

Market Revenue Per Available Room (RevPAR) Projection

Yr & Qtr	Wider Market Area	Local Area	Wider/ Local Index	Year
2023 Q1	$60.62	$50.45	83	
2023 Q2	$66.58	$54.99	83	
2023 Q3	$62.31	$50.54	81	
2023 Q4	$64.50	$53.98	84	83
2024 Q1	$64.28	$52.47	82	
2024 Q2	$70.61	$57.19	81	
2024 Q3	$66.07	$52.56	80	
2024 Q4	$66.42	$56.14	85	82
2025 Q1	$66.21	$53.52	81	
2025 Q2	$72.72	$58.34	80	
2025 Q3	$68.05	$53.61	79	
2025 Q4	$67.74	$57.27	85	81
2026 Q1	$68.20	$55.13	81	
2026 Q2	$74.91	$60.09	80	
2026 Q3	$70.09	$55.22	79	
2026 Q4	$69.09	$58.99	85	81
2027 Q1	$70.24	$56.78	81	
2027 Q2	$77.15	$61.89	80	
2027 Q3	$72.19	$56.88	79	
2027 Q4	$70.47	$60.76	86	82
2028 Q1	$72.35	$58.49	81	
2028 Q2	$79.47	$63.75	80	
2028 Q3	$74.36	$58.58	79	
2028 Q4	$72.58	$62.58	86	82
2029 Q1	$73.80	$60.24	82	
2029 Q2	$81.06	$65.66	81	
2029 Q3	$75.85	$60.34	80	
2029 Q4	$74.03	$64.46	87	82
2030 Q1	$75.27	$62.05	82	
2030 Q2	$82.68	$67.63	82	
2030 Q3	$77.36	$62.15	80	
2030 Q4	$75.51	$66.39	88	83
2031 Q1	$76.78	$63.91	83	
2031 Q2	$84.33	$69.66	83	
2031 Q3	$78.91	$64.02	81	
2031 Q4	$77.02	$68.39	89	84
2032 Q1	$78.32	$65.83	84	
2032 Q2	$86.02	$71.75	83	
2032 Q3	$80.49	$65.94	82	
2032 Q4	$78.56	$70.44	90	85

CGR %

Next 9yrs	**3.3%**	**3.2%**
Next 5yrs	**4.1%**	**3.4%**

Project REVPAR - Development of Indices

Within the above market REVPAR forecast, the expected performance of the proposed hotel is based on six factors. All six factors are independent and modify the market's projected REVPAR average to reflect the subject property's particular characteristics. These factors are:

1. **Base Value:** The effect of the brand, including specified product quality levels.
2. **Brand Aging:** Effect of the brand's overall age on its average performance.
3. **Property Size:** Effect of the project's size, or room count, on results.
4. **Other Adjustments:** Accounting for various factors, including under- or over-supply in the subject hotel's product segment.
5. **Aging Adjustment:** Effect of normal hotel life cycle patterns on the project (e.g., the effect of the project's newness compared to older competition).
6. **Site:** Likely influence of the selected site on results.

These factors are outlined below.

1. For the *Hyatt Place*, we set the **Base Value** factor for property type/brand/product quality at 1.43 (or 143%), as this reflects the REVPAR average of the 12 existing Hyatt Place hotels operating in the Exhibit IV Market *Texas Excluding Higher Priced Metros & Segments* in the past year.[11] In this market, these hotels produced an average REVPAR of $75.18 compared to the average for the wider Exhibit IV market of $52.56, as follows:

Hyatt Place REVPAR Average $75.18 / Exhibit IV REVPAR $52.56 = 1.43 or 143%

This large sample of like products firmly establishes the base performance value for the subject product in comparison to the wider market and to other brands and products.

2. The **Brand Aging** factor is set at 1.09 with the average opening year of Hyatt Place properties being 2009, or effectively past the middle of a typical hotel life cycle. Please see Exhibit VI: *Start-Up Performance of New Hotels and Motels* for a full description of our study of the impact of the overall newness or age of a group of same branded hotels on REVPAR performance. This factor adjusts for the effect of the average age of the existing hotels on the brand's current performance with newer brands being assigned a penalty to offset the inherent advantage of newer inventory. Conversely, older brands are given a premium.[12] The brand age adjustment, or life-cycle adjustment, for other brands includes:

11 Exhibit IV Market*: Texas Excluding Higher Priced Metros*, & Luxury and Upscale Segments. Higher priced metros excluded are Dallas, Fort Worth, Austin, El Paso, Waco, Laredo, Brownsville/Harlingen, San Antonio, Odessa & Midland.
12. Point #5, below, adjusts for the physical life cycle of the subject property, a different and additional consideration.

Brand Aging: Texas Markets

Brand	Average Opening	Brand Aging Adjustment
Sleep Inn	2012	1.01
Comfort Inn	2005	1.14
Red Roof Inn	1990	1.23

3. The **Property Size** factor - reflecting room count - is set at 1.15 (115%), with a premium. The average Hyatt Place hotel we examined for the size factor had 110 rooms, more than the subject (which is expected to offer 90-units), making for an advantage for the subject. The size factor assigns a premium if the property is smaller than average and a penalty to the property if it is larger than average. The size adjustment is necessary because demand is not affected by the number of rental rooms offered, as the individual consumer only needs one room: customers do not care whether a hotel offers 100, 125 or 150 rooms and their purchasing behavior will be the same regardless of how many rooms the property offers. Keeping a project conservatively sized assures a higher per-unit revenue yield, particularly in very competitive markets like the local area. The highly positive effect on revenues and return on capital due to building small, and not 'over-sizing' projects is best explained in Exhibit V: *A Study of the Effect of Hotel Size on Performance in the Texas Hotel Industry*. This study can be replicated with any brand, in almost any situation. The net effect of building 'small' is to run higher occupancy and rate, thereby increasing brand REVPAR by building a below-average number of rental units.

4. The **Other Adjustment** factor is neutral, with no adjustment.

5. The **Aging Adjustment** factor reflects the standard hotel life cycle, peaking in year III at 116%: we apply an annual 1.96% decline in the REVPAR index in Years IV through X. The aging factor is supported by extensive studies of hotel life cycles conducted by Source Strategies, with our latest study being published in April of 2019 (*Hotel Brand Report*, Issue #137). This aging study, *An Analysis of Hotel Aging For Mid-Market Hotel Properties* is attached as Exhibit V at the end of this document.

6. The **Site** factor is set at 0.80 (80%); this is a reasonable level when the sites of currently operating nearby competition are measured. The sites examined and assumed to be suitable for this hotel development are all along FM 1093, with the most prominent location being FM 1093 and Main Street, in downtown Fulshear. We have selected a broad area market around the property for our analysis, and it is our determination that the value of the subject's location is reasonable when compared to the existing hotel sites in the area.

Consumer spending within 10 miles of the site is expected to have been approximately $4 billion in 2022. Data from the 2010 census within a 10-mile radius of downtown Fulshear shows the population at 136 thousand people in 2010 and is currently estimated to be 277 thousand people. This population is expected to rise to 333 thousand by 2027. There are currently estimated to be 89 thousand households within this 10-mile radius with an average household income of $153,000. A high level of 84% of these households are owner-occupied. See ***Exhibit IX*** for further details.[13]

13. Source: CoStar Analytics. Report attached as a separate file/pdf.

The site values for this property, as well as for nearby existing competitors have been developed by quantifying the influence site has had on their performance. Applying known adjustment factors to existing properties, except for a site factor, lets us solve for the site value itself. Source Strategies' site methodology 'backs into' the value of the site by matching actual performance against known factors, using the site factor as the 'plugged number.' The differences between the closest key competitors appear to be both explainable and reasonable. The site value is 'plugged' so that projected REVPAR versus market approaches the actual REVPAR over the past 12 months. Overall, current performance of nearby existing competition would indicate that an 80% site value for the subject property is reasonable for the site:

Derivation of Local Competition

	HolExpress	**Fairfield**	**Hampton**	**Courtyard**	**HolExpress**
Data in 2022 $'s	**Brookshire**	**WestPTollw**	**Rosenberg**	**Katy**	**Sealy**
Base: Name & Quality	1.36	1.15	1.49	1.41	1.36
x Brand Age Adjustment	1.05	1.05	1.11	1.11	1.05
x Site Value Adjustment	*1.01*	*0.90*	*0.82*	*1.08*	*1.00*
x Size Adjustment	1.03	0.96	1.03	1.03	1.05
x Other Adjustments	0.50	1.00	1.00	1.00	0.94
x Newness Adjustment	1.11	1.16	0.90	1.05	0.92
= Performance Factor	**82%**	**121%**	**126%**	**183%**	**130%**
x Market REVPAR	$49.98	$49.98	$49.98	$49.98	$49.98
= Projected Performance	**$41.04**	**$60.65**	**$62.77**	**$91.51**	**$64.90**
REVPAR latest 12 months	$41.02	$60.62	$62.62	$91.83	$64.80
Index (Proj. Vs Actual)	100	100	100	100	100
Units in Above Subject	75	92	77	111	70
Average Units	81	82	83	121	81
Size Adjustment (33%)	3	-4	3	3	5
Year Built	2017	2020	2008	2015	2009

Combining all six factors that affect a hotel's REVPAR performance, we calculate that the proposed hotel's REVPAR will achieve 166% of the market average REVPAR in Year III (starting January 2027), declining slowly thereafter:

Hyatt Place Derivation			
Data in 2022 $'s	**Year I**	**Year II**	**Year III**
Base: Name & Quality	1.43	1.43	1.43
x Brand Age Adjustment	1.09	1.09	1.09
x Site Value Adjustment	0.80	0.80	0.80
x Size Adjustment	1.15	1.15	1.15
x Other Adjustments	1.00	1.00	1.00
x Newness Adjustment	0.98	1.12	1.16
= Performance Factor	**140%**	**160%**	**166%**
x Market REVPAR	$49.98	$49.98	$49.98
= Projected Performance	**$70.13**	**$80.15**	**$83.01**

Tests For Reasonability

Comparisons made here support the reasonable nature of market and subject projections:

1. Individual property projections depend importantly on the projection of local market REVPAR - forecast to rise at a healthy rate through 2031, starting at the current level. Over the next nine years market REVPAR is projected to rise 3.2% per year, compared to a 0.2% decrease on average over each of the past nine years. REVPAR encompasses the net effects of room supply, room-night demand and prices.

Over the next five years, we are comfortable with the 3.2% real compound demand gain projected for the market, above the expected net supply growth of 2.8%, and prices going up 3%. The resulting level of overall occupancy is 60% (equilibrium).

2. The derived Base Value of 1.43 (143%) for a high-priced independent hotel like Hyatt Place hotel is reasonable when compared to the Base Values of other hotels in these same markets. The hierarchy of REVPAR indices for various brands is shown below:

REVPAR Index Comparison[14]

Brand	REVPAR Index
Homewood Suites	165
Hampton Inn	149
Hyatt Place	**143**
Holiday Express	136
Fairfield Inn	115

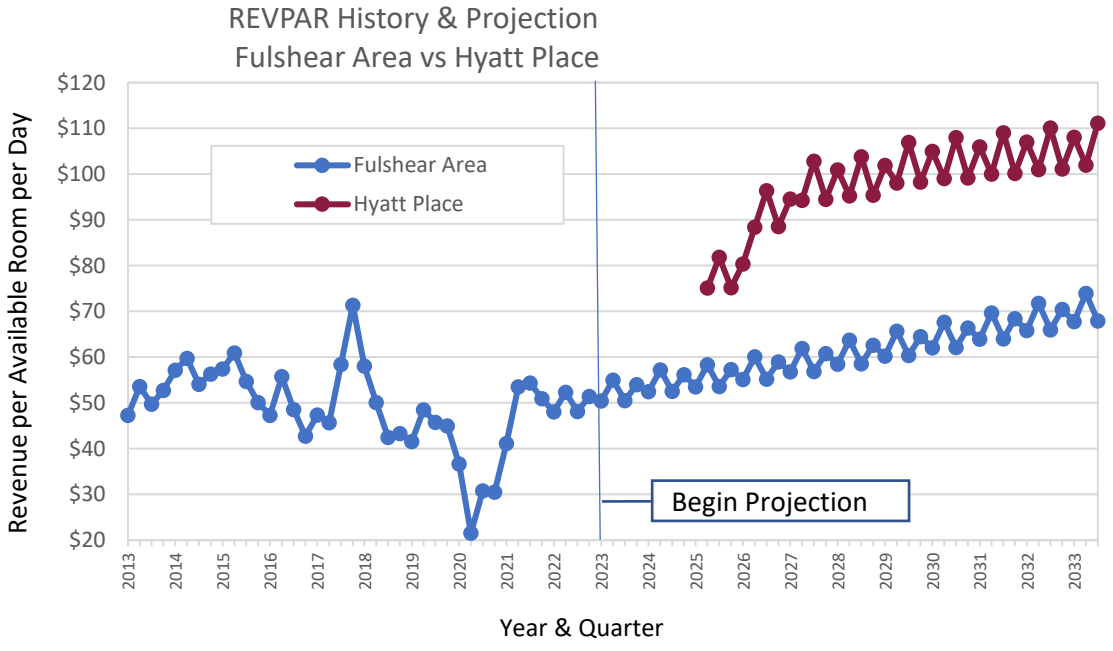
3. Developing actual adjustment factors for the existing properties - so that their projected REVPAR equals actual REVPAR - indicates why the REVPAR index projection has a high probability of being achieved. The REVPAR differences between the closest key competitors appear to be both explainable and reasonable, using the standard, Source Strategies' adjustment factor quantification. For each property, revenues are driven first by chain name affiliation and product type, and are further adjusted for size, segment, hotel age and site location. The REVPAR Index is then multiplied by the actual local area market average to generate dollar REVPAR. We also include the theoretical Year III performance (as if it were open today in year 3 of operation) of the subject hotel, as follows:

14. Unadjusted for physical aging of each brand.

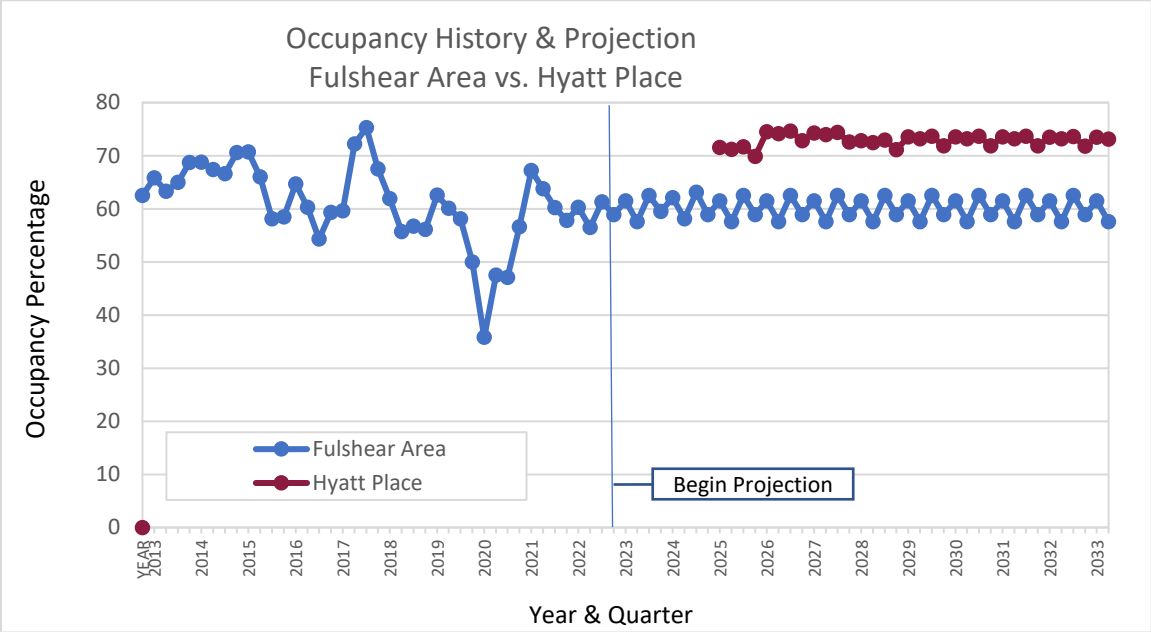
REVPAR Derivation

	SUBJECT: Hyatt Place Derivation	HolExpress	Fairfield	Hampton	Courtyard	HolExpress
Data in 2022 $'s	**Year III**	**Brookshire**	**WestPTollw**	**Rosenberg**	**Katy**	**Sealy**
Base: Name & Quality	1.43	1.36	1.15	1.49	1.41	1.36
x Brand Age Adjustment	1.09	1.05	1.05	1.11	1.11	1.05
x Site Value Adjustment	0.80	1.01	0.90	0.82	1.08	1.00
x Size Adjustment	1.15	1.03	0.96	1.03	1.03	1.05
x Other Adjustments	1.00	0.50	1.00	1.00	1.00	0.94
x Newness Adjustment	1.16	1.11	1.16	0.90	1.05	0.92
= Performance Factor	**166%**	**82%**	**121%**	**126%**	**183%**	**130%**
x Market REVPAR	$49.98	$49.98	$49.98	$49.98	$49.98	$49.98
= Projected Performance	**$83.01**	**$41.04**	**$60.65**	**$62.77**	**$91.51**	**$64.90**
Actual Past Year	n/a	41.02	60.62	62.62	91.83	64.80
Index (Proj./Actual)	n/a	100	100	100	100	100
Year Opened	n/a	2017	2020	2008	2015	2009
# Rooms	90	75	92	77	111	70

4. The projected REVPAR performance of the Hyatt Place versus the local market average reflects the fact that this property will perform well above the projected market average:



5. The graphically projected occupancy performance of the Hyatt Place versus the local market average reflects the fact that this hotel will be above the overall market average because of product, location, size, and age:



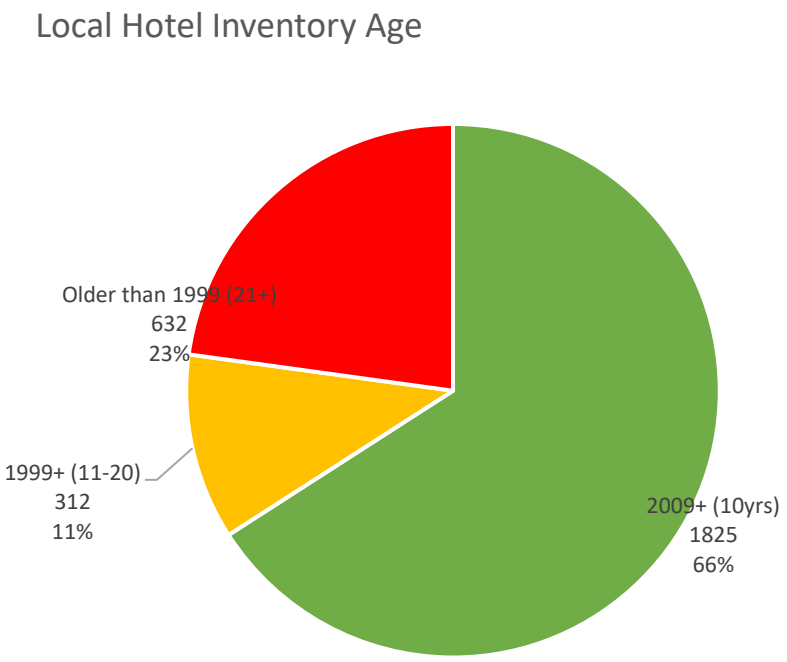
Local Hotel Inventory

Local Market: An examination of the local *Fulshear Area Zip Codes*[15] market reflects a mixture of a slowly growing number of newer properties, along with a high percentage of older hotels vulnerable to new competition. Typically, a new hotel will have a significant advantage over older products. The average hotel room in the local market is only 16 years old, well past the peak performing first ten years of the life cycle of the typical hotel building, which becomes stylistically and structurally obsolete after 30+ years. This 30-year life cycle is significantly longer for high-rise and/or concrete structures. Out of 2,769 total rooms in the local market, 1,825, or 66% have been built since 2009, while 23%, or 632 rooms were opened before 1999 (over 24 years old). There is usually a wide and dramatic gap between the performance of new and older properties, with newer hotel inventory easily outperforming older hotels that are well past their peak. Overall, this is a new group of hotels and lodging properties. Well established assumptions concerning consumer behavior and research indicate that to consumers 'new' means 'clean,' and 'old' means 'dirty', with cleanliness the number one consumer selection factor in lodging.

15. Fulshear Area Zip Codes: 77423/494/471/474.

Fulshear Area Zip Codes Market

Year Open	# Rooms	Hotel
2020	92	FAIRFIELD INN
2020	63	RED LION INN & SUITES/AMERICAS BEST VALUE
2020	38	EXPRESS INN
2019	105	TRU BY HILTON
2019	104	ALOFT HOUSTON KATY
2019	100	LA QUINTA KATY MILLS
2018	37	SCOTTISH INN & SUITES
2017	75	HOLIDAY INN EXPRESS HOTEL
2017	143	ELEMENT BY WESTIN
2017	100	HOLIDAY INN & SUITES KATY
2015	63	COUNTRY INN & SUITES
2015	111	COURTYARD KATY MILLS
2015	121	HOMEWOOD SUITES KATY MILLS
2012	88	COMFORT SUITES AT KATY MILLS
2010	55	LA QUINTA INN & SUITES
2010	101	HILTON GARDEN INN
2010	126	RESIDENCE INN
2010	37	SUPER 8
2009	78	BEST WESTERN PLUS KATY INN & SUITES
2009	118	SPRINGHILL SUITES
2009	70	HOLIDAY EXPRESS & SUITES
2008	77	HAMPTON INN & SUITES
2007	43	SUPER 8
2007	56	LA QUINTA INN & SUITES HOUSTON ROSENBERG
2005	69	SPRINGHILL SUITES HOUSTON KATY MILLS
2000	67	MOTEL 6 (FMR HOLIDAY EXPRESS)
1997	49	DAYS INN (FMR COMFORT INN
1997	50	SUPER 8 (FMR HOLIDAY EXPRESS)
1994	66	BEST VALUE INN
1983	50	PALACE INN (FMR EXEC/BUDG/TRAVL)
1983	104	REGENCY INN & SUITES (FMR BW SUNDOWNER)
1983	30	TRAVELER'S INN
1980	50	COUNTRYSIDE INN (FMR RODEWAY INN)
1978	108	EXECUTIVE INN (FMR BRAZOS)
1977	90	KNIGHTS INN (FMR EXPRESS/DAYS)
1969	35	WOODLAND INN & SUITES



Project REVPAR Projection

Hyatt Place Pro Forma: Applying the project derivation factor for the subject (166% Year III) to the quarterly local market REVPAR forecast results in the following progression:

Year & Qtr	Local Market	Subject Hotel	Subj/Local Index	Annualized
2025 Q1	53.52	75.10	140	
2025 Q2	58.34	81.86	140	
2025 Q3	53.61	75.23	140	
2025 Q4	57.27	80.36	140	140
2026 Q1	55.13	88.41	160	
2026 Q2	60.09	96.36	160	
2026 Q3	55.22	88.55	160	
2026 Q4	58.99	94.60	160	160
2027 Q1	56.78	94.31	166	
2027 Q2	61.89	102.80	166	
2027 Q3	56.88	94.47	166	
2027 Q4	60.76	100.91	166	166
2028 Q1	58.49	95.24	163	
2028 Q2	63.75	103.80	163	
2028 Q3	58.58	95.39	163	
2028 Q4	62.58	101.90	163	163
2029 Q1	60.24	98.09	163	
2029 Q2	65.66	106.92	163	
2029 Q3	60.34	98.25	163	
2029 Q4	64.46	104.96	163	163
2030 Q1	62.05	99.06	160	
2030 Q2	67.63	107.97	160	
2030 Q3	62.15	99.22	160	
2030 Q4	66.39	105.99	160	160
2031 Q1	63.91	100.03	157	
2031 Q2	69.66	109.03	157	
2031 Q3	64.02	100.19	157	
2031 Q4	68.39	107.03	157	157
2032 Q1	65.83	101.01	153	
2032 Q2	71.75	110.10	153	
2032 Q3	65.94	101.17	153	
2032 Q4	70.44	108.08	153	153
2033 Q1	67.80	102.00	150	
2033 Q2	73.90	111.18	150	
2033 Q3	67.92	102.17	150	
2033 Q4	72.55	109.14	150	150
2034 Q1	69.67	102.75	147	
2034 Q2	75.94	112.00	147	
CGR %				
9 Yrs	**3.0%**	**3.5%**		
First 5 Yrs	**3.0%**	**5.7%**		

*CGR% measured from open date

Resulting Projection: Hyatt Place

For the Hyatt Place, this REVPAR forecast is then extended to room revenues - multiplying REVPAR by the number of days in each quarter and by the number of rooms in the project - and to occupancy, estimated rate and to room-nights sold:

Year & Qtr	Resulting Room Revenues	Annual Basis	Estimated % Occ	ADR	Room Nights Sold	Annual Basis		
						RNS	% Occ	ADR
2025 Q1	$608,330		71.5	$105.00	5794			
2025 Q2	$670,432		71.2	$115.00	5830			
2025 Q3	$622,870		71.6	$105.00	5932			
2025 Q4	$665,388	$2,567,020	69.9	$115.00	5786	23342	71.1%	$109.98
2026 Q1	$716,091		74.5	$118.65	6035			
2026 Q2	$789,194		74.2	$129.95	6073			
2026 Q3	$733,207		74.6	$118.65	6180			
2026 Q4	$783,257	$3,021,749	72.8	$129.95	6027	24315	74.0%	$124.27
2027 Q1	$763,916		74.3	$126.96	6017			
2027 Q2	$841,901		73.9	$139.05	6055			
2027 Q3	$782,175		74.4	$126.96	6161			
2027 Q4	$835,567	$3,223,559	72.6	$139.05	6009	24242	73.8%	$132.97
2028 Q1	$771,411		72.8	$130.76	5899			
2028 Q2	$850,161		72.5	$143.22	5936			
2028 Q3	$789,850		73.0	$130.76	6040			
2028 Q4	$843,766	$3,255,188	71.2	$143.22	5891	23767	72.4%	$136.96
2029 Q1	$794,554		73.5	$133.38	5957			
2029 Q2	$875,666		73.2	$146.08	5994			
2029 Q3	$813,545		73.7	$133.38	6099			
2029 Q4	$869,079	$3,352,844	71.9	$146.08	5949	24000	73.1%	$139.70
2030 Q1	$802,350		73.5	$134.71	5956			
2030 Q2	$884,258		73.2	$147.54	5993			
2030 Q3	$821,528		73.7	$134.71	6098			
2030 Q4	$877,606	$3,385,742	71.8	$147.54	5948	23996	73.0%	$141.10
2031 Q1	$810,222		73.5	$136.06	5955			
2031 Q2	$892,935		73.2	$149.02	5992			
2031 Q3	$829,589		73.6	$136.06	6097			
2031 Q4	$886,217	$3,418,963	71.8	$149.02	5947	23991	73.0%	$142.51
2032 Q1	$818,172		73.5	$137.42	5954			
2032 Q2	$901,696		73.2	$150.51	5991			
2032 Q3	$837,729		73.6	$137.42	6096			
2032 Q4	$894,913	$3,452,510	71.8	$150.51	5946	23987	73.0%	$143.93
2033 Q1	$826,200		73.5	$138.80	5953			
2033 Q2	$910,543		73.1	$152.01	5990			
2033 Q3	$845,949		73.6	$138.80	6095			
2033 Q4	$903,694	$3,486,386	71.8	$152.01	5945	23982	73.0%	$145.37
2034 Q1	$832,282		73.3	$140.18	5937			
CGR %								
9 Yrs	**3.5%**		**0.3%**	**3.3%**	**0.3%**			
First 5 Yrs	**5.7%**		**0.6%**	**5.1%**	**0.6%**			

-CGR% measured from open date-

Profit and Loss Statements

Operating Costs[16]

Profitability and returns reflect the above revenue projections and the following other critical assumptions: operating costs per occupied room approximate Select & Limited-Service hotels of similar size, rate, and occupancy and include appropriate fixed, semi-fixed and variable costs (STR's Host Almanac 2020 for the year 2019 annual data, and Source Strategies data).

Estimates of operating costs consider the lower costs of the West South-Central region of the United States, which had an average Per Occupied Room Cost of $54.23 (not including royalties) in 2019 in Limited-Service hotels - versus a national average of $66.23 - or 81.8% of the U.S. average. The following cost comparisons have all been adjusted to reflect this 18.2% lower-cost environment that may be expected in operating a hotel in the West South Central (WSC) region.

Costs per Operating Occupied Room

Rooms only Operating Costs per Occupied Room (before Fixed Charges) are estimated as:

Operating Costs per Occupied Room

Year	Cost per Occupied Room	Room Nights Sold	Annual Operating Cost
Year I	$51.78	23,342	$1,208,538
Year II	$55.00	24,315	$1,337,356
Year III	$57.48	24,242	$1,393,523

These figures compare to industry-wide data as follows:

a) $68.48 in the Host Almanac for Upscale hotels in 2019, adjusted to WSC USA. This translates to $72.65, when inflated to Year 2021 dollars.

b) $45.29 in the Host Almanac for Suburban hotels in 2019, adjusted to Southwest the WSC region of the USA. This POR cost translates to $48.05 when inflated 3% annually to Year 2021 dollars.

c) $56.90 in the Host Almanac for Upper-Midscale hotels in 2019, adjusted to WSC USA. This POR cost translates to $60.36 when inflated to Year 2021 dollars.

c) $44.40 in the Host Almanac for Interstate hotels in 2019, adjusted to WSC USA. his POR cost translates to $47.11 when inflated to Year 2021 dollars.

16. The calculation of the statistic of Operating Costs Per Occupied Room (before fixed/capital costs are deducted) is typically the important cost to examine carefully because it is highly stable and predictable, regardless of occupancy and rate. Looking at costs on a percentage basis can be highly misleading because of the high variability in average room revenues.

d) $36.56 in the Host Report for Midscale/Economy hotels, 2019 data, adjusted to WSC USA. This POR cost translates to $38.79 when inflated to Year 2021 dollars.

Additional Operating Expenses & Capital Investment

A vital marketing expense of 7% in Year I and thereafter. Marketing includes reservation and advertising fees, sales expense, local advertising and a strong internet presence. A 6% franchise fee is charged, as is a significant management fee.

A large reserve for renovations is taken and subtracted from projected cash flows annually; such renovation reserves amount to $1,797,181 in the first ten years ($19,969 per unit). Reserves ensure that future revenue streams continue by maintaining product quality at high levels as required by the franchisor. Reserves are based on an extensive 2001 study, CapEx, by the International Society of Hospitality Consultants. The study shows that required reserves average 5.5% over a 20-year period. We have applied a reasonable 5.5% annual reserve annually for the first ten years.

Total capital of $11,525,000 is allocated for the development of the project, including an estimated land value of $725,000 for 1.5 acres. Should capital needs vary, then returns would change proportionately. The estimates of necessary capital include:

Total Hotel Investment		
Land Value:	$ 725,000	
Improvements Budget:	$10,800,000	@ $120,000 per key[17]
Total Investment:	$11,525,000	
Pre-Tax Project Return:	15.18%[18]	
Pre-Tax Return on Equity:	33.10%[19]	

<PROFIT & LOSS STATEMENTS FOLLOW OVERLEAF>

17. Source Strategies' estimate of land and development costs.
18. After reserve for on-going renovations.
19. Assuming 70% equity and 30% debt at a 7.25% pre-tax debt cost; calculated weighted average.

Hyatt Place, Year I

Land Value: $725,000 | Opening Date: 01/01/2025 | # Rooms: 90 | Cost Per Key: $120,000

QUARTER:	First	Second	Third	Fourth	Year	
Roomnights Sold	5,794	5,830	5,932	5,786	23,342	
Roomnights Available	8,100	8,190	8,280	8,280	32,850	
Occupancy %	71.5%	71.2%	71.6%	69.9%	71.1%	
Average Rate	$105.00	$115.00	$105.00	$115.00	$109.98	
REVPAR	$75.10	$81.86	$75.23	$80.36	$78.14	
						% Revenues
Room Revenues	$608,330	$670,432	$622,870	$665,388	$2,567,020	89.3%
F&B Revenues	$60,833	$67,043	$62,287	$66,539	$256,702	8.9%
Other Revenue	$12,167	$13,409	$12,457	$13,308	$51,340	1.8%
Total Sales	**$681,329**	**$750,883**	**$697,615**	**$745,235**	**$2,875,062**	**100.0%**
Operating Expense - Payroll						
Administration	$27,253	$30,035	$27,905	$29,809	$115,002	4.0%
Housekeeping	$23,174	$23,319	$23,728	$23,144	$93,366	3.2%
Laundry	$11,587	$11,660	$11,864	$11,572	$46,683	1.6%
Front Desk	$28,968	$29,149	$29,660	$28,930	$116,708	4.1%
Miscellaneous	$12,605	$13,891	$12,906	$13,787	$53,189	1.9%
Taxes/Benefits	$15,538	$16,208	$15,910	$16,086	$63,742	2.2%
Total Payroll	**$119,126**	**$124,263**	**$121,973**	**$123,328**	**$488,690**	**17.0%**
Room Expense						
Linen & Laundry	$10,139	$10,202	$10,381	$10,125	$40,848	1.4%
Comp. F & B	$11,587	$11,660	$11,864	$11,572	$46,683	1.6%
Total Room	**$21,726**	**$21,862**	**$22,245**	**$21,697**	**$87,531**	**3.0%**
Other Expense						
Phone Lines	$13,036	$13,117	$13,347	$13,018	$52,518	1.8%
Electric/Utility	$28,968	$29,149	$29,660	$28,930	$116,708	4.1%
Maintenance & Repair	$13,627	$15,018	$13,952	$14,905	$57,501	2.0%
Total Other	**$55,630**	**$57,284**	**$56,960**	**$56,853**	**$226,727**	**7.9%**
General & Administration						
Marketing & Advertising	$42,583	$46,930	$43,601	$46,577	$179,691	6.3%
Franchise Fee	$36,500	$40,226	$37,372	$39,923	$154,021	5.4%
Credit Card	$17,033	$18,772	$17,440	$18,631	$71,877	2.5%
Tot Admin & Gen	**$96,116**	**$105,928**	**$98,414**	**$105,131**	**$405,589**	**14.1%**
F&B Expenses	**$42,583**	**$46,930**	**$43,601**	**$46,577**	**$179,691**	**6.3%**
Total Op Expense	**$335,181**	**$356,267**	**$343,193**	**$353,587**	**$1,388,229**	**48.3%**
Gross Operating Profit	$346,148	$394,616	$354,422	$391,647	$1,486,833	51.7%
Management Fee	$19,090	$21,301	$19,546	$21,141	$81,077	2.8%
Income Before Fixed	**$327,059**	**$373,315**	**$334,876**	**$370,507**	**$1,405,756**	**48.9%**
Fixed Charges						
Insurance	$13,627	$15,018	$13,952	$14,905	$57,501	2.0%
Property Tax	$34,066	$37,544	$34,881	$37,262	$143,753	5.0%
Deprec SL 39 Yrs.	$69,231	$69,231	$69,231	$69,231	$276,923	9.6%
Tot Capital Expense	**$116,924**	**$121,793**	**$118,064**	**$121,397**	**$478,177**	**16.6%**
Income Before Tax & Fin	$210,135	$251,522	$216,812	$249,109	$927,579	32.3%
Depreciation AddBack	$69,231	$69,231	$69,231	$69,231	$276,923	9.6%
Renovation Reserve	-$33,458	-$36,874	-$34,258	-$36,596	-$141,186	-4.9%
Cash Flow Before Tax & Fin	**$245,907**	**$283,879**	**$251,785**	**$281,744**	**$1,063,316**	**37.0%**

Hyatt Place, Year II - X

Land Value: $725,000 Opening Date: 01/01/2025 # Rooms: 90 Cost Per Key: $120,000

Year	2	3	4	5	6	7	8	9	10	CGR Yr 2-10
Roomnights Sold	24,315	24,242	23,767	24,000	23,996	23,991	23,987	23,982	23,920	0.3%
Roomnights Available	32,850	32,850	32,850	32,850	32,850	32,850	32,850	32,850	32,850	0.0%
Occupancy %	74.0%	73.8%	72.4%	73.1%	73.0%	73.0%	73.0%	73.0%	72.8%	0.3%
Average Rate*	$124.27	$132.97	$136.96	$139.70	$141.10	$142.51	$143.93	$145.37	$146.83	3.3%
REVPAR	$91.99	$98.13	$99.09	$102.07	$103.07	$104.08	$105.10	$106.13	$106.91	3.5%
Room Revenues	$3,021,749	$3,223,559	$3,255,188	$3,352,844	$3,385,742	$3,418,963	$3,452,510	$3,486,386	$3,512,049	3.5%
F&B Revenues	$302,175	$322,356	$325,519	$335,284	$338,574	$341,896	$345,251	$348,639	$351,205	3.5%
Other Revenues	$60,435	$64,471	$65,104	$67,057	$67,715	$68,379	$69,050	$69,728	$70,241	3.5%
Total Revenues	**$3,384,359**	**$3,610,386**	**$3,645,811**	**$3,755,185**	**$3,792,031**	**$3,829,239**	**$3,866,811**	**$3,904,752**	**$3,933,495**	**3.5%**
Operating Expense - Payroll										
Administration	$118,165	$121,415	$124,754	$128,184	$131,709	$135,331	$139,053	$142,877	$146,806	2.8%
Housekeeping	$99,936	$102,376	$103,129	$107,004	$109,926	$112,928	$116,012	$119,181	$122,138	3.0%
Laundry	$49,968	$51,188	$51,565	$53,502	$54,963	$56,464	$58,006	$59,590	$61,069	3.0%
Front Desk	$124,920	$127,970	$128,912	$133,755	$137,408	$141,161	$145,015	$148,976	$152,673	3.0%
Miscellaneous	$56,931	$58,321	$58,751	$60,958	$62,623	$64,333	$66,090	$67,895	$69,579	3.0%
Taxes/Benefits	$67,488	$69,190	$70,066	$72,511	$74,494	$76,533	$78,626	$80,778	$82,840	3.0%
Total Payroll	**$517,409**	**$530,460**	**$537,176**	**$555,915**	**$571,124**	**$586,750**	**$602,803**	**$619,295**	**$635,105**	**3.0%**
Room Expense										
Linen & Laundry	$43,722	$44,789	$45,119	$46,814	$48,093	$49,406	$50,755	$52,141	$53,435	3.0%
Comp. F & B	$49,968	$51,188	$51,565	$53,502	$54,963	$56,464	$58,006	$59,590	$61,069	3.0%
Total Room	**$93,690**	**$95,977**	**$96,684**	**$100,317**	**$103,056**	**$105,870**	**$108,762**	**$111,732**	**$114,504**	**3.0%**
Other Expense										
Phone Lines	$56,214	$57,586	$58,010	$60,190	$61,834	$63,522	$65,257	$67,039	$68,703	3.0%
Electric	$124,920	$127,970	$128,912	$133,755	$137,408	$141,161	$145,015	$148,976	$152,673	3.0%
Repairs & Maint.	$67,687	$72,208	$72,916	$75,104	$75,841	$76,585	$77,336	$78,095	$78,670	3.5%
Total Other	**$248,821**	**$257,764**	**$259,838**	**$269,049**	**$275,082**	**$281,268**	**$287,609**	**$294,110**	**$300,045**	**3.2%**
General & Administration										
Marketing & Advert	$211,522	$225,649	$227,863	$234,699	$237,002	$239,327	$241,676	$244,047	$245,843	3.5%
Franchise Fee	$181,305	$193,414	$195,311	$201,171	$203,145	$205,138	$207,151	$209,183	$210,723	3.5%
Credit Card	$84,609	$90,260	$91,145	$93,880	$94,801	$95,731	$96,670	$97,619	$98,337	3.5%
Total Admin & Gen	**$477,436**	**$509,322**	**$514,320**	**$529,749**	**$534,947**	**$540,196**	**$545,497**	**$550,849**	**$554,904**	**3.5%**
F&B Expenses	**$211,522**	**$225,649**	**$227,863**	**$234,699**	**$237,002**	**$239,327**	**$241,676**	**$244,047**	**$245,843**	**3.5%**
Total Oper Expense	**$1,548,879**	**$1,619,172**	**$1,635,881**	**$1,689,729**	**$1,721,212**	**$1,753,411**	**$1,786,346**	**$1,820,033**	**$1,850,401**	**3.2%**

Hyatt Place, Year II - X

Land Value: $725,000 Opening Date: 01/01/2025 # Rooms: 90 Cost Per Key: $120,000

Year	2	3	4	5	6	7	8	9	10	CGR Yr 2-10
Roomnights Sold	24,315	24,242	23,767	24,000	23,996	23,991	23,987	23,982	23,920	0.3%
Roomnights Available	32,850	32,850	32,850	32,850	32,850	32,850	32,850	32,850	32,850	0.0%
Occupancy %	74.0%	73.8%	72.4%	73.1%	73.0%	73.0%	73.0%	73.0%	72.8%	0.3%
Average Rate*	$124.27	$132.97	$136.96	$139.70	$141.10	$142.51	$143.93	$145.37	$146.83	3.3%
REVPAR	$91.99	$98.13	$99.09	$102.07	$103.07	$104.08	$105.10	$106.13	$106.91	3.5%
Room Revenues	$3,021,749	$3,223,559	$3,255,188	$3,352,844	$3,385,742	$3,418,963	$3,452,510	$3,486,386	$3,512,049	3.5%
F&B Revenues	$302,175	$322,356	$325,519	$335,284	$338,574	$341,896	$345,251	$348,639	$351,205	3.5%
Other Revenues	$60,435	$64,471	$65,104	$67,057	$67,715	$68,379	$69,050	$69,728	$70,241	3.5%
Total Revenues	**$3,384,359**	**$3,610,386**	**$3,645,811**	**$3,755,185**	**$3,792,031**	**$3,829,239**	**$3,866,811**	**$3,904,752**	**$3,933,495**	**3.5%**
Total Oper Expense	**$1,548,879**	**$1,619,172**	**$1,635,881**	**$1,689,729**	**$1,721,212**	**$1,753,411**	**$1,786,346**	**$1,820,033**	**$1,850,401**	**3.2%**
Gross Op Profit	$1,835,481	$1,991,214	$2,009,930	$2,065,457	$2,070,819	$2,075,827	$2,080,466	$2,084,719	$2,083,094	3.8%
Mngmt Fee	$97,145	$104,295	$105,302	$108,366	$109,131	$109,896	$110,660	$111,422	$111,903	3.6%
Income Before Fixed Charges	**$1,738,336**	**$1,886,918**	**$1,904,627**	**$1,957,091**	**$1,961,688**	**$1,965,931**	**$1,969,806**	**$1,973,297**	**$1,971,191**	**3.8%**
Fixed Charges										
Insurance	$59,083	$60,707	$62,377	$64,092	$65,855	$67,666	$69,526	$71,438	$73,403	2.8%
Property Tax	$147,706	$151,768	$155,942	$160,230	$164,637	$169,164	$173,816	$178,596	$183,507	2.8%
Depr. SL 39 Yrs.	$276,923	$276,923	$276,923	$276,923	$276,923	$276,923	$276,923	$276,923	$276,923	0.0%
Total Fixed Charges	**$483,712**	**$489,399**	**$495,242**	**$501,245**	**$507,414**	**$513,753**	**$520,266**	**$526,958**	**$533,834**	**1.2%**
Income Before Tax & Financing	$1,254,624	$1,397,520	$1,409,386	$1,455,845	$1,454,274	$1,452,179	$1,449,540	$1,446,340	$1,437,358	5.0%
Depr. AddBack	$276,923	$276,923	$276,923	$276,923	$276,923	$276,923	$276,923	$276,923	$276,923	0.0%
Renovation Reserve	-$166,196	-$177,296	-$179,035	-$184,406	-$186,216	-$188,043	-$189,888	-$191,751	-$193,163	3.5%
Cash Flow Bef Tax & Fin	**$1,365,351**	**$1,497,147**	**$1,507,273**	**$1,548,362**	**$1,544,981**	**$1,541,059**	**$1,536,575**	**$1,531,512**	**$1,521,118**	**4.1%**

April 25, 2023

Statement of Opinion

This report is based on independent opinion, surveys and research from sources considered reliable. No representation is made as to accuracy or completeness and no contingent liability of any kind can be accepted.

The study projections are dependent on the developer building and operating a Hyatt Place hotel in Fulshear, Texas. Projections assume including certain high-quality amenities and spending the appropriate operating funds necessary to generate projected revenues, most especially budgeted funds for aforementioned amenities and for marketing, including but not limited to listings in travel tourbooks, and a robust presence on the Internet.

It is our opinion that this report fairly and conservatively represents the room revenues and profitability that can be achieved by developing and operating a 90-unit Hyatt Place hotel property at this location in Fulshear, Texas.

Please contact us with any questions at (210) 734-3434.

Respectfully submitted,

Todd Walker, President
Source Strategies

Paul Vaughn, Senior Vice President
Source Strategies

SourceStrategies
HOTEL DATA + INTELLIGENCE

List of Exhibits

Exhibit I: Lodging Market History

Lodging Market: Wider Market Area & Local Market, Aggregated

MARKET: 6 COUNTY AREA
HOTELS ONLY

YEAR Q	# Hotels Motels	# Rooms	Rnights sold 1 (000s)	$ Rooms Revenues (000 s)	% OCC2	$ Rate3	$ RPAR4
2013 Q1	702	69,242	4,417.8	436,620	70.9	98.83	70.06
2013 Q2	707	69,519	4,431.0	467,517	70.0	105.51	73.90
2013 Q3	708	69,341	4,270.8	421,058	66.9	98.59	66.00
2013 Q4	707	69,203	4,102.8	422,067	64.4	102.87	66.29
*TOTAL 2013			17,222.4	1,747,261	68.1	101.45	69.05
2014 Q1	716	69,856	4,565.0	485,873	72.6	106.43	77.28
2014 Q2	719	69,972	4,680.0	518,719	73.5	110.84	81.46
2014 Q3	725	70,144	4,477.8	458,227	69.4	102.33	71.01
2014 Q4	726	70,801	4,324.5	465,451	66.4	107.63	71.46
*TOTAL 2014			18,047.4	1,928,269	70.4	106.84	75.26
2015 Q1	737	71,543	4,578.4	506,124	71.1	110.55	78.60
2015 Q2	744	72,014	4,531.1	508,224	69.1	112.16	77.55
2015 Q3	745	72,304	4,352.7	454,183	65.4	104.35	68.28
2015 Q4	757	73,357	4,251.8	455,050	63.0	107.03	67.43
*TOTAL 2015			17,714.0	1,923,581	67.1	108.59	72.88
2016 Q1	769	74,941	4,460.8	486,004	66.1	108.95	72.06
2016 Q2	775	75,714	4,468.3	493,495	64.9	110.44	71.63
2016 Q3	785	76,499	4,185.1	408,995	59.5	97.73	58.11
2016 Q4	796	77,761	4,096.8	404,286	57.3	98.68	56.51
*TOTAL 2016			17,211.0	1,792,781	61.9	104.16	64.43
2017 Q1	814	80,042	4,550.2	523,256	63.2	115.00	72.64
2017 Q2	822	80,465	4,520.1	464,581	61.7	102.78	63.45
2017 Q3	854	81,863	4,995.7	497,257	66.3	99.54	66.02
2017 Q4	874	82,883	5,357.4	580,267	70.3	108.31	76.10
*TOTAL 2017			19,423.4	2,065,360	65.4	106.33	69.58
2018 Q1	888	84,282	5,155.7	558,140	68.0	108.26	73.58
2018 Q2	889	84,969	5,006.0	527,331	64.7	105.34	68.20
2018 Q3	877	84,624	4,622.4	450,646	59.4	97.49	57.88
2018 Q4	872	84,915	4,582.8	456,229	58.7	99.55	58.40
*TOTAL 2018			19,367.0	1,992,345	62.6	102.87	64.45
2019 Q1	886	86,145	4,853.2	509,533	62.6	104.99	65.72
2019 Q2	905	87,275	5,129.6	523,659	64.6	102.09	65.94
2019 Q3	918	88,345	4,989.5	476,253	61.4	95.45	58.60
2019 Q4	928	89,164	4,951.1	476,440	60.4	96.23	58.08
*TOTAL 2019			19,923.5	1,985,885	62.2	99.68	62.01
2020 Q1	918	89,096	4,358.7	436,155	54.4	100.06	54.39
2020 Q2	900	83,166	2,453.7	162,449	32.4	66.21	21.46
2020 Q3	923	86,033	3,346.6	242,262	42.3	72.39	30.61
2020 Q4	926	87,525	3,219.2	237,025	40.0	73.63	29.44
*TOTAL 2020			13,378.3	1,077,891	42.4	80.57	34.16

MARKET: 6 COUNTY AREA
HOTELS ONLY

YEAR Q	# Hotels Motels	# Rooms	Rnights sold 1 (000s)	$ Rooms Revenues (000 s)	% OCC2	$ Rate3	$ RPAR4
2021 Q1	941	88,155	3,892.0	301,254	49.1	77.40	37.97
2021 Q2	960	89,794	4,748.5	423,125	58.1	89.11	51.78
2021 Q3	969	90,503	4,812.3	458,941	57.8	95.37	55.12
2021 Q4	959	90,830	4,558.6	438,339	54.6	96.16	52.46
*TOTAL 2021			18,011.4	1,621,658	54.9	90.04	49.46
2022 Q1	955	90,981	4,505.1	459,110	55.0	101.91	56.07
2022 Q2	962	91,178	4,789.8	510,978	57.7	106.68	61.58
2022 Q3	957	89,837	4,642.6	476,269	56.2	102.59	57.62
2022 Q4	946	89,378	5,436.4	505,104	66.1	92.91	61.43
*TOTAL 2022			19,373.9	1,951,462	58.8	100.73	59.18
*TOTAL			179,672.2	18,086,494	60.9	100.66	61.29

1. Roomnights sold (derived from est. rate and actual room revenues)
2. Occupancy: nights sold divided by nights available for sale(x 100)
3. Average price for each roomnight sold;from Directories and surveys
4. $ Revenue per available room per day (room sales per day)

LODGING MARKET: FULSHEAR AREA ZIP CODES

YEAR Q	# Hotels Motels	# ROOMS	RNIGHTS SOLD 1 (000S)	$ ROOMS REVENUES (000 S)	% OCC2	$ Rate3	$ RPAR4
2013 Q1	24	1,672	94.0	7,120	62.5	75.74	47.32
2013 Q2	25	1,717	102.8	8,368	65.8	81.41	53.56
2013 Q3	25	1,717	99.9	7,862	63.3	78.67	49.77
2013 Q4	25	1,707	102.1	8,279	65.0	81.10	52.72
*TOTAL 2013			398.8	31,629	64.1	79.30	50.87
2014 Q1	25	1,717	106.2	8,835	68.7	83.23	57.17
2014 Q2	25	1,717	107.5	9,330	68.8	86.82	59.71
2014 Q3	25	1,717	106.5	8,537	67.4	80.19	54.04
2014 Q4	25	1,717	105.2	8,890	66.6	84.49	56.28
*TOTAL 2014			425.3	35,591	67.9	83.69	56.79
2015 Q1	25	1,707	108.4	8,818	70.6	81.33	57.40
2015 Q2	25	1,745	112.3	9,672	70.7	86.15	60.91
2015 Q3	26	1,765	107.2	8,883	66.0	82.84	54.70
2015 Q4	27	1,956	104.5	9,009	58.1	86.21	50.06
*TOTAL 2015			432.4	36,381	66.0	84.13	55.56
2016 Q1	27	1,977	104.1	8,419	58.5	80.86	47.32
2016 Q2	27	1,977	116.4	10,036	64.7	86.20	55.78
2016 Q3	27	1,977	109.7	8,834	60.3	80.53	48.57
2016 Q4	27	1,977	98.7	7,772	54.3	78.76	42.73
*TOTAL 2016			428.9	35,061	59.4	81.74	48.59
2017 Q1	27	1,977	105.5	8,430	59.3	79.89	47.38
2017 Q2	28	2,007	108.8	8,342	59.6	76.64	45.67
2017 Q3	30	2,117	140.7	11,371	72.2	80.85	58.39
2017 Q4	31	2,157	149.4	14,155	75.3	94.73	71.33
*TOTAL 2017			504.4	42,298	66.9	83.85	56.12
2018 Q1	32	2,360	143.3	12,335	67.5	86.09	58.07
2018 Q2	31	2,325	131.1	10,601	61.9	80.89	50.11
2018 Q3	31	2,325	119.2	9,085	55.7	76.23	42.47
2018 Q4	30	2,295	119.8	9,136	56.7	76.25	43.27
*TOTAL 2018			513.3	41,156	60.5	80.18	48.48
2019 Q1	31	2,332	117.7	8,727	56.1	74.17	41.58
2019 Q2	31	2,332	132.9	10,282	62.6	77.36	48.45
2019 Q3	31	2,332	129.0	9,817	60.1	76.09	45.76
2019 Q4	32	2,377	127.0	9,843	58.1	77.50	45.01
*TOTAL 2019			506.6	38,669	59.2	76.33	45.21
2020 Q1	35	2,549	114.7	8,405	50.0	73.26	36.64
2020 Q2	35	2,679	87.2	5,246	35.8	60.17	21.52
2020 Q3	35	2,676	116.9	7,584	47.5	64.89	30.80
2020 Q4	37	2,831	122.8	7,947	47.1	64.74	30.51
*TOTAL 2020			441.5	29,181	45.1	66.09	29.78

LODGING MARKET: FULSHEAR AREA ZIP CODES

YEAR Q	# Hotels Motels	# ROOMS	RNIGHTS SOLD 1 (000S)	$ ROOMS REVENUES (000 S)	% OCC2	$ Rate3	$ RPAR4
2021 Q1	37	2,831	144.1	10,485	56.6	72.75	41.15
2021 Q2	37	2,831	173.2	13,785	67.2	79.61	53.51
2021 Q3	37	2,831	166.1	14,150	63.8	85.18	54.33
2021 Q4	37	2,831	156.9	13,267	60.2	84.55	50.94
*TOTAL 2021			640.3	51,687	62.0	80.72	50.02
2022 Q1	37	2,791	145.1	12,065	57.8	83.15	48.03
2022 Q2	37	2,791	153.1	13,297	60.3	86.85	52.36
2022 Q3	36	2,769	143.8	12,258	56.5	85.23	48.12
2022 Q4	36	2,769	156.2	13,095	61.3	83.82	51.40
*TOTAL 2022			598.3	50,716	59.0	84.77	49.98
*TOTAL			4,889.9	392,370	60.3	80.24	48.38

1. Roomnights sold (derived from est. rate and actual room revenues)
2. Occupancy: nights sold divided by nights available for sale(x 100)
3. Average price for each roomnight sold;from Directories and surveys
4. $ Revenue per available room per day (room sales per day)

Exhibit II: Local Market History by Segment and Brand

Lodging Market: Fulshear Area Zip Codes

PERIOD: 12 MONTHS ENDING DEC 31, 2022
LODGING MARKET: FULSHEAR AREA ZIP CODES

BRAND	# HTL	# * RMS 000S	% RMS	EST. RNS 000S	% RNS	$ AMT. 000S	% AMT	EST. %OCC	EST. $ RATE	$ RPAR
HOTELS										
COURTYARD KATY		.1	4.0	27	4.5	3,720	7.3	66.1	138.98	91.83
FAIRFIELD KATY		.1	3.3	21	3.4	2,036	4.0	61.2	99.06	60.62
HAMPTON ROSENBERG		.1	2.8	17	2.9	1,760	3.5	60.8	102.97	62.62
HOL EXP BROOKSHIRE		.1	2.7	15	2.5	1,123	2.2	54.3	75.57	41.02
HOLID INN KATY		.1	3.6	23	3.8	2,466	4.9	62.1	108.85	67.57
RESIDENCE KATY		.1	4.5	32	5.3	3,732	7.4	69.1	117.46	81.16
TOTAL ABOVE		.6	20.9	134	22.4	14,837	29.3	63.0	110.97	69.97
HOL EXP SEALY		.1	2.5	16	2.7	1,656	3.3	63.0	102.88	64.80
ELEMENT	1	.1	5.1	31	5.3	3,157	6.2	60.3	100.25	60.48
HOMEWOOD	1	.1	4.4	31	5.2	4,543	9.0	70.6	145.70	102.87
TOT SUITES	2	.3	9.5	63	10.5	7,700	15.2	65.0	122.86	79.91
ALOFT	1	.1	3.7	22	3.7	1,979	3.9	57.8	90.13	52.14
HILT GARD	1	.1	3.6	22	3.7	2,341	4.6	59.6	106.52	63.49
OTHER MUP	1	.1	2.3	15	2.6	1,171	2.3	67.3	75.71	50.92
TOT MID/UPS	3	.3	9.6	59	9.9	5,491	10.8	60.7	92.44	56.13
COMFO STE	1	.1	3.2	19	3.1	1,383	2.7	58.4	73.71	43.06
SPRNGHILL	2	.2	6.7	42	7.0	3,278	6.5	61.2	78.51	48.03
TOT MIN STE	3	.3	9.9	61	10.1	4,661	9.2	60.3	77.02	46.44
BW PLUS	1	.1	2.8	17	2.9	1,357	2.7	60.8	78.37	47.66
CNTRY INN	1	.1	2.3	13	2.2	953	1.9	56.1	73.79	41.42
LA QUINTA	3	.2	7.6	46	7.7	3,917	7.7	59.5	85.53	50.86
TRU	1	.1	3.8	22	3.6	1,714	3.4	56.2	79.64	44.73
TOT LTD SVE	6	.5	16.4	98	16.3	7,940	15.7	58.5	81.40	47.60
BST VALUE	1	.1	2.4	10	1.7	341	.7	42.4	33.31	14.14
DAYS INN	1	.0	1.8	12	1.9	765	1.5	64.8	66.01	42.77
KNIGHTS	1	.1	3.2	18	3.0	746	1.5	54.5	41.65	22.70
MOTEL 6	1	.1	2.4	17	2.8	1,131	2.2	67.9	68.14	46.24
PALACE	1	.1	1.8	9	1.6	371	.7	50.9	39.98	20.34
SCOTTISH	2	.0	1.7	11	1.9	695	1.4	64.8	61.37	39.77
SUPER 8	3	.1	4.7	24	4.1	1,199	2.4	51.4	49.19	25.28
TOT BUDGET	10	.5	18.0	101	16.9	5,248	10.3	55.5	51.80	28.76
$60-99ADR	1	.0	1.4	8	1.4	555	1.1	61.2	65.44	40.05
LT $60ADR	5	.3	11.8	58	9.8	2,627	5.2	49.0	44.95	22.01
TOT IND HTL	6	.4	13.1	67	11.2	3,182	6.3	50.2	47.55	23.89
TOT MARKET	37	2.8	100.0	598	100.0	50,716	100	59.0	84.78	49.98

* All figures annualized. Includes taxed and est non-tax room revenues.
Independents are categorized by price and product type (Hotels and other)

PERIOD: 12 MONTHS ENDING DEC 31, 2021
LODGING MARKET: FULSHEAR AREA ZIP CODES

BRAND	# HTL	# * RMS 000S	% RMS	EST. RNS 000S	% RNS	$ AMT. 000S	% AMT	EST. %OCC	EST. $ RATE	$ RPAR
HOTELS										
COURTYARD	1	.1	3.9	28	4.4	3,156	6.1	69.1	112.69	77.89
FAIRFIELD	1	.1	3.2	22	3.5	2,028	3.9	66.4	90.87	60.38
HAMPTON	1	.1	2.7	19	3.0	1,821	3.5	68.4	94.67	64.78
HOLID EXP	1	.1	2.6	14	2.2	1,062	2.1	52.1	74.41	38.79
HOLID INN	1	.1	3.5	24	3.7	2,440	4.7	65.3	102.36	66.85
RESIDENCE	1	.1	4.5	34	5.3	4,042	7.8	74.3	118.27	87.88
TOT COMPS	6	.6	20.5	142	22.2	14,547	28.1	66.9	102.57	68.60
HOLID EXP	1	.1	2.5	15	2.4	1,708	3.3	59.4	112.54	66.83
ELEMENT	1	.1	5.1	37	5.8	3,703	7.2	70.6	100.56	70.95
HOMEWOOD	1	.1	4.3	33	5.1	4,317	8.4	74.4	131.43	97.75
TOT SUITES	2	.3	9.3	70	10.9	8,021	15.5	72.3	115.11	83.24
ALOFT	1	.1	3.7	26	4.1	2,187	4.2	68.9	83.61	57.61
HILT GARD	1	.1	3.6	26	4.0	2,542	4.9	69.2	99.62	68.95
OTHER MUP	1	.1	2.2	17	2.6	1,116	2.2	72.4	67.02	48.52
TOT MID/UPS	3	.3	9.5	68	10.7	5,844	11.3	69.8	85.55	59.75
COMFO STE	1	.1	3.1	20	3.2	1,519	2.9	62.9	75.14	47.28
SPRNGHILL	2	.2	6.6	47	7.3	3,537	6.8	68.2	76.00	51.82
TOT MIN STE	3	.3	9.7	67	10.4	5,056	9.8	66.5	75.74	50.37
BW PLUS	1	.1	2.8	17	2.7	1,344	2.6	61.0	77.43	47.21
CNTRY INN	1	.1	2.2	14	2.2	1,147	2.2	61.8	80.75	49.90
COMFO INN	1	.0	1.7	12	1.9	793	1.5	67.2	65.95	44.35
LA QUINTA	3	.2	7.5	46	7.2	3,615	7.0	59.7	78.61	46.94
TRU	1	.1	3.7	24	3.8	1,727	3.3	63.4	71.01	45.05
TOT LTD SVE	7	.5	17.9	114	17.8	8,626	16.7	61.7	75.74	46.71
BST VALUE	1	.1	2.3	9	1.3	355	.7	35.6	41.34	14.73
KNIGHTS	1	.1	3.2	20	3.1	877	1.7	59.7	44.75	26.70
MOTEL 6	1	.1	2.4	16	2.5	1,121	2.2	66.0	69.48	45.85
PALACE	1	.1	1.8	11	1.7	442	.9	60.6	39.92	24.20
SCOTTISH	2	.1	2.1	16	2.5	878	1.7	73.2	55.69	40.77
SUPER 8	3	.1	4.6	25	3.8	1,183	2.3	51.9	47.99	24.93
TOT BUDGET	9	.5	16.3	96	15.0	4,856	9.4	56.8	50.69	28.79
$60-99ADR	1	.0	1.3	9	1.4	650	1.3	66.4	70.60	46.89
LT $60ADR	5	.4	13.0	60	9.3	2,379	4.6	44.5	39.92	17.76
TOT IND HTL	6	.4	14.3	69	10.7	3,030	5.9	46.5	44.03	20.50
TOT MARKET	37	2.8	100.0	640	100.0	51,687	100	62.0	80.73	50.02

* All figures annualized. Includes taxed and est non-tax room revenues.
Independents are categorized by price and product type (Hotels and other)

PERIOD: 12 MONTHS ENDING DEC 31, 2020
LODGING MARKET: FULSHEAR AREA ZIP CODES

BRAND	# HTL	# * RMS 000S	% RMS	EST. RNS 000S	% RNS	$ AMT. 000S	% AMT	EST. %OCC	EST. $ RATE	$ RPAR
HOTELS										
COURTYARD	1	.1	4.1	18	4.1	1,646	5.6	44.3	91.76	40.63
FAIRFIELD	1	.0	.9	3	.7	267	.9	35.2	89.41	31.51
HAMPTON	1	.1	2.9	14	3.1	1,034	3.5	49.2	74.70	36.77
HOLID EXP	1	.1	2.8	12	2.7	737	2.5	43.2	62.22	26.91
HOLID INN	1	.1	3.7	18	4.0	1,472	5.0	48.2	83.70	40.34
RESIDENCE	1	.1	4.7	25	5.6	2,263	7.8	53.7	91.60	49.21
TOT COMPS	6	.5	19.1	89	20.1	7,418	25.4	47.5	83.45	39.68
HOLID EXP	1	.1	2.6	13	2.8	1,286	4.4	49.0	102.82	50.35
ELEMENT	1	.1	5.3	26	5.9	2,077	7.1	50.0	79.53	39.80
HOMEWOOD	1	.1	4.5	21	4.8	2,255	7.7	47.7	107.00	51.06
TOT SUITES	2	.3	9.8	47	10.7	4,333	14.8	49.0	91.80	44.96
ALOFT	1	.1	3.9	15	3.3	1,161	4.0	38.4	79.65	30.59
HILT GARD	1	.1	3.8	15	3.3	1,174	4.0	39.8	79.90	31.84
TOT MID/UPS	2	.2	7.6	29	6.6	2,335	8.0	39.1	79.78	31.21
COMFO STE	1	.1	3.3	14	3.1	839	2.9	42.4	61.63	26.14
SPRNGHILL	2	.2	7.0	33	7.4	2,079	7.1	47.7	63.90	30.46
TOT MIN STE	3	.3	10.2	46	10.5	2,919	10.0	46.0	63.23	29.08
BW PLUS	1	.1	2.9	12	2.7	796	2.7	42.5	65.85	27.97
CNTRY INN	1	.1	2.3	12	2.6	871	3.0	50.8	74.46	37.86
COMFO INN	1	.0	1.8	9	1.9	428	1.5	47.6	50.22	23.92
LA QUINTA	3	.2	7.1	29	6.5	1,932	6.6	41.0	67.53	27.67
TRU	1	.1	3.5	9	2.1	616	2.1	27.9	65.30	18.20
TOT LTD SVE	7	.5	17.7	70	15.9	4,642	15.9	40.7	66.00	26.84
BST VALUE	2	.1	3.1	10	2.2	395	1.4	32.7	40.52	13.23
KNIGHTS	1	.1	3.4	17	3.9	731	2.5	51.8	42.97	22.26
MOTEL 6	1	.1	2.5	14	3.3	807	2.8	58.7	56.25	33.01
PALACE	1	.1	1.9	7	1.6	240	.8	39.5	33.34	13.16
SCOTTISH	2	.1	2.2	13	2.9	598	2.1	58.4	47.54	27.79
SUPER 8	3	.1	4.8	20	4.5	871	3.0	42.2	43.52	18.36
TOT BUDGET	10	.5	17.8	81	18.3	3,644	12.5	46.4	45.02	20.89
$60-99ADR	1	.0	1.4	7	1.6	408	1.4	52.5	56.07	29.42
LT $60ADR	5	.4	13.7	59	13.3	2,196	7.5	43.8	37.31	16.33
TOT IND HTL	6	.4	15.1	66	15.0	2,604	8.9	44.6	39.38	17.55
TOT MARKET	37	2.7	100.0	441	100.0	29,181	100	45.1	66.10	29.78

* All figures annualized. Includes taxed and est non-tax room revenues.
Independents are categorized by price and product type (Hotels and other)

PERIOD: 12 MONTHS ENDING DEC 31, 2019
LODGING MARKET: FULSHEAR AREA ZIP CODES

BRAND	# HTL	# * RMS 000S	% RMS	EST. RNS 000S	% RNS	$ AMT. 000S	% AMT	EST. %OCC	EST. $ RATE	$ RPAR
HOTELS										
COURTYARD	1	.1	4.7	29	5.7	3,179	8.2	70.7	111.03	78.46
HAMPTON	1	.1	3.3	18	3.5	1,760	4.6	62.3	100.54	62.64
HOLID EXP	1	.1	3.2	15	3.0	921	2.4	54.7	61.45	33.64
HOLID INN	1	.1	4.3	23	4.6	2,112	5.5	63.3	91.45	57.87
RESIDENCE	1	.1	5.4	32	6.4	3,434	8.9	70.3	106.23	74.66
TOT COMPS	5	.5	20.9	117	23.0	11,406	29.5	65.3	97.87	63.91
HOLID EXP	1	.1	3.0	15	3.0	1,236	3.2	59.8	80.92	48.39
ELEMENT	1	.1	6.1	33	6.5	2,875	7.4	63.2	87.13	55.07
HOMEWOOD	1	.1	5.2	30	5.9	3,738	9.7	67.6	125.21	84.64
TOT SUITES	2	.3	11.3	63	12.4	6,613	17.1	65.2	105.22	68.63
ALOFT	1	.0	.5	2	.4	154	.4	44.1	84.35	37.16
HILT GARD	1	.1	4.3	25	5.0	2,466	6.4	68.5	97.66	66.89
TOT MID/UPS	2	.1	4.8	27	5.3	2,620	6.8	66.0	96.76	63.89
COMFO STE	1	.1	3.8	20	3.9	1,460	3.8	61.7	73.67	45.44
SPRNGHILL	2	.2	8.0	44	8.6	3,610	9.3	63.8	82.88	52.89
TOT MIN STE	3	.3	11.7	63	12.5	5,070	13.1	63.1	80.00	50.51
BW PLUS	1	.1	3.3	19	3.8	1,505	3.9	68.1	77.59	52.88
CNTRY INN	1	.1	2.7	17	3.3	1,131	2.9	71.8	68.52	49.18
COMFO INN	1	.0	2.1	10	2.0	678	1.8	57.9	65.44	37.91
LA QUINTA	2	.1	4.7	24	4.7	1,760	4.6	59.2	73.40	43.45
TOT LTD SVE	5	.3	12.8	70	13.9	5,075	13.1	63.9	72.24	46.19
BST VALUE	1	.1	2.8	12	2.3	519	1.3	48.5	44.40	21.54
KNIGHTS	1	.1	3.8	19	3.7	864	2.2	56.5	46.51	26.30
MOTEL 6	1	.1	2.9	15	3.0	842	2.2	61.3	56.17	34.44
PALACE	1	.1	2.1	7	1.4	235	.6	38.7	33.22	12.86
SCOTTISH	2	.1	2.5	13	2.6	707	1.8	61.1	53.79	32.84
SUPER 8	3	.1	5.5	26	5.1	1,269	3.3	54.7	48.87	26.74
TOT BUDGET	9	.5	19.7	91	18.1	4,436	11.5	54.2	48.52	26.31
TOT IND HTL	5	.4	15.8	60	11.8	2,213	5.7	44.2	37.05	16.38
TOT MARKET	32	2.3	100.0	507	100.0	38,669	100	59.2	76.34	45.21

* All figures annualized. Includes taxed and est non-tax room revenues.
Independents are categorized by price and product type (Hotels and other)

PERIOD: 12 MONTHS ENDING DEC 31, 2018
LODGING MARKET: FULSHEAR AREA ZIP CODES

BRAND	# HTL	# * RMS 000S	% RMS	EST. RNS 000S	% RNS	$ AMT. 000S	% AMT	EST. %OCC	EST. $ RATE	$ RPAR
HOTELS										
COURTYARD	1	.1	4.8	28	5.5	3,156	7.7	70.3	110.87	77.89
HAMPTON	1	.1	3.3	18	3.6	2,048	5.0	65.1	111.88	72.87
HOLID EXP	1	.1	3.2	16	3.1	1,137	2.8	58.9	70.52	41.55
HOLID INN	1	.1	4.3	23	4.4	2,154	5.2	61.8	95.49	59.02
RESIDENCE	1	.1	5.4	30	5.7	3,073	7.5	64.2	104.16	66.83
TOT COMPS	5	.5	21.0	115	22.4	11,569	28.1	64.4	100.63	64.82
HOLID EXP	1	.1	3.0	17	3.4	1,685	4.1	68.0	96.96	65.95
ELEMENT	1	.1	6.1	22	4.2	1,946	4.7	41.4	90.00	37.28
HOMEWOOD	1	.1	5.2	31	6.0	4,006	9.7	69.5	130.61	90.71
TOT SUITES	2	.3	11.3	52	10.2	5,952	14.5	54.3	113.82	61.77
HILT GARD	1	.1	4.3	24	4.7	2,469	6.0	66.1	101.36	66.96
COMFO STE	1	.1	3.8	20	3.8	1,554	3.8	61.4	78.73	48.37
SPRNGHILL	2	.2	8.0	48	9.3	4,621	11.2	69.7	97.06	67.70
TOT MIN STE	3	.3	11.8	67	13.1	6,174	15.0	67.1	91.69	61.51
BW PLUS	1	.1	3.4	18	3.6	1,528	3.7	64.8	82.80	53.67
CNTRY INN	1	.1	2.7	15	3.0	1,407	3.4	67.3	90.90	61.17
COMFO INN	1	.0	2.1	11	2.2	819	2.0	62.5	73.25	45.78
LA QUINTA	2	.1	4.8	25	4.8	1,984	4.8	60.6	80.74	48.97
TOT LTD SVE	5	.3	12.9	70	13.6	5,737	13.9	63.4	82.34	52.22
BST VALUE	2	.1	3.8	18	3.6	824	2.0	57.5	44.62	25.65
KNIGHTS	1	.1	3.9	19	3.6	1,017	2.5	57.0	54.32	30.96
MOTEL 6	1	.1	2.9	15	3.0	917	2.2	62.4	60.11	37.51
PALACE	1	.1	2.1	9	1.8	318	.8	51.1	34.11	17.44
SUPER 8	3	.1	5.6	29	5.6	1,544	3.8	61.0	53.32	32.54
TOT BUDGET	8	.4	18.3	91	17.7	4,621	11.2	58.5	50.92	29.79
$60-99ADR	1	.1	4.6	15	3.0	683	1.7	39.3	44.08	17.32
LT $60ADR	6	.3	12.6	61	11.9	2,267	5.5	57.0	37.15	21.19
TOT IND HTL	7	.4	17.2	77	14.9	2,950	7.2	52.3	38.55	20.15
TOT MARKET	32	2.3	100.0	513	100.0	41,156	100	60.5	80.19	48.48

* All figures annualized. Includes taxed and est non-tax room revenues.
Independents are categorized by price and product type (Hotels and other)

Exhibit III: Individual Hotel/Motel Histories Local Market

LODGING MARKET: FULSHEAR AREA ZIP CODES

CITY / ADDR / ZIP	P TYEAR Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	E S T	3 EST AVG. DAILY RATE	4 % OCC EST	YR AVG OP ADJ 1 $ 5 REVPAR
BROOKSHIRE	542 KOOMEY RD		77423	BROOKE HOTEL (FMR DD/CAREF					70	1.28
	H2018Q1	75		107,165	135,845	1.27		36.55	55	20.13
	2018Q2	75		104,181	122,302	1.17		34.36	52	17.92
	2018Q3	75		93,332	116,343	1.25		33.73	50	16.86
	2018Q4	75		56,615	74,021	1.31		32.66	33	10.73
	2019Q1	75		66,530	80,084	1.20		34.99	34	11.86
	2019Q2	75		73,427	89,561	1.22		33.93	39	13.12
	2019Q3	75		88,363	105,186	1.19		34.65	44	15.24
	2019Q4	75		76,520	91,398	1.19		31.50	42	13.25
	2020Q1	75		79,344	97,072	1.22		28.79	50	14.38
	2020Q2	75		64,633	91,750	1.42		27.85	48	13.44
	2020Q3	75		61,058	83,883	1.37		25.97	47	12.16
	2020Q4	75		58,238	78,846	1.35		26.08	44	11.43
	2021Q1	75		45,342	67,299	1.48		25.34	39	9.97
	2021Q2	75		43,803	67,528	1.54		28.14	35	9.89
	2021Q3	75		45,364	74,525	1.64		27.70	39	10.80
	2021Q4	75		25,541	59,380	2.32		25.52	34	8.61
	217 WALLER AVE		77423	EXECUTIVE INN (FMR BRAZOS)					78	1.50
	H2018Q1	108		220,092	285,980	1.30		62.54	47	29.42
	2018Q2	108		129,691	198,373	1.53		37.97	53	20.18
	2018Q3	108		62,361	105,161	1.69		35.53	30	10.58
	2018Q4	108		53,192	93,430	1.76		34.10	28	9.40
	2019Q1	108		50,110	86,542	1.73		33.03	27	8.90
	2019Q2	108		68,547	114,636	1.67		35.36	33	11.66
	2019Q3	108		71,085	95,417	1.34		34.40	28	9.60
	2019Q4	108		64,087	112,599	1.76		37.84	30	11.33
	2020Q1	108		50,445	127,052	2.52		40.52	32	13.07
	2020Q2	108		47,492	102,142	2.15		39.31	26	10.39
	2020Q3	108		63,955	123,464	1.93		39.74	31	12.43
	2020Q4	108		49,015	95,695	1.95		33.08	29	9.63
	2021Q1	108		62,263	118,071	1.90		39.84	30	12.15
	2021Q2	108		73,893	126,972	1.72		38.28	34	12.92
	2021Q3	108		78,558	150,179	1.91		45.60	33	15.11
	2021Q4	108		63,302	115,227	1.82		34.75	33	11.60
	2022Q1	108		65,168	110,724	1.70		35.26	32	11.39
	2022Q2	108		62,134	113,835	1.83		35.10	33	11.58
	2022Q3	108		68,680	123,444	1.80		37.42	33	12.42
	2022Q4	108		62,432	138,852	2.22		35.38	39	13.97
	34103 KATY FWY		77423	HOLIDAY INN EXPRESS HOTEL					17	1.06
	H2018Q1	75	HIEXP	372,665	426,482	1.14		84.08	75	63.18
	2018Q2	75	HIEXP	263,636	264,008	1.00		66.29	58	38.68
	2018Q3	75	HIEXP	211,550	224,000	1.06	G	63.34	51	32.46
	2018Q4	75	HIEXP	210,582	223,000	1.06	G	62.97	51	32.32
	2019Q1	75	HIEXP	221,806	235,000	1.06	G	62.89	55	34.81
	2019Q2	75	HIEXP	236,011	250,000	1.06	G	61.73	59	36.63

CITY / P TYEAR Q	ADDR / # RMS	ZIP / BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	E S T	3 EST AVG. DAILY RATE	4 % OCC EST	YR AVG OP ADJ 1 -- $ 5 REVPAR
BROOKSHIRE	34103 KATY FWY	77423	HOLIDAY INN EXPRESS HOTEL					17	1.06
H2019Q3	75	HIEXP	205,260	218,000	1.06	G	60.33	52	31.59
2019Q4	75	HIEXP	216,160	217,799	1.01		60.72	52	31.57
2020Q1	75	HIEXP	139,404	141,597	1.02		64.00	33	20.98
2020Q2	75	HIEXP	142,696	150,410	1.05		60.34	37	22.04
2020Q3	75	HIEXP	234,959	245,910	1.05		63.88	56	35.64
2020Q4	75	HIEXP	191,349	198,664	1.04		60.46	48	28.79
2021Q1	75	HIEXP	232,907	242,070	1.04		69.16	52	35.86
2021Q2	75	HIEXP	268,559	286,588	1.07		73.01	58	41.99
2021Q3	75	HIEXP	227,871	244,112	1.07		73.60	48	35.38
2021Q4	75	HIEXP	276,918	288,990	1.04		81.90	51	41.88
2022Q1	75	HIEXP	239,623	249,223	1.04		80.16	46	36.92
2022Q2	75	HIEXP	280,937	288,829	1.03		81.38	52	42.32
2022Q3	75	HIEXP	266,736	271,792	1.02		70.97	55	39.39
2022Q4	75	HIEXP	300,866	313,084	1.04		71.57	63	45.37
	721 FM 1489 RD	77423	LA QUINTA INN & SUITES					10	1.07
H2018Q1	55	LAQUN	185,934	195,521	1.05		69.27	57	39.50
2018Q2	55	LAQUN	175,130	211,714	1.21		70.31	60	42.30
2018Q3	55	LAQUN	182,902	211,459	1.16		70.93	59	41.79
2018Q4	55	LAQUN	161,823	180,641	1.12		63.61	56	35.70
2019Q1	55	LAQUN	150,734	163,485	1.08		61.34	54	33.03
2019Q2	55	LAQUN	179,849	195,849	1.09		64.51	61	39.13
2019Q3	55	LAQUN	165,411	166,616	1.01		62.72	52	32.93
2019Q4	55	LAQUN	185,539	199,505	1.08		63.32	62	39.43
2020Q1	55	LAQUN	137,479	147,809	1.08		64.63	46	29.86
2020Q2	55	LAQUN	66,270	72,186	1.09		57.65	25	14.42
2020Q3	55	LAQUN	122,257	125,287	1.02		58.50	42	24.76
2020Q4	55	LAQUN	116,001	118,700	1.02		59.46	39	23.46
2021Q1	55	LAQUN	102,078	105,041	1.03		59.21	36	21.22
2021Q2	55	LAQUN	146,882	155,557	1.06		67.79	46	31.08
2021Q3	55	LAQUN	157,254	163,970	1.04		70.47	46	32.41
2021Q4	55	LAQUN	162,490	174,159	1.07		76.46	45	34.42
2022Q1	55	LAQUN	153,959	160,788	1.04		70.18	46	32.48
2022Q2	55	LAQUN	175,136	180,787	1.03		65.68	55	36.12
2022Q3	55	LAQUN	194,031	201,299	1.04		71.62	56	39.78
2022Q4	55	LAQUN	171,121	179,780	1.05		63.90	56	35.53
	415 FM 359 RD S	77423	SUPER 8					07	1.10
H2018Q1	43	SUPR8	90,221	100,181	1.11		43.20	60	25.89
2018Q2	43	SUPR8	89,047	97,990	1.10		41.66	60	25.04
2018Q3	43	SUPR8	92,351	96,264	1.04		47.98	51	24.33
2018Q4	43	SUPR8	56,482	59,882	1.06		42.61	36	15.14
2019Q1	43	SUPR8	68,622	75,420	1.10		43.34	45	19.49
2019Q2	43	SUPR8	103,360	113,339	1.10		47.48	61	28.96
2019Q3	43	SUPR8	92,862	103,337	1.11		46.45	56	26.12
2019Q4	43	SUPR8	77,226	85,000	1.10	G	43.07	50	21.49
2020Q1	43	SUPR8	64,834	71,000	1.10	G	35.65	51	18.35

CITY / P TYEAR Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	E S T -	3 EST AVG. DAILY RATE	4 % OCC EST	YR AVG OP ADJ 1 -- ----- $ 5 REVPAR
BROOKSHIRE		415 FM 359 RD S	77423	SUPER 8					07 1.10
H2020Q2	43	SUPR8	48,625	48,675	1.00		29.95	42	12.44
2020Q3	43	SUPR8	57,947	62,600	1.08		32.06	49	15.82
2020Q4	43	SUPR8	43,864	61,635	1.41		32.85	47	15.58
2021Q1	43	SUPR8	67,791	83,777	1.24		36.18	60	21.65
2021Q2	43	SUPR8	66,153	86,604	1.31		36.17	61	22.13
2021Q3	43	SUPR8	82,585	90,012	1.09		37.11	61	22.75
2021Q4	43	SUPR8	67,433	68,093	1.01		35.32	49	17.21
2022Q1	43	SUPR8	76,129	83,739	1.10		41.90	52	21.64
2022Q2	43	SUPR8	78,054	86,854	1.11		38.01	58	22.20
2022Q3	43	SUPR8	72,278	81,272	1.12		39.36	52	20.54
2022Q4	43	SUPR8	78,307	87,877	1.12		40.76	54	22.21
KATY		25330 KINGSLAND	77494	ALOFT HOUSTON KATY					19 1.08
H2019Q4	45	ALOFT	153,761	153,858	1.00		84.32	44	37.16
2020Q1	104	ALOFT	318,896	338,000	1.06	G	87.71	41	36.11
2020Q2	104	ALOFT	203,859	204,214	1.00		82.92	26	21.58
2020Q3	104	ALOFT	311,933	317,131	1.02		76.23	43	33.14
2020Q4	104	ALOFT	284,704	302,000	1.06	G	73.54	43	31.56
2021Q1	104	ALOFT	406,442	431,000	1.06	G	67.62	68	46.05
2021Q2	104	ALOFT	466,477	495,000	1.06	G	79.77	66	52.30
2021Q3	104	ALOFT	644,777	684,000	1.06	G	94.72	75	71.49
2021Q4	104	ALOFT	534,254	577,000	1.08	G	90.75	66	60.31
2022Q1	104	ALOFT	369,675	437,057	1.18		84.85	55	46.69
2022Q2	104	ALOFT	495,000	510,000	1.03	G	91.00	59	53.89
2022Q3	104	ALOFT	492,585	508,008	1.03		94.98	56	53.09
2022Q4	104	ALOFT	484,354	524,000	1.08	G	89.48	61	54.77
		2006 KATY MILLS	77494	BEST WESTERN PLUS KATY INN					09 1.18
H2018Q1	78	BWPLS	471,457	482,408	1.02		92.36	74	68.72
2018Q2	78	BWPLS	366,688	371,374	1.01		83.21	63	52.32
2018Q3	78	BWPLS	344,379	364,985	1.06		79.63	64	50.86
2018Q4	78	BWPLS	293,658	309,170	1.05		73.87	58	43.08
2019Q1	78	BWPLS	306,460	345,305	1.13		78.47	63	49.19
2019Q2	78	BWPLS	386,831	412,702	1.07		80.38	72	58.14
2019Q3	78	BWPLS	353,472	373,878	1.06		76.10	68	52.10
2019Q4	78	BWPLS	316,737	373,607	1.18		75.37	69	52.06
2020Q1	78	BWPLS	279,886	340,362	1.22		82.67	59	48.48
2020Q2	78	BWPLS	98,121	114,342	1.17		58.80	27	16.11
2020Q3	78	BWPLS	122,236	153,875	1.26		58.43	37	21.44
2020Q4	78	BWPLS	167,899	187,598	1.12		55.20	47	26.14
2021Q1	78	BWPLS	224,287	263,625	1.18		66.80	56	37.55
2021Q2	78	BWPLS	294,656	360,305	1.22		81.02	63	50.76
2021Q3	78	BWPLS	337,571	362,043	1.07		82.40	61	50.45
2021Q4	78	BWPLS	280,882	357,998	1.27		78.29	64	49.89
2022Q1	78	BWPLS	260,680	306,180	1.17		78.03	56	43.62
2022Q2	78	BWPLS	320,020	332,436	1.04		77.83	60	46.84
2022Q3	78	BWPLS	331,235	342,575	1.03		78.13	61	47.74

CITY / P TYEAR Q	ADDR / # RMS	BRAND	ZIP / TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	E S T	3 EST AVG. DAILY RATE	4 % OCC EST	YR AVG OP ADJ 1 -- ----- $ 5 REVPAR
KATY		2006 KATY MILLS	77494	BEST WESTERN PLUS KATY INN				09	1.18
H2022Q4	78	BWPLS	351,118	375,629	1.07		79.31	66	52.35
		25115 KATY FWY	77494	COMFORT SUITES AT KATY MIL				12	1.03
H2018Q1	88	COMFS	515,934	528,055	1.02		86.47	77	66.67
2018Q2	88	COMFS	378,136	383,270	1.01		78.65	61	47.86
2018Q3	88	COMFS	322,787	325,953	1.01		74.43	54	40.26
2018Q4	88	COMFS	312,613	316,249	1.01		72.27	54	39.06
2019Q1	88	COMFS	348,106	362,438	1.04		77.80	59	45.76
2019Q2	88	COMFS	384,132	393,467	1.02		75.17	65	49.13
2019Q3	88	COMFS	369,867	374,225	1.01		72.06	64	46.22
2019Q4	88	COMFS	322,498	329,401	1.02		69.69	58	40.69
2020Q1	88	COMFS	242,643	249,199	1.03		69.20	45	31.46
2020Q2	88	COMFS	146,589	151,000	1.03	G	58.47	32	18.86
2020Q3	88	COMFS	215,314	218,279	1.01		61.12	44	26.96
2020Q4	88	COMFS	217,689	221,006	1.02		57.13	48	27.30
2021Q1	88	COMFS	281,261	290,168	1.03		66.39	55	36.64
2021Q2	88	COMFS	381,234	391,345	1.03		70.76	69	48.87
2021Q3	88	COMFS	432,776	439,893	1.02		84.97	64	54.33
2021Q4	88	COMFS	390,725	397,102	1.02		77.39	63	49.05
2022Q1	88	COMFS	321,994	328,679	1.02		73.86	56	41.50
2022Q2	88	COMFS	340,513	351,675	1.03		78.35	56	43.92
2022Q3	88	COMFS	311,827	321,387	1.03		70.52	56	39.70
2022Q4	88	COMFS	372,501	381,462	1.02		72.38	65	47.12
		25218 MARKET PL	77494	COUNTRY INN & SUITES				15	1.02
H2018Q1	63	CTRYI	466,850	504,198	.00		120.80	74	88.92
2018Q2	63	CTRYI	331,802	358,346	.00		89.71	70	62.51
2018Q3	63	CTRYI	260,695	287,000	1.10	G	79.01	63	49.52
2018Q4	63	CTRYI	234,003	257,000	1.10	G	69.95	63	44.34
2019Q1	63	CTRYI	228,522	251,000	1.10	G	65.93	67	44.27
2019Q2	63	CTRYI	266,748	293,000	1.10	G	71.00	72	51.11
2019Q3	63	CTRYI	261,106	287,000	1.10	G	69.54	71	49.52
2019Q4	63	CTRYI	273,112	300,000	1.10	G	67.45	77	51.76
2020Q1	63	CTRYI	262,794	289,000	1.10	G	92.21	55	50.97
2020Q2	63	CTRYI	178,955	197,000	1.10	G	76.76	45	34.36
2020Q3	63	CTRYI	208,585	211,644	1.01		68.52	53	36.52
2020Q4	63	CTRYI	159,872	173,000	1.08	G	59.56	50	29.85
2021Q1	63	CTRYI	224,432	224,831	1.00		71.01	56	39.65
2021Q2	63	CTRYI	269,486	292,000	1.08	G	78.08	65	50.93
2021Q3	63	CTRYI	308,943	334,000	1.08	G	88.76	65	57.63
2021Q4	63	CTRYI	295,620	296,608	1.00		83.74	61	51.17
2022Q1	63	CTRYI	206,968	217,695	1.05		68.23	56	38.39
2022Q2	63	CTRYI	253,242	257,942	1.02		80.27	56	44.99
2022Q3	63	CTRYI	213,300	217,000	1.02	G	71.77	52	37.44
2022Q4	63	CTRYI	251,467	259,888	1.03		74.61	60	44.84
		25402 KATY MILL	77494	COURTYARD KATY MILLS				15	1.06
H2018Q1	111	COURT	807,401	830,713	1.03		110.56	75	83.15

CITY / P TYEAR Q	ADDR / # RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	EST	3 EST AVG. DAILY RATE	4 % OCC EST	5 $ REVPAR	YR AVG OP ADJ 1
KATY	25402 KATY MILL		77494	COURTYARD KATY MILLS					15	1.06
H2018Q2	111	COURT	857,438	860,257	1.00		114.49	74	85.17	
2018Q3	111	COURT	738,171	740,668	1.00		109.73	66	72.53	
2018Q4	111	COURT	719,832	724,090	1.01		108.25	66	70.91	
2019Q1	111	COURT	732,670	735,610	1.00		108.81	68	73.63	
2019Q2	111	COURT	862,402	872,232	1.01		114.33	76	86.35	
2019Q3	111	COURT	725,708	750,846	1.03		106.24	69	73.53	
2019Q4	111	COURT	800,228	820,126	1.02		114.30	70	80.31	
2020Q1	111	COURT	610,259	629,863	1.03		119.10	53	63.05	
2020Q2	111	COURT	166,943	220,284	1.32		81.37	27	21.81	
2020Q3	111	COURT	323,503	350,712	1.08		76.03	45	34.34	
2020Q4	111	COURT	427,191	445,174	1.04		83.48	52	43.59	
2021Q1	111	COURT	546,460	573,111	1.05		96.00	60	57.37	
2021Q2	111	COURT	836,914	879,988	1.05		112.88	77	87.12	
2021Q3	111	COURT	810,608	849,213	1.05		117.79	71	83.16	
2021Q4	111	COURT	835,628	853,575	1.02		121.40	69	83.59	
2022Q1	111	COURT	840,524	857,268	1.02		128.39	67	85.81	
2022Q2	111	COURT	956,766	962,619	1.01		139.94	68	95.30	
2022Q3	111	COURT	936,467	942,098	1.01		145.97	63	92.25	
2022Q4	111	COURT	943,713	958,380	1.02		141.76	66	93.85	
	23653 GRAND CEN		77494	ELEMENT BY WESTIN					17	1.22
H2018Q1	143	ELEMT	310,357	363,118	1.17		99.60	28	28.21	
2018Q2	143	ELEMT	408,281	409,830	1.00		96.65	33	31.49	
2018Q3	143	ELEMT	402,147	490,194	1.22		87.18	43	37.26	
2018Q4	143	ELEMT	517,764	682,592	1.32		84.14	62	51.88	
2019Q1	143	ELEMT	556,470	607,436	1.09		82.41	57	47.20	
2019Q2	143	ELEMT	670,594	741,861	1.11		88.08	65	57.01	
2019Q3	143	ELEMT	680,346	751,353	1.10		88.27	65	57.11	
2019Q4	143	ELEMT	718,650	773,956	1.08		89.06	66	58.83	
2020Q1	143	ELEMT	523,141	603,712	1.15		85.23	55	46.91	
2020Q2	143	ELEMT	271,967	339,881	1.25		77.24	34	26.12	
2020Q3	143	ELEMT	446,284	558,244	1.25		77.53	55	42.43	
2020Q4	143	ELEMT	403,637	575,603	1.43		77.38	57	43.75	
2021Q1	143	ELEMT	744,217	871,000	1.17	G	98.38	69	67.68	
2021Q2	143	ELEMT	839,721	949,161	1.13		96.32	76	72.94	
2021Q3	143	ELEMT	822,825	1,053,201	1.28		110.80	72	80.05	
2021Q4	143	ELEMT	724,236	830,087	1.15		96.32	66	63.10	
2022Q1	143	ELEMT	719,260	774,467	1.08		103.19	58	60.18	
2022Q2	143	ELEMT	774,771	836,716	1.08		103.71	62	64.30	
2022Q3	143	ELEMT	696,210	741,067	1.06		97.12	58	56.33	
2022Q4	143	ELEMT	722,479	804,479	1.11		97.06	63	61.15	
	22100 GRAND COR		77494	FAIRFIELD INN					20	1.06
H2020Q4	92	FAIRF	264,662	266,703	1.01		89.38	35	31.51	
2021Q1	92	FAIRF	382,426	393,350	1.03		80.34	59	47.51	
2021Q2	92	FAIRF	507,608	567,102	1.12		88.83	76	67.74	
2021Q3	92	FAIRF	478,093	525,429	1.10		95.01	65	62.08	

CITY / PERIOD	# RMS	ADDR / BRAND	ZIP / TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	E S T	3 EST AVG. DAILY RATE	4 % OCC EST	YR AVG OP ADJ 1 -- $ 5 REVPAR
KATY		22100 GRAND COR	77494	FAIRFIELD INN				20	1.06
H2021Q4	92	FAIRF	511,049	541,621	1.06		98.43	65	63.99
2022Q1	92	FAIRF	441,793	476,826	1.08		94.45	61	57.59
2022Q2	92	FAIRF	479,495	503,532	1.05		100.24	60	60.14
2022Q3	92	FAIRF	494,971	506,386	1.02		101.75	59	59.83
2022Q4	92	FAIRF	541,730	548,783	1.01		99.75	65	64.84
		2409 TEXAMATI D	77494	HILTON GARDEN INN				10	1.03
H2018Q1	101	HILTG	728,143	763,711	1.05		112.24	75	84.02
2018Q2	101	HILTG	666,807	686,811	.00		107.02	70	74.73
2018Q3	101	HILTG	484,403	497,000	1.03	G	90.59	59	53.49
2018Q4	101	HILTG	508,289	521,000	1.03	G	92.23	61	56.07
2019Q1	101	HILTG	506,321	554,307	1.09		92.43	66	60.98
2019Q2	101	HILTG	634,184	639,681	1.01		99.66	70	69.60
2019Q3	101	HILTG	535,699	549,000	1.03	G	88.70	67	59.08
2019Q4	101	HILTG	705,520	723,000	1.03	G	108.77	72	77.81
2020Q1	101	HILTG	494,917	524,548	1.06		106.26	54	57.71
2020Q2	101	HILTG	142,983	143,202	1.00		62.20	25	15.58
2020Q3	101	HILTG	217,319	224,516	1.03		64.65	37	24.16
2020Q4	101	HILTG	279,997	281,425	1.01		70.72	43	30.29
2021Q1	101	HILTG	468,027	522,179	1.12		94.76	61	57.45
2021Q2	101	HILTG	676,445	733,252	1.08		102.09	78	79.78
2021Q3	101	HILTG	662,985	687,584	1.04		105.49	70	74.00
2021Q4	101	HILTG	596,324	598,646	1.00		94.96	68	64.43
2022Q1	101	HILTG	522,924	538,000	1.03	G	100.91	59	59.19
2022Q2	101	HILTG	595,089	600,488	1.01		105.21	62	65.33
2022Q3	101	HILTG	524,023	531,813	1.01		109.64	52	57.23
2022Q4	101	HILTG	665,753	670,352	1.01		110.14	65	72.14
		25406 KATY MILL	77494	HOLIDAY INN & SUITES KATY				17	1.05
H2018Q1	100	HOLID	557,630	667,767	1.20		112.01	66	74.20
2018Q2	100	HOLID	460,526	484,604	1.05		96.04	55	53.25
2018Q3	100	HOLID	395,574	475,000	1.20	G	82.11	63	51.63
2018Q4	100	HOLID	501,879	527,000	1.05	G	91.30	63	57.28
2019Q1	100	HOLID	450,638	451,026	1.00		85.35	59	50.11
2019Q2	100	HOLID	533,702	533,792	1.00		89.44	66	58.66
2019Q3	100	HOLID	550,200	564,362	1.03		95.39	64	61.34
2019Q4	100	HOLID	552,198	563,200	1.02		94.97	64	61.22
2020Q1	100	HOLID	459,606	479,323	1.04		94.94	56	53.26
2020Q2	100	HOLID	193,329	193,925	1.00		70.31	30	21.31
2020Q3	100	HOLID	376,326	380,091	1.01		80.89	51	41.31
2020Q4	100	HOLID	413,635	419,039	1.01		82.34	55	45.55
2021Q1	100	HOLID	548,378	559,446	1.02		96.15	65	62.16
2021Q2	100	HOLID	594,060	663,391	1.12		97.91	74	72.90
2021Q3	100	HOLID	585,183	618,976	1.06		106.15	63	67.28
2021Q4	100	HOLID	564,682	598,253	1.06		110.52	59	65.03
2022Q1	100	HOLID	588,460	603,727	1.03		109.62	61	67.08
2022Q2	100	HOLID	602,416	618,886	1.03		109.34	62	68.01

CITY / P TYEAR Q	ADDR / # RMS	ZIP / BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	ESTAVG. DAILY RATE	4 % OCC EST	YR AVG OP ADJ 1 -- ----- $ 5 REVPAR
KATY	25406 KATY MILL	77494	HOLIDAY INN & SUITES KATY				17	1.05
H2022Q3	100	HOLID	580,747	585,694	1.01	107.54	59	63.66
2022Q4	100	HOLID	653,911	657,860	1.01	108.84	66	71.51
	25495 KATY MILL	77494	HOMEWOOD SUITES KATY MILLS				15	1.10
H2018Q1	121	HOMEW	837,230	1,040,404	1.24	132.35	72	95.54
2018Q2	121	HOMEW	937,809	1,091,845	1.16	137.39	72	99.16
2018Q3	121	HOMEW	856,944	956,503	1.12	128.38	67	85.92
2018Q4	121	HOMEW	853,808	917,616	1.07	123.72	67	82.43
2019Q1	121	HOMEW	760,039	825,442	1.09	117.74	64	75.80
2019Q2	121	HOMEW	957,557	984,445	1.03	127.94	70	89.41
2019Q3	121	HOMEW	879,316	944,134	1.07	125.29	68	84.81
2019Q4	121	HOMEW	901,790	984,149	1.09	129.22	68	88.41
2020Q1	121	HOMEW	585,471	612,710	1.05	115.82	49	56.26
2020Q2	121	HOMEW	308,033	359,556	1.17	97.10	34	32.65
2020Q3	121	HOMEW	488,249	610,587	1.25	108.07	51	54.85
2020Q4	121	HOMEW	524,152	672,417	1.28	104.47	58	60.40
2021Q1	121	HOMEW	578,096	878,111	1.52	124.89	65	80.63
2021Q2	121	HOMEW	769,811	1,090,103	1.42	120.99	82	99.00
2021Q3	121	HOMEW	989,055	1,162,698	1.18	135.74	77	104.45
2021Q4	121	HOMEW	1,033,927	1,186,298	1.15	143.90	74	106.57
2022Q1	121	HOMEW	925,672	1,105,168	1.19	147.97	69	101.48
2022Q2	121	HOMEW	1,110,990	1,197,458	1.08	155.80	70	108.75
2022Q3	121	HOMEW	1,029,324	1,109,675	1.08	143.43	69	99.68
2022Q4	121	HOMEW	1,119,018	1,130,904	1.01	136.36	74	101.59
	5303 KATY MILLS	77494	LA QUINTA KATY MILLS				19	1.15
H2020Q1	20	LAQUN	5,671	6,144	1.08	64.15	5	3.41
2020Q2	100	LAQUN	94,340	108,765	1.15	65.26	18	11.95
2020Q3	100	LAQUN	274,394	315,982	1.15	68.91	50	34.35
2020Q4	100	LAQUN	187,408	212,523	1.13	59.04	39	23.10
2021Q1	100	LAQUN	279,163	323,025	1.16	57.36	63	35.89
2021Q2	100	LAQUN	443,668	527,340	1.19	78.97	73	57.95
2021Q3	100	LAQUN	451,640	540,849	1.20	88.28	67	58.79
2021Q4	100	LAQUN	458,582	537,916	1.17	90.17	65	58.47
2022Q1	100	LAQUN	415,264	499,519	1.20	88.77	63	55.50
2022Q2	100	LAQUN	439,286	514,789	1.17	91.24	62	56.57
2022Q3	100	LAQUN	410,271	474,772	1.16	92.90	56	51.61
2022Q4	100	LAQUN	431,076	543,068	1.26	92.81	64	59.03
	25633 KINGSLAND	77494	RED LION INN & SUITES/AMER				20	1.97
H2020Q4	63	BVALU	102,561	126,682	1.24	39.57	55	21.86
2021Q1	63	REDL	128,797	224,766	1.75	52.05	76	39.64
2021Q2	63	REDL	153,394	281,853	1.84	63.07	78	49.16
2021Q3	63	REDL	179,499	305,052	1.70	77.90	68	52.63
2021Q4	63	REDL	202,486	304,153	1.50	77.04	68	52.48
2022Q1	63	REDL	191,753	282,945	1.48	71.15	70	49.90
2022Q2	63	REDL	203,171	301,213	1.48	77.04	68	52.54

CITY / ADDR / ZIP	P TYEAR Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	E S T	3 EST AVG. DAILY RATE	4 % OCC EST	YR AVG OP ADJ 1 -- ----- $ 5 REVPAR
KATY			25633 KINGSLAND	77494	RED LION INN & SUITES/AMER				20	1.97
	H2022Q3	63	REDL	136,260	287,429	2.11		77.49	64	49.59
	2022Q4	63	REDL	151,808	299,215	1.97		77.28	67	51.62
			25401 KATY MILL	77494	RESIDENCE INN				10	1.26
	H2018Q1	126	RESID	507,181	852,721	1.68		113.23	66	75.20
	2018Q2	126	RESID	686,926	797,143	1.16		106.77	65	69.52
	2018Q3	126	RESID	683,807	771,053	1.13		104.16	64	66.52
	2018Q4	126	RESID	568,950	652,436	1.15		91.76	61	56.28
	2019Q1	126	RESID	593,635	665,556	1.12		91.49	64	58.69
	2019Q2	126	RESID	822,456	877,451	1.07		105.21	73	76.53
	2019Q3	126	RESID	831,513	1,004,354	1.21		117.73	74	86.64
	2019Q4	126	RESID	781,382	886,480	1.13		108.32	71	76.47
	2020Q1	126	RESID	630,207	716,956	1.14		106.06	60	63.22
	2020Q2	126	RESID	277,557	376,343	1.36		81.69	40	32.82
	2020Q3	126	RESID	498,154	587,724	1.18		86.74	58	50.70
	2020Q4	126	RESID	478,843	581,931	1.22		88.65	57	50.20
	2021Q1	126	RESID	689,838	813,450	1.18		111.22	64	71.73
	2021Q2	126	RESID	789,494	1,152,150	1.46		116.97	86	100.48
	2021Q3	126	RESID	791,054	1,132,373	1.43		129.31	76	97.69
	2021Q4	126	RESID	721,308	943,630	1.31		114.31	71	81.40
	2022Q1	126	RESID	699,736	829,359	1.19		107.88	68	73.14
	2022Q2	126	RESID	856,405	1,020,364	1.19		123.08	72	88.99
	2022Q3	126	RESID	828,444	946,807	1.14		122.27	67	81.68
	2022Q4	126	RESID	838,171	935,923	1.12		116.17	69	80.74
			530 W GRAND PKW	77494	SCOTTISH INN & SUITES				18	1.06
	H2019Q1	37	SCOTT	93,927	95,000	1.01	G	54.67	52	28.53
	2019Q2	37	SCOTT	132,475	134,000	1.01	G	60.19	66	39.80
	2019Q3	37	SCOTT	127,628	129,000	1.01	G	58.75	64	37.90
	2019Q4	37	SCOTT	117,274	118,000	1.01	G	55.00	63	34.67
	2020Q1	37	SCOTT	100,413	106,000	1.06	G	46.59	68	31.83
	2020Q2	37	SCOTT	99,619	106,000	1.06	G	46.65	67	31.48
	2020Q3	37	SCOTT	104,088	110,000	1.06	G	49.20	66	32.31
	2020Q4	37	SCOTT	79,364	84,000	1.06	G	44.25	56	24.68
	2021Q1	37	SCOTT	106,767	113,000	1.06	G	44.29	77	33.93
	2021Q2	37	SCOTT	141,613	150,000	1.06	G	53.25	84	44.55
	2021Q3	37	SCOTT	157,044	166,000	1.06	G	61.24	80	48.77
	2021Q4	37	SCOTT	144,731	153,000	1.06	G	60.85	74	44.95
	2022Q1	37	SCOTT	131,517	139,000	1.06	G	60.50	69	41.74
	2022Q2	37	SCOTT	136,950	146,000	1.06	G	61.77	70	43.36
	2022Q3	37	SCOTT	122,425	129,000	1.06	G	61.39	62	37.90
	2022Q4	37	SCOTT	120,822	129,000	1.06	G	61.18	62	37.90
			2501 TEXMATI DR	77494	SPRINGHILL SUITES HOUSTON				05	1.07
	H2018Q1	69	SPRNG	479,134	493,610	1.03		105.57	75	79.49
	2018Q2	69	SPRNG	427,607	446,823	1.04		99.75	71	71.16
	2018Q3	69	SPRNG	373,581	401,303	1.07		94.41	67	63.22

CITY	ADDR	ZIP				E S T	3 EST AVG. DAILY RATE	4 % OCC EST	YR AVG OP ADJ 1 -- ----- $ 5 REVPAR
P TYEAR Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2 -				
KATY	2501 TEXMATI DR	77494	SPRINGHILL SUITES HOUSTON					05	1.07
H2018Q4	69	SPRNG	331,278	349,699	1.06		88.09	63	55.09
2019Q1	69	SPRNG	354,281	378,365	1.07		91.11	67	60.93
2019Q2	69	SPRNG	406,719	418,946	1.03		92.89	72	66.72
2019Q3	69	SPRNG	360,571	373,115	1.03		87.43	67	58.78
2019Q4	69	SPRNG	319,669	335,161	1.05		84.94	62	52.80
2020Q1	69	SPRNG	248,778	260,868	1.05		80.27	52	42.01
2020Q2	69	SPRNG	100,835	104,360	1.03		57.16	29	16.62
2020Q3	69	SPRNG	183,277	183,277	1.00	G	74.67	39	28.87
2020Q4	69	SPRNG	199,013	211,862	1.06		71.06	47	33.37
2021Q1	69	SPRNG	197,457	210,319	1.07		57.48	59	33.87
2021Q2	69	SPRNG	339,024	368,552	1.09		78.95	74	58.70
2021Q3	69	SPRNG	409,203	431,425	1.05		91.92	74	67.96
2021Q4	69	SPRNG	381,485	411,609	1.08		90.43	72	64.84
2022Q1	69	SPRNG	308,123	326,806	1.06		87.88	60	52.63
2022Q2	69	SPRNG	315,475	331,741	1.05		86.61	61	52.83
2022Q3	69	SPRNG	272,584	289,095	1.06		80.95	56	45.54
2022Q4	69	SPRNG	298,088	311,568	1.05		78.78	62	49.08
	200 ERNSTES RD	77494	TRU BY HILTON					19	1.11
H2020Q1	55	TRU	165,342	177,965	1.08		73.95	49	35.95
2020Q2	105	TRU	113,200	123,070	1.09		69.25	19	12.88
2020Q3	105	TRU	137,020	158,715	1.16		61.53	27	16.43
2020Q4	105	TRU	155,566	155,990	1.00		58.45	28	16.15
2021Q1	105	TRU	293,138	305,439	1.04		70.25	46	32.32
2021Q2	105	TRU	391,307	439,807	1.12		65.77	70	46.03
2021Q3	105	TRU	500,774	513,952	1.03		74.54	71	53.20
2021Q4	105	TRU	458,334	467,361	1.02		73.17	66	48.38
2022Q1	105	TRU	402,814	427,577	1.06		78.37	58	45.25
2022Q2	105	TRU	448,238	456,086	1.02		81.04	59	47.73
2022Q3	105	TRU	378,757	381,827	1.01		86.68	46	39.53
2022Q4	105	TRU	445,606	448,614	1.01		74.30	62	46.44
ROSENBERG	3555 HIGHWAY 36	77471	DAYS INN	(FMR COMFORT IN				97	1.05
H2018Q1	49	COMFO	232,941	241,499	1.04		81.87	67	54.76
2018Q2	49	COMFO	221,035	226,821	1.03		75.91	67	50.87
2018Q3	49	COMFO	176,323	177,791	1.01		68.08	58	39.44
2018Q4	49	COMFO	171,347	172,651	1.01		65.64	58	38.30
2019Q1	49	COMFO	166,021	170,262	1.03		64.45	60	38.61
2019Q2	49	COMFO	198,689	208,147	1.05		70.69	66	46.68
2019Q3	49	COMFO	172,746	181,994	1.05		65.92	61	40.37
2019Q4	49	COMFO	110,946	117,581	1.06		58.33	45	26.08
2020Q1	49	COMFO	109,330	118,171	1.08		53.49	50	26.80
2020Q2	49	COMFO	69,062	79,657	1.15		44.74	40	17.86
2020Q3	49	COMFO	108,373	118,401	1.09		50.78	52	26.26
2020Q4	49	COMFO	102,299	111,650	1.09		50.75	49	24.77
2021Q1	49	COMFO	128,962	133,462	1.03		53.96	56	30.26
2021Q2	49	DAYS	202,710	208,031	1.03		62.57	75	46.65

CITY / P TYEAR Q	ADDR / # RMS	ZIP / BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	EST 3 AVG. DAILY RATE	OCC % EST 4	YR AVG OP ADJ 1 -- $ 5 REVPAR
ROSENBERG	3555 HIGHWAY 36	77471 DAYS INN			(FMR COMFORT IN		97	1.05
H2021Q3	49	DAYS	230,891	242,882	1.05	73.28	74	53.88
2021Q4	49	DAYS	197,231	208,740	1.06	71.59	65	46.30
2022Q1	49	DAYS	214,194	221,936	1.04	72.09	70	50.33
2022Q2	49	DAYS	200,887	206,907	1.03	67.25	69	46.40
2022Q3	49	DAYS	167,455	174,197	1.04	62.33	62	38.64
2022Q4	49	DAYS	155,717	161,896	1.04	61.30	59	35.91
	3220 1ST ST	77471 EXPRESS INN					20	1.56
H2020Q1	38		79,329	89,015	1.12	60.00	43	26.03
2020Q2	38		71,289	112,835	1.58	60.48	54	32.63
2020Q3	38		86,023	95,318	1.11	51.74	53	27.26
2020Q4	38		86,297	110,847	1.28	53.09	60	31.71
2021Q1	38		105,222	138,249	1.31	64.40	63	40.42
2021Q2	38		101,445	154,435	1.52	67.00	67	44.66
2021Q3	38		92,902	183,943	1.98	75.55	70	52.62
2021Q4	38		80,462	173,804	2.16	74.64	67	49.72
2022Q1	38		101,362	148,792	1.47	72.76	60	43.51
2022Q2	38		86,447	127,002	1.47	63.32	58	36.73
2022Q3	38		94,217	120,012	1.27	57.21	60	34.33
2022Q4	38		102,894	159,636	1.55	68.15	67	45.66
	3312 VISTA DR	77471 HAMPTON INN & SUITES					08	1.08
H2018Q1	77	HAMPT	556,314	597,014	1.07	115.61	75	86.15
2018Q2	77	HAMPT	476,401	606,225	1.27	123.72	70	86.52
2018Q3	77	HAMPT	387,197	413,645	1.07	101.12	58	58.39
2018Q4	77	HAMPT	406,225	431,201	1.06	103.81	59	60.87
2019Q1	77	HAMPT	403,726	428,072	1.06	101.72	61	61.77
2019Q2	77	HAMPT	452,615	475,149	1.05	107.49	63	67.81
2019Q3	77	HAMPT	406,261	431,586	1.06	97.90	62	60.92
2019Q4	77	HAMPT	379,335	425,554	1.12	95.13	63	60.07
2020Q1	77	HAMPT	283,183	312,264	1.10	92.36	49	45.06
2020Q2	77	HAMPT	171,971	190,347	1.11	73.53	37	27.17
2020Q3	77	HAMPT	224,490	244,930	1.09	64.83	53	34.58
2020Q4	77	HAMPT	258,426	285,977	1.11	69.89	58	40.37
2021Q1	77	HAMPT	301,176	320,851	1.07	82.82	56	46.30
2021Q2	77	HAMPT	406,181	475,259	1.17	94.55	72	67.83
2021Q3	77	HAMPT	458,291	512,479	1.12	100.38	72	72.34
2021Q4	77	HAMPT	486,168	511,955	1.05	97.97	74	72.27
2022Q1	77	HAMPT	363,710	377,533	1.04	91.42	60	54.48
2022Q2	77	HAMPT	440,693	487,481	1.11	108.70	64	69.57
2022Q3	77	HAMPT	404,146	432,869	1.07	105.54	58	61.11
2022Q4	77	HAMPT	406,216	462,047	1.14	105.54	62	65.22
	26010 SOUTHWEST	77471 KNIGHTS INN (FMR EXPRESS/D					77	3.70
H2018Q1	90	KNIGH	162,098	342,114	2.11	68.38	62	42.24
2018Q2	90	KNIGH	128,728	249,499	1.94	51.36	59	30.46
2018Q3	90	KNIGH	112,579	216,684	1.92	48.64	54	26.17

CITY / P TYEAR Q	ADDR / # RMS	ZIP / BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	E S T	3 EST AVG. DAILY RATE	4 % OCC EST	YR AVG OP ADJ 1 -- ----- $ 5 REVPAR
ROSENBERG	26010 SOUTHWEST	77471	KNIGHTS INN (FMR EXPRESS/D					77	3.70
H2018Q4	90	KNIGH	95,594	208,852	2.18		47.35	53	25.22
2019Q1	90	KNIGH	99,960	200,427	2.01		48.56	51	24.74
2019Q2	90	KNIGH	143,774	236,803	1.65		47.83	60	28.91
2019Q3	90	KNIGH	129,844	227,051	1.75		46.10	59	27.42
2019Q4	90	KNIGH	100,823	199,748	1.98		43.67	55	24.12
2020Q1	90	KNIGH	106,699	195,036	1.83		43.62	55	24.08
2020Q2	90	KNIGH	77,123	162,707	2.11		42.37	47	19.87
2020Q3	90	KNIGH	108,470	196,890	1.82		42.41	56	23.78
2020Q4	90	KNIGH	81,605	176,447	2.16		43.46	49	21.31
2021Q1	90	KNIGH	80,597	174,083	2.16		42.61	50	21.49
2021Q2	90	KNIGH	118,903	216,748	1.82		40.72	65	26.46
2021Q3	90	KNIGH	105,403	238,280	2.26		44.15	65	28.78
2021Q4	90	KNIGH	98,206	247,948	2.52		51.69	58	29.95
2022Q1	90	KNIGH	84,608	242,473	2.87		49.48	60	29.93
2022Q2	90	KNIGH	76,917	199,445	2.59		45.10	54	24.35
2022Q3	90	KNIGH	65,440	164,080	2.51		41.28	48	19.82
2022Q4	90	KNIGH	37,003	139,782	3.78		30.31	56	16.88
	28332 SOUTHWEST	77471	LA QUINTA INN & SUITES HOU					07	1.03
H2018Q1	56	LAQUN	307,850	383,458	1.25		101.88	75	76.08
2018Q2	56	LAQUN	302,561	322,017	1.06		91.98	69	63.19
2018Q3	56	LAQUN	251,561	263,225	1.05		87.26	59	51.09
2018Q4	56	LAQUN	213,501	215,871	1.01		81.78	51	41.90
2019Q1	56	LAQUN	233,529	243,242	1.04		84.60	57	48.26
2019Q2	56	LAQUN	282,442	285,440	1.01		85.65	65	56.01
2019Q3	56	LAQUN	265,074	266,996	1.01		82.48	63	51.82
2019Q4	56	LAQUN	237,381	239,241	1.01		78.85	59	46.44
2020Q1	56	LAQUN	202,662	203,912	1.01		73.98	55	40.46
2020Q2	56	LAQUN	207,705	218,000	1.05	G	80.38	53	42.78
2020Q3	56	LAQUN	202,170	204,777	1.01		70.28	57	39.75
2020Q4	56	LAQUN	196,964	197,815	1.00		75.88	51	38.40
2021Q1	56	LAQUN	230,903	233,491	1.01		77.45	60	46.33
2021Q2	56	LAQUN	273,009	285,581	1.05		82.16	68	56.04
2021Q3	56	LAQUN	290,187	290,567	1.00		88.57	64	56.40
2021Q4	56	LAQUN	270,150	277,467	1.03		88.12	61	53.86
2022Q1	56	LAQUN	277,602	290,255	1.05		91.33	63	57.59
2022Q2	56	LAQUN	298,114	301,536	1.01		91.37	65	59.17
2022Q3	56	LAQUN	294,000	300,000	1.02	1	91.37	64	58.23
2022Q4	56	LAQUN	269,058	270,432	1.01		86.05	61	52.49
	4606 AVENUE H	77471	LONE STAR INN (FMR HOMER N					73	1.25
H2018Q1	30		77,823	95,251	1.22		54.04	65	35.28
2018Q2	30		49,473	71,935	1.45		45.64	58	26.35
2018Q3	30		31,983	51,782	1.62		40.29	47	18.76
	27927 SOUTHWEST	77471	MOTEL 6 (FMR HOLIDAY EXPRE					00	1.20
H2018Q1	67	MTL 6	278,813	293,930	1.05		64.84	75	48.74

CITY / PERIOD	ADDR / # RMS	ZIP / BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	EST AVG. DAILY RATE	OCC % EST	YR AVG OP ADJ 1 -- $ 5 REVPAR
ROSENBERG	27927	SOUTHWEST 77471	MOTEL 6 (FMR	HOLIDAY EXPRE	00	1.20		
H2018Q2	67	MTL 6	224,355	251,134	1.12	61.00	68	41.19
2018Q3	67	MTL 6	179,723	201,839	1.12	58.35	56	32.74
2018Q4	67	MTL 6	143,940	170,319	1.18	54.04	51	27.63
2019Q1	67	MTL 6	158,409	192,887	1.22	56.10	57	31.99
2019Q2	67	MTL 6	186,724	215,842	1.16	56.81	62	35.40
2019Q3	67	MTL 6	203,390	234,150	1.15	58.48	65	37.99
2019Q4	67	MTL 6	171,301	199,390	1.16	53.10	61	32.35
2020Q1	67	MTL 6	150,255	188,722	1.26	49.68	63	31.30
2020Q2	67	MTL 6	165,545	197,173	1.19	56.12	58	32.34
2020Q3	67	MTL 6	170,969	212,714	1.24	56.82	61	34.51
2020Q4	67	MTL 6	151,370	208,549	1.38	63.29	53	33.83
2021Q1	67	MTL 6	172,317	207,653	1.21	62.92	55	34.44
2021Q2	67	MTL 6	242,291	281,279	1.16	62.26	74	46.13
2021Q3	67	MTL 6	279,067	336,868	1.21	75.22	73	54.65
2021Q4	67	MTL 6	269,323	295,423	1.10	76.88	62	47.93
2022Q1	67	MTL 6	231,050	258,520	1.12	64.15	67	42.87
2022Q2	67	MTL 6	252,072	301,584	1.20	69.47	71	49.46
2022Q3	67	MTL 6	244,505	288,558	1.18	72.92	64	46.81
2022Q4	67	MTL 6	254,984	282,254	1.11	66.08	69	45.79
	26035	SOUTHWEST 77471	PALACE INN (FMR	EXEC/BUDG/	83	2.00		
H2018Q1	50	PALAC	92,729	119,089	1.28	39.21	67	26.46
2018Q2	50	PALAC	46,620	72,383	1.55	30.13	53	15.91
2018Q3	50	PALAC	35,206	57,948	1.65	29.55	43	12.60
2018Q4	50	PALAC	42,581	68,921	1.62	35.67	42	14.98
2019Q1	50	PALAC	35,194	62,318	1.77	34.55	40	13.85
2019Q2	50	PALAC	42,008	62,093	1.48	33.85	40	13.65
2019Q3	50	PALAC	28,526	47,061	1.65	29.60	35	10.23
2019Q4	50	PALAC	41,628	63,213	1.52	34.39	40	13.74
2020Q1	50	PALAC	35,869	67,069	1.87	31.87	47	14.90
2020Q2	50	PALAC	31,173	60,863	1.95	33.52	40	13.38
2020Q3	50	PALAC	32,991	61,108	1.85	33.71	39	13.28
2020Q4	50	PALAC	30,121	51,041	1.70	34.74	32	11.10
2021Q1	50	PALAC	52,737	85,552	1.62	37.53	51	19.01
2021Q2	50	PALAC	72,832	116,557	1.60	38.93	66	25.62
2021Q3	50	PALAC	63,420	124,140	1.96	39.46	68	26.99
2021Q4	50	PALAC	56,470	115,370	2.04	43.61	57	25.08
2022Q1	50	PALAC	47,128	101,648	2.16	40.84	55	22.59
2022Q2	50	PALAC	43,651	87,191	2.00	38.33	50	19.16
2022Q3	50	PALAC	38,952	73,687	1.89	38.41	42	16.02
2022Q4	50	PALAC	66,745	108,666	1.63	41.74	57	23.62
	28382	SOUTHWEST 77471	REGENCY INN &	SUITES (FMR	83	2.44		
H2018Q1	104		122,680	258,865	2.11	38.86	71	27.66
2018Q2	104		95,246	212,307	2.23	36.78	61	22.43
2018Q3	104		94,108	156,519	1.66	35.83	46	16.36
2018Q4	104		65,308	167,610	2.57	33.46	52	17.52

CITY / P TYEAR Q	ADDR / # RMS	ZIP / BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	EST 3 AVG. DAILY RATE	OCC % EST 4	$ 5 REVPAR	YR AVG OP ADJ 1 --
ROSENBERG	28382	SOUTHWEST 77471		REGENCY INN & SUITES (FMR			83		2.44
H2019Q1	104		84,360	169,184	2.01	34.21	53	18.08	
2019Q2	104		71,515	162,538	2.27	32.32	53	17.17	
2019Q3	104		56,073	151,779	2.71	31.71	50	15.86	
2019Q4	104		79,091	160,460	2.03	34.24	49	16.77	
2020Q1	104		89,614	236,940	2.64	38.07	66	25.31	
2020Q2	104		76,547	227,868	2.98	40.11	60	24.08	
2020Q3	104		100,070	232,883	2.33	40.40	60	24.34	
2020Q4	104		97,591	215,840	2.21	42.32	53	22.56	
2021Q1	104		89,943	230,848	2.57	43.01	57	24.66	
2021Q2	104		115,048	267,374	2.32	43.12	66	28.25	
2021Q3	104		128,967	247,656	1.92	38.93	66	25.88	
2021Q4	104		104,707	217,207	2.07	46.21	49	22.70	
2022Q1	104		119,733	255,145	2.13	48.93	56	27.26	
2022Q2	104		126,981	281,580	2.22	49.59	60	29.75	
2022Q3	104		145,442	269,374	1.85	47.72	59	28.15	
2022Q4	104		136,856	279,755	2.04	47.93	61	29.24	
	28150	SOUTHWEST 77471		SCOTTISH INN & SUITES (FMR			04		1.55
H2018Q1	22	BVALU	39,115	81,764	2.09	56.13	74	41.29	
2018Q2	22	BVALU	31,214	75,191	2.41	53.91	70	37.56	
2018Q3	22	SCOTT	15,975	52,871	3.31	45.26	58	26.12	
2018Q4	22	SCOTT	30,515	53,345	1.75	45.20	58	26.36	
2019Q1	22	SCOTT	35,007	54,873	1.57	46.77	59	27.71	
2019Q2	22	SCOTT	41,401	66,885	1.62	51.16	65	33.41	
2019Q3	22	SCOTT	36,684	50,096	1.37	43.82	56	24.75	
2019Q4	22	SCOTT	43,048	59,456	1.38	48.54	60	29.38	
2020Q1	22	SCOTT	34,573	57,759	1.67	47.00	62	29.17	
2020Q2	22	SCOTT	26,922	44,956	1.67	52.54	43	22.46	
2020Q3	22	SCOTT	29,895	47,790	1.60	52.10	45	23.61	
2020Q4	22	SCOTT	25,309	41,879	1.65	46.21	45	20.69	
2021Q1	22	SCOTT	37,505	50,722	1.35	48.49	53	25.62	
2021Q2	22	SCOTT	57,591	81,261	1.41	54.55	74	40.59	
2021Q3	22	SCOTT	54,773	85,020	1.55	62.10	68	42.01	
2021Q4	22	SCOTT	38,788	78,922	2.03	62.16	63	38.99	
2022Q1	22	SCOTT	37,865	72,247	1.91	59.03	62	36.49	
2022Q2	22	SCOTT	32,157	80,240	2.50	64.65	62	40.08	
	6815	READING RD 77471		SPRINGHILL SUITES			09		1.32
H2018Q1	118	SPRNG	834,353	971,912	1.17	114.38	80	91.52	
2018Q2	118	SPRNG	677,956	740,959	1.09	94.40	73	69.00	
2018Q3	118	SPRNG	492,987	544,047	1.10	81.57	61	50.11	
2018Q4	118	SPRNG	612,848	672,221	1.10	93.13	66	61.92	
2019Q1	118	SPRNG	459,470	517,010	1.13	81.66	60	48.68	
2019Q2	118	SPRNG	459,132	533,063	1.16	81.16	61	49.64	
2019Q3	118	SPRNG	427,025	504,440	1.18	74.01	63	46.47	
2019Q4	118	SPRNG	477,195	550,090	1.15	78.88	64	50.67	
2020Q1	118	SPRNG	318,424	331,372	1.04	59.98	52	31.20	

CITY / P TYEAR Q	ADDR / # RMS	ZIP / BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	E S T	3 EST AVG. DAILY RATE	4 % OCC EST	YR AVG OP ADJ 1 -- ----- $ 5 REVPAR
ROSENBERG	6815 READING RD	77471	SPRINGHILL SUITES					09	1.32
H2020Q2	118	SPRNG	222,392	241,782	1.09		57.19	39	22.52
2020Q3	118	SPRNG	294,379	351,032	1.19		62.76	52	32.34
2020Q4	118	SPRNG	314,331	394,679	1.26		59.03	62	36.36
2021Q1	118	SPRNG	343,531	439,965	1.28		62.58	66	41.43
2021Q2	118	SPRNG	538,660	682,269	1.27		83.01	77	63.54
2021Q3	118	SPRNG	381,360	509,381	1.34		71.17	66	46.92
2021Q4	118	SPRNG	364,979	483,582	1.32		73.65	60	44.55
2022Q1	118	SPRNG	324,858	448,068	1.38		72.17	58	42.19
2022Q2	118	SPRNG	402,026	537,164	1.34		80.68	62	50.02
2022Q3	118	SPRNG	372,377	473,720	1.27		73.75	59	43.64
2022Q4	118	SPRNG	453,503	559,844	1.23		75.73	68	51.57
	3314 1ST ST	77471	SUPER 8					10	1.05
H2018Q1	37	SUPR8	121,798	127,022	1.04		56.09	68	38.14
2018Q2	37	SUPR8	110,319	115,835	.00		50.79	68	34.40
2018Q3	37	SUPR8	101,896	108,000	1.06	G	48.03	66	31.73
2018Q4	37	SUPR8	67,833	67,953	1.00		41.62	48	19.96
2019Q1	37	SUPR8	58,029	59,084	1.02		39.77	45	17.74
2019Q2	37	SUPR8	66,913	69,570	1.04		44.40	47	20.66
2019Q3	37	SUPR8	85,559	91,000	1.06	G	49.48	54	26.73
2019Q4	37	SUPR8	64,547	68,000	1.06	G	42.11	47	19.98
2020Q1	37	SUPR8	67,070	70,000	1.05	G	38.57	54	21.02
2020Q2	37	SUPR8	38,530	65,000	1.69	G	40.16	48	19.31
2020Q3	37	SUPR8	44,806	47,000	1.05	G	39.61	35	13.81
2020Q4	37	SUPR8	39,309	41,000	1.05	G	34.95	34	12.04
2021Q1	37	SUPR8	44,163	46,000	1.05	G	35.34	39	13.81
2021Q2	37	SUPR8	75,078	79,000	1.05	G	41.24	57	23.46
2021Q3	37	SUPR8	79,152	81,971	1.04		37.96	63	24.08
2021Q4	37	SUPR8	71,144	75,000	1.05	G	40.74	54	22.03
2022Q1	37	SUPR8	63,061	67,000	1.05	G	42.38	47	20.12
2022Q2	37	SUPR8	72,868	76,000	1.05	G	40.58	56	22.57
2022Q3	37	SUPR8	68,917	72,000	1.05	G	40.88	52	21.15
2022Q4	37	SUPR8	77,000	79,000	1.03	1	45.43	51	23.21
	3210 1ST ST	77471	TRAVELER'S INN					83	2.00
H2018Q1	33		79,329	112,067	1.41		38.36	98	37.73
2018Q2	33		63,954	69,984	1.09		34.31	68	23.30
2018Q3	33		50,499	74,881	1.48		37.33	66	24.66
2018Q4	33		36,980	90,614	2.45		45.48	66	29.85
2019Q1	33		31,638	95,927	3.03		46.66	69	32.30
2019Q2	33		46,384	109,403	2.36		51.25	71	36.43
2019Q3	33		49,239	97,064	1.97		50.05	64	31.97
2019Q4	33		42,968	92,113	2.14		48.82	62	30.34
2020Q1	33		41,445	84,615	2.04		48.11	59	28.49
2020Q2	33		33,784	61,299	1.81		42.53	48	20.41
2020Q3	30		30,221	48,681	1.61		38.06	46	17.64
2020Q4	30		29,583	69,938	2.36		45.60	56	25.34

CITY / ADDR / ZIP	P TYEAR Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	E S T	3 EST AVG. DAILY RATE	4 % OCC EST	YR AVG OP ADJ 1 -- $ 5 REVPAR
ROSENBERG	3210 1ST ST	77471	TRAVELER'S INN						83	2.00
	H2021Q1	30		40,729	67,734	1.66		44.30	57	25.09
	2021Q2	30		43,886	64,491	1.47		43.79	54	23.62
	2021Q3	30		43,488	83,783	1.93		45.29	67	30.36
	2021Q4	30		48,872	96,272	1.97		55.22	63	34.88
	2022Q1	30		61,513	117,638	1.91		59.33	73	43.57
	2022Q2	30		48,756	98,481	2.02		60.12	60	36.07
	2022Q3	30		42,269	106,294	2.51		62.12	62	38.51
	2022Q4	30		55,326	107,736	1.95		61.96	63	39.03
	4814 AVENUE H	77471	WOODLAND INN & SUITES						69	1.75
	H2018Q1	35		32,347	82,604	2.55		38.63	68	26.22
	2022Q1	35		68,373	71,446	1.04		40.70	56	22.68
	2022Q2	35		29,951	67,584	2.26		38.58	55	21.22
	2022Q3	35		33,890	89,218	2.63		48.31	57	27.71
	2022Q4	35		44,000	55,000	1.25	1	45.00	38	17.08
SEALY	2107 HIGHWAY 36	77474	BEST VALUE INN (FMR BEST W						94	1.86
	H2018Q1	66	BVALU	72,708	148,657	2.04		35.21	71	25.03
	2018Q2	66	BVALU	54,320	85,555	1.58		33.83	42	14.24
	2018Q3	66	BVALU	72,509	111,882	1.54		46.10	40	18.43
	2018Q4	66	BVALU	72,847	214,615	2.95		52.44	67	35.35
	2019Q1	66	BVALU	64,579	139,573	2.16		46.63	50	23.50
	2019Q2	66	BVALU	130,730	202,392	1.55		48.88	69	33.70
	2019Q3	66	BVALU	61,178	117,538	1.92		40.66	48	19.36
	2019Q4	66	BVALU	44,388	59,277	1.34		35.68	27	9.76
	2020Q1	66	BVALU	44,919	74,329	1.65		48.98	26	12.51
	2020Q2	66	BVALU	29,463	51,734	1.76		36.53	24	8.61
	2020Q3	66	BVALU	38,990	63,730	1.63		33.55	31	10.50
	2020Q4	66	BVALU	51,007	78,946	1.55		45.75	28	13.00
	2021Q1	66	BVALU	57,929	93,180	1.61		45.29	35	15.69
	2021Q2	66	BVALU	62,936	96,488	1.53		42.81	38	16.07
	2021Q3	66	BVALU	46,334	79,663	1.72		40.80	32	13.12
	2021Q4	66	BVALU	39,901	85,555	2.14		36.83	38	14.09
	2022Q1	66	BVALU	49,910	80,775	1.62		38.30	36	13.60
	2022Q2	66	BVALU	40,532	89,499	2.21		30.66	49	14.90
	2022Q3	66	BVALU	29,084	82,984	2.85		32.01	43	13.67
	2022Q4	66	BVALU	33,837	87,266	2.58		33.50	43	14.37
	2021 HIGHWAY 36	77474	COUNTRYSIDE INN (FMR RODEW						80	1.20
	H2018Q1	50		61,986	76,297	1.23		29.98	57	16.95
	2018Q2	50		77,651	94,013	1.21		33.40	62	20.66
	2018Q3	50		59,550	73,365	1.23		32.50	49	15.95
	2018Q4	50		73,627	130,248	1.77		45.08	63	28.31
	2019Q1	50		64,962	82,505	1.27		38.64	47	18.33
	2019Q2	50		89,506	133,990	1.50		44.61	66	29.45
	2019Q3	50		78,250	120,778	1.54		41.40	63	26.26
	2019Q4	50		33,211	61,581	1.85		35.53	38	13.39

CITY / ADDR / ZIP	P TYEAR Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	ES T	3 EST AVG. DAILY RATE	4 % OCC EST	YR AVG OP ADJ 1 -- $ 5 REVPAR
SEALY			2021 HIGHWAY 36	77474	COUNTRYSIDE INN (FMR RODEW				80	1.20
	H2020Q1	50		33,133	53,335	1.61		36.84	32	11.85
	2020Q2	50		32,413	47,759	1.47		38.21	27	10.50
	2020Q3	50		48,213	61,876	1.28		41.58	32	13.45
	2020Q4	50		47,038	55,467	1.18		44.24	27	12.06
	2021Q1	50		83,722	99,825	1.19		49.66	45	22.18
	2021Q2	50		52,311	77,118	1.47		41.91	40	16.95
	2021Q3	50		46,135	66,586	1.44		41.83	35	14.48
	2021Q4	50		43,489	81,286	1.87		41.10	43	17.67
	2022Q1	50		41,987	82,414	1.96		40.38	45	18.31
	2022Q2	50		42,519	87,873	2.07		37.14	52	19.31
	2022Q3	50		46,329	93,161	2.01		38.95	52	20.25
	2022Q4	50		43,439	77,216	1.78		38.15	44	16.79
			2370 HIGHWAY 36	77474	HOLIDAY EXPRESS & SUITES				09	1.05
	H2018Q1	70	HIEXP	396,100	432,400	1.09		100.97	68	68.63
	2018Q2	70	HIEXP	426,600	436,850	1.02		100.45	68	68.58
	2018Q3	70	HIEXP	368,100	378,800	1.03		88.46	66	58.82
	2018Q4	70	HIEXP	409,700	436,900	1.07		97.82	69	67.84
	2019Q1	70	HIEXP	246,200	260,070	1.06		76.77	54	41.28
	2019Q2	70	HIEXP	242,060	268,860	1.11		74.24	57	42.21
	2019Q3	70	HIEXP	336,180	346,500	1.03		85.65	63	53.80
	2019Q4	70	HIEXP	349,600	360,900	1.03		85.39	66	56.04
	2020Q1	70	HIEXP	292,300	307,860	1.05		99.34	49	48.87
	2020Q2	70	HIEXP	202,260	204,280	1.01		88.91	36	32.07
	2020Q3	70	HIEXP	444,900	454,800	1.02		117.21	60	70.62
	2020Q4	70	HIEXP	316,400	319,550	1.01		98.74	50	49.62
	2021Q1	70	HIEXP	401,240	414,390	1.03		109.48	60	65.78
	2021Q2	70	HIEXP	467,900	487,900	1.04		117.24	65	76.59
	2021Q3	70	HIEXP	391,450	395,450	1.01		111.41	55	61.41
	2021Q4	70	HIEXP	404,410	409,872	1.01		111.37	57	63.64
	2022Q1	70	HIEXP	346,700	354,800	1.02		102.16	55	56.32
	2022Q2	70	HIEXP	510,400	518,420	1.02		111.49	73	81.38
	2022Q3	70	HIEXP	369,340	385,500	1.04		97.52	61	59.86
	2022Q4	70	HIEXP	381,810	396,800	1.04		98.74	62	61.61
			267 GEBHARDT RD	77474	SUPER 8 (FMR HOLIDAY EXPRE				97	1.08
	H2018Q1	50	SUPR8	224,024	300,227	1.34		73.56	91	66.72
	2018Q2	50	SUPR8	184,640	185,632	1.01		59.59	68	40.80
	2018Q3	50	SUPR8	137,628	138,628	1.01		53.41	56	30.14
	2018Q4	50	SUPR8	144,389	146,644	1.02		55.05	58	31.88
	2019Q1	50	SUPR8	137,727	139,632	1.01		54.51	57	31.03
	2019Q2	50	SUPR8	184,846	186,717	1.01		58.38	70	41.04
	2019Q3	50	SUPR8	158,339	158,779	1.00		53.69	64	34.52
	2019Q4	50	SUPR8	118,147	119,127	1.01		49.11	53	25.90
	2020Q1	50	SUPR8	94,389	95,002	1.01		54.09	39	21.11
	2020Q2	50	SUPR8	72,884	72,994	1.00		50.48	32	16.04
	2020Q3	50	SUPR8	119,463	119,928	1.00		67.02	39	26.07

CITY	ADDR	ZIP				E S T	3 EST AVG. DAILY RATE	4 % OCC EST	YR AVG OP ADJ 1 -- $ 5 REVPAR
P TYEAR Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2 -				
SEALY	267	GEBHARDT RD	77474	SUPER 8 (FMR			HOLIDAY	EXPRE	97 1.08
H2020Q4	50	SUPR8	116,016	116,553	1.00		64.82	39	25.34
2021Q1	50	SUPR8	135,573	136,344	1.01		73.59	41	30.30
2021Q2	50	SUPR8	145,304	146,626	1.01		66.31	49	32.23
2021Q3	50	SUPR8	141,088	141,738	1.00		67.08	46	30.81
2021Q4	50	SUPR8	147,007	147,667	1.00		67.28	48	32.10
2022Q1	50	SUPR8	118,596	119,557	1.01		56.83	47	26.57
2022Q2	50	SUPR8	136,793	136,958	1.00		58.68	51	30.10
2022Q3	50	SUPR8	140,111	140,276	1.00		60.63	50	30.49
2022Q4	50	SUPR8	165,475	168,940	1.02		77.43	47	36.73

ENDNOTES:

1. Factor used to adjust taxable to gross revenues. Area factor used if property data not available. Taxable equals 89% of gross Statewide.
2. A number or a 'Y' indicates quarter's revenues were estimated.
3. Estimated Average Daily Rate (e.g. 60-85% of 'rack single');
4. Occupancy derived from calculated roomnights sold (gross room revenues divided by Average Daily Rate), divided by roomnights available.
5. Total REVenues Per Available Room per day, or 'REVPAR';

Prepared from State Comptroller, chain directories and private records.
Includes all quarterly reports exceeding $35,000 (otherwise omitted).

Exhibit IV: Wide Base Market

Lodging Market: Texas Lower Priced Metro Areas

PERIOD: 12 MONTHS ENDING DEC 31, 2022
LODGING MARKET: TEXAS EXCLUDING HIGHER PRICED METROS, & LUXURY & UPSCALE SEGMENTS

BRAND	# HTL	# * RMS 000S	% RMS	EST. RNS 000S	% RNS	$ AMT. 000S	% AMT	EST. %OCC	EST. $ RATE	$ RPAR
CAMBRIA	2	.3	.2	79	.2	10,810	.3	62.4	136.69	85.35
ELEMENT	2	.3	.1	56	.1	5,474	.1	57.7	97.63	56.38
HOMEWOOD	26	2.5	1.2	642	1.5	80,448	2.0	69.3	125.29	86.84
HYATT HSE	4	.5	.2	85	.2	8,580	.2	47.3	100.58	47.53
RESIDENCE	32	3.6	1.8	927	2.1	108,497	2.8	70.4	117.07	82.41
STAYBRIDG	25	2.4	1.2	612	1.4	67,204	1.7	70.2	109.88	77.10
OTH SUITE	3	.9	.4	173	.4	24,378	.6	55.2	141.16	77.93
TOT SUITES	94	10.5	5.1	2,574	5.8	305,390	7.8	67.2	118.66	79.70
4 POINTS	5	.7	.3	119	.3	10,630	.3	47.5	89.66	42.57
ALOFT	7	.9	.4	192	.4	22,012	.6	59.3	114.82	68.07
COURTYARD	46	5.5	2.7	1,282	2.9	149,890	3.8	63.4	116.92	74.18
CROWNPLZA	3	.7	.3	95	.2	8,480	.2	36.4	89.41	32.59
DOUBLTREE	7	2.0	1.0	414	.9	54,571	1.4	56.8	131.69	74.83
HILT GARD	30	4.2	2.0	1,023	2.3	123,004	3.1	66.9	120.28	80.45
HOLID INN	30	4.8	2.3	890	2.0	92,303	2.3	51.3	103.68	53.20
HYATT PLC	12	1.6	.8	942	2.1	43,767	1.1	****	46.46	75.18
INDIGO	2	.2	.1	41	.1	5,722	.1	47.9	139.73	66.99
RADIS HTL	3	.4	.2	92	.2	9,383	.2	66.6	102.19	68.01
SHERATON	2	.8	.4	161	.4	13,605	.3	55.0	84.45	46.48
WYNDHAM	5	.8	.4	133	.3	10,476	.3	47.0	78.96	37.08
OTHER MUP	7	.7	.4	165	.4	13,196	.3	60.9	79.96	48.73
TOT MID/UPS	159	23.3	11.4	5,548	12.5	557,040	14.2	65.3	100.40	65.54
CANDLWOOD	39	3.2	1.5	760	1.7	64,630	1.6	65.9	85.08	56.09
COMFO STE	57	3.7	1.8	829	1.9	69,399	1.8	61.3	83.68	51.30
HAWTHORN	8	.7	.3	155	.3	15,222	.4	64.1	98.40	63.09
HOME2STES	31	3.1	1.5	788	1.8	97,092	2.5	68.9	123.16	84.89
QUAL STES	6	.4	.2	81	.2	6,406	.2	59.8	79.32	47.43
SNESTA SS	4	.5	.2	107	.2	7,045	.2	61.4	65.79	40.41
SPRNGHILL	25	2.7	1.3	627	1.4	62,731	1.6	63.3	100.07	63.39
TOWNPLACE	28	2.7	1.3	652	1.5	67,064	1.7	66.7	102.83	68.60
OTHER MIN	1	.1	.0	9	.0	442	.0	45.0	47.26	21.24
TOT MIN STE	199	17.0	8.3	4,008	9.1	390,031	9.9	64.8	97.31	63.03
AVID	2	.2	.1	35	.1	2,817	.1	49.9	81.38	40.62
BEST WEST	96	5.5	2.7	1,238	2.8	117,369	3.0	61.4	94.77	58.15
BW PLUS	66	4.4	2.1	993	2.2	94,588	2.4	62.5	95.25	59.54
CNTRY INN	13	.9	.4	186	.4	15,889	.4	59.5	85.27	50.73
COMFO INN	40	2.8	1.4	633	1.4	56,201	1.4	62.0	88.81	55.03
DRURY INN	5	.7	.4	179	.4	19,628	.5	65.4	109.61	71.70
FAIRFIELD	53	4.2	2.1	956	2.2	93,439	2.4	61.7	97.77	60.28
HAMPTON	115	9.4	4.6	2,271	5.1	269,474	6.9	66.1	118.68	78.49
HOLID EXP	163	13.1	6.4	3,107	7.0	341,189	8.7	64.9	109.82	71.24
LA QUINTA	137	11.2	5.5	2,440	5.5	210,522	5.4	59.5	86.29	51.32
SLEEP INN	24	1.4	.7	300	.7	22,501	.6	58.0	75.06	43.54
TRU	9	.9	.4	204	.5	20,415	.5	64.3	100.05	64.36
WINGATE	8	.6	.3	127	.3	10,168	.3	54.6	80.01	43.66
TOT LTD SVE	731	55.4	27.1	12,668	28.6	1,274,200	32.4	62.6	100.58	63.00

PERIOD: 12 MONTHS ENDING DEC 31, 2022
LODGING MARKET: TEXAS EXCLUDING HIGHER PRICED METROS, & LUXURY & UPSCALE SEGMENTS

BRAND	# HTL	# * RMS 000S	% RMS	EST. RNS 000S	% RNS	$ AMT. 000S	% AMT	EST. %OCC	EST. $ RATE	$ RPAR
EXT AMERI	24	2.5	1.2	684	1.5	40,516	1.0	74.1	59.23	43.87
INTOWN ST	17	2.3	1.1	578	1.3	26,767	.7	70.3	46.31	32.58
MAINSTAY	4	.3	.1	60	.1	5,569	.1	61.3	93.58	57.36
SNESTA ES	2	.2	.1	40	.1	4,419	.1	55.9	111.74	62.52
STUDIO 6	29	2.1	1.0	449	1.0	23,797	.6	57.8	53.00	30.65
WOODSPRNG	24	2.7	1.3	637	1.4	33,913	.9	65.6	53.27	34.97
OTHER EXT	9	.7	.3	161	.4	8,837	.2	63.5	54.97	34.89
TOT EXT STA	109	10.7	5.2	2,607	5.9	143,819	3.7	66.6	55.16	36.76
BAYMONT	28	2.0	1.0	418	.9	29,912	.8	56.6	71.57	40.51
BST VALUE	77	4.1	2.0	712	1.6	38,536	1.0	48.1	54.10	26.04
CLARION	6	.6	.3	120	.3	10,517	.3	52.9	87.41	46.25
DAYS INN	86	5.1	2.5	1,037	2.3	72,448	1.8	56.2	69.84	39.27
ECONOLODG	32	1.7	.8	307	.7	16,803	.4	48.7	54.80	26.71
HOWARD JO	6	.4	.2	69	.2	3,672	.1	44.9	52.98	23.78
KNIGHTS	14	.8	.4	130	.3	6,253	.2	44.2	48.26	21.33
MAGNUSON	2	.2	.1	40	.1	1,845	.0	51.8	46.43	24.06
MICROTEL	12	.8	.4	181	.4	15,240	.4	60.9	84.37	51.36
MOTEL 6	97	7.2	3.5	1,456	3.3	86,589	2.2	55.6	59.49	33.05
OYO	35	2.0	1.0	323	.7	14,040	.4	45.0	43.51	19.57
PALACE	62	2.2	1.1	440	1.0	28,236	.7	55.2	64.23	35.44
QUALITY	71	4.7	2.3	929	2.1	68,280	1.7	54.7	73.50	40.17
RAMADA	5	.5	.3	121	.3	9,564	.2	62.3	79.21	49.35
RED ROOF	33	3.0	1.4	568	1.3	31,084	.8	52.4	54.71	28.69
RODEWAY	25	1.6	.8	248	.6	11,843	.3	43.7	47.80	20.91
SCOTTISH	47	1.7	.8	311	.7	16,503	.4	51.4	53.06	27.27
SUPER 8	90	5.0	2.4	957	2.2	58,504	1.5	52.9	61.16	32.34
SURE STAY	16	.9	.4	182	.4	13,466	.3	56.4	74.06	41.73
TRAVELODG	7	.3	.1	65	.1	4,191	.1	59.0	64.21	37.90
OTHER BUD	23	1.2	.6	239	.5	13,958	.4	54.4	58.32	31.72
TOT BUDGET	774	45.8	22.4	8,851	20.0	551,483	14.0	53.0	62.31	33.01
$100+ ADR	98	7.8	3.8	1,676	3.8	336,951	8.6	59.2	200.99	118.97
$60-99ADR	206	10.3	5.0	2,078	4.7	171,177	4.4	55.4	82.36	45.61
LT $60ADR	550	24.1	11.8	4,254	9.6	198,221	5.0	48.4	46.59	22.53
TOT IND HTL	854	42.1	20.6	8,009	18.1	706,350	18.0	52.1	88.19	45.92
TOT MARKET	2,920	204.8	100.0	44,266	100.0	3,928,313	100	59.2	88.74	52.56

* All figures annualized. Includes taxed and est non-tax room revenues.
Independents are categorized by price and product type (Hotels and other)

EXHIBIT V

Exhibit V: The Case for Downsizing Hotels

A Study of the Effect of Hotel Size on Performance in the Texas Hotel Industry
The Case for Downsizing New Hotels

By Douglas W. Sutton and Bruce H. Walker

Source Strategies has long contended that the number of rooms a developer offers in a new property is one of the key factors in determining a venture's relative success or failure. It is every bit as important to size a hotel project properly as it is to select the appropriate brand, and to develop in a suitable market and location. We have previously conducted extensive studies of the lodging market that support our hotel sizing contention, and we have taken this opportunity to re-examine the issue using our extensive database of hotel and motel performance for the State of Texas.

Before delving into the numbers that define the role of room count in a hotel's performance, we should first highlight the basic industry theory of 'right-sizing' a property. The premise offered by many inexperienced developers is "If I can make a profit constructing a 50 room hotel in a given market, it would be twice as profitable to develop 100 rooms." In virtually all cases nothing could be farther from the truth. At some point adding rooms to a project reaches a point of diminishing returns, and the investment in the additional rooms cannot be economically justified.

To illustrate this point, mentally divide our hypothetical 100 room project into two 50 room hotels. The initial 50 rooms may perform very well, with occupancies over 70% and a very strong rate structure. However, the second 50 rooms are only utilized when there is overflow from the first hotel because its rooms are 100% occupied. Effectively, the second 50 rooms may only attain an occupancy of 30% or less. This low level of occupancy may prompt the general manager to lower rates to bolster occupancy, but this is a losing battle. Ultimately, overbuilding causes REVPAR erosion in the property, and in the market as a whole.

Today's developers and lenders would not seriously consider involvement in a 50 room project operating at this low level, but often times they accomplish the same end by pushing for more rooms in a project than the market can effectively support. If we now mentally put these two 50 room properties back together (one operating at 70%, the other at 30% occupancy), what we end up with is an oversized 100 room hotel that is running a mediocre 50% occupancy.

Over-sizing a hotel makes it difficult, if not impossible, to be competitive in a marketplace. There are a finite number of room-nights sold to be divided among existing hotels in the market, and developing a more conservatively sized property helps insure that a profitable level of those room-nights can be captured. Building a hotel is not the 'Field of Dreams'.... If you build it - they won't come.... With the exception of destination resorts and some unique convention hotels, people do not go someplace because there is a hotel. Rather, they stay in a hotel because they want to be near someplace.

Builders who construct too many rooms usually put themselves in unenviable financial situations. Many hotels which we see put up for sale were developed with far too many rooms. The owners, having had difficulty getting a return on their investment, are often trying to get out from under a bad investment.

EXHIBIT V

There are even drastic cases of properties bulldozing entire wings to provide additional parking, because those extra rooms are a financial burden, remaining unsold the vast majority of the time.

Now that we've outlined the basic economic benefits of 'building small', let's look into hotel performance numbers and see if they support this development principle. We analyzed two separate hotel samplings: First we will look at Comfort Inns across Texas as a selected brand sampling. Then we will look at all branded hotels built during a given period of time for a more diverse sampling.

COMFORT INN - ANALYSIS OF SIZING AND ITS IMPACT ON PERFORMANCE

In our initial analysis, we selected a sampling of Texas Comfort Inn branded properties ranging in size from 36 to 75 rooms; they are all 'Limited Service' hotels. We excluded those properties located in exclusive, higher priced markets, since they would naturally support larger room counts while maintaining strong performance levels and would distort the findings. The resulting sample included 55 Comfort Inn hotels located across Texas.

The following chart of performance statistics from the latest year on file (12 months ending September 30, 1999) clearly illustrates the consistent curve, showing marked declines in performance as room count increases. This decline was exhibited in all three measures shown, Occupancy, Average Daily Rate, and REVPAR:

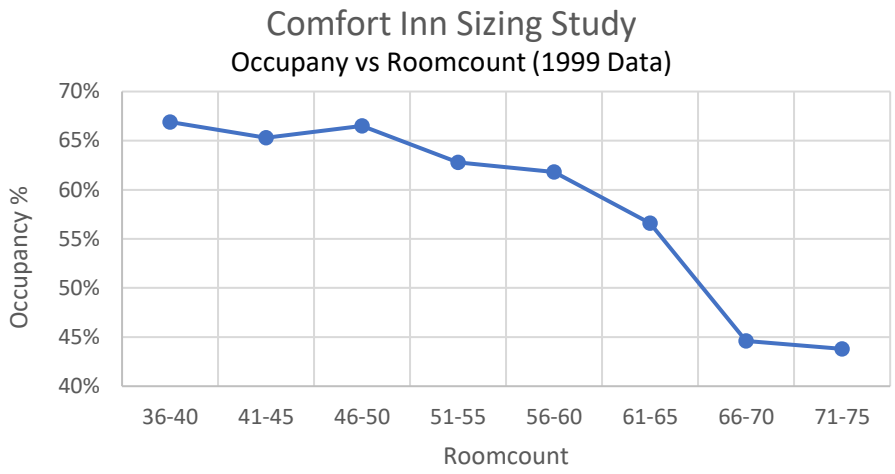
SIZING ANALYSIS

12 Months Ending September 30, 1999

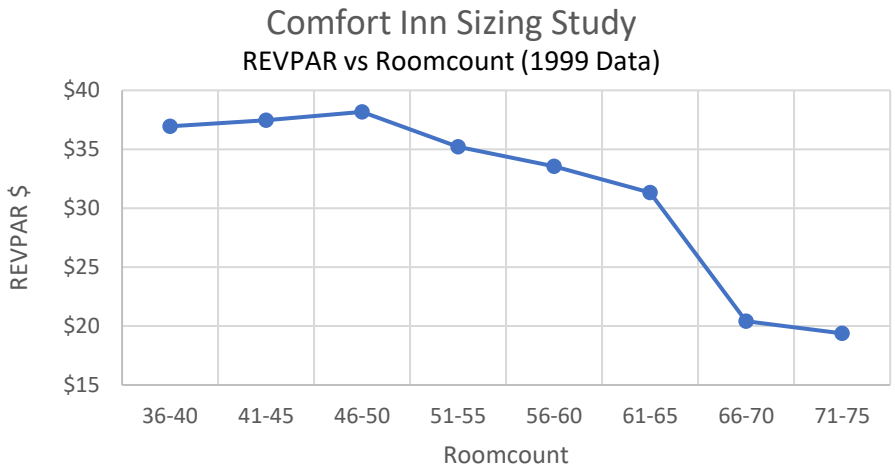
Rooms	Occupancy	Rate	REVPAR
36-40	66.9%	$55.25	$36.95
41-45	65.3%	$57.34	$37.45
46-50	66.5%	$57.38	$38.17
51-55	62.8%	$56.02	$35.20
56-60	61.8%	$54.26	$33.55
61-65	56.6%	$55.33	$31.33
66-70	44.6%	$45.71	$20.41
71-75	43.8%	$44.20	$19.38
Combined: 52	63.2%	$55.46	$35.03

Looking only at occupancy, the following graph gives a clear depiction of the notable negative impact of larger room counts on a hotel's ability to maintain an acceptable level of room-nights sold. Properties with lower room counts were clearly able to sustain a higher level of occupancy. Average occupancy ranged from 66.9% for properties of 36-40 rooms, downward to a much lower 43.8% average occupancy for properties in the 71-75 room size bracket.

EXHIBIT V



When looking at REVPAR, the following graph follows a very similar performance curve, ranging from an average REVPAR of $36.95 for properties of 36-88-units, downward to a mediocre $19.38 average REVPAR for properties in the 71-35 unit size bracket. Note that the downward slide in both graphs did not begin until room counts exceeded 35 units. Prior to that, a mild upward trend is experienced. This appears to indicate that, on average, 50 rooms is the 'optimum' size for a Comfort Inn in Texas markets (excluding high-priced areas). Of course, this is an average number for this type of market. Each project must be examined on an individual basis to determine the proper size to develop within its given market.



The above chart and graphs clearly illustrates that Developers often missed the mark, building more rooms than 'optimum.' 'Optimum' is defined as generating the highest return on invested capital, and is closely tied to occupancy and REVPAR generation.

Analyzing the above data provides a measure of the effect of over building. For the typical range of rooms for Comfort Inn projects (40-75 rooms) outside of higher priced areas, the occupancy dropped 23.1 points (a full 35%) from 66.9% to 43.8% as room counts escalated. With a 35 room increase in rooms from the 36-40 room size bracket to the 71-75 room size bracket, a resulting 35% drop in occupancy is experienced.

EXHIBIT V

The key question, is how to apply this principle to a given hotel project. Naturally, each project would have to be judged on its individual merits, but looking at an 'average' project for a single brand and product is very revealing. All are Comfort Inns. All are very similar products in similar market environments, leaving size as the major variable in performance.

In our sampling, the average project is 65 rooms in size. At this size, the average occupancy is 62.8%. If we built 36% fewer rooms (42 rooms) our average occupancy would rise a moderate 6.5% to 66.9%. Conversely, if we built 36% more than average, (71 rooms) our average occupancy plummets by 42.5% to 43.8%.

Clearly there are some basic economic principles at work. Comfort Inns are conservatively-sized. Building smaller than the average of 65 rooms yields slightly higher occupancies, but the ability to charge ever higher rates as size decreases is marginal. As rates rise, some consumers perceive lost value and will stay at another property. On the other side of the coin, properties built larger than the average 65 rooms suffer serious occupancy declines. At some point the need for additional rooms that was envisioned by the optimistic developer is simply not there, and the extra rooms only serve to depress the overall performance of the property.

BRANDED HOTELS - ANALYSIS OF SIZING AND ITS IMPACT ON PERFORMANCE

In our second analysis, we selected a sampling of all Texas branded hotels constructed from 1970-1975; 91 properties across Texas, predominantly 'Full Service'. Our sampling was limited to hotels of less than 135 rooms. We once again excluded those properties located in exclusive, higher priced markets. For our analysis we examined performance results from the year 1985 when all subject hotels were 10 to 15 years old, well into their aging life cycles.

The following chart of performance statistics from 1985 for branded properties throughout Texas clearly illustrates the downward curve, with definite erosion in performance measures as room count increases:

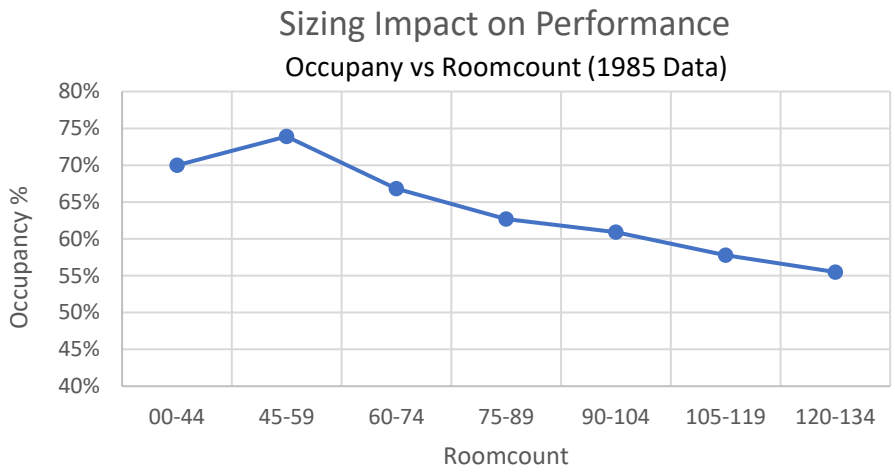
SIZING ANALYSIS

1985 Performance Results

# of Hotels	Rooms	Occupancy	Rate	REVPAR
2	00-44	70.0%	$37.88	$26.50
3	45-59	73.9%	$36.13	$26.71
7	60-74	66.8%	$31.10	$20.77
14	75-89	62.7%	$31.65	$19.86
29	90-104	60.9%	$32.42	$19.75
16	105-119	57.8%	$26.25	$15.18
20	120-134	55.5%	$29.35	$16.28
Combined: 91	98	59.8%	$30.34	$18.14

With occupancy declines being the strongest indicator of the negative impact of building too large, the following graph provides a clear picture of the descending performance slide as room counts increase. Once again, properties with lower room counts were more insulated from market competition and were therefore able to be more competitive in both favorable and depressed market environments. Average occupancy ranged from 70% for properties of 58 rooms or less, downward to a much lower 55.5% average occupancy for properties in the 120-134 room size bracket, after peaking at 73.9% in the 45-59 size range.

EXHIBIT V



As with the Comfort Inn analysis, the above data provides a measure of the effect of over building. However, since a number of varying brands are considered in this sample, the typical size of these projects ranges from about 40 to 135. This is a wider range than the Comfort sampling, since many of the brands in this sample typically have larger room counts than a Comfort Inn. This is partially due to some brands' ability to support higher room counts, and partially due to the tendency to overbuild in the early 1970s, when all hotels in this sample were constructed.

While the 65 room average for our Comfort Inn sample is reasonably close to optimum sizing for that brand, the 98 room average for this analysis appears to be oversized. In our assessment, the optimum average number of rooms for this sampling would have been 60 to 41 rooms, depending upon brand. In 1985, this room-count supported occupancies near 70%, with an average REVPAR of almost $27. Compare this to the average capacity of 98 rooms attaining a much lower average occupancy of 60.9% and REVPAR below $20. Clearly this lower level of performance can be attributed to over-sizing projects in the early 1970s.

Looking at our average (oversized) room-count of 98 rooms, increasing the size by 30% (135 rooms) would cause occupancy to slide 10% from 60.9% to 55.5%. On the other hand, making the average project smaller (58 rooms, or 75% smaller) would improve occupancy to 73.9%, or a healthy 21% increase.

For the sake of comparison, let us assume that the average property was more appropriately sized at about 58 rooms. If the project size were increased to 135 rooms, the largest range in our sample, occupancy would suffer a significant 33% decline from optimum levels.

Of course this assumes that locational differences are not significant. We believe this is true; the large sample and clear correlation between size and performance support this conclusion.

SUMMARY

The data is clear. In most cases, small hotels outperform large hotels, with the exception of higher-priced markets where competitive barriers to entry exist (e.g. lack of land, excessive land cost, building restrictions, etc.).

EXHIBIT V

Common sense explains this occurrence: a successful 100 room hotel will inevitably prompt the development of one or more new, small hotels of similar quality in the immediate area. In a competitive market environment, the smaller hotel has a distinct advantage and wins - almost every time.

EXHIBIT VI

Exhibit VI: An Analysis of Hotel Aging for Mid-Market Hotel Properties

By Doug Sutton, Executive Vice President, Source Strategies, & Paul Vaughn, Senior Vice President, Source Strategies.
(Excerpted from the Hotel Brand Report, Issue 137, May 2019)

In ongoing efforts to ensure that our Feasibility Study methodology is as accurate as possible, Source Strategies has engaged in an updated investigation of the effects of aging on hotel properties. This article, the first of three deep dives into the hotel property life-cycle, focuses on mid-market limited service properties. This study was conducted independently from previous aging studies, with a significantly expanded sample, and a more in-depth analysis of various product types. While we expected to find that there is still a readily identifiable and quantifiable aging curve, this research would update our aging model, as it is based upon the most current available data and incorporates the latest lodging market conditions, with the impact of internet booking sites, current customer preferences, mandated renovation and maintenance regimens along with stricter brand quality controls for product lines that are mid-market and higher.

KEY FINDING: There is a clearly identifiable aging life-cycle for hotels. This study found that hotels in the mid-market sector ramp-up after opening and peak in Year 3 at a premium of about 16% compared to the expected 20 year average performance. The performance level is determined by comparing the hotel's annual REVPAR20 to that of the local market as an index. The process is detailed later in this study. After Year 3, a hotel's performance will gradually lose ground to the market as the property ages. This analysis found that the period of above average performance ranged from Years 2 through 10, with performance continuing to soften as properties age beyond that point. This is an inevitable process, and while a diligent maintenance and renovation program can lessen the effect of aging, it cannot eliminate it entirely. As cited in our previous aging studies, "The consumer almost always picks new over old because, to them, 'new' means 'clean' and 'new' means 'value."

METHODOLOGY:

Identifying our Sample Group of Hotels:

For this analysis we identified a sampling of mid-market hotels that recently completed their tenth year of operation. Selection criteria for our study sample follows:

- Opened in 2008
- Prominent mid-market limited service brands: Best Western, Comfort Inn, Comfort Suites, Courtyard by Marriott, Hampton Inn, Hilton Garden Inn, Holiday Inn Express, Holiday Inn, Homewood Suites, La Quinta, Residence Inn
- Not located in prominent central business districts (CBD)/metropolitan downtowns
- Room count of 150 rooms or less
- Additional atypical properties were excluded from our sample for reasons outlined below

[20] Revenue per Available Room per Day, a prominent hotel industry statistic.

EXHIBIT VI

As all hotels in this sample were opened in 2008 we were able to specifically look at the most recent 10-year pool of data that is available. We selected prominent branded properties and excluded notably larger properties and those located in CBD areas. We eliminated any property where we identified outside factors that may have had undue influence on the hotel property. In doing this, we made every effort to select a sample where aging could be isolated as the primary variable on each hotel's performance over its first 10 years of operation. Outside factors which led us to exclude some properties from our analysis included brand changes; volatile hurricane, flood and oil markets; changes in hotel room count; and periods of closure. Further, any properties with widely fluctuating performance, indicating management issues, change of ownership, renovation periods, area road construction, or other non-typical outside influences were also eliminated from our study sample.

Assigning a REVPAR Index:

To assign a REVPAR Index, we first compiled REVPAR performance data for each hotel in our selected sample of mid-market properties. We then identified the local area market for each selected property and compiled annual REVPAR performance data for each hotel's respective local market. These local markets were selected to accurately represent the subject's competitive set, and included from 15 to 25 surrounding properties. Rural properties may have a market consisting of area counties, while more urban properties may have a market defined by one or more area zip codes.

After compilation of both hotel and market data, we then compared each individual property's REVPAR performance to that of its associated market as an index for each year of operation. The formula for deriving our REVPAR Index is (Property REVPAR / Market REVPAR = Index). If the property matched the performance of its market, the resulting Index would be 1.00. If the property's performance exceeded the market by 20%, the resulting Index would be 1.20. Conversely, if the property's performance trailed that of its surrounding market by 20%, the Index would be 0.80.

Identifying an Aging Curve:

By measuring the property's REVPAR performance versus that of its surrounding market, we can reliably identify and plot the impact of aging on each selected property over time, by brand and product category, since we are effectively neutralizing the influence of market fluctuations. In a hotel's peak performing years, properties will have the highest measured performance Index, while in early ramp-up, or later age impacted years, we would expect a measurably lower Index versus the local market.

Analysis and Findings:

We identified 84 qualifying hotel properties across 11 subject mid-market brands that opened in 2008. In analyzing this sample, we found that average performance begins with a softer first year REVPAR index (130%) before a notable jump in Year 2 (148%), and a milder increase to a peak level in Year 3 (153%). After peaking in Year 3, performance begins to gradually decline as properties age. Our average Year 10 REVPAR Index (133%) was about a year from receding back to the level of the initial year of operation. This indicates that the expected period of elevated performance (the top of the curve)

Figure 1:
Progression of REVPAR Indices Over First 10 Years

Year of Operation	Weighted Average REVPAR Index
1	1.30
2	1.48
3	1.53
4	1.50
5	1.50
6	1.47
7	1.46
8	1.39
9	1.39
10	1.33

ranges from Years 2 through 10 in our aging life cycle, with age induced performance gradually receding below average beyond Year 10.

In recent years, hoteliers have expressed to us that in the age of the Internet, with immediate online visibility and easy booking, hotels do not suffer as much of a slow start-up period as our previous studies have indicated. We found this to have some validity, but as outlined below there is still a definite life-cycle with a three-year ramp-up period.

Figure 1 shows the progression of REVPAR Indices over the first 10 years of operation in our sample. The table shows a weighted average REVPAR Index (by room count) of all 84 properties in our sample. The above described ramp-up, peak, and subsequent decline are readily apparent. This sampling showed an average 2% (1.96%) decline in years 4-10 after the Year 3 peak.

The 10-Year Aging by Brand graph (Figure 2) illustrates both the weighted average aging curve for all 84 hotels (in red), as well as individual brand aging curves that comprised this average. Of note, higher performing products have a more pronounced aging curve than brands with a lower average REVPAR.

Figure 2:

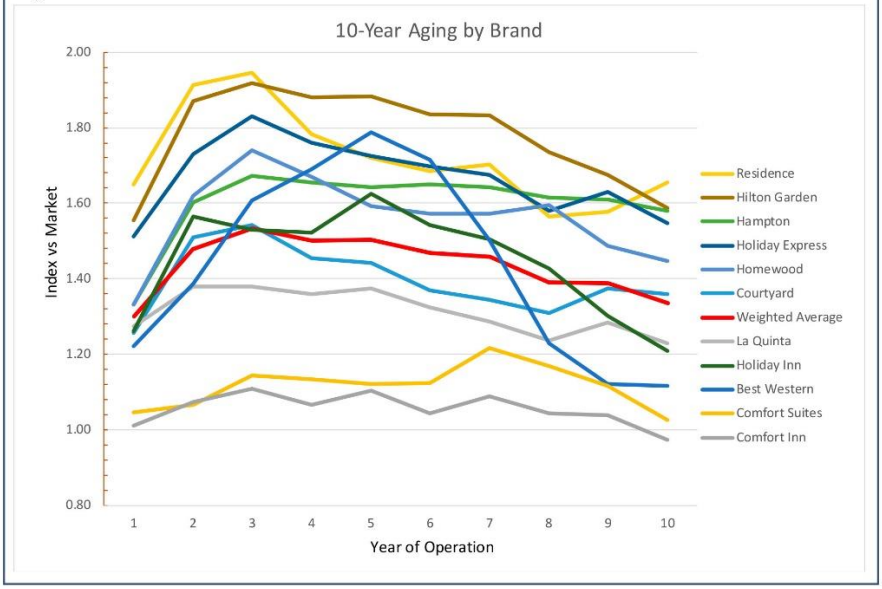


Figure 3:
Progression of New REVPAR Index Compared to Previous Data

Year of Operation	Weighted Average Aging Factor at 1.00	Previous Aging Factors
1	0.98	0.92
2	1.12	1.07
3	1.16	1.12
4	1.14	1.12
5	1.14	1.12
6	1.11	1.10
7	1.11	1.08
8	1.05	1.06
9	1.05	1.05
10	1.01	1.03

This process is reflective of the particular mix of chain properties, a mix which produced REVPAR moderately higher than their market average. Brands with higher average REVPAR will generally be higher on the graph above indicating their positioning at or above their respective local market averages (1.0). To eliminate the effect of a specific mix of chains, we then interpolated the scale to be relative to the 20-year life-cycle of a specific property so that the application of the year-by-year REVPAR indices to any project would result in averaging 1.0 over the first twenty years of operation.

EXHIBIT VI

The performance shown in the table at right (Figure 3) starts at a higher index, and peaks at a higher level than previous research has indicated. As a reference, this table also lists previously studied, and long cited analysis numbers. Note that the numbers do show a moderately higher starting point from previously cited aging patterns, but a notable three year ramp-up period to peak performance is still the norm. Offsetting this moderately faster start-up position, the aging decline after a hotel peaks has shown to be slightly accelerated from past analysis.

Since we needed to look at the most recent aging performance possible to determine the current aging cycle, we analyzed a sizable sample limited to 10 year old hotels. It goes without saying that there is no extended data beyond year 10 available for this sample of hotel properties. Therefore, to determine the aging curve beyond 10 years we extracted an additional wider pool of data for a sample of hotels operating beyond the 10 year point. We were able to determine reliable factors of aging decline experienced by a similar hotel beyond 10 years. We found an average decline of approximately 2.2% in Year 10-15 of a hotel's life, decelerating to a slower 1% decline after Year 15 of operation. Note that we are only using the later year declines from this sample set to allow us to see a later period in a hotel's life cycle (years 11-20). This second pool of hotels all opened from 1994-1998 and their first 10 years of data are not as current or relevant to this analysis.

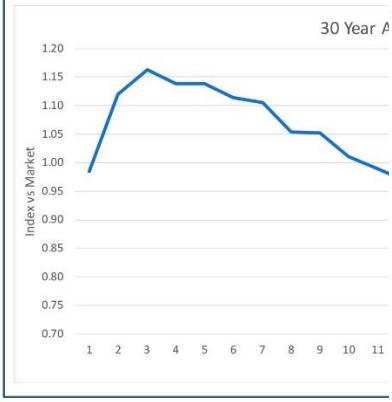
By using the average declines experienced in years 11-20 we can expand the table in Figure 4:

Figure 4:
Progression of Aging Factor Over 20 Years

Year of Operation	Weighted Average Aging Factor at 1.00		Year of Operation	Weighted Average Aging Factor at 1.00
1	0.98		11	.99
2	1.12		12	.97
3	1.16		13	.95
4	1.14		14	.92
5	1.14		15	.90
6	1.11		16	.90
7	1.11		17	.89
8	1.05		18	.88
9	1.05		19	.87
10	1.01		20	.86

These figures can then be plotted on a graph and extended over a thirty year period with a 1% decline per year as follows in Figure 5:

Figure 5:



Using these factors, we were able to extrapolate an extended aging curve for mid-market limited service hotels as shown in green in Figure 6, reliably defining the expectation of the extended aging impact on a prospective mid-market hotel development. The previous aging curve is shown in blue for reference.

EXHIBIT VI

It should be noted that beyond 10 years in a hotel's life cycle, many other factors are more prevalent that will affect the hotel's performance. As a hotel ages, it may fail to meet the same quality standards, and is will frequently be reflagged with a less prominent brand, or it may become an independent (unbranded) hotel. This can coincide with ownership changes, major remodeling projects, and other influencing factors. In the later years of these hotels' life-cycles, they often downgrade to budget properties due to their declining quality. Though these other factors are considered 'outside influences' in how they impact a property, they are actually very closely tied to a hotel's inevitable long term aging cycle.

Summary

In conclusion, the aging cycle of a hotel property directly affects the performance of that property. The performance will start just below its 20-year average performance, ramp up to 116% of that average before gradually declining over time. Using this information, Source Strategies can more accurately predict the performance of hotel projects in feasibility studies, valuations and other performance analysis.

Figure 6:

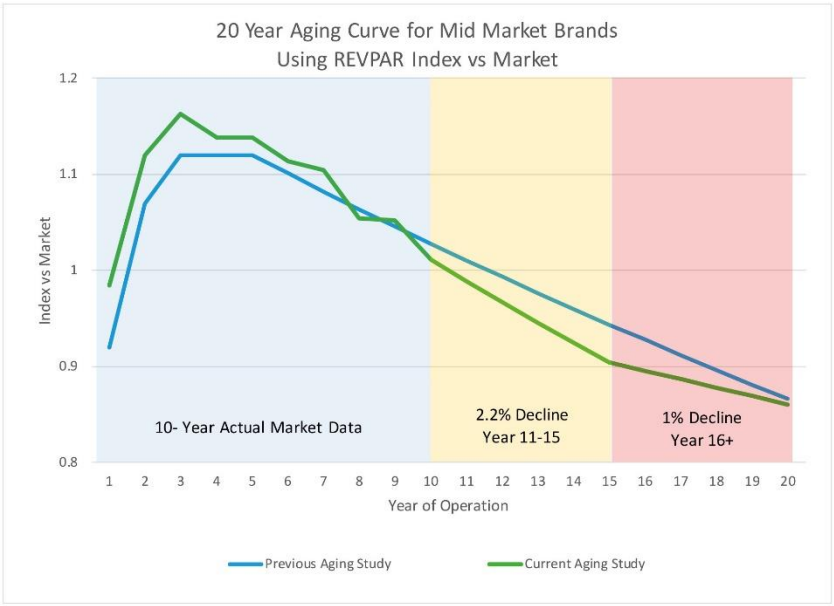


EXHIBIT VII

Exhibit VII: CapEx - A Study of Capital Expenditures in the US Hotel Industry

The following is a summary of the International Society of Hospitality Consultants' 2000 "CapEx Study, A Study of Capital Expenditures in the US Hotel Industry" as it applies to limited service properties:

The objective of our historical analysis in CapEx 2000 was to determine what has been spent in the past to maintain a hotel in good, competitive condition. Hotel owners and management companies were contacted to provide data for the study.

Definition of CapEx

"Capital Expenditure" is defined as: investments of cash or the creation of liability to acquire or improve an asset, e.g., land, buildings, building additions, site improvements, machinery, equipment; Comparatively, the "reserve for replacement" for a hotel asset has been narrowly defined as the funds set aside for the periodic replacement of furniture, fixtures and equipment (FF&E). The reserve was not contemplated to fund the replacement of major building components, such as roofs, elevators, and chillers.

For this study the term has been defined as: the cost of replacing worn out FF&E, as well as the cost of;

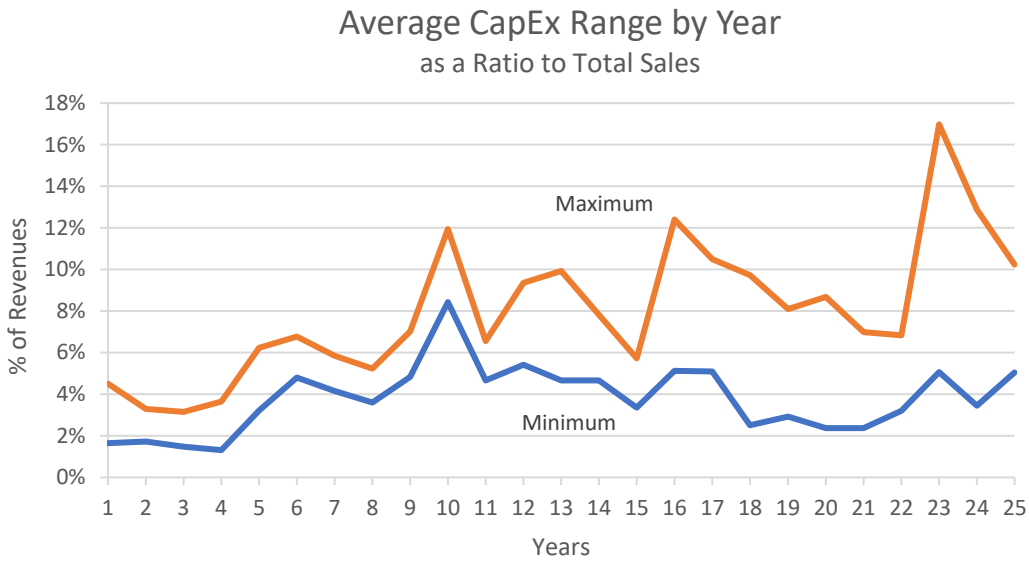
- updating design and decor
- curing functional and economic obsolescence...
- complying with franchisors' brand requirements
- technology improvements
- product change to meet market demands
- adhering to government regulatory requirements
- replacing all short- and long-lived building components due to wear and tear

Although many equity investors frequently argue against the necessity of a reserve, particularly if the investor does not plan to hold the property for greater than five years, the requirement for and amount of reserves are typically contractual issues between ownership, lender, manager, and/or franchisor/franchisee.

Significant Findings of CapEx 2000

The average amount spent per year by limited-service hotels in the survey was determined to be 5.5% of total revenue for the time period covered by CapEx 2000 (1988-1998). As these limited-service hotels have matured, CapEx has increased, underscoring one of our principal findings that CapEx requirements increase as a hotel ages. CapEx Spending is highly dependent upon a hotel's point in its life cycle. The following chart shows the range of CapEx spending (as a percentage of total revenues) over a 25-year time period; the table following the chart identifies the specific ranges of CapEx spending as a percentage of total revenues by year.

EXHIBIT VII

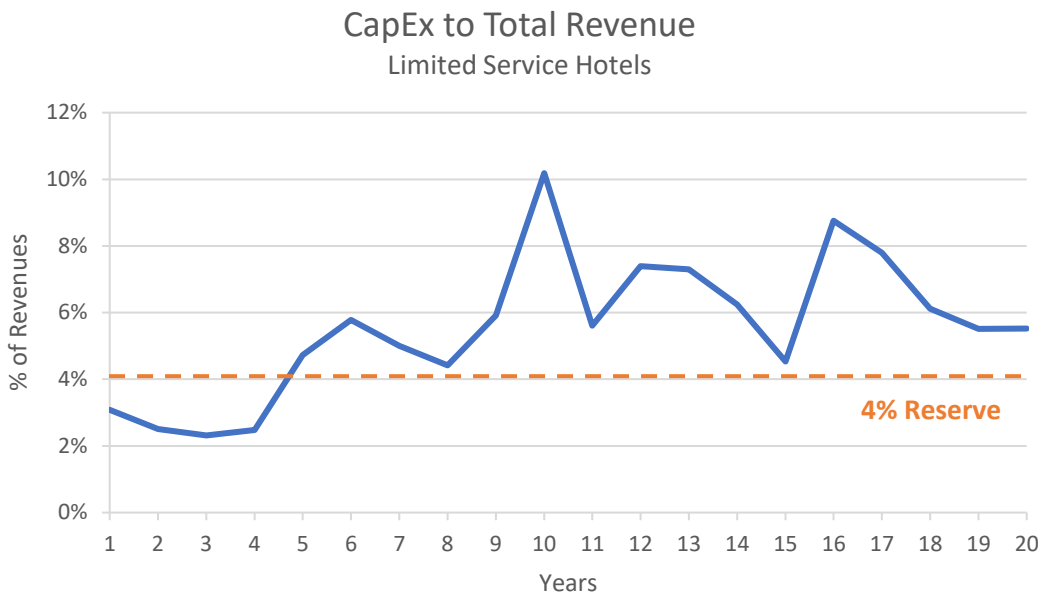


Percentage Range of CapEx Spending by Year

Year	Minimum	Maximum
1	1.7%	4.5%
2	1.7%	3.3%
3	1.5%	3.2%
4	1.3%	3.6%
5	3.2%	6.2%
6	4.8%	6.8%
7	4.2%	5.9%
8	3.6%	5.2%
9	4.8%	7.0%
10	8.4%	11.9%
11	4.7%	6.6%
12	5.4%	9.4%
13	4.7%	9.9%
14	4.7%	7.8%
15	3.4%	5.7%
16	5.1%	12.4%
17	5.1%	10.5%
18	2.5%	9.7%
19	2.9%	8.1%
20	2.4%	8.7%
21	2.4%	7.0%
22	3.2%	6.8%
23	5.1%	17.0%
24	3.5%	12.9%
25	5.1%	10.2%

EXHIBIT VII

As the data indicates, CapEx spending increases over time for all (U.S.) hotels, with large differences in both the level of CapEx spending and timing across different hotels. The data illustrates that, over time, the minimum and maximum levels of CapEx spending generally widens as a hotel increases in age.



For limited-service hotels, the first major increase in spending occurs in the sixth year, which likely represents the replacement of soft goods. The first major spike occurs in year 10, which is likely to be the result of a rooms and corridors renovation. Smaller spikes in CapEx spending occur in the following years, with the next major spending spike occurring in year 17, which is likely building and some mechanical renovation and replacement.

The following series of tables illustrates limited-service CapEx spending levels in various demographic categories:

CapEx 2000- Limited Service Hotels by Location

Location	Average Age in Years	CapEx/ Total Revenue	CapEx per Room per Year
All Properties	12	5.5%	$1,111
Airport	9.8	5.4%	$1,268
Urban	15.2	4.3%	$820
Small City/Hwy	9.2	5.1%	$773
Suburban	10.5	5.7%	$1,172

EXHIBIT VII

CapEx 2000- Limited Service Hotels by Average Daily Rate

Location	Average Age in Years	CapEx/ Total Revenue	CapEx per Room per Year
All Properties	12	5.5%	$1,111
< $60	12.7	5.0%	$687
$60-$80	12.5	6.3%	$1,134
> $80	12	5.3%	$1,570

CapEx 2000- Limited Service Hotels by Property Size

Location	Average Age in Years	CapEx/ Total Revenue	CapEx per Room per Year
All Properties	12	5.5%	$1,111
< 100 rooms	8.7	3.3%	$475
100-150 rooms	10.3	5.4%	$1,107
> 150 rooms	20	6.9%	$1,360

CapEx 2000- Limited Service Hotels by Age of Property

Property Age	CapEx/ Total Revenue	CapEx per Room per Year
All Properties	5.5%	$1,111
> 15 yrs old	6.5%	$1,372
5-15 yrs old	4.8%	$897
< 5 yrs old	3.0%	$547

Overall, the study details the varying levels of capital required to keep a hotel competitive in its life cycle. Historically, many operators have held no more than 3-4% of gross revenues in reserve, a level which may be sufficient for FF&E replacement, but is woefully inadequate for other required expenditures.[21]

21 Data compiled and organized from the CapEx report of the International Society of Hospitality Consultants, copyright 2000.

EXHIBIT VIII

Exhibit VIII: Hotel Brand Report

Exhibit VIII is the current issue of the ***Hotel Brand Report*** from Source Strategies. The *Hotel Brand Report* newsletter is a quarterly lodging industry publication that tracks how each major hotel brand is performing in Texas. The *Hotel Brand Report* also summarizes performance by product segments and geographic markets. The report combines information based on data from a census of over 5,000 lodging properties every three months with the Source Strategies database. Readers are able to contrast product types, price points, brands and markets!

This exhibit is the latest issue of the ***Hotel Brand Report*** at the time this study was completed and is included as a separate attachment.

Exhibit IX: Local Area Demographic Information

Exhibit IX includes demographic information from CoStar Group that was licensed to Source Strategies. Sections include a Consumer Spending Report, Demographic Detail Report, Demographic Market Comparison Report, Demographic Summary Report, Demographic Trend Report, and Traffic Count Report.

REFERENCES

SourceStrategies
HOTEL DATA + INTELLIGENCE

About Source Strategies

Source Strategies is the leading hotel consultant in Texas, providing Financial Feasibility Studies, Appraisal Market Packages, Litigation Support and Data Analysis. Source publishes extensive market and individual hotel statistics: the Hotel Performance Factbook, the Hotel Brand Report and the Hotel Markets Report.

Source Strategies maintains the most accurate and comprehensive Texas hotel database, covering 98% of all hotels. Source is the only provider of individual, hotel-by-hotel data, trends and financial projections in Texas.

Todd Walker, Douglas Sutton, Paul Vaughn and Stephanie Garza are the team behind the Source Strategies hotel consultancy, with over 100 years of hospitality industry experience.

Source Strategies' data is based on the Texas State Comptroller audited tax files for the period of 1980 to the present, making it more accurate than voluntary samples. Source researches and writes over 100 Hotel Financial Feasibility Studies annually – a key part in the underwriting of $1 billion in new hotel investment. Beyond lenders and developers, Source's client list includes TxDOT and the Texas Governor's Tourism Office (1988 – 2016). Services detailed below and at SourceStrategies.org.

- The ***Texas Hotel Performance Factbook***: Contains every lodging property's revenue, REVPAR, occupancy, etc. compared to last year and summarized by zip, city and metro.
- The ***Texas Hotel Valuation Factbook***: Contains every hotel and motel's performance numbers compared to their county assessed valuation.
- **Hotel Financial Feasibility Studies**: Over 100 Hotel Feasibility Studies annually. Texas' lenders insist on a Source study because of the speed, accuracy and high value.
- The ***Hotel Brand Report***: Newsletter that is the only industry source tracking each brand's performance, as well as product and price segments. Includes top 500 hotels every quarter.
- ***Texas Hotel Markets Report***: Geographic Breakdowns of Texas Markets – metro, county and city by quarter and by past 12 months.
- **Appraisal Market Packages**: Five- and ten-year market and individual property histories that show market and individual property trends.
- **Litigation Support and Data Analysis**: Almost any question can be analyzed and proved with the powerful Source database. Extensive testimonial experience.

Contacts us at (210) 734-3434 or visit SourceStrategies.org!

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- Stephanie Garza, Director of Special Projects — stephanie@sourcestrategies.org
- Bruce H. Walker, Chairman & Founder — bruce@SourceStrategies.org

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REFERENCES

SourceStrategies
HOTEL DATA + INTELLIGENCE

Bruce H. Walker

Bruce Walker is the founder and Chairman of Source Strategies. His experience defines the company and includes working with some of the world's most recognizable consumer companies (Holiday Inn, Hampton Inn, Howard Johnson, Procter & Gamble, Crest, Secret, Scope, La Quinta). Bruce Walker leveraged his innovative marketing and branding work to develop Source Strategies into a key resource for the Texas lodging industry. Walker developed the methodologies and database with Executive Vice President Douglas Sutton.

CAREER HIGHLIGHTS

- **1987-Present:** Source Strategies, Founder and Chairman. Practice includes 100+ hotel feasibility studies annually for individual developers. Maintain Database Texas hotels and motels. Litigation support and expert testimony. Publisher and writer of The Hotel Brand Report, the Texas Hotel Performance Factbook and the Texas Hotel Markets Report.
- **1986-1987:** La Quinta Motor Inns, Senior Vice President, Marketing. Repositioned brand with the ad campaign "Just Right Overnight," new corporate logo, extensive couponing and premium-quality king rooms.
- **1984-1985:** Portel Videotex Network. President. Home-banking, home-shopping start-up.
- **1976-1983:** Holiday Corporation. Vice President, Marketing (1975-79), President of Subsidiaries (1979-82), Senior Vice President, Central/Strategic Planning (1980-83). Initiated the first hotel frequent traveler's program, and the classic ad campaign, "The Best Surprise is No Surprise." Developed and launched the Hi-Net satellite reception network to Holiday Inn hotels (HBO, CNN and ESPN). Created prototypes and strategic plans for new chains Hampton Inns and Embassy Suites, and recommended sale of Holiday Inn chain (sold 1989 to Bass PLC).
- **1969-1975:** Howard Johnson Company. Assistant to the President, Director Disney World Development, Director Restaurant Marketing.
- **1964-1968:** Procter & Gamble Company. International Brand Manager. Introduced Scope, Secret and Crisco Oil into Canada; Crest and Tempo into the United Kingdom.

EDUCATION

- **Amherst College**, BA, 1961, Economics.
- **Harvard Business School**, MBA, 1963.
- Boston Consulting Group seminars.
- Hotel/Motel Valuation and Investment Seminar, April 1992. Appraisal Institute

PUBLICATIONS AND SEMINARS

- **The Appraisal Journal:** ***New Option in Hotel Appraisals: Quantifying the Revenue Enhancement Value of Hotel Brands*****.** 2012. Co-written with Doug Sutton.
- **The Cornell Quarterly,** ***What's Ahead: A Strategic Look at Lodging Trends.*** 1993
- **Hotel & Motel Management,** ***Hoteliers Should Examine Hotels' Life Cycles*****.** 1994
- ***Hotel Brand Report***, written and published quarterly since 1987.
- Speeches to Urban Land Institute, Appraisal Institute, Real Estate Counseling Group of America, Texas Hotel & Lodging Association, O'Connor & Associates, and metro hotel associations.

REFERENCES

SourceStrategies
HOTEL DATA + INTELLIGENCE

Todd Anderson Walker

Todd Walker is the president of Source Strategies, and for more than 20 years he has been the primary point-of-contact to Source Strategies clients. He is the lead analyst for the *Texas Hotel Performance Factbook* and has authored feasibility studies for numerous high-profile projects including the JW Marriott Houston Downtown, the St. Anthony Luxury Collection Hotel in San Antonio and the Embassy Suites McAllen Convention Center hotel. He has authored over 800 hotel studies equating to approximately $1 billion in capital projects since 2005.

CAREER HIGHLIGHTS

- **1994 – Present:** Source Strategies, President (2016-present), Senior Vice President, (1997-2016). Major contributor to Source Strategies in its achieving market status as the largest supplier of Hotel Financial Feasibility Studies to Texas' developers and lending institutions.
    - Completed over 800 Financial Feasibility Studies, encompassing over thirty different brands now operating in Texas, New Mexico, Louisiana, Kansas, Colorado, Oklahoma and other states. Studies include meeting with clients, evaluation of project parameters, major and local market assessments and projections, proposed hotel's revenue generation, ten-year cash flow forecasts and the projection of return on capital investment.
    - Responsible for sales and operation of Source Strategies' publications, including the ***Texas Hotel Performance Factbook*** and the ***Hotel Brand Report*** newsletter. Contributes as an analyst, writer and editor to ***Hotel Brand Report*** newsletter and the ***Texas Hotel Performance Factbook***. Authored numerous articles including *Results from 1995, 2004, & 2005: Limited Service Dominates* (2005), *First Quarter 2004, The Best Increase Since the Year 2000* (2004), *Age Matters, Size Matters* (2005).
    - Provides litigation support, analysis and strategy for hotel litigation and testimony.
- **1997:** Toronto Globe & Mail Newspaper. Assistant Editor of Business Publications.
  The *Toronto Globe & Mail* is regarded as Canada's "newspaper of record." Wrote business articles and edited publications including *InfoGlobe*.

EDUCATION

- **University of Toronto**. Bachelor of Arts with Honors in English and History, 1994.

REFERENCES

SourceStrategies
HOTEL DATA + INTELLIGENCE

Douglas W. Sutton

Doug Sutton is Executive Vice President of Source Strategies, and the lead analyst and database specialist in the practice. Since 1996, he has developed hotel feasibility studies and spearheaded Source Strategies' most in-depth studies for clients including the Texas Department of Transportation and various economic development corporations.

CAREER HIGHLIGHTS

- **1996-Present:** Source Strategies, Executive Vice President developing hotel feasibility studies, proprietary Source Strategies database software development and maintenance, undertaking complicated analytical studies and writing for Source publications.
  - Completed over 800 Financial Feasibility Studies successfully, encompassing over thirty-two different brands in Texas, New Mexico, Louisiana, Kansas, Nebraska, Iowa and Oklahoma. Studies include market assessments and projections, proposed hotel's revenue generation and ten-year cash flow forecasts and the projection of return on capital investment.
  - Responsible for programming and maintaining Source database of Texas hotels and motels.
  - Contributing analyst and writer to Hotel Brand Report newsletter and the Texas Hotel Performance Factbook, including 'Hot Brands & Dying Brands', 'Development Since 9/11: Winners & Losers', 'Higher Priced Brands in Turmoil, Mid-Priced Brands Prosper'.
  - Provides in-depth and extreme analysis and strategy for hotel litigation and testimony.
- **1994-1996:** University Health System, San Antonio. Decision Support Analyst. Provided data analysis to all levels of hospital management. Prepared numerous medical studies, grant support documents, cost-analysis studies, staffing studies, and other decision support analysis. Developed vertical software applications to allow departments to track and study their individual patient populations.
- **1987-1994:** Systems IV Professionals, President. Consulting firm specializing in data analysis and customized software development. Created major applications, including a long distance network analysis system for a major carrier allowing the carrier to determine the effect of various network changes before implementation to facilitate selection of the most cost-efficient network possible.
- **1983-1987:** United States Air Force. Captain and Information Services Officer, Directorate of Special Weapons, Kelly AFB, Texas. Duties included writing and maintaining software to manage the Air Force nuclear weapons arsenal, tracking nuclear component parts and supplies, and acquisition and installation of major secure computer network.

EDUCATION

- **Troy State University**. Bachelor of Science in Computer and Information Science, 1983.

PUBLICATIONS AND SEMINARS

- **The Appraisal Journal:** ***New Option in Hotel Appraisals: Quantifying the Revenue Enhancement Value of Hotel Brands*****.** 2012. Primary analyst and co-author.
- Numerous articles for the ***Hotel Brand Report*** newsletter.

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HOTEL DATA + INTELLIGENCE

Paul J. Vaughn

Paul Vaughn is Senior Vice president of Source Strategies and has been a business technology consultant and writer advising businesses from manufacturers to retailers, non-profits to law firms, for more than 25 years. He has extensive experience working with data of all types and developing database-driven web sites. He is the lead analyst on the *Hotel Brand Report* and the *Texas Hotel Markets Report* as well as being Source Strategies' primary media contact.

CAREER HIGHLIGHTS

- **2016 – Present:** Source Strategies, Senior Vice President with extensive knowledge of database management, industry analysis and methodology. Developed and managed Source Strategies website.
- **2009 – 2016:** Sanford-Brown College. Department Chair for Technology Programs including *Visual Communications/Graphic Design*, *Web Design & Development*, *Internet Marketing* and *Information Technology*. Responsible for hiring and managing instructors, retaining and mentoring students, marketing programs, and teaching courses.
- **2001 – 2016:** Dingus Design. Principal. Major projects with a variety of clients including Source Strategies, LumiQuest (international marketing campaign in print and on the web), Digital Pro Lab (managed transition from Photo Express to Digital Pro Lab branding), Wilshire Homes, Fotoseptiembre USA international photography festival (created database-driven website), City of San Antonio Office of Cultural Affairs (launched city's *Fall Arts Festivals* web site), Zeitgraph (launch of *Steelhouse Lofts* website) and many more. Provided business technology consulting and training.
- **2008 – 2011:** Southwest School of Art. Adjunct Technology Instructor.
- **2001 – 2009:** San Antonio Express-News / MySanAntonio.com. Wrote weekly technology column for the Sunday Business section of the newspaper.
- **1993 – 2001:** River City Silver – Photo & Digital Imaging. Director of Digital Services – Managed transition from traditional photographic workflow to digital workflow. Worked with clients including the San Antonio Convention & Visitors Bureau, The Adkins Agency, Anderson Advertising, Goodman Sign Art and the UT Health Science Center.
- **1988 – 1993:** Quest Productions. Production Manager – Designed and produced corporate presentations for clients including Valero, USAA, Kinetic Concepts and Procermex.

EDUCATION

- **Texas State University**, Bachelor of Fine Art in Graphic Communications, 1988.
- Center for Excellence in Education (CEE), Various courses on management, technology and training, 2010-2015.
- Adobe Certified Expert, Dreamweaver and Contribute

REFERENCES

SourceStrategies
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Financial Feasibility Studies – Partial List of Previous Studies

- **Aloft**
  - Austin
  - Houston
- **Americas Best Value**
  - Houston
  - Houston SW
  - Humble
  - San Antonio
  - Waller
- **Baymont Inn**
  - Katy
  - New Braunfels
- **Best Western**
  - Addison
  - Andrews
  - Big Spring
  - Bridgeport
  - Cameron
  - Cleveland
  - Copperas Cove
  - Dickinson
  - Franklin
  - Halletsville
  - La Grange
  - Lake Dallas
  - Laredo
  - Levelland
  - Lumberton
  - Pearsall
  - Pilot Point
  - Rosenberg
  - San Marcus
  - Schulenberg
  - Temple
  - Tomball
  - Wakeeney, KS
- **Candlewood Suites**
  - Beaumont
  - Irving DFW
  - Friendswood
  - Houston Westheimer
  - Plano
  - San Antonio Toyota
  - San Marcos
  - Temple
  - Wichita Falls
- **Comfort Inn & Suites**
  - Fredericksburg
  - Navasota
  - Pampa
  - Pharr
  - Bay City
  - College Station
  - Copperas Cove
  - Deer Park
  - Elmendorf
  - Georgetown
  - Katy Area
  - Hobbs, NM
  - Longview
  - Pasadena
  - Quanah
  - San Antonio
  - San Antonio North
  - Sugarland
  - Longview
  - Webster
- **Country Inn & Suites**
  - Arlington
  - Pearland
- **Crown Plaza**
  - San Antonio
  - Days Inn
  - Tomball
- **Econo Lodge**
  - Dallas
  - Lake Charles
  - Port Arthur
  - Texas City
- **Element**
  - Las Colinas
- **Embassy Suites**
  - Laredo
  - Lubbock
  - McAllen
- **Fairfield Inn by Marriott**
  - Houston
  - Livingston
  - Laredo
  - San Marcos
- **Four Points**
  - Frisco
  - Round Rock
  - Spring
- **Hampton Inn & Suites**
  - Angleton
  - Austin Ben White
  - Austin Pecan Park
  - Austin South
  - Cedar Park
  - Corpus Christi
  - Del Rio
  - Galveston
  - Gainesville
  - Greenville
  - Hillsboro
  - Houston Beltway 8
  - Katy
  - Longview
  - Monahans
  - Nipomo, CA
  - Port Lavaca
  - Rosenberg
  - Seguin
  - Schertz
  - Sugar Land
  - Texarkana
  - Waxahachie
  - Weslaco
- **Hawthorn Suites**
  - Marble Falls
- **Hilton**
  - Fort Worth CC
- **Hilton Garden Inn**
  - Amarillo
  - Austin
  - Corpus Christi
  - Del City, OK
  - Galveston
  - Granbury
  - Houston Beltway 8
  - Killeen
  - Odessa
  - New Braunfels
  - Temple
- **Holiday Inn Express**
  - Odessa
  - Alvarado
  - Amarillo
  - Atlanta
  - Austin
  - Buda
  - Cameron
  - Center
  - Cleburne
  - Corsicana
  - Desoto
  - El Paso
  - Galveston
  - Gatesville
  - La Grange
  - La Porte
  - Lampasas
  - Manvel
  - Pearland
  - Orange
  - San Antonio I-10 West
  - San Antonio Toyota
  - San Marcos
  - Sherman
  - Texarkana
  - Wichita Falls
- **Holiday Inn**
  - Austin (Select)
  - Dallas North
  - Frisco
  - San Antonio
- **Home2**
  - Pearland
  - Texas City
  - Homewood Suites
  - Houston Katy Freeway
  - Houston NW
  - Norman, OK
  - Marble Falls
  - McAllen
  - Odessa
  - New Braunfels
  - Waco
  - Wichita Falls
- **Hotel Indigo**
  - Alamo Plaza San Antonio
  - Irving
- **Hyatt Place**
  - McAllen
  - Odessa
  - Waco South
  - La Quinta Inn & Suites
  - Boerne
  - Cedar Hill
  - College Station
  - Frisco
  - Gun Barrel City
  - Keene
  - Palestine
  - Pasadena
  - Pearland
  - Rockwall
  - San Antonio
  - San Antonio I-10W
  - San Antonio Toyota
  - Seguin
  - Tomball
- **Marriott Hotel**
  - Dallas CC
  - Colorado Springs CC
- **JW Marriott**
  - Houston
- **Motel 6**
  - Aransas Pass
- **Quality Inn & Suites**
  - Katy
  - San Antonio East
  - Waco
- **Red Roof Inn**
  - Katy Area
  - Pharr
  - Stafford
  - Temple
- **Residence Inn**
  - Lubbock
- **Springhill Suites**
  - Texas City
- **Staybridge Suites**
  - San Antonio
  - South Padre Island
- **Studio 6**
  - Balch Springs
  - Bay City
  - Tyler
  - Winnie
- **Super 8**
  - Austin East
  - Beaumont
  - Conroe
  - Copperas Cove
  - Fort Stockton
  - Humble
  - Killeen
  - Livingston
  - Pharr
  - Plainview
  - Rosenberg
  - Round Rock
  - San Antonio South
- **Towneplace Suites**
  - Killeen
  - North Richland Hills
  - Universal City
- **Travelodge**
  - Killeen
  - San Antonio
- **Tru by Hilton**
  - Webster
- **Westin**
  - San Antonio Riverwalk
- **Independent Hotels**
  - St. George, Marfa
  - Crescent Hotel, New Orleans
  - Dacoma Inn Houston
  - Executive Inn Tyler
  - Fairmont Hotel San Antonio
  - Garden Inn San Antonio
  - Killeen Inn
  - Luxury Suites Canton
  - Palms Hotel South Padre
  - Palace Inn Houston
  - San Antonio Inn & Suites

REFERENCES

SourceStrategies
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Sample Studies, Data and Litigation Support

1. Provided over 1,000 ten-year custom local hotel market histories to Appraisal Institute members (MAI).
2. Developed numerous competitive REVPAR performance studies versus local area market averages. This unique analysis technique highlights trends and deviations in performance, regardless of market movement; a REVPAR index versus market average shows how well a property has performed. By limiting study to a single variable, truly scientific conclusions can be made as to cause and effect.
   I. Deviations from trend can be related to specific, causal events such as management problems or outside influence (e.g. new highway construction, brand change, new competition); if there is no effect from an event, studies confirm the absence of any impact). If there is an effect, the degree is measurable and apparent. This study approach is among Source Strategies' most important work, frequently the basis for expert witness testimony by Source Strategies founder Bruce Walker and president Todd Walker.
   II. Examples of major studies include: a) the (lack of) induced demand from opening large North hotels in Texas, 1980 through 2003; b) the impact of adding a second luxury hotel of the same brand in a local market, or removing a hotel of the same name, on the performance of the pre-existing property; 3) Studies to separate and quantify hotel business value - and the separate Real Estate Value - for tax assessment disputes. The most important study here was to determine the average revenue effect of adding or removing the "Marriott Hotel" name to numerous hotel properties from 1980 through 1995. Source Strategies has produced values for the Marriott Austin hotel and the Marriott Rivercenter hotel San Antonio, both with- and without- the Marriott name for real property tax disputes. Clients included USAA, the Bexar County Appraisal District, and Texas Department of Transportation (TxDOT).
3. Litigation clients have included the **Texas Department of Transportation** through the **Texas Attorney General's Office** for condemnation valuation and damage cases (Days Inn Houston I-45N, Motel 6 Ft. Worth, Holiday Inn Houston I-45N, La Quinta Houston I-45N, Holiday Inn Lubbock, Austin Hawthorn Suites South, Chariot Inn, Malibu Grand Prix, Dallas Sheraton, San Antonio Holiday Select Airport, Coit Towers Hotel Dallas, Erie County PA Hotel Owners versus Convention Authority, Bandera Motel San Antonio), USAA, Bexar County Appraisal District, Capital Income Properties (Hilton Nassau Bay, Austin Marriott North), American Liberty, Dosani Brenham Inn, Wes-Tex Management El Campo. Hospitality (Homeplace Inn), Ramada Bannister Austin (lock manufacturer), Rodeway Inn I-10 West (bank's non-funding of a committed loan), Homer J. Rader, and Siu Ft Worth and San Antonio Inn (bankruptcies), Holiday/Clarion (loss due to change of brand), United Fire (Wingate McAllen performance due to construction issues), Hyatt Regency San Antonio (arbitration regarding introduction of second Hyatt in CVB), Drury Inn Riverwalk.
4. Numerous studies to determine the effect on revenues and cash flow of brand name alternatives, whether in new builds or in changing to or from a brand name. This technique is used extensively in feasibility work to predict revenue performance of new hotel projects under various brand name alternatives.
5. Contracted by the **Texas Governor's *Office of Economic Development, Tourism Division*** (1988 – 2016) to assess Texas tourism promotion efforts and to aid in marketing Texas.
6. Represented Host Marriott before Real Estate Tax Appeal Board, Virginia.
7. Drafted national lending guidelines for Heller Small Business Finance for lodging projects under $5 million.
8. Presentations to bank lending committees to explain the economics of the lodging industry, particularly the effect of market demand and supply, equilibrium occupancy, cost structures, and the effect of brand name on REVPAR and ROIC.
9. Analysis of alternative markets to determine their potential for new lodging: alternative metro areas, alternative sites, and strategically, for an expanding chain.
10. Consumer intercept and secondary data studies, including the effect of a new hotel or potential name change.

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Methodology of Source Strategies Feasibility Studies

To develop Pro Forma financial results for the proposed project, two major sets of assumptions have been developed. First, the future market's average REVPAR is forecast on a reasonable and economically-sound basis; the performance of the project is dependent on this market forecast and varies from it only due to specific variables of the project. Second, the specific variables of the project are combined and expressed as an index for each quarter of the forecast, an index that is used to adjust the overall market performance to the specific project.

Market REVPAR Forecast

The larger metro is examined historically and projected. The key in the market projections is to stabilize the wider area market in the future at a sustainable, average equilibrium for occupancy for markets of this type. This occupancy level is highly relevant as a long-term, equilibrium occupancy, a level where investors are more neutral about adding new hotel rooms to the market and an average that will reoccur over long periods of time (e.g. 20 years).

After the wider market area is forecast, the performance of the project's local is examined historically and projected. The key in the market projection is to stabilize this market in the future at a sustainable, average equilibrium for occupancy. Over the 20 years from 1987 through 2007, according to the Source Strategies database, hotel occupancy in Texas has averaged 60%, and 62% in larger Texas metros. The REVPAR projection of the local market is then the pro forma market environment of the project. This project will vary from the norm for only project-specific differences, and then only relatively.

Development of Project REVPAR Indices

Source Strategies determines the expected performance of the proposed hotel based on six factors. All six factors are independent and modify a market's projected REVPAR average to reflect the subject property's particular characteristics. These factors are:

1. **Base Value:** The effect of the brand, including specified product quality levels.
2. **Brand Aging:** Effect of the brand's overall age on its average performance.
3. **Property Size:** Effect of the project's size, or room count, on results.
4. **Other Adjustments:** Accounting for various factors, including under- or over-supply in the subject hotel's product segment.
5. **Aging Adjustment:** Effect of normal hotel life cycle patterns on the project (e.g. the effect of the project's newness compared to older competition).
6. **Site:** Likely influence of the selected site on results.

The first variable from the averages to be developed has to do with the fact that each product type and brand have a typical and identifiable influence on REVPAR performance. This variable is based on its consumer acceptance, its product definition, its level of quality, the price it can command from the consumer, its marketing efforts, and other factors. The value of the brand and product type is termed the **Base Value**.

The second adjustment used on the dollar value of the local area's REVPAR is the Brand Age Adjustment. This is made to reflect the average age of similarly branded hotels on the subject property's performance versus

the market average. Typically, the opening dates of the same branded hotels as the subject are examined in order to quantify this factor.

The third step to developing a project REVPAR index is to determine an adjustment based on any deviation from a normal project. If the number of proposed rooms in the project is significantly above or below the average for that brand, its performance will also vary from the norm. A lower than average number of rooms should increase per room performance and vice versa. This is due to the fact that consumer demand for a single brand is demand at the project's site, regardless of the number of rooms offered by the hotel.

An empirical proof of this evaluation of Size is the major increase in volume enjoyed by numerous hotels that have split into two branded operations, using two different names. For example, the *Hilton Hotel Towers Austin* added $500,000 annually to revenues by splitting off its adjacent, ground-based rooms as a *Super 8* motel. By creating another brand, the *Super 8* began to fill demand for budget properties in the immediate area, while the *Hilton Towers* kept its current upscale customer base. Hence, smaller room counts than average generate higher occupancy than average. Further proof is the correlation between project size and occupancy: the smaller the property, the higher the occupancy.[22]

Lastly, an 'Other' segment adjustment may be made if the proposed product type is under- or over- supplied in the local market, or for other factors. For example, a product type commanding 10% of the Texas market - but zero locally - would command a higher daily rate or occupancy locally because it is a relatively scarce commodity. Further, a subject product far exceeds the product quality of the brand average, then a positive adjustment should be made. While there is usually a reasonably consistent pattern of site factors for the brand properties selected, these factors often vary because of unique situations: 1) visibility and access differences between nearby sites; 2) any large variation from the norm in the usual number of rooms for a chain; 3) a nearby property's quality, the quality of management, last renovation; 4) any major new commercial development nearby. Adjustments will be made for these differences based on industry experience.

Then the REVPAR potential of the subject Site is developed in two ways. First, all other property factors except site are calculated for the competitors, the site factor then being used to bring the calculated REVPAR into a match with actual REVPAR performance. In other words, combining all factors including a 'plugged' site factor results in the theoretical REVPAR projection equaling actual REVPAR for each property studied, revealing the mathematical value of individual hotel sites.

With the development of the adjustments for Brand/Product type, overall Brand Age, Segment, project Size, and Site, a revenue projection for the proposed operation begins to take form by combining these factors into a combined index that is applied to the overall market-wide REVPAR projection, resulting in the forecast of the project's dollar REVPAR. However, this combined index changes as the project ages.

Consequently, the physical Age of the individual project impacts this REVPAR index. A +16% increase factor is applied to the combined REVPAR index in the property's peak performing Year III. A first-year start-up adjustment of -2% and a second year adjustment of +12%, is followed by this +16% adjustment for Year III. This factor reflects the major revenue-generating power of new versus old properties. In Years 4 through 10 the REVPAR index is diminished at a rate of 1.96% per annum in order to reflect aging and the normal life-cycle of a hotel. In Years 11-15, the aging impact accelerates slightly to 2.2%. After year 15, a hotel's aging decline slows to 1% for the later years of the hotel's life-cycle. In the event of a major property renovation,

22. Study detailed in size factor derivation in analysis section.

or conversion of an existing building for hotel use. this factor can be adjusted as appropriate for the level of updates undertaken.

This pattern of declining performance with property aging is based on major studies of economic life-cycle patterns. Our most recent study, an extensive review of aging for mid-market hotel properties, was completed in March of 2019 and published in our quarterly newsletter, the Hotel Brand Report, Issue #137. The study outlines the above described aging curve. This latest study's results roughly parallel previous aging studies we have conducted over the years, but does show a notably faster start up period, which we attribute to increased visibility for new hotels through a prominent internet presence, and the growing prominence of online hotel booking sites. Source Strategies aging studies conducted over the years align with aging analysis conducted by large hotel corporations that we have reviewed. Our latest Aging Study is attached as an Exhibit.

Combining all of these factors - Product Type, Brand Age, Site, Size, Segment (other), and Newness (Age) - results in the REVPAR stream for the project. A REVPAR stream from which room revenues, estimated rate, occupancy and room-nights sold are derived. At this point, the investment and operational costs can be laid against the revenue line to generate pro forma financial performance and discounted cash flow analysis.

The calculation of the statistic of Operating Costs Per Occupied Room (before fixed/capital costs are deducted) is typically the important cost to examine carefully because it is highly stable and predictable, regardless of occupancy and rate. The STR 'Host Almanac 2020 for the year 2019' with dollar costs inflated, and Source Strategies, financial models are the source of operating cost statistics. From national average occupancies, costs are categorized as fixed, semi-variable or variable, resulting in the highly-leveraged profit performance characteristic of lodging products, depending on occupancy and REVPAR performance (i.e. variable costs increase proportionately with higher occupancy levels while fixed costs do not). Furthermore, with a capital expenditures profile provided by the International Society of Hospitality Consultants' CapEx, *A Study of Capital Expenditures in the U.S. Hotel Industry*, a method has been applied to determine an appropriate amount of renovation reserves to ensure that the property is maintained at the franchisor's required level. All study-area individual hotel/motel five year histories are included in the study, using the Source Strategies, database of all Texas hotels and motels (includes each hotel's brand, room count, room revenue, occupancy, rate and REVPAR). The methodology of this database is attached as an exhibit.

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Methodology of Source Strategies Texas Lodging Reports

Source Strategies' Texas lodging reports are prepared on a custom basis for private and public clients. Reports are prepared by Source Strategies of San Antonio, Texas, based on the Source Strategies proprietary database.

Data sources include the following:

- **Room Revenues:** State of Texas Comptroller records are the source of taxable and gross room revenues for all properties. All properties exceeding $36,000 in the current quarter are included; allowing the Source Strategies database to cover. As a 98% of Texas lodging industry market.
    - Gross room revenues (including Non-taxable) were reported to the Comptroller starting in the third quarter of 1990. To account for the missing non-taxable revenues prior to the third quarter of 1990, Source Strategies increases each individual property's taxable-only, reported revenues by variable factors averaging 12% to reflect this untaxed volume (e.g. government business, over 30-day stays, charitable and educational purchases).
    - Starting in the third quarter of 1990, hotels and motels were required by the Texas Comptroller to report both taxable and gross room revenues. Approximately 80% of properties usually comply, allowing the development of adjustment factors for all hotels and motels, even if only taxable revenues are reported. For example, taxable room revenues are adjusted accordingly higher if a hotel reports only taxable revenues (i.e. where taxable equals gross room revenues).
    - Properties that make no report or only partial reports are estimated based on the taxable and gross revenues of the past five quarter trends and performance of similar hotels. If and when they subsequently report accurately, their actual revenues 'overwrite' our estimates.
- **Room Counts:** these are checked annually in chain directories, the Texas American Automobile Association Tour Book, brand websites and telephoning to hotels; properties checked account for approximately 80% of revenues. For independent properties too small to be listed, the room counts reported to the state are used (unless they appear unreasonable; if so, a telephone contact is made). As a result, the 'CHAIN' occupancies and room counts appear to be very close to 'actual', while independent room counts could be slightly overstated. Reports are split into CHAIN and INDEPENDENT categories.
- **Average Daily Rates** are estimated with the aid of financial reports, appraisers, private Source Strategies surveys, chain and AAA directories and another reliable industry database.
- **Room-Nights Sold** are derived from the above revenues, divided by Average Daily Rates. Room-nights available are calculated from room counts (times days in the period).
- **Occupancy** is calculated from room-nights sold and room-nights available. All occupancy figures reported represent fully weighted averages, as calculations are always made after sub-totaling or totaling room-nights sold and room-nights available.
- **Chains** are defined as one of the *Top 70+* brands, including: *Four Seasons, Gaylord, Westin, ZaZa, W, Hilton, Hyatt, Inter-Continental, Marriott, Omni, Renaissance, Wyndham, Embassy, Homewood, Residence, Staybridge, Clarion, Courtyard, Crowne Plaza, Indigo, Doubletree, Hilton Garden Inn, Holiday Inn, Radisson, Sheraton, Candlewood, Comfort Suites, Hawthorn, Quality Suites, SpringHill, TownePlace, Baymont, Best Western, Comfort Inn, Country Inn, Drury, Fairfield, Hampton, Holiday Express, La Quinta, Wingate, Budget Suites, Extended Stay America, Intown, Value Place, Studio Plus, Studio 6, Best Value, Days, Econo Lodge, Howard Johnson, Microtel, Motel 6, Quality Inn, Ramada, Red Roof, Super 8, Home2 Suites* and *Tru*.
- **Accuracy:** Room counts and room revenues are within 2%. On an overall basis, the change in average daily rates reported by Source Strategies have typically been within a few tenths of one-percent of other private research firms operating in the Texas market.