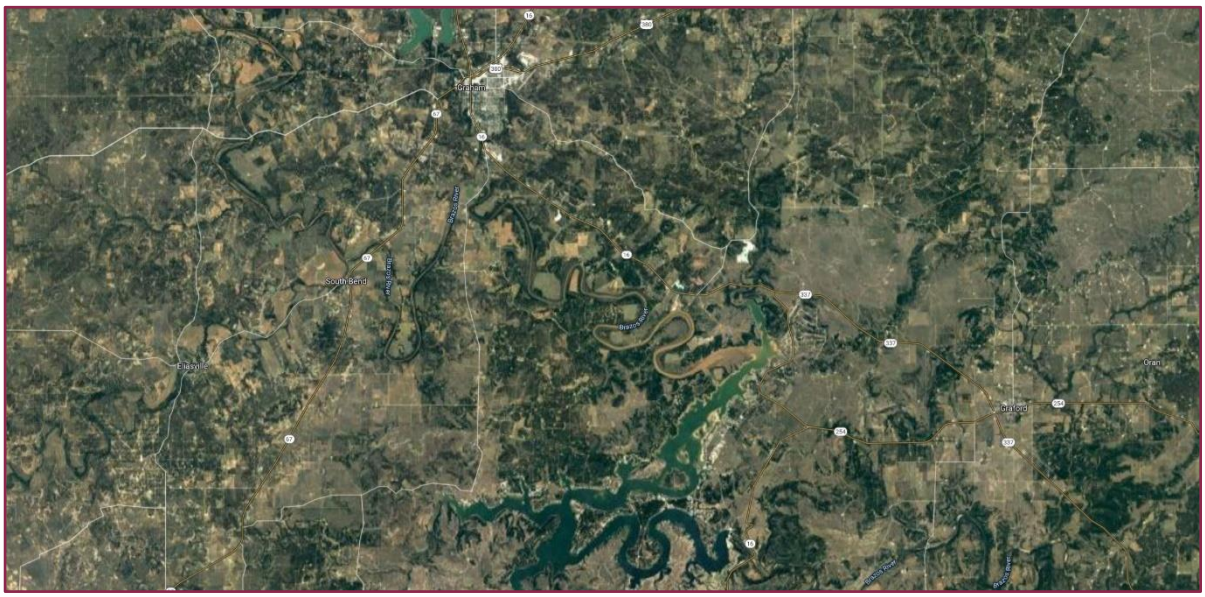
5/2/2022

FINANCIAL FEASIBILITY STUDY



Home2 Suites

Graham, Texas 76450

P.O. Box 120055 ♦ 134 Laurel Heights ♦ San Antonio, Texas 78212 ♦ (210) 734.3434 ♦ SourceStrategies.org

May 2, 2022

FINANCIAL FEASIBILITY STUDY:

Home2 Suites

Graham, Texas 76450

This study has been prepared to determine the financial feasibility of building and operating a 90 unit limited or select service hotel in Graham, Texas. For the purposes of our analysis, we have selected the available brand of Home2 Suites. Two locations within the city of Graham were examined, with the main thoroughfare of south Texas Highway 16 being deemed the most desirable site due to higher visibility and the likelihood of new development in the immediate area. The hotel is expected to open in January of 2024 on a site that is visible and is easily accessible from nearby traffic corridors. The hotel will be convenient to the many businesses, restaurants and other amenities in this growing area on the northern edge of the Possum Kingdom lake destination. A new hotel of this type would be the first new quality branded hotel for roughly 50 miles in any direction.

Project quality is set to meet the physical and operating standards of a high quality limited select service brand, such as the Home2 Suites. A specific brand was chosen so that we may provide an expected 10 year projected cash flow and a full ROIC for the hotel project (or a similar product), to be built in Graham. The actual level of consumer acceptance for this brand has been quantified versus market averages and has been assumed in developing this financial feasibility study. Product specification, revenues, and operating costs are set at the level of similar limited service segment hotel products.

KEY FINDING: Building and operating a Home2 Suites hotel generates an unleveraged, pre-tax return on total invested capital approaching 20%, with a return on equity exceeding 60% (DCF). This return on invested capital also assumes that improvements are completed at the estimated cost of $140,000 per unit, plus a land value of $500,000. This is a good hotel investment. Project details follow:

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Total Investment

Land Value	$ 500,000
Improvements Budget	$ 12,600,000 @ $140,000 per key[1]
Total Investment	$ 13,100,000

Pre-Tax Project Return **19.93%[2]**
Pre-Tax Return on Equity **60.30%[3]**

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 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 section for further details and expectations for the future, both short and longer term.

With projections starting January 2024, cash flow market projections for the subject Home2 Suites, before taxes and after renovation reserves, should be available for debt service, income tax and dividends as follows. These results reflect operation by professional management:

Project Summary

	Occupancy Percent	Average $ Rate*	$ REVPAR	Total Revenue	Cash Flow**	
Year I	71.2%	$139.52	$99.31	$3,686,361	$1,676,830	
Year II	73.5%	$159.05	$116.90	$4,339,373	$2,088,142	
Year III	74.0%	$168.59	$124.71	$4,629,182	$2,259,987	
Year IV	72.5%	$171.96	$124.71	$4,629,219	$2,244,552	
Year V	72.5%	$175.40	$127.20	$4,721,803	$2,282,314	
Year VI	71.8%	$177.16	$127.20	$4,721,841	$2,260,840	
Year VII	71.1%	$178.93	$127.20	$4,721,879	$2,238,867	
Year VIII	70.7%	$179.82	$127.21	$4,721,916	$2,213,624	
Year IX	70.4%	$180.72	$127.21	$4,721,954	$2,187,748	
Year X	70.6%	$181.63	$128.14	$4,756,712	$28,351,719	***

*Year I ADR equates to approximately $133 in current market dollars. **Before Income Tax & Financing expense, but reflecting $2,221,914 in reserves for capital expenditures/property renovation ($24,688 per unit). ***Assumes valuing property at Year 10 cash flow at an 8% return-to-buyer, less 4% expense of sale, plus year 10 cash flow.

1. Developer estimate of land and development costs.
2. After reserve for on-going renovations.
3. Assuming 27% equity and 73% debt at a 5% pre-tax debt cost; calculated weighted average.

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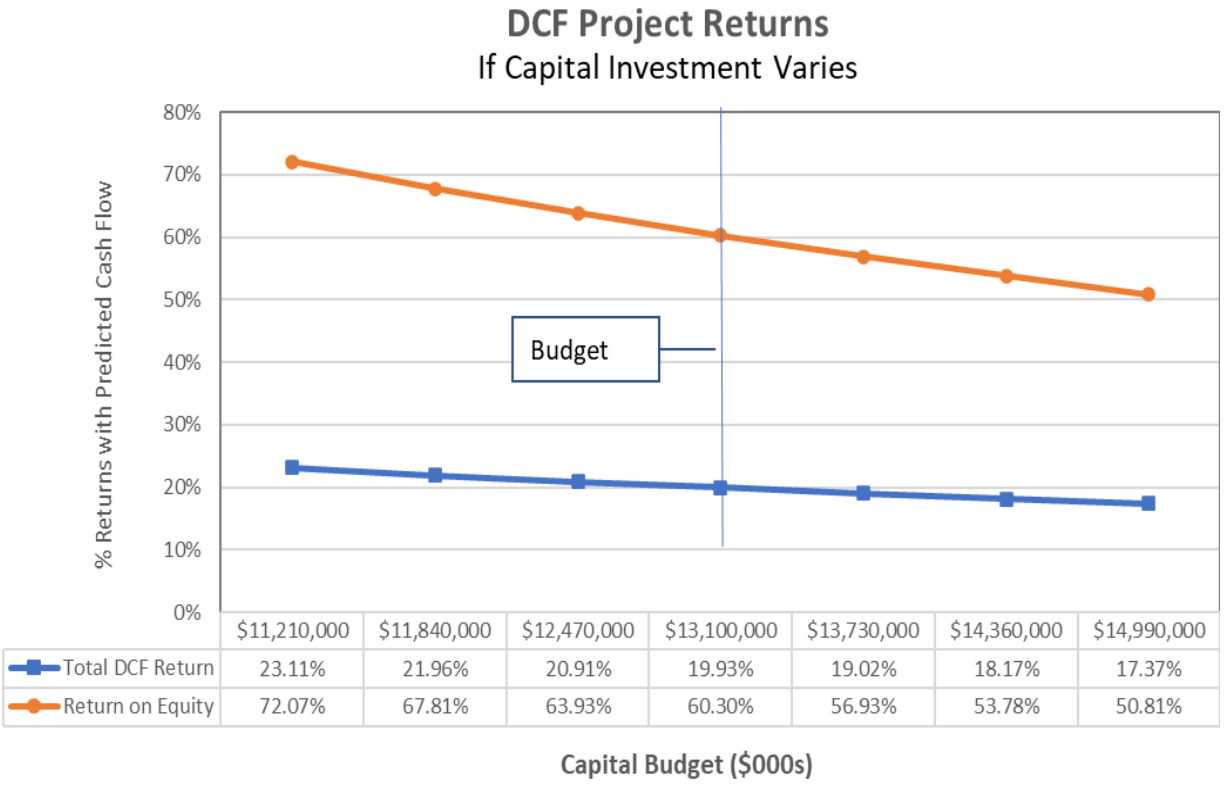
The above cash flow, assuming a Year 10 sale, has been discounted at the rate of 19.93% to a present value of $13,101,389, essentially equaling the total budgeted investment of $13,100,000. This 19.93% is the project's unleveraged return, provided capital costs are kept at the current estimated level. An estimated capital budget for the construction of a Home2 Suites of $140,000 per unit 'turn-key' costs is above average, in our experience, but still reasonable for a lodging product of this size and quality, which is expected to include a significant food and beverage component. If capital outlays vary from the current budget for this project, returns will vary accordingly. The following table and graph illustrates the linear nature of financial returns as capital requirements escalate or decline and revenue streams remain stable.

Effect on Returns if Capital Investment Changes

	Improvements Budget				Discounted Cash Flow	
Variance	Per Unit	Total	Land Cost	Total Investment	Total Project	On Equity
(85%)	119,000	$10,710,000	$500,000	$11,210,000	23.11%	72.07%
(90%)	126,000	$11,340,000	$500,000	$11,840,000	21.96%	67.81%
(95%)	133,000	$11,970,000	$500,000	$12,470,000	20.91%	63.93%
BUDGET	**140,000**	**$12,600,000**	**$500,000**	**$13,100,000**	**19.93%**	**60.30%**
(105%)	147,000	$13,230,000	$500,000	$13,730,000	19.02%	56.93%
(110%)	154,000	$13,860,000	$500,000	$14,360,000	18.17%	53.78%
(115%)	161,000	$14,490,000	$500,000	$14,990,000	17.37%	50.81%



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Year III of operation (2026) after opening for the Home2 Suites shows the following results:

Year III 2026

Room Revenues	$4,096,621		
Total Revenues	$4,629,182		
Income Before Fixed Costs	$2,757,734	59.6%	
Net Income Before Tax & Fin.	$2,162,224	46.7%	
Cash Flow Before Financing	$2,259,987	48.8%	*
Occupancy %	74.0%		
Average Daily Rate	$168.59		
$ REVPAR	$124.71		
Per Occupied Room Cost	$57.77		

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

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.

SUMMARY OF CRITICAL ASSUMPTIONS: Assumptions are summarized as follows (see page 18 for full Market History and Projection study, and page 7 for Methodology):

1. An examination of the local Graham Area[4] market reflects a mixture of a number of older and middle-aged properties, along with a growing percentage of newer hotels. Typically, a new hotel will have an inordinate advantage over older products. ***The average hotel room in the local market is 15 years old***, 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/concrete structures. Out of 1,843 total rooms in the local market, 669, or 36% have been built since 2009, while only 27%, or 500 rooms were opened before 1999 (at least 20 years old). There is usually a wide and dramatic gap between the performance of new and

4. Graham Area; Graham, Jacksboro, Olney, Archer, Bowie, Bridgeport, Breckenridge, Mineral Wells, & Weatherford.

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older properties, with newer hotel inventory easily outperforming older hotels that are well past their peak performing years.

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 expectation is for the current high level of amount of recovering demand in the market will cause occupancy to return to an equilibrium level of 60%, by 2025. REVPAR is projected to increase at a 4.7% annual rate ***in the next five years*** (versus an annual 5.8% increase in the past nine years). Detailed local market history and projections commence on page 22.

City of Graham & Area Market

Year	Occupancy %	$ REVPAR
2012	54.3%	$30.76
2014	55.4%	$33.37
2016	58.5%	$34.71
2018	62.8%	$43.85
2020	48.1%	$36.77
Last 12 Months	58.3%	$51.26
Projected		
2022	59.0%	$56.16
2025	59.5%	$62.55
2030	59.5%	$69.74
Historical Annual Compound Growth Rates		
Past 9 Year Average	0.8%	5.8%
Past 4 Year Average	-0.8%	7.9%
Past 1 Year Average	-3.9%	5.4%
Future Annual Compound Growth Rates		
Next 9 Years	0.2%	3.5%
Next 5 Years	0.4%	4.7%

*Calendar Year basis.

2. Versus the local market's REVPAR dollar projections, the REVPAR index of the proposed hotel ramps upwards, peaking at 194% of the market average REVPAR in Year III. After Year III, the REVPAR Index for the hotel declines due to the normal aging cycle. Detailed REVPAR derivation and subsequent projections commence on page 32. Please note the below table REVPAR averages reflects the current pandemic hotel market (12 months ending December 31, 2021), and therefore reflects a performance at a lower level than what might be typically expected:

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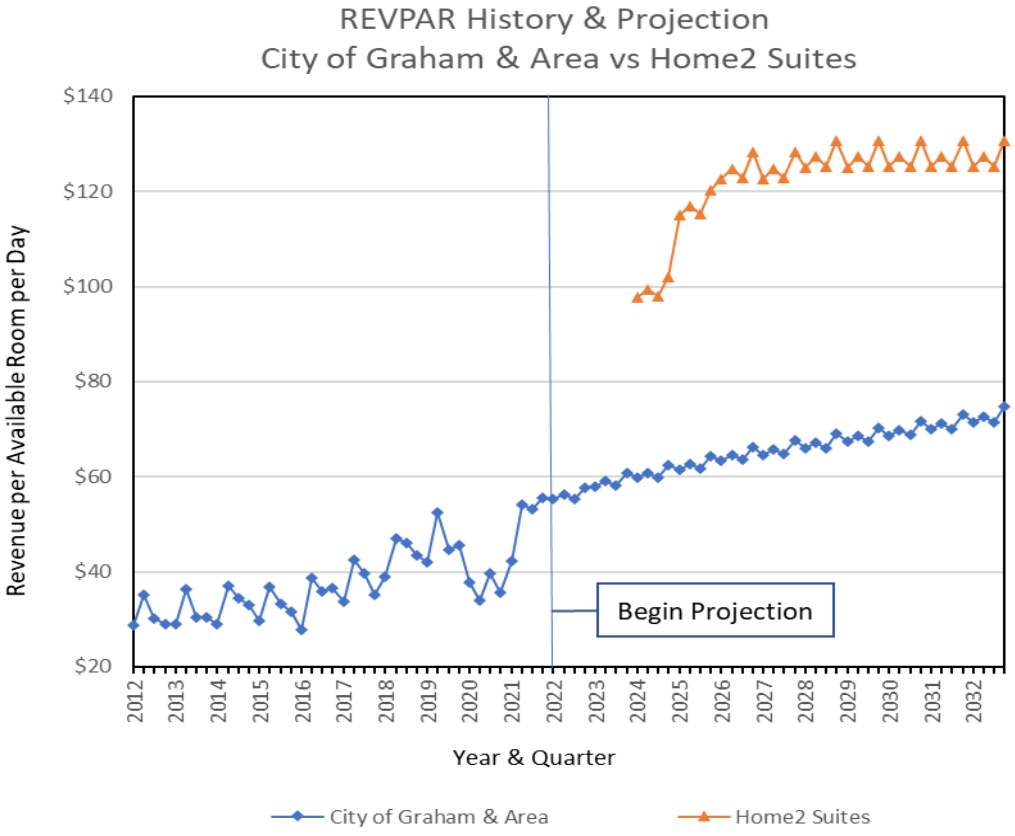
Home2 Suites Derivation			
Data in 2021 $'s	**Year I**	**Year II**	**Year III**
Base: Name & Quality	1.61	1.61	1.61
x Brand Age Adjustment	0.88	0.88	0.88
x Site Value Adjustment	1.05	1.05	1.05
x Size Adjustment	1.07	1.07	1.07
x Other Adjustments	1.05	1.05	1.05
x Newness Adjustment	0.98	1.12	1.16
= Performance Factor	**164%**	**187%**	**194%**
x Market REVPAR	$49.66	$49.66	$49.66
= Projected Performance	**$81.20**	**$92.80**	**$96.11**

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 well above the market average:



3. Expenses are set at the level of similar select and limited service lodging products from the *Host Almanac* by ***STR*** operating statistics, inflated at 3% per annum. See page 43 for details.

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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

A large 10 County market area 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, a level which we have determined to be approximately 59% 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 Graham Area[5] is examined historically and projected. The key in the market projection is to stabilize this large market in the future at a sustainable, average equilibrium for occupancy, a level which we have determined to be approximately 60% in this market, about average for this type of smaller town and rural market. 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.

5. Graham Area; Graham, Jacksboro, Olney, Archer, Bowie, Bridgeport, Breckenridge, Mineral Wells, & Weatherford.

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PROJECT VARIABLES:
DEVELOPMENT OF PROJECT REVPAR INDICES

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.[6]

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

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

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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's '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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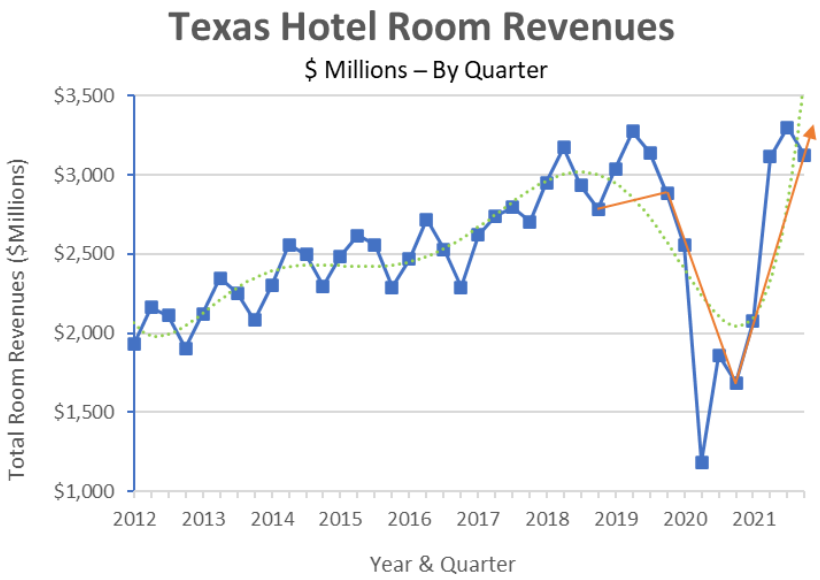
MARKET REVPAR HISTORY: STATE OF TEXAS

1. 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.

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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.
901	2,128	214,051	11,805	$553,320	61.3	$46.87	$28.72	0	6.8	2.7	9.7
902	2,309	218,422	12,929	$621,759	65.0	$48.09	$31.28	1.1	5.6	4	9.8
903	2,486	222,992	12,865	$633,123	62.7	$49.21	$30.86	1.8	-2.3	7.4	4.9
904	2,194	215,429	10,640	$516,473	53.7	$48.54	$26.06	0.3	-2.9	6.1	3
911	2,284	216,154	11,566	$565,085	59.5	$48.86	$29.05	1.0	-2.0	4.2	2.1
912	2,448	219,862	12,773	$649,194	63.8	$50.82	$32.45	0.7	-1.2	5.7	4.4
913	2,488	220,995	13,246	$664,304	65.1	$50.15	$32.67	-0.9	3.0	1.9	4.9
914	2,286	217,641	11,080	$548,844	55.3	$49.53	$27.41	1.0	4.1	2.0	6.3
921	2,307	218,028	11,594	$590,250	59.1	$50.91	$30.08	0.9	0.2	4.2	4.5
922	2,484	221,953	12,745	$669,602	63.1	$52.54	$33.15	1.0	-0.2	3.4	3.1
923	2,544	223,066	13,701	$715,176	66.8	$52.20	$34.85	0.9	3.4	4.1	7.7
924	2,355	219,610	11,523	$591,250	57.0	$51.31	$29.26	0.9	4.0	3.6	7.7
931	2,358	219,849	11,895	$625,741	60.1	$52.60	$31.62	0.8	2.6	3.3	6.0
932	2,520	223,200	12,949	$706,243	63.8	$54.54	$34.77	0.6	1.6	3.8	5.5
933	2,582	225,251	14,012	$753,292	67.6	$53.76	$36.35	1.0	2.3	3.0	5.3
934	2,378	221,198	11,677	$616,985	57.4	$52.84	$30.32	0.7	1.3	3.0	4.4
941	2,410	222,093	12,409	$673,515	62.1	$54.27	$33.70	1.0	4.3	3.2	7.6
942	2,589	227,029	13,608	$767,336	65.9	$56.39	$37.14	1.7	5.1	3.4	8.7
943	2,660	229,750	13,943	$787,263	66.0	$56.46	$37.25	2.0	-0.5	5.0	4.5
944	2,470	225,865	12,265	$674,587	59.0	$55.00	$32.46	2.1	5.0	4.1	9.3
951	2,452	224,390	12,637	$740,927	62.6	$58.63	$36.69	1.0	1.8	8.0	10.0
952	2,599	228,476	13,653	$813,137	65.7	$59.56	$39.11	0.6	0.3	5.6	6.0
953	2,694	233,983	13,977	$828,759	64.9	$59.30	$38.50	1.8	0.2	5.0	5.3
954	2,597	231,786	12,357	$719,922	57.9	$58.26	$33.76	2.6	0.7	5.9	6.7
961	2,589	232,887	13,336	$827,453	63.6	$62.04	$39.48	3.8	5.5	5.8	11.7
962	2,730	238,395	14,015	$872,560	64.6	$62.26	$40.22	4.3	2.7	4.5	7.3
963	2,727	242,137	14,060	$874,796	63.1	$62.22	$39.27	3.5	0.6	4.9	5.6
964	2,660	241,218	12,583	$774,445	56.7	$61.55	$34.90	4.1	1.8	5.6	7.6
971	2,687	244,628	13,271	$854,727	60.3	$64.41	$38.82	5.0	-0.5	3.8	3.3
972	2,767	249,653	14,598	$956,235	64.3	$65.51	$42.09	4.7	4.2	5.2	9.6
973	2,831	253,789	14,778	$960,539	63.3	$65.00	$41.14	4.8	5.1	4.5	9.8
974	2,794	256,641	13,525	$874,113	57.3	$64.63	$37.02	6.4	7.5	5.0	12.9
981	2,839	257,550	14,425	$967,289	62.2	$67.06	$41.73	5.3	8.7	4.1	13.2
982	2,922	262,741	15,514	$1,059,745	64.9	$68.31	$44.32	5.2	6.3	4.3	10.8
983	3,011	270,046	16,048	$1,058,541	64.6	$65.96	$42.61	6.4	8.6	1.5	10.2
984	2,970	270,745	14,463	$944,329	58.1	$65.29	$37.91	5.5	6.9	1.0	8.0
991	3,037	276,858	15,264	$1,034,222	61.3	$67.76	$41.51	7.5	5.8	1.0	6.9
992	3,118	282,091	16,226	$1,134,795	63.2	$69.94	$44.21	7.4	4.6	2.4	7.1
993	3,209	289,244	16,682	$1,114,859	62.7	$66.83	$41.90	7.1	4.0	1.3	5.3
994	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)

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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.
001	3,211	288,840	15,995	$1,121,091	61.5	$70.09	$43.13	4.3	4.8	3.4	8.4
002	3,337	294,411	17,078	$1,236,477	63.7	$72.40	$46.15	4.4	5.3	3.5	9
003	3,369	299,065	17,169	$1,217,493	62.4	$70.91	$44.25	3.4	2.9	6.1	9.2
004	3,342	297,980	15,285	$1,068,043	55.8	$69.87	$38.96	3.3	4.3	5	9.6
011	3,384	300,781	16,560	$1,190,233	61.2	$71.87	$43.97	4.1	3.5	2.5	6.2
012	3,507	304,382	17,296	$1,241,862	62.4	$71.80	$44.83	3.4	1.3	-0.8	0.4
013	3,559	309,066	16,812	$1,164,068	59.1	$69.24	$40.94	3.3	-2.1	-2.4	-4.4
014	3,502	306,150	14,493	$960,198	51.5	$66.25	$34.09	2.7	-5.2	-5.2	-10.1
021	3,544	307,947	15,879	$1,110,468	57.3	$69.94	$40.07	2.4	-4.1	-2.7	-6.7
022	3,652	312,349	17,053	$1,226,509	60.0	$71.92	$43.15	2.6	-1.4	0.2	-1.2
023	3,674	316,462	16,544	$1,158,085	56.8	$70.00	$39.78	2.4	-1.6	1.1	-0.5
024	3,609	312,346	14,679	$985,295	51.1	$67.13	$34.29	2.0	1.3	1.3	2.6
031	3,636	314,854	15,307	$1,055,883	54.0	$68.98	$37.26	2.2	-3.6	-1.4	-4.9
032	3,744	316,970	16,706	$1,169,279	57.9	$69.99	$40.54	1.5	-2.0	-2.7	-4.7
033	3,768	321,781	16,723	$1,160,730	56.5	$69.41	$39.21	1.7	1.1	-0.8	0.2
034	3,694	318,369	14,869	$986,916	50.8	$66.37	$33.69	1.9	1.3	-1.1	0.2
041	3,706	321,083	16,178	$1,145,227	56.0	$70.79	$39.63	2.0	5.7	2.6	8.5
042	3,837	325,898	17,461	$1,235,685	58.9	$70.77	$41.67	2.8	4.5	1.1	5.7
043	3,871	330,490	17,646	$1,263,169	58.0	$71.58	$41.54	2.7	5.5	3.1	8.8
044	3,783	327,182	15,881	$1,079,679	52.8	$67.98	$35.87	2.8	6.8	2.4	9.4
051	3,804	327,276	16,978	$1,213,285	57.6	$71.46	$41.19	1.9	4.9	0.9	5.9
052	3,934	330,064	18,582	$1,391,341	61.9	$74.87	$46.32	1.3	6.4	5.8	12.6
053	4,001	336,006	19,064	$1,444,489	61.7	$75.77	$46.73	1.7	8.0	5.9	14.4
054	3,914	332,055	18,523	$1,382,624	60.6	$74.64	$45.26	1.5	16.6	9.8	28.1
061	3,927	332,581	18,894	$1,479,407	63.1	$78.30	$49.43	1.6	11.3	9.6	21.9
062	4,070	335,437	19,319	$1,610,518	63.3	$83.36	$52.76	1.6	4.0	11.3	15.8
063	4,130	341,794	19,727	$1,606,990	62.7	$81.46	$51.10	1.7	3.5	7.5	11.2
064	4,036	339,252	18,000	$1,440,662	57.7	$80.04	$46.16	2.2	-2.8	7.2	4.2
071	4,047	340,683	19,329	$1,614,425	63.0	$83.52	$52.65	2.4	2.3	6.7	9.1
072	4,209	344,229	19,881	$1,756,158	63.5	$88.33	$56.06	2.6	2.9	6.0	9.0
073	4,257	350,625	20,256	$1,738,845	62.8	$85.84	$53.91	2.6	2.7	5.4	8.2
074	4,160	347,986	18,580	$1,565,299	58.0	$84.25	$48.89	2.6	3.2	5.3	8.7
081	4,176	350,247	19,600	$1,735,629	62.2	$88.55	$55.06	2.8	1.4	6.0	7.5
082	4,358	355,814	20,550	$1,915,910	63.5	$93.23	$59.17	3.4	3.4	5.5	9.1
083	4,416	362,801	21,116	$1,903,181	63.3	$90.13	$57.02	3.5	4.2	5.0	9.5
084	4,213	355,845	19,176	$1,691,786	58.6	$88.23	$51.68	2.3	3.2	4.7	8.1
091	4,187	359,311	18,555	$1,587,078	57.4	$85.54	$49.08	2.6	-5.3	-3.4	-8.6
092	4,396	366,615	18,490	$1,606,301	55.4	$86.87	$48.15	3.0	-10.0	-6.8	-16.2
093	4,465	376,420	18,951	$1,585,946	54.7	$83.69	$45.80	3.8	-10.2	-7.1	-16.7
094	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)

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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.
101	4,347	378,818	18,986	$1,541,596	55.7	$81.20	$45.22	5.4	2.3	-5.1	-2.9
102	4,588	386,695	20,125	$1,725,238	57.2	$85.72	$49.03	5.5	8.8	-1.3	7.4
103	4,614	392,397	20,768	$1,734,977	57.5	$83.54	$48.06	4.2	9.6	-0.2	9.4
104	4,386	386,086	18,586	$1,534,439	52.3	$82.56	$43.20	3.1	8.6	3.4	12.3
111	4,373	387,566	20,892	$1,775,855	59.9	$85.00	$50.91	2.3	10.0	4.7	15.2
112	4,625	393,399	21,864	$1,940,404	61.1	$88.75	$54.20	1.7	8.6	3.5	12.5
113	4,606	398,406	22,536	$1,941,707	61.5	$86.16	$52.97	1.5	8.5	3.1	11.9
114	4,383	389,041	19,957	$1,702,649	55.8	$85.32	$47.57	0.8	7.4	3.3	11.0
121	4,386	390,487	22,184	$1,930,172	63.1	$87.01	$54.92	0.8	6.2	2.4	8.7
122	4,628	397,172	23,482	$2,162,378	65.0	$92.09	$59.83	1.0	7.4	3.8	11.4
123	4,637	402,068	23,386	$2,109,568	63.2	$90.20	$57.03	0.9	3.8	4.7	8.6
124	4,424	392,827	21,256	$1,902,427	58.8	$89.50	$52.64	1.0	6.5	4.9	11.7
131	4,472	395,935	23,080	$2,121,117	64.8	$91.90	$59.52	1.4	4.0	5.6	9.9
132	4,681	401,983	24,182	$2,347,253	66.1	$97.07	$64.17	1.2	3.0	5.4	8.5
133	4,712	405,252	23,798	$2,251,680	63.8	$94.62	$60.39	0.8	1.8	4.9	6.7
134	4,474	397,610	22,160	$2,080,850	60.6	$93.90	$56.88	1.2	4.2	4.9	9.4
141	4,542	402,095	23,913	$2,298,836	66.1	$96.13	$63.52	1.6	3.6	4.6	8.4
142	4,720	407,370	25,221	$2,558,737	68.0	$101.45	$69.02	1.3	4.3	4.5	9.0
143	4,796	410,685	25,090	$2,494,612	66.4	$99.43	$66.02	1.3	5.4	5.1	10.8
144	4,563	404,076	23,464	$2,294,653	63.1	$97.79	$61.73	1.6	5.9	4.1	10.3
151	4,618	408,802	24,730	$2,485,815	67.2	$100.52	$67.56	1.7	3.4	4.6	8.1
152	4,827	415,494	25,071	$2,615,111	66.3	$104.31	$69.16	2.0	-0.6	2.8	2.2
153	4,848	418,358	25,085	$2,557,970	65.2	$101.97	$66.46	1.9	0.0	2.6	2.5
154	4,586	412,332	23,192	$2,290,046	61.1	$98.74	$60.37	2.0	-1.2	1.0	-0.2
161	4,645	417,760	24,607	$2,468,662	65.4	$100.33	$65.66	2.2	-0.5	-0.2	-0.7
162	4,858	425,002	25,653	$2,718,156	66.3	$105.96	$70.28	2.3	2.3	1.6	3.9
163	4,929	429,484	24,907	$2,528,728	63.0	$101.53	$64.00	2.7	-0.7	-0.4	-1.1
164	4,673	424,368	23,226	$2,288,843	59.5	$98.55	$58.63	2.9	0.1	-0.2	-0.1
171	4,798	432,000	25,149	$2,619,326	64.7	$104.15	$67.36	3.4	2.2	3.8	6.1
172	5,062	440,100	26,027	$2,741,001	65.0	$105.31	$68.44	3.6	1.5	-0.6	0.8
173	5,251	450,700	27,150	$2,793,238	65.5	$102.88	$67.37	4.9	9.0	1.3	10.5
174	5,017	445,100	26,118	$2,702,107	63.8	$103.46	$65.99	4.9	12.5	5.0	18.1
181	5,104	455,800	27,747	$2,950,816	67.6	$106.35	$71.93	5.5	10.3	2.1	12.7
182	5,461	466,800	28,504	$3,172,539	67.1	$111.30	$74.68	6.1	9.5	5.7	15.7
183	5,564	472,000	27,534	$2,934,083	63.4	$106.56	$67.57	4.7	1.4	3.6	5.0
184	5,225	466,600	26,743	$2,782,067	62.3	$104.03	$64.81	4.8	2.4	0.6	3.0
191	5,321	474,200	27,970	$3,039,116	65.5	$108.66	$71.22	4.0	0.8	2.2	3.0
192	5,636	482,100	29,452	$3,274,786	67.1	$111.19	$74.65	3.3	3.3	-0.1	3.2
193	5,809	493,600	29,133	$3,139,065	64.1	$107.75	$69.12	4.6	5.8	1.1	7.0
194	5,612	488,200	27,928	$2,900,660	62.1	$103.86	$64.53	4.6	4.4	-0.2	4.3
CGR %	**Past 9 yrs**	**2.6%**	**4.3%**	**7.3%**	**1.7%**	**2.9%**	**4.7%**				
	Past 4 yrs	**4.0%**	**3.9%**	**5.6%**	**-0.1%**	**1.6%**	**1.5%**				
	Past 2 yrs	**4.7%**	**4.7%**	**6.7%**	**0.0%**	**1.9%**	**1.9%**				
	Past 1 yr	**4.1%**	**3.6%**	**4.3%**	**-0.6%**	**0.8%**	**0.2%**				

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Hotel Market: State of Texas 2020 - Present											
								% Growth Vs. Prior Yr			
Year & Qtr	# Htls & Mtls	# Rooms	Room-Nights Sold 000's (1)	Total Room Revenues $ 000's	% Occ. (2)	$ Rate (3)	$ RPAR (4)	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	5,537	518,600	25,092	$2,075,911	53.8	$82.73	$44.48	4.6	-2.9	-16.2	-18.7
2021 Q2	6,079	560,400	30,944	$3,115,310	60.7	$100.68	$61.09	17.8	100.2	31.4	163.0
2021 Q3	6,209	562,400	31,006	$3,298,835	59.9	$106.39	$63.76	9.9	41.5	25.3	77.3
2021 Q4	5,963	547,900	29,144	$3,120,651	57.8	$107.08	$61.91	8.6	42.8	29.6	85.1
CGR %	**Past 9 yrs**	**3.7%**	**2.8%**	**4.1%**	**-0.8%**	**1.1%**	**0.3%**				
	Past 4 yrs	**5.5%**	**2.7%**	**1.7%**	**-2.7%**	**-1.2%**	**-3.7%**				
	Past 2 yrs	**6.1%**	**0.6%**	**-3.0%**	**-5.3%**	**-3.9%**	**-8.8%**				
	Past 1 yr	**10.1%**	**38.9%**	**59.4%**	**26.1%**	**15.7%**	**44.2%**				

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 59.4% over the past year driven by dramatic recovery of demand starting in the Second Quarter of 2021. REVPAR rose 44.2% year-over-year, based on an 26.1% increase in occupancy and a 15.7% rate bounce. Demand (as measured by room-nights sold) for the last year rose a steep 38.9% as consumers felt safer traveling after the worst of the Covid-19 pandemic. Supply gained 10.1% in the last 12 months. From 1989 through "9/11," revenue growth typically was above 8% annually.

2020's annual occupancy of 46.3% was the lowest annual occupancy in the last thirty years. The previous lowest annual occupancy was 54.3% in 2009 during the *Great Recession*. Annual occupancy in 2021 was 58.2%. While demand has essentially returned to pre-pandemic levels, the amount on new lodging supply added over the last two years continues to depress occupancy and REVPAR. Statewide annual occupancy in 2019 was 64.7% and 65.1% in 2018. Occupancy was 60.7% in the latest quarter.

Statewide demand rose nearly 40% in 2021 after being down 28.2% in 2020. 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.

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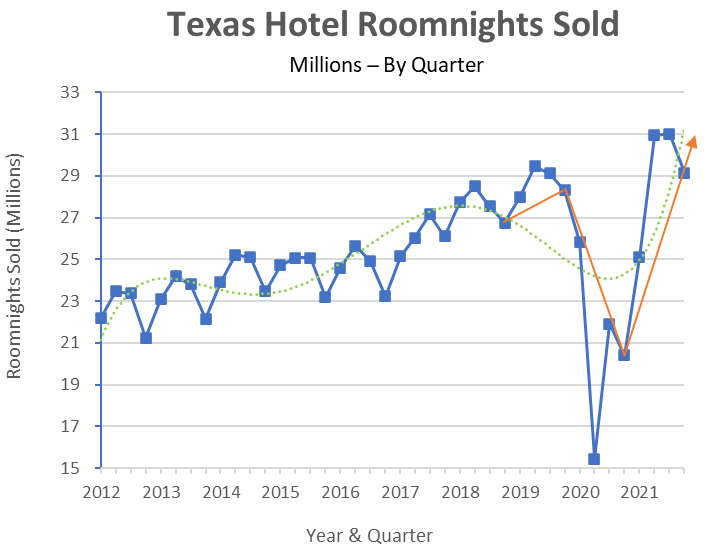
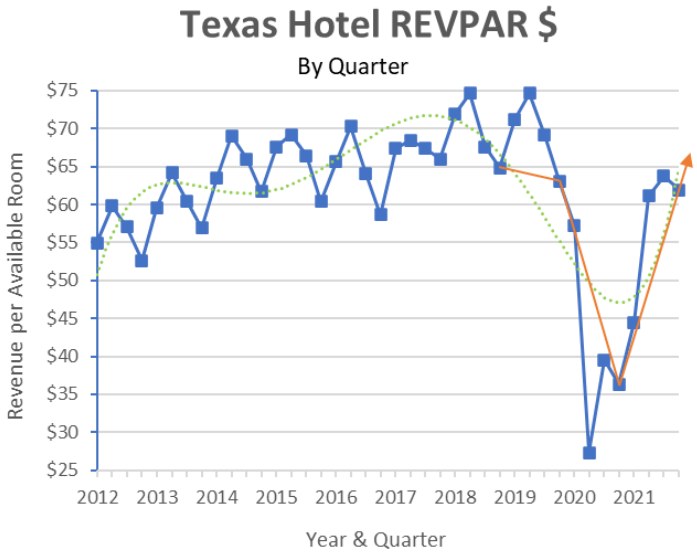
PROJECTIONS & EXPECTATIONS

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 like they will 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 we foresee more of this type of demand returning in 2022. Expectations are that lodging revenues will generally meet or exceed 2019 levels moving forward, but increased lodging supply will keep occupancy and REVPAR lower than pre-pandemic levels for the next one to two years.



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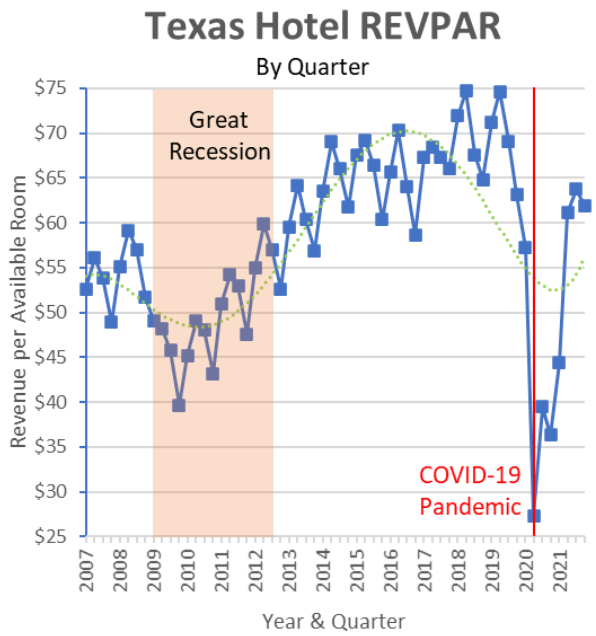
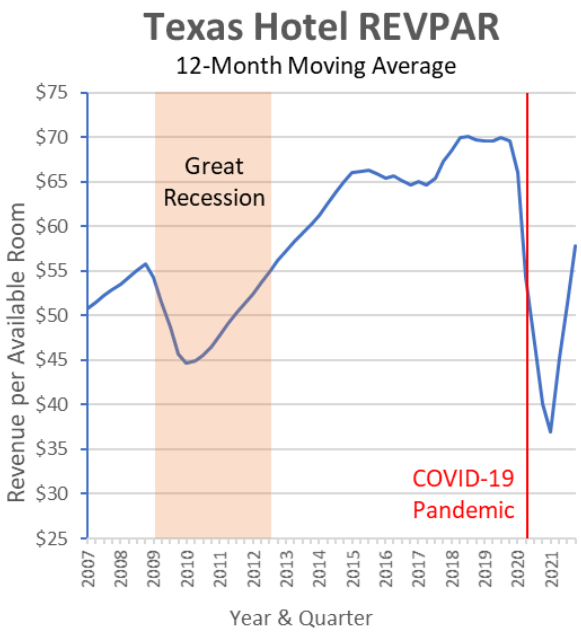
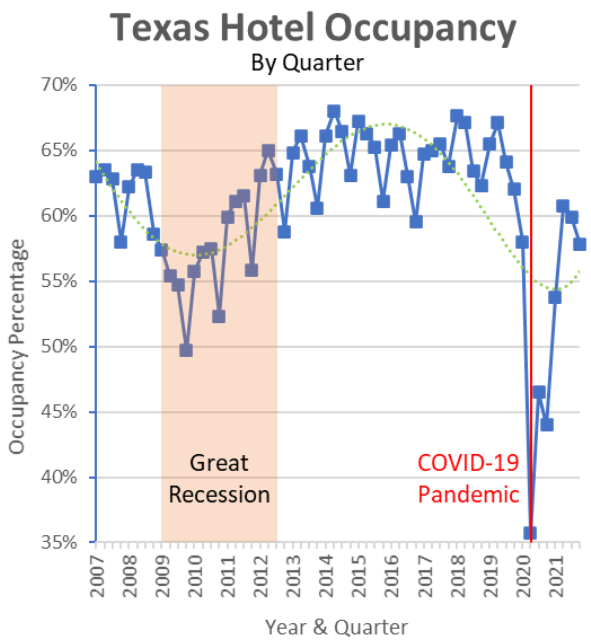
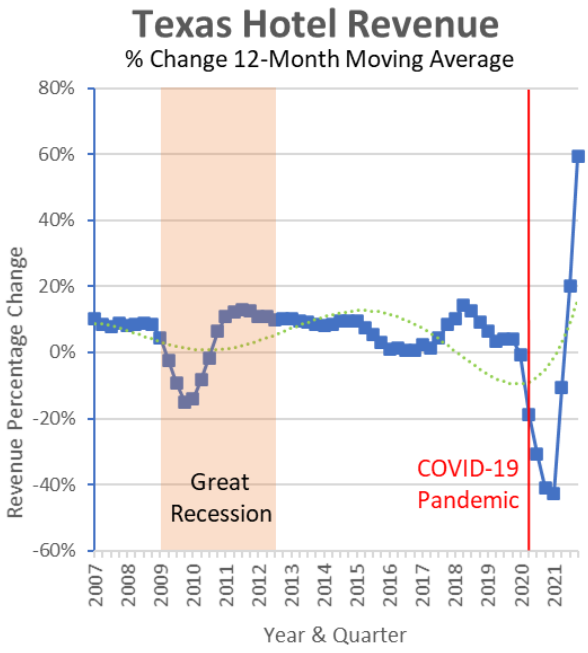
The charts below show the length and severity of the 2008 financial crisis and subsequent "Great Recession" compared to the current situation. REVPAR did not return to 2008 levels for 15 quarters following the downturn of the "Great Recession". This downturn was not as severe for lodging industry demand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









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Market REVPAR History & Forecast:

2. Over the past nine years, the 10 County Market Area[7] shows flat levels of demand growth, annual decrease of 3.5% in total room revenues, and a 3.5% annual gain in REVPAR; note that the severe recession of 2009 and the subsequent downturn in oil prices depressed performance numbers in many markets. Occupancy was flat over the nine years. Supply decreased by 0.1% per year, with room rates rising 3.5% annually 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, a gain of 1.9% per year in demand was coupled with supply increases of 4.3% annually. Revenues over this period rose an average of 10.6 per year, while REVPAR rose 6.1% annually. Room rates rose 8.6% on average and occupancy dropped 2.3% per year in this period.

Over the last two years, demand fell an average of 0.7% annually, while supply rose by 4.4% every year. These results caused occupancy to decrease by 4.9% annually, while REVPAR rose 5.1% per year. Rates increased 10.5% per year, and yearly revenues rose 9.8% annually.

Most recent history, the 12 months ending December 31, 2021, shows the recovery which started in the second quarter of 2021 and continued through to the end of the year. Real demand rose 28%, rates rose 11.7%, and revenues rose 43.2%; occupancy rose 23.5% as supply rose by 3.6%. REVPAR rose 38% for the average hotel room. In the *fourth quarter of 2021*, compared to 2020, room demand was up 31%, revenues were up 53%, and REVPAR rose 46% over the prior year quarter. A strong recovery is clearly under way, coupled with a rising and relatively stable price of oil.

7. Counties of Young, Jack, Palo Pinto, Stephens, Throckmorton, Baylor, Archer, Parker, Clay, & Wise.

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Lodging Market History: 10 County Market

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.
2012 Q1	60	2,935	140	8,207	53.1	58.54	31.07				
2012 Q2	69	3,079	163	10,827	58.3	66.25	38.64				
2012 Q3	70	3,051	155	9,981	55.1	64.52	35.56				
2012 Q4	60	2,934	144	8,840	53.4	61.30	32.75				
2013 Q1	58	2,883	137	8,213	52.7	60.06	31.65	-1.8%	-2.4%	2.6%	0.1%
2013 Q2	64	2,932	154	10,358	57.8	67.12	38.82	-4.8%	-5.6%	1.3%	-4.3%
2013 Q3	64	2,920	140	8,991	52.1	64.20	33.47	-4.3%	-9.5%	-0.5%	-9.9%
2013 Q4	57	2,822	138	8,480	53.0	61.59	32.66	-3.8%	-4.5%	0.5%	-4.1%
2014 Q1	56	2,782	130	7,972	51.8	61.47	31.84	-3.5%	-5.2%	2.3%	-2.9%
2014 Q2	60	2,839	144	9,759	55.6	67.90	37.77	-3.2%	-6.9%	1.2%	-5.8%
2014 Q3	62	2,851	148	9,385	56.5	63.37	35.78	-2.4%	5.8%	-1.3%	4.4%
2014 Q4	55	2,695	135	7,895	54.4	58.53	31.84	-4.5%	-2.0%	-5.0%	-6.9%
2015 Q1	53	2,648	125	6,978	52.5	55.73	29.28	-4.8%	-3.5%	-9.3%	-12.5%
2015 Q2	56	2,690	140	8,926	57.2	63.73	36.46	-5.2%	-2.5%	-6.1%	-8.5%
2015 Q3	59	2,742	148	9,033	58.7	61.00	35.81	-3.8%	0.0%	-3.7%	-3.8%
2015 Q4	52	2,573	129	7,216	54.4	56.05	30.48	-4.5%	-4.6%	-4.2%	-8.6%
2016 Q1	49	2,442	116	6,233	52.8	53.72	28.36	-7.8%	-7.3%	-3.6%	-10.7%
2016 Q2	55	2,593	139	8,880	59.0	63.76	37.63	-3.6%	-0.6%	0.0%	-0.5%
2016 Q3	57	2,570	144	8,607	60.9	59.81	36.40	-6.3%	-2.8%	-2.0%	-4.7%
2016 Q4	47	2,351	125	7,284	57.7	58.40	33.68	-8.6%	-3.1%	4.2%	0.9%
2017 Q1	50	2,400	123	6,930	56.8	56.46	32.09	-1.7%	5.9%	5.1%	11.2%
2017 Q2	58	2,547	142	9,430	61.3	66.32	40.69	-1.8%	2.1%	4.0%	6.2%
2017 Q3	61	2,618	154	9,738	64.1	63.09	40.43	1.9%	7.2%	5.5%	13.1%
2017 Q4	51	2,524	138	8,269	59.3	60.04	35.61	7.4%	10.4%	2.8%	13.5%
2018 Q1	54	2,515	145	8,677	63.9	59.97	38.33	4.8%	17.8%	6.2%	25.2%
2018 Q2	67	2,821	161	11,794	62.9	73.09	45.94	10.8%	13.5%	10.2%	25.1%
2018 Q3	67	2,871	163	11,319	61.6	69.56	42.85	9.7%	5.4%	10.3%	16.2%
2018 Q4	59	2,735	148	9,767	58.7	66.10	38.82	8.4%	7.3%	10.1%	18.1%
2019 Q1	56	2,644	141	9,251	59.4	65.50	38.88	5.1%	-2.4%	9.2%	6.6%
2019 Q2	60	2,690	149	11,508	61.0	77.03	47.01	-4.6%	-7.4%	5.4%	-2.4%
2019 Q3	65	2,869	165	11,495	62.4	69.77	43.55	-0.1%	1.2%	0.3%	1.6%
2019 Q4	58	2,750	154	10,448	60.8	67.98	41.30	0.5%	4.0%	2.8%	7.0%
2020 Q1	57	2,764	113	8,460	45.3	75.10	34.01	4.5%	-20.2%	14.7%	-8.6%
2020 Q2	64	2,879	110	8,211	41.9	74.76	31.34	7.0%	-26.5%	-2.9%	-28.6%
2020 Q3	70	3,023	132	10,382	47.4	78.69	37.33	5.4%	-19.9%	12.8%	-9.7%
2020 Q4	60	2,842	115	8,912	43.9	77.58	34.09	3.3%	-25.2%	14.1%	-14.7%
2021 Q1	60	2,857	130	10,362	50.4	79.94	40.30	3.4%	15.0%	6.4%	22.5%
2021 Q2	67	2,993	159	13,647	58.4	85.73	50.11	4.0%	45.0%	14.7%	66.2%
2021 Q3	70	3,102	161	13,879	56.5	86.10	48.63	2.6%	22.2%	9.4%	33.7%
2021 Q4	63	2,976	151	13,596	55.1	90.20	49.66	4.7%	31.2%	16.3%	52.6%
CGR %	**Past 9 yrs**	**-0.1%**	**0.0%**	**3.5%**	**0.0%**	**3.5%**	**3.5%**				
	Past 4 yrs	**4.3%**	**1.9%**	**10.6%**	**-2.3%**	**8.6%**	**6.1%**				
	Past 2 yrs	**4.4%**	**-0.7%**	**9.8%**	**-4.9%**	**10.5%**	**5.1%**				
	Past 1 yr	**3.6%**	**28.0%**	**43.2%**	**23.5%**	**11.7%**	**38.0%**				

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)

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3. The wider 10 County area market occupancy is projected to slowly rise after the recovery shown to be starting in the second quarter of 2021, slowly rising towards the estimated long-term equilibrium occupancy level of 59% by the middle portion of the market projection (in 2021, the metro market had an average occupancy of 55%, and had an average 56% occupancy over the past ten years). ***For the next nine years***, real demand (room nights sold) is projected at an average 3.1% growth rate, above the projected net supply growth of 2.3% annually. With 3.5% average daily rate inflation, market gross revenues should gain 6.7% annually, and REVPAR should increase 4.3% annually during the nine year forecast. Occupancy is expected to rise 0.8% annually over the length of this period. All measures of market projections reflect a recovery over the next 3-4 years to at or above 2019 market performance levels.

These assumptions relative to demand, supply, and occupancy reflect the fact that over the past 20 years overall occupancy in Texas has averaged about 60%, 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 (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.

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 5.3% per annum **over the next five years** (above the 3.5% annual REVPAR average decrease of the past nine years). Revenues are forecast to grow by 8% per year on the strength of 4% growth in real demand and a 3.9% annual gain in room rates. Occupancy over the next five years is expected to rise 1.4% annually as supply rises 2.6% per year.

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Lodging Market Projection: 10 County Market

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.
2022 Q1	63	2,986	153	$13,448	56.9	$87.93	$50.05	4.5%	18.0%	10.0%	29.8%
2022 Q2	70	3,113	170	$15,188	60.1	$89.16	$53.62	4.0%	7.0%	4.0%	11.3%
2022 Q3	74	3,226	172	$15,445	58.1	$89.54	$52.04	4.0%	7.0%	4.0%	11.3%
2022 Q4	66	3,095	161	$15,126	56.6	$93.81	$53.12	4.0%	7.0%	4.0%	11.3%
2023 Q1	66	3,075	161	$14,685	58.0	$91.45	$53.06	3.0%	5.0%	4.0%	9.2%
2023 Q2	73	3,206	179	$16,585	61.3	$92.73	$56.85	3.0%	5.0%	4.0%	9.2%
2023 Q3	77	3,323	181	$16,866	59.2	$93.13	$55.17	3.0%	5.0%	4.0%	9.2%
2023 Q4	69	3,188	169	$16,518	57.7	$97.56	$56.32	3.0%	5.0%	4.0%	9.2%
2024 Q1	68	3,137	164	$15,578	58.0	$95.11	$55.18	2.0%	2.0%	4.0%	6.1%
2024 Q2	75	3,270	182	$17,593	61.3	$96.43	$59.12	2.0%	2.0%	4.0%	6.1%
2024 Q3	79	3,389	185	$17,891	59.2	$96.85	$57.38	2.0%	2.0%	4.0%	6.1%
2024 Q4	71	3,252	173	$17,522	57.7	$101.46	$58.57	2.0%	2.0%	4.0%	6.1%
2025 Q1	70	3,199	167	$16,366	58.0	$97.96	$56.84	2.0%	2.0%	3.0%	5.1%
2025 Q2	78	3,336	186	$18,484	61.3	$99.33	$60.89	2.0%	2.0%	3.0%	5.1%
2025 Q3	81	3,457	188	$18,797	59.2	$99.76	$59.10	2.0%	2.0%	3.0%	5.1%
2025 Q4	73	3,317	176	$18,409	57.7	$104.51	$60.33	2.0%	2.0%	3.0%	5.1%
2026 Q1	72	3,263	170	$17,194	58.0	$100.90	$58.54	2.0%	2.0%	3.0%	5.1%
2026 Q2	80	3,402	190	$19,419	61.3	$102.31	$62.72	2.0%	2.0%	3.0%	5.1%
2026 Q3	84	3,526	192	$19,748	59.2	$102.75	$60.87	2.0%	2.0%	3.0%	5.1%
2026 Q4	75	3,383	180	$19,341	57.7	$107.64	$62.14	2.0%	2.0%	3.0%	5.1%
2027 Q1	74	3,329	174	$18,064	58.0	$103.93	$60.30	2.0%	2.0%	3.0%	5.1%
2027 Q2	83	3,470	194	$20,401	61.3	$105.38	$64.60	2.0%	2.0%	3.0%	5.1%
2027 Q3	86	3,597	196	$20,747	59.2	$105.83	$62.70	2.0%	2.0%	3.0%	5.1%
2027 Q4	78	3,451	183	$20,319	57.7	$110.87	$64.00	2.0%	2.0%	3.0%	5.1%
2028 Q1	76	3,395	177	$18,978	58.0	$107.05	$62.11	2.0%	2.0%	3.0%	5.1%
2028 Q2	85	3,540	197	$21,434	61.3	$108.54	$66.54	2.0%	2.0%	3.0%	5.1%
2028 Q3	89	3,669	200	$21,797	59.2	$109.01	$64.58	2.0%	2.0%	3.0%	5.1%
2028 Q4	80	3,520	187	$21,347	57.7	$114.20	$65.93	2.0%	2.0%	3.0%	5.1%
2029 Q1	79	3,463	181	$19,938	58.0	$110.26	$63.97	2.0%	2.0%	3.0%	5.1%
2029 Q2	88	3,611	201	$22,518	61.3	$111.79	$68.54	2.0%	2.0%	3.0%	5.1%
2029 Q3	92	3,742	204	$22,900	59.2	$112.28	$66.52	2.0%	2.0%	3.0%	5.1%
2029 Q4	82	3,590	191	$22,427	57.7	$117.62	$67.90	2.0%	2.0%	3.0%	5.1%
2030 Q1	81	3,532	184	$20,947	58.0	$113.57	$65.89	2.0%	2.0%	3.0%	5.1%
2030 Q2	90	3,683	205	$23,658	61.3	$115.15	$70.59	2.0%	2.0%	3.0%	5.1%
2030 Q3	94	3,817	208	$24,058	59.2	$115.64	$68.51	2.0%	2.0%	3.0%	5.1%
2030 Q4	85	3,662	194	$23,562	57.7	$121.15	$69.94	2.0%	2.0%	3.0%	5.1%
2031 Q1	84	3,603	188	$22,007	58.0	$116.97	$67.87	2.0%	2.0%	3.0%	5.1%
2031 Q2	93	3,756	210	$24,855	61.3	$118.60	$72.71	2.0%	2.0%	3.0%	5.1%
2031 Q3	97	3,893	212	$25,276	59.2	$119.11	$70.57	2.0%	2.0%	3.0%	5.1%
2031 Q4	87	3,735	198	$24,755	57.7	$124.79	$72.04	2.0%	2.0%	3.0%	5.1%
2032 Q1	86	3,675	192	$23,121	58.0	$120.48	$69.90	2.0%	2.0%	3.0%	5.1%
2032 Q2	96	3,832	214	$26,112	61.3	$122.16	$74.89	2.0%	2.0%	3.0%	5.1%
2032 Q3	100	3,971	216	$26,555	59.2	$122.69	$72.68	2.0%	2.0%	3.0%	5.1%
2032 Q4	90	3,810	202	$26,007	57.7	$128.53	$74.20	2.0%	2.0%	3.0%	5.1%
CGR %	**Next 9 yrs**	**2.3%**	**3.1%**	**6.7%**	**0.8%**	**3.5%**	**4.3%**				
	Next 5 yrs	**2.6%**	**4.0%**	**8.0%**	**1.4%**	**3.9%**	**5.3%**				
HISTORY											
CGR %	**Past 9 yrs**	**-0.1%**	**0.0%**	**3.5%**	**0.0%**	**3.5%**	**3.5%**				
	Past 4 yrs	**4.3%**	**1.9%**	**10.6%**	**-2.3%**	**8.6%**	**6.1%**				
	Past 2 yrs	**4.4%**	**-0.7%**	**9.8%**	**-4.9%**	**10.5%**	**5.1%**				

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)

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LOCAL MARKET PERFORMANCE

4. The subject hotel's Graham Area market[8] currently generates a REVPAR of $59, just above the total Texas average of $58. This performance considers that the local market is in an area that is rural and somewhat seasonal in nature, highway oriented and has a higher than average amount of lower priced budget oriented hotels:

PERIOD: 12 MONTHS ENDING DECEMBER 31, 2021
LODGING MARKET: GRAHAM AREA

BRAND	# HTL	# * RMS 000S	% RMS	EST. RNS 000S	% RNS	$ AMT. 000S	% AMT	EST. %OCC	EST. $ RATE	$ RPAR
BEST WESTERN GRAHAM		**3.3**	**14**	**3.6**	**1,610**	**4.7**	**63.7**	**113.56**	**72.30**
HAMPTON MIERAL WELLS		3.0	15	3.8	1,964	5.8	71.9	133.66	96.08
HOLIDAY EXPRESS GRAHAM		**3.8**	**14**	**3.5**	**1,418**	**4.2**	**52.3**	**104.59**	**54.72**
LA QUINTA BRIDGEPORT		2.8	9	2.3	726	2.1	47.2	79.56	37.53
TOTAL ABOVE	4	.2 12.9	52	13.2	5,718	16.9	58.6	110.91	65.00
BEST WESTERN MIN WE	.1	2.7	12	3.0	1,143	3.4	64.7	96.82	62.60
OTHER MUP	1	.1 3.6	13	3.4	887	2.6	55.0	66.00	36.28
CANDLWOOD	1	.1 4.3	20	5.0	2,092	6.2	67.0	106.97	71.66
BEST WEST	2	.1 5.6	23	5.9	2,166	6.4	60.4	94.50	57.07
FAIRFIELD	1	.1 4.5	22	5.7	2,389	7.0	71.9	108.34	77.92
HOLID EXP	1	.1 4.0	21	5.4	2,886	8.5	76.6	137.60	105.41
LA QUINTA	1	.1 3.3	15	3.8	1,315	3.9	65.2	89.11	58.09
TOT LTD SVE	**5**	**.3 17.4**	**81**	**20.7**	**8,756**	**25.8**	**68.0**	**108.50**	**73.81**
BST VALUE	2	.1 4.8	15	4.0	783	2.3	46.9	50.87	23.85
CLARION	1	.1 2.7	13	3.4	1,302	3.8	72.6	98.21	71.34
DAYS INN	1	.0 2.2	10	2.5	854	2.5	62.5	89.16	55.72
ECONOLODG	2	.1 3.4	12	3.2	748	2.2	52.8	60.69	32.02
MOTEL 6	2	.1 5.9	25	6.4	1,594	4.7	61.9	63.58	39.34
OYO	1	.0 .5	2	.5	96	.3	48.3	54.30	26.23
RED ROOF	1	.1 3.4	13	3.4	1,052	3.1	57.4	78.41	45.04
RODEWAY	1	.1 4.2	15	3.8	704	2.1	52.1	47.46	24.72
SUPER 8	2	.1 6.1	25	6.5	1,414	4.2	60.6	55.58	33.68
TOT BUDGET	**13**	**.6 33.4**	**131**	**33.6**	**8,547**	**25.2**	**57.5**	**65.20**	**37.52**
$60-99ADR	3	.1 3.9	13	3.3	1,228	3.6	49.2	94.53	46.49
LT $60ADR	7	.3 14.5	46	11.8	2,315	6.8	46.7	50.23	23.43
TOT IND HTL	**10**	**.3 18.3**	**59**	**15.2**	**3,542**	**10.4**	**47.2**	**59.97**	**28.30**
TOT HOTELS	**35**	**1.7 92.5**	**367**	**94.2**	**30,684**	**90.5**	**58.2**	**83.56**	**48.59**
TOT ST RENT	**2**	**.1 2.8**	**8**	**2.0**	**778**	**2.3**	**39.9**	**100.27**	**40.03**
TOT OTH IND	**5**	**.1 4.6**	**15**	**3.8**	**2,439**	**7.2**	**46.4**	**165.73**	**76.87**
TOT OTHER	**7**	**.1 7.5**	**22**	**5.8**	**3,217**	**9.5**	**43.9**	**143.13**	**62.88**
TOT MARKET	**42**	**1.9 100.0**	**390**	**100.0**	**33,902**	**100**	**57.1**	**87.00**	**49.66**

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

8. Graham Area; Graham, Jacksboro, Olney, Archer, Bowie, Bridgeport, Breckenridge, Mineral Wells, & Weatherford.

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Local Market REVPAR History & Forecast:

5. Over the past nine years, the Graham Area market has shown annual real demand (room-nights sold) loss of 0.7%, annual gain of 4.3% in total room revenues, and a 5.8% annual increase in REVPAR. Occupancy rose 0.8% annually over each of the nine years. Supply decreased 1.5% over the nine years, with room rates rising 5% annually. The Covid 19 pandemic has influenced the entire period measured, but the results in this area are still startlingly good.

Over the past four years, a 2.1% annual demand gain was coupled with annual supply increases of 2.9%. Revenues over this period rose by 11.1% per year, while REVPAR fell 7.9%, occupancy fell 0.8%, and room rates rose 8.8% annually.

Over the last two years, real demand rose 0.5%, and supply increased by 4.5%. Rates rose 9.6%, and yearly revenues rose 10.4%. These results caused occupancy to fall 3.9% annually, and REVPAR to rise by 5.4% per year.

In the latest year, results clearly and strongly show the impact of a huge resurgence in demand, reflected in an extremely strong 4th Q 2021 performance: demand rose 28%, while supply rose 5%. Rates rose 15%, revenues rose by 47%, and occupancy rose 21% for the year. REVPAR rose 39%. Market occupancy averaged 58%, the same as the 58% average for the overall state of Texas. The 4th Q 2021 performance in the local market was strong, with a 34% increase in demand and a 66% increase in revenues, with a 56% increase in REVPAR (at $56 for the quarter), versus Q4 2020.

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Lodging Market Projection: City of Graham & Area

Year & Qtr	# Htls & Mtls	# Rooms	Nights Sold 000's (1)	Total Room Revenues $ 000's	% Occ. (2)	$ Rate (3)	$ RPAR (4)	% Growth Vs. Prior Yr			
								Supply	Real	ADR	$ Rev.
2022 Q1	33	1,708	86	8,496	56.2	$98.39	55.26	5.0%	10.0%	25.0%	37.5%
2022 Q2	37	1,803	101	9,317	61.8	$91.85	56.79	5.0%	5.0%	5.0%	10.2%
2022 Q3	39	1,849	101	9,507	59.6	$93.83	55.89	5.0%	5.0%	5.0%	10.3%
2022 Q4	37	1,817	97	9,746	58.3	$100.02	58.32	5.0%	5.0%	5.0%	10.3%
2023 Q1	35	1,777	91	9,367	56.7	$103.31	58.58	4.0%	5.0%	5.0%	10.3%
2023 Q2	39	1,875	107	10,272	62.4	$96.45	60.20	4.0%	5.0%	5.0%	10.3%
2023 Q3	41	1,923	106	10,482	60.1	$98.52	59.25	4.0%	5.0%	5.0%	10.3%
2023 Q4	39	1,889	102	10,745	58.9	$105.02	61.82	4.0%	5.0%	5.0%	10.3%
2024 Q1	36	1,812	93	10,033	57.3	$107.44	61.52	2.0%	3.0%	4.0%	7.1%
2024 Q2	40	1,912	110	11,003	63.0	$100.30	63.22	2.0%	3.0%	4.0%	7.1%
2024 Q3	42	1,961	110	11,228	60.7	$102.46	62.22	2.0%	3.0%	4.0%	7.1%
2024 Q4	40	1,927	105	11,510	59.4	$109.23	64.93	2.0%	3.0%	4.0%	7.1%
2025 Q1	37	1,848	95	10,644	57.3	$111.74	63.98	2.0%	2.0%	4.0%	6.1%
2025 Q2	41	1,951	112	11,672	63.0	$104.32	65.75	2.0%	2.0%	4.0%	6.1%
2025 Q3	44	2,001	112	11,911	60.7	$106.56	64.71	2.0%	2.0%	4.0%	6.1%
2025 Q4	41	1,965	107	12,210	59.4	$113.59	67.52	2.0%	2.0%	4.0%	6.1%
2026 Q1	38	1,885	97	11,182	57.3	$115.09	65.90	2.0%	2.0%	3.0%	5.1%
2026 Q2	43	1,990	114	12,263	63.0	$107.45	67.73	2.0%	2.0%	3.0%	5.1%
2026 Q3	45	2,041	114	12,513	60.7	$109.76	66.65	2.0%	2.0%	3.0%	5.1%
2026 Q4	43	2,005	110	12,828	59.4	$117.00	69.55	2.0%	2.0%	3.0%	5.1%
2027 Q1	39	1,923	99	11,748	57.3	$118.54	67.87	2.0%	2.0%	3.0%	5.1%
2027 Q2	44	2,030	116	12,883	63.0	$110.67	69.76	2.0%	2.0%	3.0%	5.1%
2027 Q3	46	2,082	116	13,146	60.7	$113.05	68.65	2.0%	2.0%	3.0%	5.1%
2027 Q4	44	2,045	112	13,477	59.4	$120.51	71.64	2.0%	2.0%	3.0%	5.1%
2028 Q1	40	1,962	101	12,223	57.3	$120.91	69.23	2.0%	2.0%	2.0%	4.0%
2028 Q2	45	2,070	119	13,404	63.0	$112.88	71.15	2.0%	2.0%	2.0%	4.0%
2028 Q3	48	2,123	119	13,678	60.7	$115.31	70.02	2.0%	2.0%	2.0%	4.0%
2028 Q4	45	2,086	114	14,022	59.4	$122.92	73.07	2.0%	2.0%	2.0%	4.0%
2029 Q1	41	1,981	102	12,592	57.3	$123.33	70.62	1.0%	1.0%	2.0%	3.0%
2029 Q2	46	2,091	120	13,808	63.0	$115.14	72.58	1.0%	1.0%	2.0%	3.0%
2029 Q3	49	2,144	120	14,091	60.7	$117.62	71.42	1.0%	1.0%	2.0%	3.0%
2029 Q4	46	2,107	115	14,445	59.4	$125.38	74.53	1.0%	1.0%	2.0%	3.0%
2030 Q1	42	2,001	103	12,972	57.3	$125.80	72.03	1.0%	1.0%	2.0%	3.0%
2030 Q2	47	2,112	121	14,225	63.0	$117.44	74.03	1.0%	1.0%	2.0%	3.0%
2030 Q3	50	2,166	121	14,516	60.7	$119.97	72.85	1.0%	1.0%	2.0%	3.0%
2030 Q4	47	2,128	116	14,881	59.4	$127.89	76.02	1.0%	1.0%	2.0%	3.0%
2031 Q1	43	2,021	104	13,364	57.3	$128.31	73.47	1.0%	1.0%	2.0%	3.0%
2031 Q2	48	2,133	122	14,655	63.0	$119.79	75.51	1.0%	1.0%	2.0%	3.0%
2031 Q3	51	2,187	122	14,954	60.7	$122.37	74.31	1.0%	1.0%	2.0%	3.0%
2031 Q4	48	2,149	118	15,331	59.4	$130.45	77.54	1.0%	1.0%	2.0%	3.0%
2032 Q1	43	2,041	105	13,767	57.3	$130.88	74.94	1.0%	1.0%	2.0%	3.0%
2032 Q2	49	2,154	124	15,098	63.0	$122.19	77.02	1.0%	1.0%	2.0%	3.0%
2032 Q3	52	2,209	123	15,406	60.7	$124.81	75.79	1.0%	1.0%	2.0%	3.0%
2032 Q4	49	2,170	119	15,794	59.4	$133.05	79.09	1.0%	1.0%	2.0%	3.0%
CGR %	**Next 9 yrs**	2.3%	2.7%	6.5%	0.3%	3.8%	4.1%				
	Next 5 yrs	3.0%	3.6%	8.7%	0.6%	5.1%	5.6%				
HISTORY											
CGR %	**Past 9 yrs**	-1.5%	-0.7%	4.3%	0.8%	5.0%	5.8%				
	Past 4 yrs	2.9%	2.1%	11.1%	-0.8%	8.8%	7.9%				
	Past 2 yrs	4.5%	0.5%	10.4%	-3.9%	9.6%	5.4%				

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).

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6. Overall, market occupancy is projected to slowly fall back toward the expected equilibrium occupancy level of 60% for the local area. Demand is expected to gain 2.7% per year with supply rising at a slower 2.4% annually ***for the next nine years***. This translates to occupancy rising 0.2% per year, while REVPAR rises 3.5% annually in the period. Room rates are expected to rise 3.3% per year. This compares to an average level of REVPAR growth of 5.8% annually for the past nine years.

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 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 1,709 rooms currently to 2,122 in 2030, 24% higher and representing 413 *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 average REVPAR in our projection rising 4.7% per annum over the next *five* years. Revenues during this upcoming period are forecast to rise by 8% per year on demand gains of 3.6% per year and a 4.3% annual increase in prices (room-rates). Occupancy over the next five years is expected to rise 0.4% per year as supply rises by 3.2% annually. If supply should grow 210 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 $71 to $65 by the end of 2030.

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Lodging Market Projection: City of Graham & Area

Year & Qtr	# Htls & Mtls	# Rooms	Nights Sold 000's (1)	Total Room Revenues $ 000's	% Occ. (2)	$ Rate (3)	$ RPAR (4)	% Growth Vs. Prior Yr			
								Supply	Real	ADR	$ Rev.
2022 Q1	33	1,708	86	8,496	56.2	$98.39	55.26	5.0%	10.0%	25.0%	37.5%
2022 Q2	37	1,803	101	9,228	61.8	$90.98	56.25	5.0%	5.0%	4.0%	9.2%
2022 Q3	39	1,849	101	9,417	59.6	$92.93	55.35	5.0%	5.0%	4.0%	9.2%
2022 Q4	37	1,817	97	9,653	58.3	$99.07	57.76	5.0%	5.0%	4.0%	9.2%
2023 Q1	35	1,777	91	9,277	56.7	$102.32	58.02	4.0%	5.0%	4.0%	9.2%
2023 Q2	39	1,875	107	10,077	62.4	$94.62	59.06	4.0%	5.0%	4.0%	9.2%
2023 Q3	41	1,923	106	10,283	60.1	$96.65	58.12	4.0%	5.0%	4.0%	9.2%
2023 Q4	39	1,889	102	10,542	58.9	$103.03	60.65	4.0%	5.0%	4.0%	9.2%
2024 Q1	36	1,830	93	9,842	56.7	$105.39	59.76	3.0%	3.0%	3.0%	6.1%
2024 Q2	41	1,931	110	10,691	62.4	$97.46	60.83	3.0%	3.0%	3.0%	6.1%
2024 Q3	43	1,981	110	10,909	60.1	$99.55	59.87	3.0%	3.0%	3.0%	6.1%
2024 Q4	41	1,946	105	11,184	58.9	$106.12	62.47	3.0%	3.0%	3.0%	6.1%
2025 Q1	37	1,867	95	10,340	56.7	$108.55	61.55	2.0%	2.0%	3.0%	5.1%
2025 Q2	42	1,970	112	11,232	62.4	$100.38	62.66	2.0%	2.0%	3.0%	5.1%
2025 Q3	44	2,020	112	11,461	60.1	$102.54	61.66	2.0%	2.0%	3.0%	5.1%
2025 Q4	42	1,985	107	11,749	58.9	$109.31	64.35	2.0%	2.0%	3.0%	5.1%
2026 Q1	38	1,904	97	10,864	56.7	$111.81	63.40	2.0%	2.0%	3.0%	5.1%
2026 Q2	43	2,009	114	11,800	62.4	$103.39	64.54	2.0%	2.0%	3.0%	5.1%
2026 Q3	46	2,061	114	12,041	60.1	$105.61	63.51	2.0%	2.0%	3.0%	5.1%
2026 Q4	43	2,024	110	12,344	58.9	$112.59	66.28	2.0%	2.0%	3.0%	5.1%
2027 Q1	39	1,942	99	11,302	56.7	$114.05	64.67	2.0%	2.0%	2.0%	4.0%
2027 Q2	44	2,049	116	12,277	62.4	$105.46	65.83	2.0%	2.0%	2.0%	4.0%
2027 Q3	47	2,102	116	12,528	60.1	$107.73	64.78	2.0%	2.0%	2.0%	4.0%
2027 Q4	44	2,065	112	12,843	58.9	$114.84	67.60	2.0%	2.0%	2.0%	4.0%
2028 Q1	40	1,981	101	11,759	56.7	$116.33	65.96	2.0%	2.0%	2.0%	4.0%
2028 Q2	46	2,090	119	12,773	62.4	$107.57	67.14	2.0%	2.0%	2.0%	4.0%
2028 Q3	48	2,144	119	13,034	60.1	$109.88	66.08	2.0%	2.0%	2.0%	4.0%
2028 Q4	46	2,106	114	13,361	58.9	$117.14	68.95	2.0%	2.0%	2.0%	4.0%
2029 Q1	41	2,001	102	12,114	56.7	$118.65	67.28	1.0%	1.0%	2.0%	3.0%
2029 Q2	47	2,111	120	13,158	62.4	$109.72	68.49	1.0%	1.0%	2.0%	3.0%
2029 Q3	49	2,165	120	13,427	60.1	$112.08	67.40	1.0%	1.0%	2.0%	3.0%
2029 Q4	47	2,127	115	13,765	58.9	$119.48	70.33	1.0%	1.0%	2.0%	3.0%
2030 Q1	42	2,021	103	12,480	56.7	$121.03	68.63	1.0%	1.0%	2.0%	3.0%
2030 Q2	48	2,132	121	13,556	62.4	$111.91	69.86	1.0%	1.0%	2.0%	3.0%
2030 Q3	50	2,187	121	13,833	60.1	$114.32	68.75	1.0%	1.0%	2.0%	3.0%
2030 Q4	48	2,149	116	14,181	58.9	$121.87	71.74	1.0%	1.0%	2.0%	3.0%
2031 Q1	43	2,041	104	12,857	56.7	$123.45	70.00	1.0%	1.0%	2.0%	3.0%
2031 Q2	49	2,154	122	13,965	62.4	$114.15	71.25	1.0%	1.0%	2.0%	3.0%
2031 Q3	51	2,209	122	14,251	60.1	$116.61	70.12	1.0%	1.0%	2.0%	3.0%
2031 Q4	49	2,170	118	14,609	58.9	$124.31	73.17	1.0%	1.0%	2.0%	3.0%
2032 Q1	44	2,061	105	13,245	56.7	$125.92	71.40	1.0%	1.0%	2.0%	3.0%
2032 Q2	50	2,175	124	14,387	62.4	$116.44	72.68	1.0%	1.0%	2.0%	3.0%
2032 Q3	52	2,231	123	14,681	60.1	$118.94	71.53	1.0%	1.0%	2.0%	3.0%
2032 Q4	50	2,192	119	15,050	58.9	$126.79	74.64	1.0%	1.0%	2.0%	3.0%
CGR %	**Next 9 yrs**	2.4%	2.7%	6.0%	0.2%	3.3%	3.5%				
	Next 5 yrs	3.2%	3.6%	8.0%	0.4%	4.3%	4.7%				
HISTORY											
CGR %	**Past 9 yrs**	-1.5%	-0.7%	4.3%	0.8%	5.0%	5.8%				
	Past 4 yrs	2.9%	2.1%	11.1%	-0.8%	8.8%	7.9%				
	Past 2 yrs	4.5%	0.5%	10.4%	-3.9%	9.6%	5.4%				

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)

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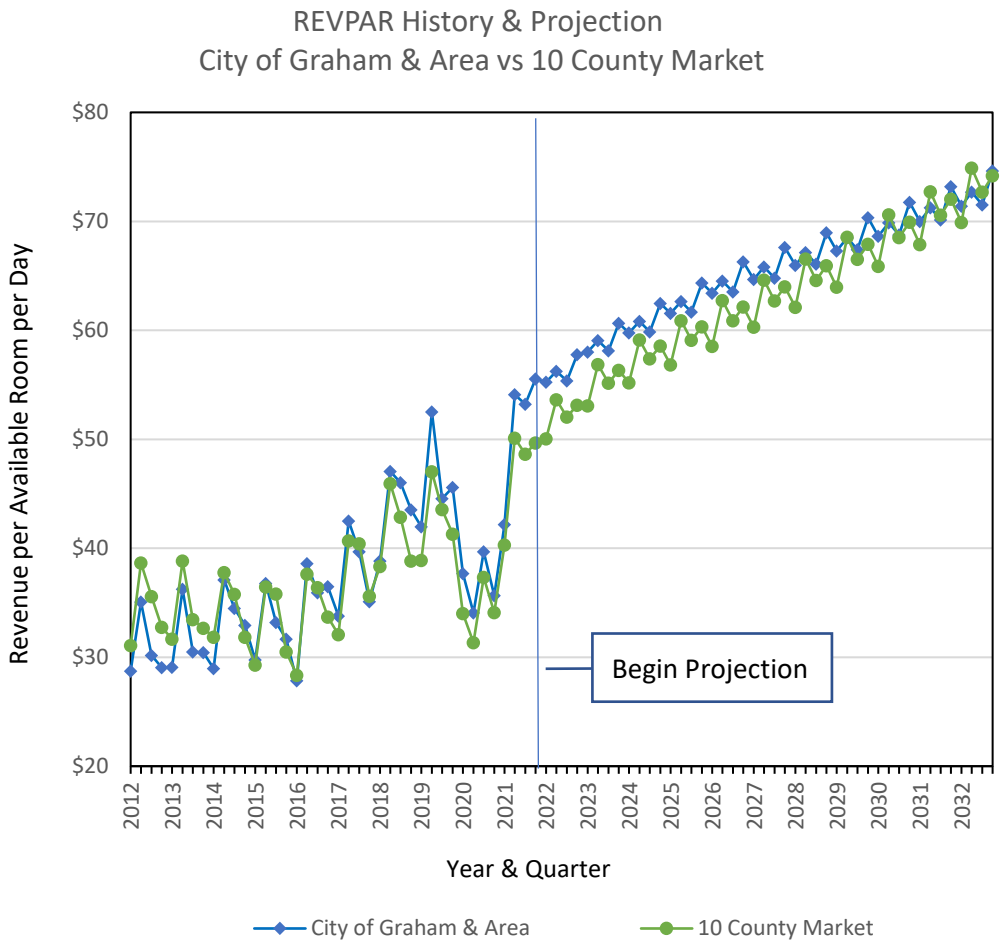
7. A graph of the REVPAR history and projection for both the local and surrounding markets shows the expected return to more typical levels of REVPAR and REVPAR growth, incorporating the great results from the last six months:



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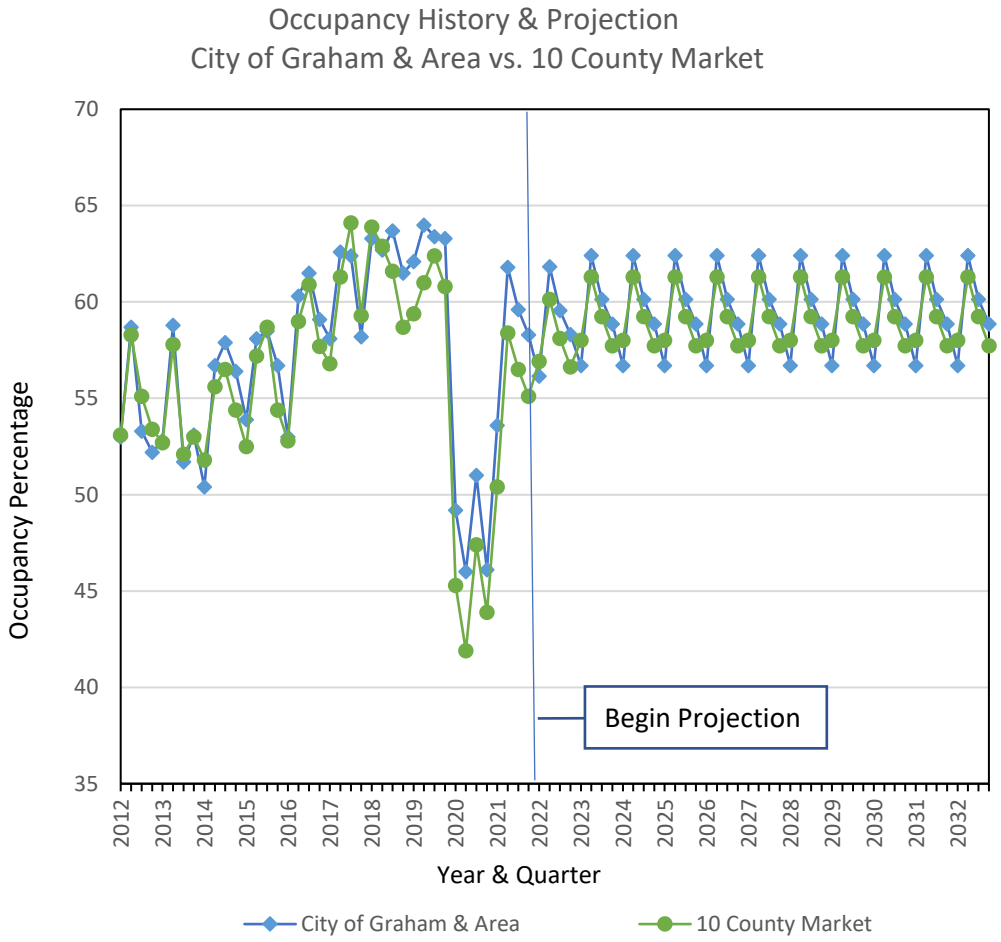
8. The occupancy projection for the local market is for a return to normal levels, correcting after the rapid increases of the latest year. We expect local occupancy to stabilize in the 60% average range by the middle years of our forecast:



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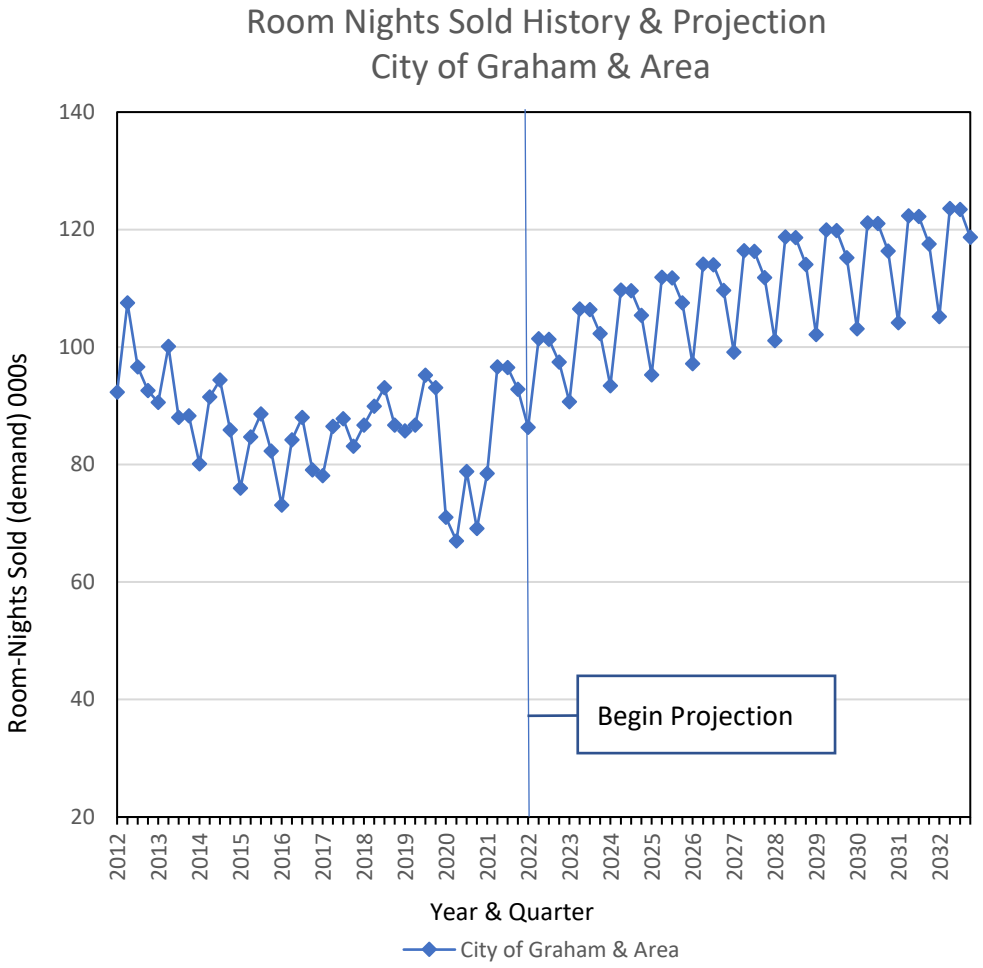
9. The Room-nights Sold history and projection graph shows the reasonable nature of the 'trend' expectations for the local market. With recent returns to more typical growth, and assuming reasonable oil prices and typical population, economic, and infrastructure growth, we expect a more normal demand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



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10. The local market REVPAR index was at a level of 108% of the wider market in the latest year, fairly typical:

Market Revenue Per Available (RevPAR) Room History

Yr & Qtr	Wider Market Area	Local Area	Wider/ Local Index	Year
2012 Q1	$31.07	$28.73	92	
2012 Q2	$38.64	$35.08	91	
2012 Q3	$35.56	$30.17	85	
2012 Q4	$32.75	$29.06	89	89
2013 Q1	$31.65	$29.08	92	
2013 Q2	$38.82	$36.24	93	
2013 Q3	$33.47	$30.48	91	
2013 Q4	$32.66	$30.43	93	92
2014 Q1	$31.84	$28.97	91	
2014 Q2	$37.77	$37.09	98	
2014 Q3	$35.78	$34.47	96	
2014 Q4	$31.84	$32.94	103	97
2015 Q1	$29.28	$29.77	102	
2015 Q2	$36.46	$36.77	101	
2015 Q3	$35.81	$33.20	93	
2015 Q4	$30.48	$31.65	104	100
2016 Q1	$28.36	$27.84	98	
2016 Q2	$37.63	$38.60	103	
2016 Q3	$36.40	$35.92	99	
2016 Q4	$33.68	$36.48	108	102
2017 Q1	$32.09	$33.78	105	
2017 Q2	$40.69	$42.51	104	
2017 Q3	$40.43	$39.68	98	
2017 Q4	$35.61	$35.09	99	102
2018 Q1	$38.33	$38.83	101	
2018 Q2	$45.94	$47.04	102	
2018 Q3	$42.85	$46.01	107	
2018 Q4	$38.82	$43.53	112	106
2019 Q1	$38.88	$41.96	108	
2019 Q2	$47.01	$52.50	112	
2019 Q3	$43.55	$44.57	102	
2019 Q4	$41.30	$45.57	110	108
2020 Q1	$34.01	$37.68	111	
2020 Q2	$31.34	$34.06	109	
2020 Q3	$37.33	$39.67	106	
2020 Q4	$34.09	$35.67	105	108
2021 Q1	$40.30	$42.19	105	
2021 Q2	$50.11	$54.10	108	
2021 Q3	$48.63	$53.22	109	
2021 Q4	$49.66	$55.53	112	108

CGR %		
Past 9 yrs	**3.5%**	**5.8%**
Past 4 yrs	**6.1%**	**7.9%**
Past 2 yrs	**5.1%**	**5.4%**
Past 1 yr	**38.0%**	**39.4%**

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11. The REVPAR forecast calls for the local market REVPAR index to remain about the same versus the wider area as the wider metro recovers:

Market Revenue Per Available Room (RevPAR) Projection

Yr & Qtr	Wider Market Area	Local Area	Wider/ Local Index	Year
2022 Q1	$50.05	$55.26	110	
2022 Q2	$53.62	$56.25	105	
2022 Q3	$52.04	$55.35	106	
2022 Q4	$53.12	$57.76	109	108
2023 Q1	$53.06	$58.02	109	
2023 Q2	$56.85	$59.06	104	
2023 Q3	$55.17	$58.12	105	
2023 Q4	$56.32	$60.65	108	107
2024 Q1	$55.18	$59.76	108	
2024 Q2	$59.12	$60.83	103	
2024 Q3	$57.38	$59.87	104	
2024 Q4	$58.57	$62.47	107	106
2025 Q1	$56.84	$61.55	108	
2025 Q2	$60.89	$62.66	103	
2025 Q3	$59.10	$61.66	104	
2025 Q4	$60.33	$64.35	107	106
2026 Q1	$58.54	$63.40	108	
2026 Q2	$62.72	$64.54	103	
2026 Q3	$60.87	$63.51	104	
2026 Q4	$62.14	$66.28	107	106
2027 Q1	$60.30	$64.67	107	
2027 Q2	$64.60	$65.83	102	
2027 Q3	$62.70	$64.78	103	
2027 Q4	$64.00	$67.60	106	105
2028 Q1	$62.11	$65.96	106	
2028 Q2	$66.54	$67.14	101	
2028 Q3	$64.58	$66.08	102	
2028 Q4	$65.93	$68.95	105	104
2029 Q1	$63.97	$67.28	105	
2029 Q2	$68.54	$68.49	100	
2029 Q3	$66.52	$67.40	101	
2029 Q4	$67.90	$70.33	104	103
2030 Q1	$65.89	$68.63	104	
2030 Q2	$70.59	$69.86	99	
2030 Q3	$68.51	$68.75	100	
2030 Q4	$69.94	$71.74	103	102
2031 Q1	$67.87	$70.00	103	
2031 Q2	$72.71	$71.25	98	
2031 Q3	$70.57	$70.12	99	
2031 Q4	$72.04	$73.17	102	101
2032 Q1	$69.90	$71.40	102	

CGR %		
Next 9yrs	**4.3%**	**3.5%**
Next 5yrs	**5.3%**	**4.7%**

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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. First, what is the **Base Value**? It is the effect of the Brand, including specified product quality levels. Second, what is the effect of the **brand's overall Age** on its average performance? Third, what is the effect of **the project's Size**, or room-count, on results? Fourth, are there **any 'Other' adjustments** needed to account for various factors, including under- or over-supply in the product's Segment in which the project will compete? Fifth, what is the effect of **the normal Life Cycle** patterns on the project (e.g. the effect of the project's Newness compared to older competition on its unstoppable way to obsolescence)? And sixth, what is the likely influence of **the selected Site** on results?

1. For the Home2 Suites, we set the **Base Value** factor for property type/brand/product quality at 1.61 (or 161%), as this reflects the REVPAR average of the 26 existing Home2 Suites hotels (2,800 rooms) operating in the Exhibit IV Texas market in the past year.[9] In this market, these hotels produced an average REVPAR of $86.40 compared to the average for the wider Exhibit IV market of $53.50, as follows:

Home2 Suites REVPAR Average $86.40 / Exhibit IV REVPAR $53.50 = 1.614 **or 161%**

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 second adjustment factor, **Brand Aging,** is set at 0.88, with the average opening year of the group of Home2 Suites hotels being 2018, or effectively new. 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. Typically, 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.[10] The brand age adjustment, or life-cycle adjustment, for other brands includes:

[9] Exhibit IV Market: Texas Excluding Major Metros, and the Luxury Segment.
[10] Point #5, below, adjusts for the physical life-cycle of the subject property, a different and additional consideration.

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BRAND AGING: TEXAS MARKETS

Brand	Average Opening	Brand Aging Adjustment
Home2 Suites	2018	0.88
Sleep Inn	2012	0.99
Best Western	1997	1.21
Red Roof Inn	1990	1.23
Motel 6	1987	1.23

3. The property Size factor - reflecting room count - is set at 1.07 (107%). The average Home2 Suites hotel in the Exhibit IV market has 108 rooms, more than the subject (which offers 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. 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 - The Case for Downsizing New Hotels***. This study that 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. Fourth, the **Segment** or **Other** adjustment factor is set at 1.05 (105%), with a slight increase due to the fact that this hotel is all suites with full kitchens. Further, the hotel is expected to have a roof top or ground floor food and beverage operation.

5. Fifth, 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, Inc, 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 last factor**, Site,** is set at 1.05 (105%), or just above average for the local market, and reasonable when the sites of currently operating nearby competition are measured. For the purposes of this report, two sites were examined, one along the NE corridor of US 380, beside the existing Holiday Express hotel, and one along Texas Highway 16, where most of the area's existing retail

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services are located.[11] We consider that both sites are roughly equal in terms of value/access/visibility, for different reasons, we have no issues recommending either site. As we have selected a broad area market around the property for our analysis, it is our determination that the value of the subject's location(s) are equivalent or better than many existing hotel sites in the area. 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 a 105% site value for the Home2 Suites would be a reasonable estimate of the site:**

DERIVATION OF LOCAL COMPETITION

	BestWestern	HolidayExp	HamptonInn	La Quinta	BestWestern
Data in 2021 $'s	**Graham**	**Graham**	**Weatherford**	**Bridgeport**	**MineralWells**
Base: Name & Quality	1.10	1.35	1.41	1.03	0.66
x Brand Age Adjustment	1.00	1.05	1.09	1.19	1.16
x Site Value Adjustment	*1.24*	*1.11*	*1.24*	*0.85*	*1.41*
x Size Adjustment	1.16	1.04	1.16	1.21	1.07
x Other Adjustments	1.05	0.65	1.00	0.60	1.15
x Newness Adjustment	0.88	0.95	0.81	0.92	0.86
= Performance Factor	**146%**	**101%**	**178%**	**70%**	**116%**
x Market REVPAR	$49.66	$54.10	$54.10	$54.10	$54.10
= Projected Performance	**$72.36**	**$54.55**	**$96.42**	**$37.60**	**$62.57**
REVPAR latest 12 months	$72.30	$54.72	$96.08	$37.53	$62.60
Index (Proj. Vs Actual)	100	100	100	100	100
Units in Above Subject	61	71	56	53	50
Average Units	90	79	83	86	61
Size Adjustment (33%)	16	4	16	21	7
Year Built	2004	2009	1997	2008	2002

[11] Primary site was considered to be 1602 Texas Highway 16, with the secondary in the 1500 block of the US Highway 380 Bypass.

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Combining all six factors that affect a hotel's REVPAR performance, we calculate that the proposed hotel's REVPAR will achieve 194% of the market average REVPAR in Year III (starting January 2026), declining slowly thereafter:

Home2 Suites Derivation			
Data in 2021 $'s	**Year I**	**Year II**	**Year III**
Base: Name & Quality	1.61	1.61	1.61
x Brand Age Adjustment	0.88	0.88	0.88
x Site Value Adjustment	1.05	1.05	1.05
x Size Adjustment	1.07	1.07	1.07
x Other Adjustments	1.05	1.05	1.05
x Newness Adjustment	0.98	1.12	1.16
= Performance Factor	**164%**	**187%**	**194%**
x Market REVPAR	$49.66	$49.66	$49.66
= Projected Performance	**$81.20**	**$92.80**	**$96.11**

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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 conservative rate through 2030, starting at the current level. Over the next nine years market REVPAR is projected to rise 3.5% per year, compared to a 5.8% increase 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 3.6% real compound demand gain projected for the market, the projected lower net supply growth of 3.2% annually, and prices going up 4.3%. The resulting level of overall occupancy is 60% (equilibrium).

2. The derived Base Value of 1.61 (161%) for a Home2 Suites 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, with the selected brand as the top of the group:

REVPAR INDEX COMPARISON[12]

Brand	REVPAR Index
Home2 Suites	**161**
Hampton Inn	141
Holiday Express	135
La Quinta	103
Sleep Inn	88

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:

REVPAR DERIVATION

12. Unadjusted for physical aging of each brand.

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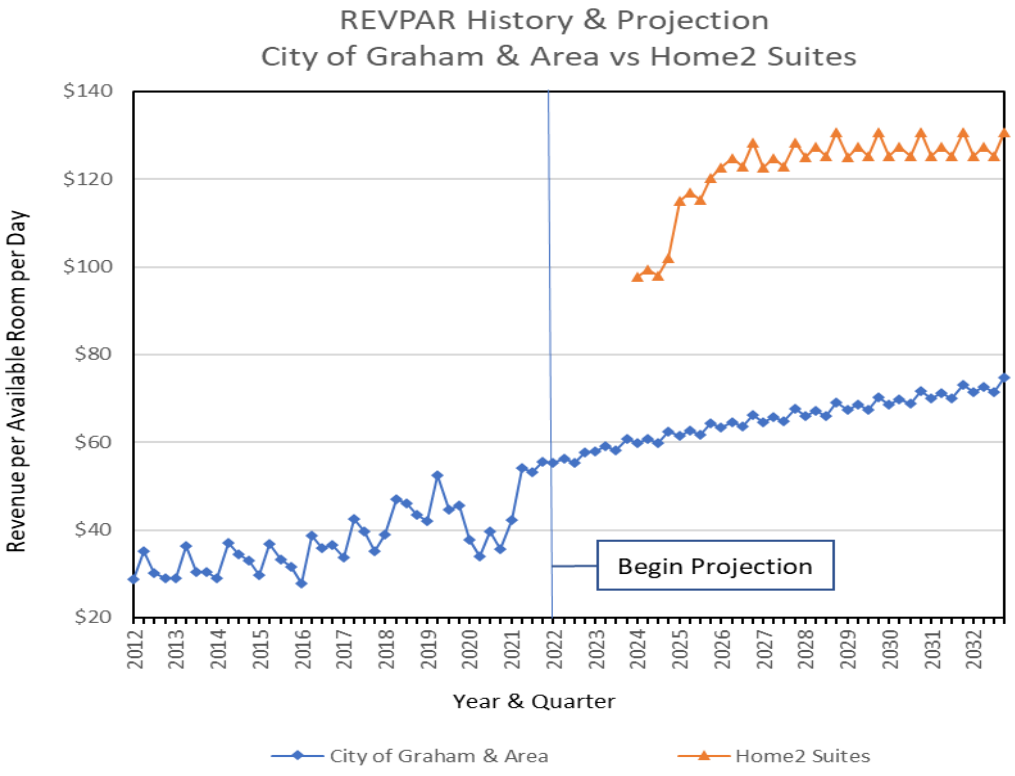
	SUBJECT: Home2 Suites Derivation	BestWestern	HolidayExp	Hampton Inn	La Quinta	BestWestern
Data in 2021 $'s	**Year III**	**Graham**	**Graham**	**Weatherford**	**Bridgeport**	**MineralWlls**
Base: Name & Quality	1.61	1.10	1.35	1.41	1.03	0.66
x Brand Age Adjustment	0.88	1.00	1.05	1.09	1.19	1.16
x Site Value Adjustment	1.05	1.24	1.11	1.24	0.85	1.41
x Size Adjustment	1.07	1.16	1.04	1.16	1.21	1.07
x Other Adjustments	1.05	1.05	0.65	1.00	0.60	1.15
x Newness Adjustment	1.16	0.88	0.95	0.81	0.92	0.86
= Performance Factor	**194%**	**146%**	**101%**	**178%**	**70%**	**116%**
x Market REVPAR	$49.66	$49.66	$54.10	$54.10	$54.10	$54.10
= Projected Performance	**$96.11**	**$72.36**	**$54.55**	**$96.42**	**$37.60**	**$62.57**
Actual Past Year	n/a	72.30	54.72	96.08	37.53	62.60
Index (Proj./Actual)	n/a	100	100	100	100	100
Year Opened	n/a	2004	2009	1997	2008	2002
# Rooms	90	61	71	56	53	50

4. The projected REVPAR performance of Home2 Suites versus the local market average reflects the fact that this property will perform well above the projected market average:



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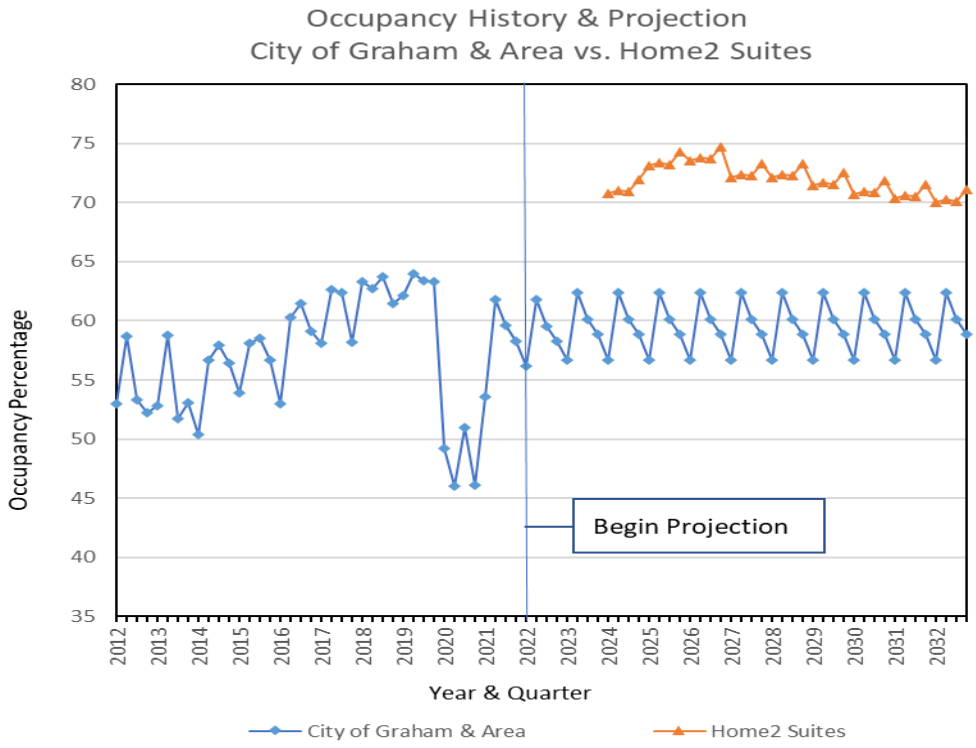
5. The graphically projected occupancy performance of Home2 Suites versus the local market average reflects the fact that this hotel will be well above the overall market average because of product, size, location, and age:



6. An examination of the local Graham Area[13] market reflects a mixture of a number of older and middle-aged properties, along with a growing percentage of newer hotels. Typically, a new hotel will have an inordinate advantage over older products. ***The average hotel room in the local market is 15 years old***, far 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/concrete structures. Out of 1,843 total rooms in the local market, 669, or 36% have been built since 2009, while only 27%, or 500 rooms were opened before 1999 (at least 20 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 performing years. Overall, this is a fairly new group of hotels and lodging properties. Well established consumer research strongly indicates that to consumers '***new***' means '***clean***,' and '***old***' means '***dirty***', with cleanliness the number one consumer selection factor in lodging.

13. Graham Area; Graham, Jacksboro, Olney, Archer, Bowie, Bridgeport, Breckenridge, Mineral Wells, & Weatherford.

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MARKET BREAKDOWN BY AGE

Year Open	# Rooms	Hotel
2021	41	CRAZY WATER PLAZA
2020	35	REST YOURSELF RIVER RANCH
2019	78	RODEWAY INN
2017	1	AIRBNB - CITY OF GRAHAM
2017	1	AIRBNB - CITY OF WEATHERFORD
2010	42	DAYS INN & SUITES
2010	80	CANDLEWOOD SUITES
2009	55	BEST WESTERN
2009	15	VILLAGE INN MOTEL
2009	71	HOLIDAY INN EXPRESS & SUITES GRAHAM
2009	31	FORT RICHARDSON MOTEL
2009	60	MOTEL 6 (FMR COMFS)
2009	84	FAIRFIELD INN & SUITES
2009	75	HOLIDAY EXPRESS & SUITES
2008	53	LA QUINTA INN & SUITES
2008	67	RED LION INN & SUITES (FMR HOLIDAY EXPRESS)
2008	33	QUALITY ONE MOTEL
2007	50	CLARION (FMR SLEEP INN SUITES)
2006	6	HOBBY HOUSE HILL
2005	32	ECONO LODGE I&S (FMR BRIDGEPORT SUITES/BWEST)
2005	34	WILDCATTER RANCH & RESORT
2004	61	BEST WESTERN (FMR BVALU/BWEST)
2004	51	MOTEL 6
2003	30	BEST VALUE INN (FMR BUDGET INN)
2003	32	ECONO LODGE WEATHERFORD
2002	50	BEST WESTERN CLUB HOUSE INN
2002	62	LA QUINTA INN & SUITES
2002	49	BEST WESTERN PLUS (FMR COMFORT SUITES)
2002	64	SUPER 8
1997	56	HAMPTON INN
1993	64	RED ROOF INN & SUITES (FMR QUALY/EXPRESS/HIEXP)
1988	24	GREYSTONE INN MOTEL
1987	40	PARK'S INN
1985	45	WEATHERFORD HERITAGE INN
1983	40	REGENCY INN (FMR BVALU/BRECKENRIDGE INN)
1980	60	BEST VALUE INN
1980	51	SUPER 8 MINERAL WELLS
1971	73	THE GATEWAY INN
1964	47	RIDGE MOTEL

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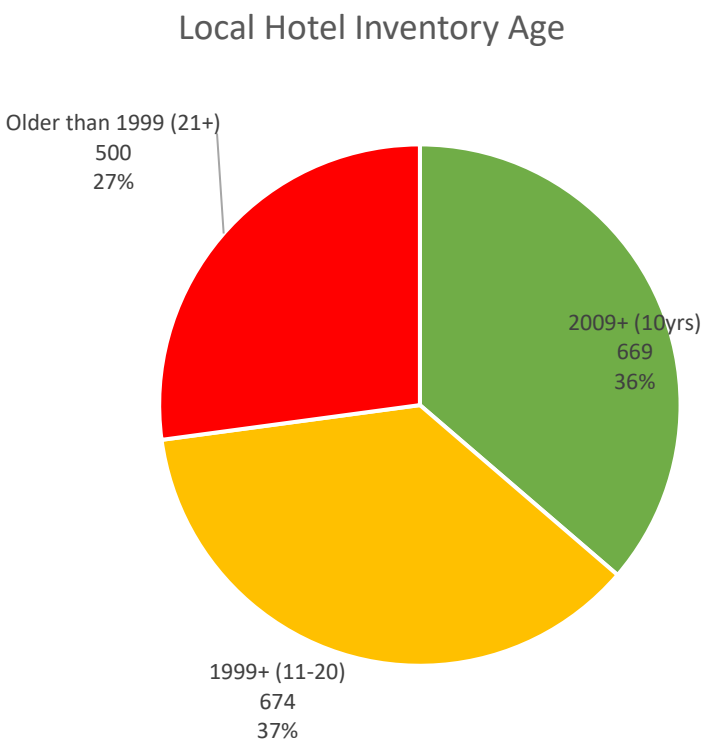

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HOME2 SUITES PRO FORMA: Applying the project derivation factor for the subject (194% Year III) to the quarterly local market REVPAR forecast results in the following progression:

PROJECT REVPAR PROJECTION

Year & Qtr	Local Market	Subject Hotel	Subj/Local Index	Annualized
2024 Q1	59.76	97.71	164	
2024 Q2	60.83	99.46	164	
2024 Q3	59.87	97.88	164	
2024 Q4	62.47	102.14	164	164
2025 Q1	61.55	115.02	187	
2025 Q2	62.66	117.08	187	
2025 Q3	61.66	115.22	187	
2025 Q4	64.35	120.24	187	187
2026 Q1	63.40	122.70	194	
2026 Q2	64.54	124.90	194	
2026 Q3	63.51	122.92	194	
2026 Q4	66.28	128.27	194	194
2027 Q1	64.67	122.70	190	
2027 Q2	65.83	124.90	190	
2027 Q3	64.78	122.92	190	
2027 Q4	67.60	128.27	190	190
2028 Q1	65.96	125.15	190	
2028 Q2	67.14	127.40	190	
2028 Q3	66.08	125.38	190	
2028 Q4	68.95	130.83	190	190
2029 Q1	67.28	125.16	186	
2029 Q2	68.49	127.40	186	
2029 Q3	67.40	125.38	186	
2029 Q4	70.33	130.84	186	186
2030 Q1	68.63	125.16	182	
2030 Q2	69.86	127.40	182	
2030 Q3	68.75	125.38	182	
2030 Q4	71.74	130.84	182	182
2031 Q1	70.00	125.16	179	
2031 Q2	71.25	127.40	179	
2031 Q3	70.12	125.38	179	
2031 Q4	73.17	130.84	179	179
2032 Q1	71.40	125.16	175	
2032 Q2	72.68	127.40	175	
2032 Q3	71.53	125.38	175	
2032 Q4	74.64	130.84	175	175
2033 Q1	73.36	126.08	172	
2033 Q2	74.68	128.34	172	
2033 Q3	73.49	126.30	172	
2033 Q4	76.69	131.80	172	172
CGR %				
9 Yrs	**2.3%**	**2.9%**		
First 5 Yrs	**2.4%**	**5.1%**		

*CGR% measured from open date

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For the Home2 Suites, 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:

RESULTING PROJECTION: Home2 Suites

Year & Qtr	Resulting Room Revenues	Annual Basis	Estimated % Occ	ADR	Room Nights Sold	Annual Basis		
						RNS	% Occ	ADR
2024 Q1	$791,445		70.8	$138.00	5735			
2024 Q2	$814,599		71.0	$140.00	5819			
2024 Q3	$810,475		70.9	$138.00	5873			
2024 Q4	$845,748	$3,262,266	71.9	$142.00	5956	23383	71.2%	$139.52
2025 Q1	$931,643		73.1	$157.32	5922			
2025 Q2	$958,900		73.4	$159.60	6008			
2025 Q3	$954,045		73.2	$157.32	6064			
2025 Q4	$995,566	$3,840,153	74.3	$161.88	6150	24144	73.5%	$159.05
2026 Q1	$993,864		73.6	$166.76	5960			
2026 Q2	$1,022,940		73.8	$169.18	6047			
2026 Q3	$1,017,761		73.7	$166.76	6103			
2026 Q4	$1,062,055	$4,096,621	74.8	$171.59	6189	24299	74.0%	$168.59
2027 Q1	$993,872		72.1	$170.09	5843			
2027 Q2	$1,022,949		72.4	$172.56	5928			
2027 Q3	$1,017,769		72.3	$170.09	5984			
2027 Q4	$1,062,064	$4,096,654	73.3	$175.02	6068	23823	72.5%	$171.96
2028 Q1	$1,013,749		72.1	$173.50	5843			
2028 Q2	$1,043,408		72.4	$176.01	5928			
2028 Q3	$1,038,125		72.3	$173.50	5984			
2028 Q4	$1,083,305	$4,178,587	73.3	$178.53	6068	23823	72.5%	$175.40
2029 Q1	$1,013,757		71.4	$175.23	5785			
2029 Q2	$1,043,416		71.7	$177.77	5869			
2029 Q3	$1,038,133		71.6	$175.23	5924			
2029 Q4	$1,083,314	$4,178,620	72.6	$180.31	6008	23587	71.8%	$177.16
2030 Q1	$1,013,765		70.7	$176.98	5728			
2030 Q2	$1,043,424		71.0	$179.55	5811			
2030 Q3	$1,038,141		70.8	$176.98	5866			
2030 Q4	$1,083,323	$4,178,654	71.8	$182.11	5949	23354	71.1%	$178.93
2031 Q1	$1,013,773		70.4	$177.87	5700			
2031 Q2	$1,043,433		70.6	$180.45	5783			
2031 Q3	$1,038,150		70.5	$177.87	5837			
2031 Q4	$1,083,331	$4,178,687	71.5	$183.02	5919	23238	70.7%	$179.82
2032 Q1	$1,013,782		70.0	$178.76	5671			
2032 Q2	$1,043,441		70.3	$181.35	5754			
2032 Q3	$1,038,158		70.1	$178.76	5808			
2032 Q4	$1,083,340	$4,178,720	71.1	$183.94	5890	23122	70.4%	$180.72
2033 Q1	$1,021,244		70.2	$179.65	5685			
CGR %								
9 Yrs	**2.9%**		**-0.1%**	**3.0%**	**-0.1%**			
First 5Yrs	**5.1%**		**0.2%**	**4.9%**	**0.2%**			

-CGR% measured from open date-

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OPERATING COSTS[14]

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 take into account 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.

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	$51.38	23,383	$1,201,354
Year II	$55.37	24,144	$1,336,963
Year III	$57.77	24,299	$1,403,833

These figures compare to industry-wide data as follows:

a) $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

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.

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

14. 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.

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e) $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.

- **Versus room revenues**: a vital marketing expense of 7% in Year I and thereafter. Marketing includes reservation and advertising fees, sales expense, local advertising and the always important outdoor billboards. Home2 Suites franchise fees are set at 6%, and a management fee is charged.

Food & beverage sales are set at 10% of room revenues, with an expense level of 80%. Ideally, this property will have a rooftop bar and banquet venue.

A reserve for renovations is taken and subtracted from projected cash flows annually; such renovation reserves amount to $2,221,914 in the first ten years ($24,688 per unit). Reserves insure 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 $13,100,000 is allocated for the development of the project. The estimated total turn-key cost (excluding land) of $140,000 per unit is above average but still reasonable, in our experience, for a product like this. Land has been valued at $500,000. Should capital needs vary, then returns would change proportionately. The estimates of necessary capital include:

Total Investment

Land Value	$ 500,000
Improvements Budget	$ 12,600,000 @ $140,000 per key[15]
Total Investment	$ 13,100,000

<PROFIT & LOSS STATEMENTS FOLLOW OVERLEAF>

15. Developer estimate of land and development costs.

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Home2 Suites, Year I

Land Value: $500,000 | Opening Date: 1/1/2024 | # Rooms: 90 | Cost Per Key: $140,000

QUARTER:	First	Second	Third	Fourth	Year	
Roomnights Sold	5,735	5,819	5,873	5,956	23,383	
Roomnights Available	8,100	8,190	8,280	8,280	32,850	
Occupancy %	70.8%	71.0%	70.9%	71.9%	71.2%	
Average Rate	$138.00	$140.00	$138.00	$142.00	$139.52	
REVPAR	$97.71	$99.46	$97.88	$102.14	$99.31	
						% Revenues
Room Revenues	$791,445	$814,599	$810,475	$845,748	$3,262,266	88.5%
F&B Revenues	$79,144	$81,460	$81,047	$84,575	$326,227	8.8%
Other Revenue	$23,743	$24,438	$24,314	$25,372	$97,868	2.7%
Total Sales	**$894,332**	**$920,497**	**$915,837**	**$955,695**	**$3,686,361**	**100.0%**
Operating Expense - Payroll						
Administration	$31,302	$32,217	$32,054	$33,449	$129,023	3.5%
Housekeeping	$20,073	$20,365	$20,556	$20,846	$81,839	2.2%
Laundry	$8,029	$8,146	$8,222	$8,338	$32,736	0.9%
Front Desk	$22,940	$23,274	$23,492	$23,824	$93,531	2.5%
Miscellaneous	$8,943	$9,205	$9,158	$9,557	$36,864	1.0%
Taxes/Benefits	$13,693	$13,981	$14,022	$14,402	$56,099	1.5%
Total Payroll	**$104,980**	**$107,189**	**$107,505**	**$110,417**	**$430,091**	**11.7%**
Room Expense						
Linen & Laundry	$5,735	$5,819	$5,873	$5,956	$23,383	0.6%
Comp. F & B	$11,470	$11,637	$11,746	$11,912	$46,765	1.3%
Total Room	**$17,205**	**$17,456**	**$17,619**	**$17,868**	**$70,148**	**1.9%**
Other Expense						
Phone Lines	$12,617	$12,801	$12,921	$13,103	$51,442	1.4%
Electric/Utility	$17,205	$17,456	$17,619	$17,868	$70,148	1.9%
Maintenance & Repair	$14,756	$15,188	$15,111	$15,769	$60,825	1.7%
Total Other	**$44,579**	**$45,445**	**$45,651**	**$46,740**	**$182,415**	**4.9%**
General & Administration						
Marketing & Advertising	$55,401	$57,022	$56,733	$59,202	$228,359	6.2%
Franchise Fee	$47,487	$48,876	$48,628	$50,745	$195,736	5.3%
Credit Card Fees	$22,952	$23,623	$23,504	$24,527	$94,606	2.6%
Tot Admin & Gen	**$125,840**	**$129,521**	**$128,865**	**$134,474**	**$518,700**	**14.1%**
F&B Expenses	**$63,316**	**$65,168**	**$64,838**	**$67,660**	**$260,981**	**7.1%**
Total Op Expense	**$355,920**	**$364,778**	**$364,478**	**$377,158**	**$1,462,335**	**39.7%**
Gross Operating Profit	$538,412	$555,719	$551,358	$578,537	$2,224,026	60.3%
Management Fee	$26,597	$27,406	$27,237	$28,486	$109,726	3.0%
Income Before Fixed	**$511,815**	**$528,312**	**$524,122**	**$550,051**	**$2,114,300**	**57.4%**
Fixed Charges						
Insurance	$22,358	$23,012	$22,896	$23,892	$92,159	2.5%
Property Tax	$40,245	$41,422	$41,213	$43,006	$165,886	4.5%
Deprec SL 39 Yrs.	$80,769	$80,769	$80,769	$80,769	$323,077	8.8%
Tot Capital Expense	**$143,372**	**$145,204**	**$144,878**	**$147,668**	**$581,122**	**15.8%**
Income Before Tax & Fin	$368,443	$383,108	$379,244	$402,383	$1,533,178	41.6%
Depreciation AddBack	$80,769	$80,769	$80,769	$80,769	$323,077	8.8%
Renovation Reserve	-$43,529	-$44,803	-$44,576	-$46,516	-$179,425	-4.9%
Cash Flow Before Tax & Fin	**$405,682**	**$419,075**	**$415,437**	**$436,636**	**$1,676,830**	**45.5%**

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Home2 Suites, Year II - X

Land Value: $500,000 Opening Date: 1/1/2024 # Rooms: 90 Cost Per Key: $140,000

Year	2	3	4	5	6	7	8	9	10	CGR Yr 2-10
Roomnights Sold	24,144	24,299	23,823	23,823	23,587	23,354	23,238	23,122	23,177	-0.1%
Roomnights Available	32,850	32,850	32,850	32,850	32,850	32,850	32,850	32,850	32,850	0.0%
Occupancy %	73.5%	74.0%	72.5%	72.5%	71.8%	71.1%	70.7%	70.4%	70.6%	-0.1%
Average Rate*	$159.05	$168.59	$171.96	$175.40	$177.16	$178.93	$179.82	$180.72	$181.63	3.0%
REVPAR	$116.90	$124.71	$124.71	$127.20	$127.20	$127.20	$127.21	$127.21	$128.14	2.9%
Room Revenues	$3,840,153	$4,096,621	$4,096,654	$4,178,587	$4,178,620	$4,178,654	$4,178,687	$4,178,720	$4,209,480	2.8%
F&B Revenues	$384,015	$409,662	$409,665	$417,859	$417,862	$417,865	$417,869	$417,872	$420,948	2.8%
Other Revenues	$115,205	$122,899	$122,900	$125,358	$125,359	$125,360	$125,361	$125,362	$126,284	2.9%
Total Revenues	**$4,339,373**	**$4,629,182**	**$4,629,219**	**$4,721,803**	**$4,721,841**	**$4,721,879**	**$4,721,916**	**$4,721,954**	**$4,756,712**	**2.9%**
Operating Expense - Payroll										
Administration	$132,571	$136,216	$139,962	$143,811	$147,766	$151,830	$156,005	$160,295	$164,703	2.8%
Housekeeping	$86,830	$89,789	$90,449	$92,937	$94,548	$96,187	$98,341	$100,544	$103,551	2.6%
Laundry	$34,732	$35,915	$36,180	$37,175	$37,819	$38,475	$39,336	$40,217	$41,420	2.6%
Front Desk	$99,234	$102,616	$103,371	$106,214	$108,055	$109,928	$112,390	$114,907	$118,344	2.6%
Miscellaneous	$39,111	$40,444	$40,742	$41,862	$42,588	$43,326	$44,297	$45,289	$46,644	2.6%
Taxes/Benefits	$58,872	$60,747	$61,606	$63,300	$64,616	$65,962	$67,555	$69,188	$71,199	2.7%
Total Payroll	**$451,349**	**$465,727**	**$472,310**	**$485,299**	**$495,392**	**$505,707**	**$517,925**	**$530,440**	**$545,862**	**2.7%**
Room Expense										
Linen & Laundry	$24,808	$25,654	$25,843	$26,553	$27,014	$27,482	$28,097	$28,727	$29,586	2.6%
Comp. F & B	$49,617	$51,308	$51,685	$53,107	$54,027	$54,964	$56,195	$57,453	$59,172	2.6%
Total Room	**$74,425**	**$76,962**	**$77,528**	**$79,660**	**$81,041**	**$82,446**	**$84,292**	**$86,180**	**$88,758**	**2.6%**
Other Expense										
Phone Lines	$54,579	$56,439	$56,854	$58,417	$59,430	$60,460	$61,814	$63,199	$65,089	2.6%
Electric	$74,425	$76,962	$77,528	$79,660	$81,041	$82,446	$84,292	$86,180	$88,758	2.6%
Repairs & Maint.	$71,600	$76,381	$76,382	$77,910	$77,910	$77,911	$77,912	$77,912	$78,486	2.9%
Total Other	**$200,604**	**$209,782**	**$210,764**	**$215,987**	**$218,382**	**$220,817**	**$224,018**	**$227,291**	**$232,333**	**2.7%**
General & Administration										
Marketing & Advert	$268,811	$286,763	$286,766	$292,501	$292,503	$292,506	$292,508	$292,510	$294,664	2.9%
Franchise Fee	$230,409	$245,797	$245,799	$250,715	$250,717	$250,719	$250,721	$250,723	$252,569	2.9%
Credit Card Fees	$111,364	$118,802	$118,803	$121,179	$121,180	$121,181	$121,182	$121,183	$122,075	2.9%
Total Admin & Gen	**$610,584**	**$651,363**	**$651,368**	**$664,395**	**$664,401**	**$664,406**	**$664,411**	**$664,417**	**$669,307**	**2.9%**
F&B Expenses	**$307,212**	**$327,730**	**$327,732**	**$334,287**	**$334,290**	**$334,292**	**$334,295**	**$334,298**	**$336,758**	**2.9%**
Total Oper Expense	**$1,644,175**	**$1,731,563**	**$1,739,703**	**$1,779,629**	**$1,793,505**	**$1,807,669**	**$1,824,941**	**$1,842,625**	**$1,873,019**	**2.8%**
Gross Op Profit	$2,695,199	$2,897,619	$2,889,516	$2,942,174	$2,928,335	$2,914,210	$2,896,975	$2,879,329	$2,883,693	2.9%

Home2 Suites, Year II - X

Land Value: $500,000 Opening Date: 1/1/2024 # Rooms: 90 Cost Per Key: $140,000

Year	2	3	4	5	6	7	8	9	10	CGR Yr 2-10
Roomnights Sold	24,144	24,299	23,823	23,823	23,587	23,354	23,238	23,122	23,177	-0.1%
Roomnights Available	32,850	32,850	32,850	32,850	32,850	32,850	32,850	32,850	32,850	0.0%
Occupancy %	73.5%	74.0%	72.5%	72.5%	71.8%	71.1%	70.7%	70.4%	70.6%	-0.1%
Average Rate*	$159.05	$168.59	$171.96	$175.40	$177.16	$178.93	$179.82	$180.72	$181.63	3.0%
REVPAR	$116.90	$124.71	$124.71	$127.20	$127.20	$127.20	$127.21	$127.21	$128.14	2.9%
Room Revenues	$3,840,153	$4,096,621	$4,096,654	$4,178,587	$4,178,620	$4,178,654	$4,178,687	$4,178,720	$4,209,480	2.8%
F&B Revenues	$384,015	$409,662	$409,665	$417,859	$417,862	$417,865	$417,869	$417,872	$420,948	2.8%
Other Revenues	$115,205	$122,899	$122,900	$125,358	$125,359	$125,360	$125,361	$125,362	$126,284	2.9%
Total Revenues	**$4,339,373**	**$4,629,182**	**$4,629,219**	**$4,721,803**	**$4,721,841**	**$4,721,879**	**$4,721,916**	**$4,721,954**	**$4,756,712**	**2.9%**
Total Oper Expense	**$1,644,175**	**$1,731,563**	**$1,739,703**	**$1,779,629**	**$1,793,505**	**$1,807,669**	**$1,824,941**	**$1,842,625**	**$1,873,019**	**2.8%**
Gross Op Profit	$2,695,199	$2,897,619	$2,889,516	$2,942,174	$2,928,335	$2,914,210	$2,896,975	$2,879,329	$2,883,693	2.9%
Mngmt Fee	$130,707	$139,885	$139,723	$142,415	$142,139	$141,857	$141,513	$141,161	$141,863	2.9%
Income Before Fixed Charges	**$2,564,492**	**$2,757,734**	**$2,749,792**	**$2,799,759**	**$2,786,196**	**$2,772,353**	**$2,755,462**	**$2,738,168**	**$2,741,829**	**2.9%**
Fixed Charges										
Insurance	$94,693	$97,297	$99,973	$102,722	$105,547	$108,450	$111,432	$114,497	$117,645	2.8%
Property Tax	$170,448	$175,135	$179,952	$184,900	$189,985	$195,210	$200,578	$206,094	$211,761	2.8%
Depr. SL 39 Yrs.	$323,077	$323,077	$323,077	$323,077	$323,077	$323,077	$323,077	$323,077	$323,077	0.0%
Total Fixed Charges	**$588,218**	**$595,510**	**$603,002**	**$610,700**	**$618,609**	**$626,736**	**$635,087**	**$643,667**	**$652,484**	**1.3%**
Income Before Tax & Financing	$1,976,273	$2,162,224	$2,146,791	$2,189,060	$2,167,587	$2,145,616	$2,120,375	$2,094,500	$2,089,346	3.5%
Depr. AddBack	$323,077	$323,077	$323,077	$323,077	$323,077	$323,077	$323,077	$323,077	$323,077	0.0%
Renovation Reserve	-$211,208	-$225,314	-$225,316	-$229,822	-$229,824	-$229,826	-$229,828	-$229,830	-$231,521	2.9%
Cash Flow Bef Tax & Fin	**$2,088,142**	**$2,259,987**	**$2,244,552**	**$2,282,314**	**$2,260,840**	**$2,238,867**	**$2,213,624**	**$2,187,748**	**$2,180,901**	**3.0%**

May 2, 2022

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 the Home2 Suites Graham at one of the aforementioned locations with the referenced number of units. 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 a listing in travel tourbooks, and a robust presence on the Internet.

It is our opinion that this report fairly and conservatively represents the room revenues, profitability and return on investment performance that can be achieved by developing and operating a 90 unit Home2 Suites property in Graham, 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

EXHIBITS:

I 10 County Area / Graham Area

II Local Market History: By Segment and Brand, Past Five Years, Annual Basis

III Individual Hotel/Motel Histories Local Market

IV Texas Excluding Large Metros, Luxury & Upscale Segments,

V The Case For Downsizing Hotels

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

VII CAPEX Study of Capital Expenditures

VIII Preparer Qualifications and Client List

IX Source Strategies Database Methodology

X Hotel Brand Report Newsletter (separate file)

LODGING MARKET: YOUNG & SURROUNDING COUNTIES

YEAR Q	# Hotels Motels	# Rooms	Rnights sold 1 (000s)	$ Rooms Revenues (000 s)	% OCC2	$ Rate3	$ RPAR4
2012 Q1	60	2,935	140.2	8,207	53.1	58.54	31.07
2012 Q2	69	3,079	163.4	10,827	58.3	66.25	38.64
2012 Q3	70	3,051	154.7	9,981	55.1	64.52	35.56
2012 Q4	60	2,934	144.2	8,840	53.4	61.30	32.75
*TOTAL 2012			602.5	37,854	55.0	62.83	34.57
2013 Q1	58	2,883	136.8	8,213	52.7	60.06	31.65
2013 Q2	64	2,932	154.3	10,358	57.8	67.12	38.82
2013 Q3	64	2,920	140.0	8,991	52.1	64.20	33.47
2013 Q4	57	2,822	137.7	8,480	53.0	61.59	32.66
*TOTAL 2013			568.8	36,041	53.9	63.37	34.18
2014 Q1	56	2,782	129.7	7,972	51.8	61.47	31.84
2014 Q2	60	2,839	143.7	9,759	55.6	67.90	37.77
2014 Q3	62	2,851	148.1	9,385	56.5	63.37	35.78
2014 Q4	55	2,695	134.9	7,895	54.4	58.53	31.84
*TOTAL 2014			556.4	35,011	54.6	62.92	34.36
2015 Q1	53	2,648	125.2	6,978	52.5	55.73	29.28
2015 Q2	56	2,690	140.1	8,926	57.2	63.73	36.46
2015 Q3	59	2,742	148.1	9,033	58.7	61.00	35.81
2015 Q4	52	2,573	128.7	7,216	54.4	56.05	30.48
*TOTAL 2015			542.1	32,154	55.8	59.31	33.08
2016 Q1	49	2,442	116.0	6,233	52.8	53.72	28.36
2016 Q2	55	2,593	139.3	8,880	59.0	63.76	37.63
2016 Q3	57	2,570	143.9	8,607	60.9	59.81	36.40
2016 Q4	47	2,351	124.7	7,284	57.7	58.40	33.68
*TOTAL 2016			523.9	31,004	57.7	59.18	34.13
2017 Q1	50	2,400	122.8	6,930	56.8	56.46	32.09
2017 Q2	58	2,547	142.2	9,430	61.3	66.32	40.69
2017 Q3	61	2,618	154.3	9,738	64.1	63.09	40.43
2017 Q4	51	2,524	137.7	8,269	59.3	60.04	35.61
*TOTAL 2017			557.0	34,367	60.5	61.70	37.32
2018 Q1	54	2,515	144.7	8,677	63.9	59.97	38.33
2018 Q2	67	2,821	161.4	11,794	62.9	73.09	45.94
2018 Q3	67	2,871	162.7	11,319	61.6	69.56	42.85
2018 Q4	59	2,735	147.8	9,767	58.7	66.10	38.82
*TOTAL 2018			616.5	41,557	61.7	67.40	41.61
2019 Q1	56	2,644	141.2	9,251	59.4	65.50	38.88
2019 Q2	60	2,690	149.4	11,508	61.0	77.03	47.01
2019 Q3	65	2,869	164.7	11,495	62.4	69.77	43.55
2019 Q4	58	2,750	153.7	10,448	60.8	67.98	41.30
*TOTAL 2019			609.1	42,703	60.9	70.11	42.72

LODGING MARKET: YOUNG & SURROUNDING COUNTIES

YEAR Q	# Hotels Motels	# Rooms	Rnights sold 1 (000s)	$ Rooms Revenues (000 s)	% OCC2	$ Rate3	$ RPAR4
2020 Q1	57	2,764	112.7	8,460	45.3	75.10	34.01
2020 Q2	64	2,879	109.8	8,211	41.9	74.76	31.34
2020 Q3	70	3,023	131.9	10,382	47.4	78.69	37.33
2020 Q4	60	2,842	114.9	8,912	43.9	77.58	34.09
*TOTAL 2020			469.3	35,965	44.7	76.64	34.24
2021 Q1	60	2,857	129.6	10,362	50.4	79.94	40.30
2021 Q2	67	2,993	159.2	13,647	58.4	85.73	50.11
2021 Q3	70	3,102	161.2	13,879	56.5	86.10	48.63
2021 Q4	63	2,976	150.7	13,596	55.1	90.20	49.66
*TOTAL 2021			600.7	51,484	55.2	85.70	47.29

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: CITY OF GRAHAM & SURROUNDING TOWNS

YEAR Q	# Hotels Motels	# ROOMS	RNIGHTS SOLD 1 (000S)	$ ROOMS REVENUES (000 S)	% OCC2	$ Rate3	$ RPAR4
2012 Q1	42	2,097	99.0	5,397	52.4	54.53	28.60
2012 Q2	45	2,173	117.1	6,957	59.2	59.41	35.18
2012 Q3	44	2,133	106.0	6,053	54.0	57.10	30.84
2012 Q4	42	2,091	102.6	5,712	53.3	55.69	29.69
*TOTAL 2012			424.7	24,119	54.8	56.80	31.12
2013 Q1	41	2,069	98.5	5,461	52.9	55.44	29.33
2013 Q2	41	2,031	108.0	6,648	58.4	61.58	35.97
2013 Q3	40	2,012	94.5	5,634	51.1	59.61	30.44
2013 Q4	38	1,962	94.4	5,457	52.3	57.83	30.23
*TOTAL 2013			395.3	23,200	53.7	58.68	31.49
2014 Q1	38	1,928	86.8	5,034	50.0	57.98	29.01
2014 Q2	38	1,933	98.0	6,396	55.7	65.30	36.36
2014 Q3	37	1,893	98.9	5,961	56.8	60.29	34.23
2014 Q4	33	1,710	88.5	5,269	56.2	59.56	33.49
*TOTAL 2014			372.1	22,660	54.7	60.90	33.28
2015 Q1	30	1,623	78.5	4,408	53.7	56.15	30.18
2015 Q2	33	1,723	90.2	5,737	57.5	63.62	36.59
2015 Q3	34	1,767	94.7	5,430	58.2	57.35	33.40
2015 Q4	33	1,698	87.2	4,903	55.8	56.24	31.39
*TOTAL 2015			350.6	20,479	56.4	58.42	32.94
2016 Q1	32	1,688	79.1	4,148	52.0	52.47	27.30
2016 Q2	32	1,688	90.6	5,712	59.0	63.03	37.19
2016 Q3	34	1,677	93.1	5,485	60.3	58.94	35.55
2016 Q4	30	1,571	83.4	5,113	57.7	61.31	35.37
*TOTAL 2016			346.1	20,458	57.3	59.10	33.85
2017 Q1	31	1,610	82.4	4,794	56.9	58.19	33.08
2017 Q2	32	1,634	92.8	6,218	62.4	67.04	41.82
2017 Q3	35	1,692	94.8	6,006	60.9	63.35	38.58
2017 Q4	33	1,709	91.4	5,429	58.1	59.40	34.53
*TOTAL 2017			361.3	22,447	59.6	62.12	37.01
2018 Q1	33	1,676	95.4	5,725	63.2	60.04	37.96
2018 Q2	35	1,731	99.1	7,244	62.9	73.10	45.98
2018 Q3	35	1,744	100.8	7,174	62.8	71.14	44.71
2018 Q4	33	1,688	94.5	6,562	60.9	69.43	42.26
*TOTAL 2018			389.8	26,705	62.5	68.51	42.79
2019 Q1	33	1,654	91.4	6,126	61.4	66.99	41.15
2019 Q2	33	1,611	93.1	7,529	63.5	80.86	51.36
2019 Q3	35	1,794	104.5	7,309	63.3	69.91	44.28
2019 Q4	33	1,720	99.0	7,095	62.6	71.63	44.83
*TOTAL 2019			388.1	28,058	62.7	72.29	45.35

LODGING MARKET: CITY OF GRAHAM & SURROUNDING TOWNS

YEAR Q	# Hotels Motels	# ROOMS	RNIGHTS SOLD 1 (000S)	$ ROOMS REVENUES (000 S)	% OCC2	$ Rate3	$ RPAR4
2020 Q1	33	1,724	75.8	5,742	48.9	75.73	37.01
2020 Q2	35	1,715	70.6	5,129	45.2	72.65	32.86
2020 Q3	38	1,784	83.5	6,381	50.9	76.42	38.88
2020 Q4	35	1,733	72.7	5,533	45.6	76.16	34.71
*TOTAL 2020			302.6	22,786	47.7	75.31	35.90
2021 Q1	35	1,788	83.0	6,445	51.6	77.61	40.05
2021 Q2	39	1,878	103.8	8,972	60.7	86.47	52.50
2021 Q3	41	1,922	103.4	9,144	58.5	88.46	51.71
2021 Q4	39	1,891	99.6	9,340	57.2	93.79	53.69
*TOTAL 2021			389.8	33,902	57.1	86.98	49.66

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)

PERIOD: 12 MONTHS ENDING DEC 31, 2021
LODGING MARKET: CITY OF GRAHAM & SURROUNDING TOWNS

BRAND	# HTL	# * RMS 000S	% RMS	EST. RNS 000S	% RNS	$ AMT. 000S	% AMT	EST. %OCC	EST. $ RATE	$ RPAR
HOTELS										
BEST WEST	1	.1	3.3	14	3.6	1,610	4.7	63.7	113.56	72.30
HAMPTON	1	.1	3.0	15	3.8	1,964	5.8	71.9	133.66	96.08
HOLID EXP	1	.1	3.8	14	3.5	1,418	4.2	52.3	104.59	54.72
LA QUINTA	1	.1	2.8	9	2.3	726	2.1	47.2	79.56	37.53
TOT COMPS	4	.2	12.9	52	13.2	5,718	16.9	58.6	110.91	65.00
BEST WESTERN MIN WE		.1	2.7	12	3.0	1,143	3.4	64.7	96.82	62.60
OTHER MUP	1	.1	3.6	13	3.4	887	2.6	55.0	66.00	36.28
CANDLWOOD	1	.1	4.3	20	5.0	2,092	6.2	67.0	106.97	71.66
BEST WEST	2	.1	5.6	23	5.9	2,166	6.4	60.4	94.50	57.07
FAIRFIELD	1	.1	4.5	22	5.7	2,389	7.0	71.9	108.34	77.92
HOLID EXP	1	.1	4.0	21	5.4	2,886	8.5	76.6	137.60	105.41
LA QUINTA	1	.1	3.3	15	3.8	1,315	3.9	65.2	89.11	58.09
TOT LTD SVE	5	.3	17.4	81	20.7	8,756	25.8	68.0	108.50	73.81
BST VALUE	2	.1	4.8	15	4.0	783	2.3	46.9	50.87	23.85
CLARION	1	.1	2.7	13	3.4	1,302	3.8	72.6	98.21	71.34
DAYS INN	1	.0	2.2	10	2.5	854	2.5	62.5	89.16	55.72
ECONOLODG	2	.1	3.4	12	3.2	748	2.2	52.8	60.69	32.02
MOTEL 6	2	.1	5.9	25	6.4	1,594	4.7	61.9	63.58	39.34
OYO	1	.0	.5	2	.5	96	.3	48.3	54.30	26.23
RED ROOF	1	.1	3.4	13	3.4	1,052	3.1	57.4	78.41	45.04
RODEWAY	1	.1	4.2	15	3.8	704	2.1	52.1	47.46	24.72
SUPER 8	2	.1	6.1	25	6.5	1,414	4.2	60.6	55.58	33.68
TOT BUDGET	13	.6	33.4	131	33.6	8,547	25.2	57.5	65.20	37.52
$60-99ADR	3	.1	3.9	13	3.3	1,228	3.6	49.2	94.53	46.49
LT $60ADR	7	.3	14.5	46	11.8	2,315	6.8	46.7	50.23	23.43
TOT IND HTL	10	.3	18.3	59	15.2	3,542	10.4	47.2	59.97	28.30
TOT HOTELS	35	1.7	92.5	367	94.2	30,684	90.5	58.2	83.56	48.59
TOT ST RENT	2	.1	2.8	8	2.0	778	2.3	39.9	100.27	40.03
TOT OTH IND	5	.1	4.6	15	3.8	2,439	7.2	46.4	165.73	76.87
TOT OTHER	7	.1	7.5	22	5.8	3,217	9.5	43.9	143.13	62.88
TOT MARKET	42	1.9	100.0	390	100.0	33,902	100	57.1	87.00	49.66

* 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: CITY OF GRAHAM & SURROUNDING TOWNS

BRAND	# HTL	# * RMS 000S	% RMS	EST. RNS 000S	% RNS	$ AMT. 000S	% AMT	EST. %OCC	EST. $ RATE	$ RPAR
HOTELS										
BEST WEST	1	.1	3.5	13	4.2	1,157	5.1	57.1	91.05	51.98
HAMPTON	1	.1	3.2	11	3.6	1,244	5.5	53.4	113.98	60.85
HOLID EXP	1	.1	4.1	14	4.7	1,508	6.6	54.8	106.13	58.19
LA QUINTA	1	.1	3.0	9	2.9	729	3.2	44.7	84.17	37.66
TOT COMPS	4	.2	13.9	46	15.4	4,638	20.4	52.8	99.76	52.72
BEST WEST	1	.1	2.9	10	3.4	889	3.9	57.1	85.20	48.69
TOT COMPS	1	.1	2.9	10	3.4	889	3.9	57.1	85.20	48.69
OTHER MUP	1	.1	3.9	8	2.7	610	2.7	32.9	75.73	24.94
TOT MID/UPS	1	.1	3.9	8	2.7	610	2.7	32.9	75.73	24.94
CANDLWOOD	1	.1	4.6	17	5.5	1,470	6.5	56.5	89.05	50.34
TOT MIN STE	1	.1	4.6	17	5.5	1,470	6.5	56.5	89.05	50.34
BEST WEST	2	.1	4.4	13	4.3	994	4.4	46.4	77.01	35.71
FAIRFIELD	1	.1	4.8	14	4.6	1,487	6.5	45.0	107.90	48.51
HOLID EXP	1	.1	4.3	15	4.9	1,811	7.9	54.6	121.11	66.16
LA QUINTA	1	.1	3.6	12	3.9	993	4.4	52.1	84.23	43.89
TOT LTD SVE	5	.3	17.1	53	17.7	5,286	23.2	49.3	98.91	48.72
BST VALUE	2	.1	5.2	16	5.4	699	3.1	49.4	43.11	21.29
CLARION	1	.1	2.9	9	2.9	689	3.0	47.6	79.38	37.76
DAYS INN	1	.0	2.4	7	2.4	540	2.4	46.9	75.03	35.19
ECONOLODG	2	.1	3.7	9	3.1	479	2.1	40.4	50.80	20.53
MOTEL 6	2	.1	6.4	20	6.7	1,039	4.6	50.1	51.18	25.63
OYO	1	.0	.6	2	.6	93	.4	45.8	55.41	25.39
QUALITY	1	.1	3.7	11	3.5	673	3.0	45.5	63.39	28.83
SCOTTISH	1	.1	4.5	12	4.1	531	2.3	43.3	43.03	18.64
SUPER 8	2	.1	5.9	19	6.3	825	3.6	50.9	43.42	22.11
TOT BUDGET	13	.6	35.2	105	34.9	5,568	24.4	47.3	52.80	24.96
$100+ ADR	1	.0	.4	1	.3	165	.7	38.4	156.15	59.96
$60-99ADR	1	.0	2.0	5	1.6	285	1.3	38.3	58.35	22.33
LT $60ADR	7	.3	15.9	43	14.2	1,903	8.4	42.5	44.41	18.87
TOT IND HTL	9	.3	18.3	49	16.1	2,353	10.3	41.9	48.22	20.22
TOT HOTELS	34	1.7	95.8	289	95.6	20,813	91.3	47.6	71.97	34.24
TOT ST RENT	2	.0	.7	2	.6	172	.8	39.6	96.63	38.31
TOT OTH IND	4	.1	3.5	12	3.8	1,801	7.9	51.5	155.86	80.27
TOT OTHER	6	.1	4.2	13	4.4	1,973	8.7	49.5	147.95	73.27
TOT MARKET	40	1.7	100.0	303	100.0	22,786	100	47.7	75.32	35.90

* 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: CITY OF GRAHAM & SURROUNDING TOWNS

BRAND	# HTL	# * RMS 000S	% RMS	EST. RNS 000S	% RNS	$ AMT. 000S	% AMT	EST. %OCC	EST. $ RATE	$ RPAR
HOTELS										
BEST WEST	1	.1	3.6	15	3.7	1,071	3.8	65.2	73.85	48.11
HAMPTON	1	.1	3.3	15	3.9	1,820	6.5	74.7	119.24	89.06
HOLID EXP	1	.1	4.2	18	4.6	1,658	5.9	68.9	92.84	63.97
LA QUINTA	1	.1	3.1	13	3.4	918	3.3	67.3	70.52	47.43
TOT COMPS	4	.2	14.2	61	15.6	5,467	19.5	68.9	90.15	62.15
BEST WEST	1	.1	2.9	12	3.2	904	3.2	67.8	73.05	49.55
TOT COMPS	1	.1	2.9	12	3.2	904	3.2	67.8	73.05	49.55
OTHER MUP	1	.1	4.0	12	3.1	716	2.6	48.5	60.38	29.26
TOT MID/UPS	1	.1	4.0	12	3.1	716	2.6	48.5	60.38	29.26
CANDLWOOD	1	.1	4.7	22	5.6	1,724	6.1	75.0	78.67	59.04
TOT MIN STE	1	.1	4.7	22	5.6	1,724	6.1	75.0	78.67	59.04
BEST WEST	2	.1	6.1	24	6.1	1,901	6.8	62.6	80.01	50.09
FAIRFIELD	1	.1	5.0	18	4.7	2,251	8.0	59.7	123.04	73.41
HOLID EXP	1	.1	4.4	21	5.5	2,528	9.0	77.3	119.45	92.36
LA QUINTA	1	.1	3.7	16	4.2	1,547	5.5	72.4	94.48	68.37
TOT LTD SVE	5	.3	19.2	80	20.5	8,228	29.3	67.1	103.36	69.36
BST VALUE	2	.1	5.3	19	4.9	762	2.7	57.9	40.05	23.19
CLARION	1	.1	2.9	13	3.2	1,089	3.9	68.7	86.81	59.66
DAYS INN	1	.0	2.5	10	2.6	654	2.3	66.0	64.60	42.63
ECONOLODG	2	.1	3.8	15	3.8	744	2.7	63.7	50.00	31.86
MOTEL 6	2	.1	6.5	26	6.6	1,170	4.2	63.1	45.76	28.88
QUALITY	1	.1	3.8	17	4.3	948	3.4	70.8	57.29	40.56
SCOTTISH	1	.0	2.3	6	1.4	241	.9	39.1	43.06	16.81
SUPER 8	1	.1	3.8	16	4.1	650	2.3	68.0	40.92	27.81
TOT BUDGET	11	.5	30.9	120	31.0	6,257	22.3	62.8	52.07	32.69
$60-99ADR	1	.0	2.1	8	2.0	459	1.6	59.4	60.48	35.93
LT $60ADR	9	.3	18.0	62	16.1	2,597	9.3	56.0	41.59	23.29
TOT IND HTL	10	.3	20.1	70	18.0	3,056	10.9	56.4	43.63	24.59
TOT HOTELS	33	1.6	96.0	377	97.0	26,352	93.9	63.4	69.98	44.35
TOT ST RENT	1	.0	.1	0	.1	37	.1	40.0	128.24	51.26
TOT OTH IND	3	.1	3.9	11	2.9	1,669	5.9	47.0	148.88	69.90
TOT OTHER	4	.1	4.0	12	3.0	1,707	6.1	46.7	148.36	69.35
TOT MARKET	37	1.7	100.0	388	100.0	28,058	100	62.7	72.30	45.35

* 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: CITY OF GRAHAM & SURROUNDING TOWNS

BRAND	# HTL	# * RMS 000S	% RMS	EST. RNS 000S	% RNS	$ AMT. 000S	% AMT	EST. %OCC	EST. $ RATE	$ RPAR
HOTELS										
BEST WEST	1	.1	3.6	14	3.5	996	3.7	61.1	73.19	44.75
HAMPTON	1	.1	3.3	14	3.7	1,579	5.9	69.8	110.74	77.26
HOLID EXP	1	.1	4.2	16	4.2	1,351	5.1	62.8	83.04	52.12
LA QUINTA	1	.1	3.1	13	3.4	971	3.6	68.1	73.71	50.19
TOT COMPS	4	.2	14.1	57	14.7	4,897	18.3	65.2	85.45	55.67
BEST WEST	1	.1	2.9	13	3.3	877	3.3	69.7	68.93	48.05
CANDLWOOD	1	.1	4.7	22	5.6	1,698	6.4	75.1	77.48	58.15
BEST WEST	2	.1	6.1	26	6.7	2,144	8.0	68.4	82.61	56.49
FAIRFIELD	1	.1	4.9	18	4.7	2,075	7.8	59.3	114.06	67.69
HOLID EXP	2	.1	8.3	31	8.1	3,051	11.4	60.7	97.03	58.86
LA QUINTA	1	.1	3.6	17	4.3	1,540	5.8	74.0	91.93	68.05
TOT LTD SVE	6	.4	22.9	92	23.7	8,811	33.0	64.5	95.41	61.58
BST VALUE	2	.1	5.3	20	5.0	690	2.6	59.8	35.11	21.00
CLARION	1	.1	2.9	12	3.1	1,013	3.8	67.0	82.80	55.48
DAYS INN	1	.0	2.5	10	2.6	652	2.4	67.1	63.37	42.50
ECONOLODG	2	.1	3.7	15	3.8	741	2.8	63.9	49.59	31.70
KNIGHTS	1	.0	.5	2	.4	59	.2	57.9	36.02	20.84
MOTEL 6	2	.1	6.5	24	6.3	992	3.7	60.4	40.51	24.49
QUALITY	1	.1	3.7	17	4.3	888	3.3	72.4	52.49	38.02
SUPER 8	1	.1	3.7	16	4.1	695	2.6	69.2	42.97	29.75
OTHER BUD	1	.0	.6	2	.4	57	.2	49.4	33.06	16.32
TOT BUDGET	12	.5	29.4	118	30.3	5,786	21.7	64.4	49.01	31.56
LT $60ADR	10	.4	21.7	76	19.4	3,158	11.8	55.9	41.75	23.35
TOT IND HTL	10	.4	21.7	76	19.4	3,158	11.8	55.9	41.75	23.35
TOT HOTELS	34	1.6	95.7	378	97.0	25,226	94.5	63.3	66.74	42.25
TOT OTH IND	3	.1	4.3	12	3.0	1,479	5.5	43.6	125.63	54.73
TOT MARKET	37	1.7	100.0	390	100.0	26,705	100	62.4	68.52	42.79

* 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, 2017
LODGING MARKET: CITY OF GRAHAM & SURROUNDING TOWNS

BRAND	# HTL	# * RMS 000S	% RMS	EST. RNS 000S	% RNS	$ AMT. 000S	% AMT	EST. %OCC	EST. $ RATE	$ RPAR
HOTELS										
BEST WEST	1	.1	3.7	13	3.6	902	4.0	58.0	69.86	40.52
HAMPTON	1	.1	3.4	13	3.6	1,110	4.9	63.3	85.71	54.29
HOLID EXP	1	.1	4.3	15	4.1	1,218	5.4	57.5	81.70	47.01
LA QUINTA	1	.1	3.2	13	3.6	766	3.4	66.5	59.58	39.61
TOT COMPS	4	.2	14.5	54	14.8	3,996	17.8	61.0	74.51	45.43
BEST WEST	1	.1	3.0	12	3.2	702	3.1	63.7	60.35	38.46
TOT COMPS	1	.1	3.0	12	3.2	702	3.1	63.7	60.35	38.46
CANDLWOOD	1	.1	4.8	20	5.5	1,405	6.3	68.0	70.76	48.13
COMFO STE	1	.1	3.6	12	3.3	552	2.5	54.6	46.19	25.21
TOT MIN STE	2	.1	8.4	32	8.8	1,958	8.7	62.3	61.53	38.31
BEST WEST	2	.1	6.3	24	6.6	1,879	8.4	62.4	79.29	49.49
FAIRFIELD	1	.1	5.1	16	4.5	1,685	7.5	53.5	102.74	54.96
HOLID EXP	2	.1	8.5	34	9.5	2,907	12.9	66.3	84.62	56.08
LA QUINTA	1	.1	3.7	16	4.4	1,349	6.0	70.1	85.02	59.60
TOT LTD SVE	6	.4	23.6	90	25.0	7,819	34.8	63.1	86.58	54.65
BST VALUE	2	.1	5.4	18	5.1	559	2.5	55.8	30.47	17.01
CLARION	1	.1	3.0	13	3.6	763	3.4	71.2	58.73	41.79
DAYS INN	1	.0	2.5	9	2.5	453	2.0	59.7	49.43	29.52
ECONOLODG	1	.0	1.9	7	2.0	358	1.6	62.4	49.08	30.64
MOTEL 6	1	.1	3.1	11	3.2	359	1.6	61.2	31.54	19.30
QUALITY	2	.1	7.3	25	6.8	838	3.7	55.9	33.98	18.98
SUPER 8	1	.1	3.9	14	4.0	545	2.4	61.6	37.86	23.31
OTHER BUD	1	.0	2.3	8	2.1	264	1.2	54.0	34.34	18.54
TOT BUDGET	10	.5	29.4	106	29.3	4,138	18.4	59.3	39.07	23.18
LT $60ADR	9	.3	17.2	58	16.1	2,415	10.8	55.9	41.42	23.16
TOT IND HTL	9	.3	17.2	58	16.1	2,415	10.8	55.9	41.42	23.16
TOT HOTELS	32	1.6	96.2	352	97.3	21,028	93.7	60.3	59.81	36.06
OTH LODGING										
BED N BRK	1	.0	.1	0	.1	40	.2	38.6	190.08	73.35
CABINS	2	.0	2.2	7	1.9	1,232	5.5	51.7	176.21	91.14
RV PARK	1	.0	1.5	2	.7	147	.7	26.6	59.64	15.86
TOT OTH IND	4	.1	3.8	10	2.7	1,419	6.3	41.4	146.76	60.79
TOT OTHER	4	.1	3.8	10	2.7	1,419	6.3	41.4	146.76	60.79
TOT MARKET	36	1.7	100.0	361	100.0	22,447	100	59.6	62.14	37.01

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

LODGING MARKET: CITY OF GRAHAM & SURROUNDING TOWNS

CITY		ADDR		ZIP		E S T	3 EST AVG.	4 %		YR AVG OP --	ADJ 1 -----
YEAR	Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2 -	DAILY RATE	OCC EST	$ 5 REVPAR		
BOWIE			2436 HWY 287 SO		76230	BEST VALUE INN (FMR DAYS)				80	1.55
2017	Q1	60	BVALU	26,311	37,505	1.43	24.35	29	6.95		
2017	Q2	60	BVALU	49,689	86,714	1.75	27.19	58	15.88		
2017	Q3	60	BVALU	56,282	70,233	1.25	29.22	44	12.72		
2017	Q4	60	BVALU	98,708	105,762	1.07	28.93	66	19.16		
2018	Q1	60	BVALU	87,198	99,852	1.15	26.89	69	18.49		
2018	Q2	60	BVALU	110,215	122,435	1.11	33.54	67	22.42		
2018	Q3	60	BVALU	68,616	83,156	1.21	31.95	47	15.06		
2018	Q4	60	BVALU	74,301	82,866	1.12	31.62	47	15.01		
2019	Q1	60	BVALU	57,832	85,450	1.48	31.22	51	15.82		
2019	Q2	60	BVALU	68,284	110,370	1.62	35.55	57	20.21		
2019	Q3	60	BVALU	69,309	154,767	2.23	42.15	67	28.04		
2019	Q4	60	BVALU	50,751	104,605	2.06	38.23	50	18.95		
2020	Q1	60	BVALU	57,600	92,236	1.60	39.30	43	17.08		
2020	Q2	60	BVALU	76,513	97,147	1.27	39.90	45	17.79		
2020	Q3	60	BVALU	102,036	152,656	1.50	47.90	58	27.66		
2020	Q4	60	BVALU	77,658	116,884	1.51	49.16	43	21.17		
2021	Q1	60	BVALU	85,105	95,889	1.13	45.75	39	17.76		
2021	Q2	60	BVALU	94,867	112,841	1.19	52.41	39	20.67		
2021	Q3	60	BVALU	87,309	100,174	1.15	48.10	38	18.15		
2021	Q4	60	BVALU	89,298	106,983	1.20	48.66	40	19.38		
			900 W US HIGHWA		76230	BEST WESTERN				09	1.03
2017	Q1	55	BWEST	198,952	210,684	1.06	77.30	55	42.56		
2017	Q2	55	BWEST	252,237	254,873	1.01	84.37	60	50.92		
2017	Q3	55	BWEST	246,981	259,377	1.05	89.45	57	51.26		
2017	Q4	55	BWEST	253,650	260,626	1.03	86.77	59	51.51		
2018	Q1	55	BWEST	252,373	258,908	1.03	79.99	65	52.30		
2018	Q2	55	BWEST	303,211	312,132	1.03	89.64	70	62.36		
2018	Q3	55	BWEST	280,136	295,311	1.05	92.67	63	58.36		
2018	Q4	55	BWEST	256,133	270,946	1.06	84.67	63	53.55		
2019	Q1	55	BWEST	188,564	202,388	1.07	74.39	55	40.89		
2019	Q2	55	BWEST	251,243	260,201	1.04	85.76	61	51.99		
2019	Q3	55	BWEST	282,378	315,183	1.12	95.97	65	62.29		
2019	Q4	55	BWEST	231,898	244,632	1.05	81.48	59	48.35		
2020	Q1	55	BWEST	161,564	171,258	1.06	78.66	44	34.60		
2020	Q2	55	BWEST	71,501	72,166	1.01	63.06	23	14.42		
2021	Q1	55	BWEST	83,536	86,531	1.04	74.87	23	17.48		
2021	Q2	55	BWEST	284,289	304,100	1.07	92.29	66	60.76		
2021	Q3	55	BWEST	300,240	314,143	1.05	99.90	62	62.08		
2021	Q4	55	BWEST	274,396	295,597	1.08	98.94	59	58.42		
			4625 FM 1758		76230	HOBBY HOUSE HILL				06	1.02
2017	Q3	6		39,693	40,487	.00	189.44	39	73.35		
2019	Q1	6		47,475	48,000	1.02 G	183.40	48	88.89		
2019	Q2	6		39,337	40,000	1.02 G	170.54	43	73.26		
2019	Q3	6		46,751	48,000	1.02 G	181.37	48	86.96		

CITY / YEAR Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	ES T	3 EST AVG. DAILY RATE	4 % OCC EST	$ 5 REVPAR	YR OP	AVG ADJ 1
BOWIE		4625 FM 1758		76230	HOBBY HOUSE HILL					06	1.02
2019Q4	6		40,836	42,000	1.02	G	164.75	46	76.09		
2020Q1	6		41,994	43,000	1.02	G	170.75	46	79.63		
2020Q3	6		56,615	58,000	1.02	G	175.82	60	105.07		
2020Q4	6		31,614	32,000	1.02	G	147.87	39	57.97		
2021Q1	6		34,493	38,457	1.11		148.40	48	71.22		
2021Q2	6		52,362	53,000	1.01	G	162.98	60	97.07		
2021Q3	6		54,876	55,000	1.00	G	170.98	58	99.64		
2021Q4	6		52,107	53,000	1.02	G	176.61	54	96.01		
		708 W WISE ST		76230	PARK'S INN					87	1.40
2017Q3	40		47,004	47,299	1.01		33.05	39	12.85		
2017Q4	40		39,358	46,539	1.18		29.25	43	12.65		
2018Q1	40		47,096	50,926	1.08		29.69	48	14.15		
2018Q2	40		49,582	63,068	1.27		30.43	57	17.33		
2018Q3	40		40,526	69,138	1.71		34.99	54	18.79		
2018Q4	40		30,063	69,845	2.32		34.49	55	18.98		
2019Q3	40		37,608	95,229	2.53		45.20	57	25.88		
2020Q3	40		46,853	47,113	1.01		39.66	32	12.80		
2020Q4	40		44,283	45,893	1.04		45.85	27	12.47		
2021Q1	40		42,932	46,672	1.09		44.52	29	12.96		
2021Q2	40		43,881	49,599	1.13		36.48	37	13.63		
2021Q3	40		45,473	52,350	1.15		39.61	36	14.23		
2021Q4	40		40,692	47,224	1.16		35.60	36	12.83		
BRECKENRIDGE		6924 US HIGHWAY		76424	OYO HOTEL HUBBARD CREEK LA					16	1.06
2020Q2	20	OYO	36,539	38,730	1.06		52.25	41	21.28		
2020Q3	20	OYO	51,130	54,198	1.06		57.84	51	29.46		
2021Q2	20	OYO	42,421	44,001	1.04		50.00	48	24.18		
2021Q3	20	OYO	49,085	52,000	1.06	G	58.55	48	28.26		
2022Q3	0				.00	G	0				
		3111 W WALKER S		76424	REGENCY INN (FMR BVALU/BRE					83	1.07
2017Q1	40		36,261	40,430	1.12		30.18	37	11.23		
2017Q2	40		52,520	61,036	1.16		32.08	52	16.77		
2017Q3	40		49,412	56,839	1.15		33.62	46	15.45		
2017Q4	40		48,930	54,370	1.11		28.23	52	14.77		
2018Q1	40		64,334	70,091	1.09		29.70	66	19.47		
2018Q2	40		96,087	99,768	1.04		40.68	67	27.41		
2018Q3	40		70,729	72,899	1.03		35.60	56	19.81		
2018Q4	40		76,734	80,299	1.05		37.99	57	21.82		
2019Q1	40		99,008	100,752	1.02		39.86	70	27.99		
2019Q2	40		101,478	103,924	1.02		41.71	68	28.55		
2019Q3	40		88,576	93,006	1.05		40.76	62	25.27		
2019Q4	40		47,335	51,700	1.09		36.56	38	14.05		
2020Q1	40		40,441	43,967	1.09		39.34	31	12.21		
2020Q2	40		65,655	69,181	1.05		44.59	43	19.01		
2020Q3	40		67,548	73,147	1.08		46.25	43	19.88		

CITY	ADDR	ZIP	ES T	3 EST AVG.	4 %	YR OP --	AVG ADJ 1 -----
YEAR Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2 -	DAILY RATE	OCC EST	$ 5 REVPAR	
BRECKENRIDGE	3111 W WALKER S	76424	REGENCY INN (FMR BVALU/BRE				83		1.07
2020Q4	40		46,693	50,258	1.08	38.33	36	13.66	
2021Q1	40		61,689	66,629	1.08	43.29	43	18.51	
2021Q2	40		110,779	130,152	1.17	68.95	52	35.76	
2021Q3	40		99,788	119,576	1.20	67.82	48	32.49	
2021Q4	40		115,321	130,258	1.13	80.73	44	35.40	
	2602 W WALKER S	76424	RIDGE MOTEL				64		1.09
2017Q1	47		91,242	120,503	1.32	51.37	55	28.49	
2017Q2	47		105,979	137,249	1.30	55.07	58	32.09	
2017Q3	47		127,843	159,730	1.25	63.59	58	36.94	
2017Q4	47		109,791	117,656	1.07	49.09	55	27.21	
2018Q1	47		95,812	97,240	1.01	43.74	53	22.99	
2018Q2	47		138,518	144,932	1.05	53.88	63	33.89	
2018Q3	47		106,304	126,482	1.19	51.07	57	29.25	
2018Q4	47		100,947	121,834	1.21	48.03	59	28.18	
2019Q1	47		78,449	93,298	1.19	42.83	51	22.06	
2019Q2	47		112,797	137,861	1.22	54.92	59	32.23	
2019Q3	47		108,945	135,519	1.24	53.24	59	31.34	
2019Q4	47		77,843	103,231	1.33	47.20	51	23.87	
2020Q1	47		67,306	88,136	1.31	45.99	45	20.84	
2020Q2	47		73,636	105,712	1.44	53.51	46	24.72	
2020Q3	47		105,086	150,123	1.43	57.63	60	34.72	
2020Q4	47		52,764	75,375	1.43	51.50	34	17.43	
2021Q1	47		84,267	120,382	1.43	66.06	43	28.46	
2021Q2	47		130,166	185,953	1.43	80.65	54	43.48	
2021Q3	47		156,703	235,797	1.50	97.44	56	54.53	
2021Q4	47		137,078	228,464	1.67	105.97	50	52.84	
	3128 COUNTY ROA	76424	VILLAGE INN MOTEL				09		1.10
2020Q2	10		52,760	58,037	1.10	186.85	34	63.78	
2020Q3	10		74,005	81,406	1.10	181.82	49	88.48	
2020Q4	10		23,141	25,455	1.10	85.00	33	27.67	
2021Q1	15		22,291	24,531	1.10	85.00	21	18.17	
2021Q2	15		76,903	84,593	1.10	118.51	52	61.97	
2021Q3	15		98,296	108,125	1.10	120.18	65	78.35	
2021Q4	15		85,278	93,806	1.10	113.27	60	67.98	
BRIDGEPORT	905 US HIGHWAY	76426	ECONO LODGE I&S (FMR BRIDG				05		1.12
2017Q1	30		41,317	42,790	1.04	37.83	42	15.85	
2017Q2	30		58,375	73,325	1.26	44.04	61	26.86	
2017Q3	30		78,671	87,243	1.11	42.63	74	31.61	
2017Q4	30		54,799	71,426	1.30	40.07	65	25.88	
2018Q1	32	ECONO	48,368	55,262	1.14	32.01	60	19.19	
2018Q2	32	ECONO	58,101	72,644	1.25	43.40	57	24.95	
2018Q3	32	ECONO	84,127	86,282	1.03	46.90	62	29.31	
2018Q4	32	ECONO	84,305	96,934	1.15	47.30	70	32.93	
2019Q1	32	ECONO	43,603	46,015	1.06	32.15	50	15.98	

CITY	ADDR	ZIP	E S T	3 EST AVG.	4 %	YR OP --	AVG ADJ 1 -----
YEAR Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2 -	DAILY RATE	OCC EST	$ 5 REVPAR	
BRIDGEPORT		905 US HIGHWAY	76426	ECONO LODGE I&S (FMR BRIDG				05	1.12
2019Q2	32	ECONO	76,679	82,523	1.08	49.48	57	28.34	
2019Q3	32	ECONO	76,562	86,095	1.12	45.46	64	29.24	
2019Q4	32	ECONO	73,286	85,436	1.17	44.49	65	29.02	
2020Q1	32	ECONO	46,763	51,083	1.09	48.96	36	17.74	
2020Q2	32	ECONO	36,612	41,692	1.14	44.44	32	14.32	
2020Q3	32	ECONO	52,571	64,386	1.22	53.04	41	21.87	
2020Q4	32	ECONO	55,404	63,328	1.14	60.71	35	21.51	
2021Q1	32	ECONO	69,293	70,408	1.02	61.21	40	24.45	
2021Q2	32	ECONO	97,621	105,737	1.08	68.75	53	36.31	
2021Q3	32	ECONO	82,407	89,500	1.09	66.38	46	30.40	
2021Q4	32	ECONO	86,582	93,401	1.08	76.66	41	31.73	
		1810 US HIGHWAY	76426	GREYSTONE INN MOTEL				88	1.35
2017Q2	24		50,103	53,168	1.06	48.65	50	24.34	
2017Q3	24		44,033	51,808	1.18	41.22	57	23.46	
2017Q4	24		31,720	40,125	1.26	37.93	48	18.17	
2018Q1	24		41,717	47,691	1.14	37.16	59	22.08	
2018Q2	24		44,829	57,019	1.27	43.19	60	26.11	
2018Q3	24		35,915	56,181	1.56	39.12	65	25.44	
2018Q4	24		42,227	46,502	1.10	37.23	57	21.06	
2019Q1	24		40,113	50,168	1.25	37.32	62	23.23	
2019Q2	24		31,700	47,566	1.50	38.10	57	21.78	
2019Q3	24		44,656	59,470	1.33	41.02	66	26.93	
2019Q4	24		37,113	55,580	1.50	39.50	64	25.17	
2020Q2	24		37,610	47,322	1.26	48.24	45	21.67	
2020Q3	24		45,480	51,860	1.14	48.99	48	23.49	
2020Q4	24		35,486	42,761	1.21	56.90	34	19.37	
2021Q1	24		32,363	40,900	1.26	54.24	35	18.94	
2021Q2	24		41,176	56,576	1.37	57.60	45	25.90	
2021Q3	24		32,936	41,496	1.26	48.92	38	18.79	
2021Q4	24		38,484	56,899	1.48	55.36	47	25.77	
		2302 10TH ST	76426	HOMETOWN EXECUTIVE SUITES				09	1.05
2017Q1	57	QUALY	47,716	49,994	1.05	26.25	37	9.75	
2017Q2	57	QUALY	57,628	62,558	1.09	29.10	41	12.06	
2017Q3	57		44,820	48,318	1.08	23.60	39	9.21	
2017Q4	57		33,716	33,976	1.01	23.86	27	6.48	
2018Q1	57		45,670	46,276	1.01	25.56	35	9.02	
2018Q2	57		78,613	81,477	1.04	30.68	51	15.71	
2018Q3	57		54,503	55,170	1.01	21.93	48	10.52	
2018Q4	57		58,033	62,323	1.07	24.04	49	11.88	
2019Q1	57		44,132	55,954	1.27	23.72	46	10.91	
2019Q2	57		55,439	64,797	1.17	29.36	43	12.49	
2019Q3	57		56,332	80,388	1.43	29.67	52	15.33	
2019Q4	57		61,767	81,853	1.33	31.45	50	15.61	
		2000 10TH ST	76426	LA QUINTA INN & SUITES				08	1.06
2017Q1	53	LAQUN	142,247	144,945	1.02	51.98	58	30.39	

CITY		ADDR		ZIP		E S T	3 EST AVG.	4 %	YR OP	AVG ADJ 1
YEAR	Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	DAILY RATE	OCC EST	$ 5 REVPAR	
BRIDGEPORT			2000 10TH ST	76426	LA QUINTA INN & SUITES				08	1.06
2017	Q2	53	LAQUN	168,309	171,125	1.02	59.25	60	35.48	
2017	Q3	53	LAQUN	175,870	186,422	.00	55.15	69	38.23	
2017	Q4	53	LAQUN	224,233	263,792	1.18	69.30	78	54.10	
2018	Q1	53	LAQUN	192,536	273,490	1.42	75.71	76	57.34	
2018	Q2	53	LAQUN	228,069	242,546	1.06	76.69	66	50.29	
2018	Q3	53	LAQUN	241,258	246,148	1.02	72.20	70	50.48	
2018	Q4	53	LAQUN	202,229	208,823	1.03	69.84	61	42.83	
2019	Q1	53	LAQUN	185,202	188,637	1.02	64.30	61	39.55	
2019	Q2	53	LAQUN	256,265	258,125	1.01	78.46	68	53.52	
2019	Q3	53	LAQUN	223,970	227,227	1.01	67.13	69	46.60	
2019	Q4	53	LAQUN	226,935	243,627	1.07	71.52	70	49.96	
2020	Q1	53	LAQUN	201,370	203,636	1.01	86.80	49	42.69	
2020	Q2	53	LAQUN	175,519	178,029	1.01	90.71	41	36.91	
2020	Q3	53	LAQUN	171,598	182,000	1.06 G	81.31	46	37.33	
2020	Q4	53	LAQUN	162,524	164,862	1.01	78.17	43	33.81	
2021	Q1	53	LAQUN	147,740	148,135	1.00	73.82	42	31.06	
2021	Q2	53	LAQUN	148,580	149,225	1.00	78.01	40	30.94	
2021	Q3	53	LAQUN	203,663	205,369	1.01	77.86	54	42.12	
2021	Q4	53	LAQUN	221,599	223,374	1.01	86.85	53	45.81	
			2205 W US HIGHW	76426	THOUSAND TRAILS-BAY LANDIN				10	1.08
2017	Q1	34		32,973	35,611	.00	52.05	22	11.64	
2017	Q2	34		47,196	50,972	.00	62.07	27	16.47	
2017	Q3	34		56,111	60,600	.00	62.92	31	19.37	
2018	Q1	34		47,550	51,354	.00	48.75	34	16.78	
2018	Q2	34		56,419	61,000	1.08	55.31	36	19.72	
2018	Q3	34		59,723	65,000	1.08 G	54.82	38	20.78	
2018	Q4	34		37,685	41,000	1.08 G	50.13	26	13.11	
2019	Q1	34		43,798	47,000	1.08 G	51.07	30	15.36	
2019	Q2	34		55,739	60,000	1.08 G	55.75	35	19.39	
2019	Q3	34		57,004	62,000	1.08 G	54.93	36	19.82	
2020	Q1	34		42,016	45,000	1.08 G	41.57	35	14.71	
2020	Q3	34		61,954	67,000	1.08 G	43.45	49	21.42	
2021	Q2	34		62,715	68,000	1.08 G	44.45	49	21.98	
2021	Q3	34		54,748	60,000	1.10 G	46.14	42	19.18	
GRAHAM			GRAHAM AIRBNB P	N/A	AIRBNB - CITY OF GRAHAM ($				17	1.00
2019	Q2	8	AIRBB	37,317	37,317	1.00	128.15	40	51.26	
2020	Q3	9	AIRBB	43,054	43,054	1.00	129.99	40	52.00	
2021	Q2	8	AIRBB	36,383	36,383	1.00	124.93	40	49.98	
2021	Q3	9	AIRBB	37,666	39,991	1.06	121.49	40	48.30	
2021	Q4	7	AIRBB	32,562	32,562	1.01	125.00	40	50.56	
			1707 STATE HIGH	76450	BEST WESTERN (FMR BVALU/BW				04	1.05
2017	Q1	61	BWEST	201,950	237,065	1.17	67.92	64	43.18	
2017	Q2	61	BWEST	235,613	242,149	1.03	72.12	60	43.62	
2017	Q3	61	BWEST	199,712	208,991	1.05	69.29	54	37.24	

CITY		ADDR		ZIP		E S T	3 EST AVG.	4 %	YR OP	AVG ADJ 1
YEAR	Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	DAILY RATE	OCC EST	$ 5 REVPAR	
GRAHAM		1707	STATE HIGH	76450	BEST WESTERN (FMR		BVALU/BW		04	1.05
2017	Q4	61	BWEST	208,243	213,877	1.03	70.12	54	38.11	
2018	Q1	61	BWEST	195,871	206,437	1.05	65.88	57	37.60	
2018	Q2	61	BWEST	284,606	287,956	1.01	76.77	68	51.87	
2018	Q3	61	BWEST	285,227	290,316	1.02	79.44	65	51.73	
2018	Q4	61	BWEST	211,148	211,736	1.00	68.81	55	37.73	
2019	Q1	61	BWEST	219,817	230,693	1.05	69.39	61	42.02	
2019	Q2	61	BWEST	281,311	292,646	1.04	76.83	69	52.72	
2019	Q3	61	BWEST	287,962	313,067	1.09	79.67	70	55.79	
2019	Q4	61	BWEST	208,338	234,870	1.13	68.17	61	41.85	
2020	Q1	61	BWEST	240,966	249,602	1.04	79.15	57	45.46	
2020	Q2	61	BWEST	247,605	251,481	1.02	96.38	47	45.30	
2020	Q3	61	BWEST	344,878	347,528	1.01	100.56	62	61.93	
2020	Q4	61	BWEST	307,479	308,747	1.00	88.35	62	55.02	
2021	Q1	61	BWEST	313,624	316,732	1.01	92.66	62	57.69	
2021	Q2	61	BWEST	407,518	415,496	1.02	119.87	62	74.85	
2021	Q3	61	BWEST	428,859	457,676	1.07	121.74	67	81.55	
2021	Q4	61	BWEST	397,617	419,863	1.06	118.85	63	74.82	
		1919	HIGHWAY 16	76450	EXECUTIVE INN (FMR		BVALU/R		83	1.60
2018	Q3	44		40,280	51,772	1.29	36.38	35	12.79	
		4705	FOX HOLLOW	76450	FOX HOLLOW RESORT				98	1.02
2017	Q3	12		60,788	62,004	.00	96.04	58	56.16	
2018	Q2	12		48,115	49,000	1.02	76.22	59	44.87	
2018	Q3	12		56,723	58,000	1.02 G	91.52	57	52.54	
2020	Q2	12		52,871	54,000	1.02 G	90.28	55	49.45	
2020	Q3	12		47,511	48,000	1.02 G	81.05	54	43.48	
		1581	380 BYP	76450	HOLIDAY INN EXPRESS &		SUIT		09	1.05
2017	Q1	71	HIEXP	286,862	291,192	1.01	77.27	59	45.57	
2017	Q2	71	HIEXP	303,223	314,749	1.04	80.97	60	48.72	
2017	Q3	71	HIEXP	305,927	318,423	1.04	87.33	56	48.75	
2017	Q4	71	HIEXP	285,808	293,957	1.03	81.37	55	45.00	
2018	Q1	71	HIEXP	237,032	245,915	1.04	70.22	55	38.48	
2018	Q2	71	HIEXP	373,124	378,754	1.01	85.41	69	58.62	
2018	Q3	71	HIEXP	383,090	406,860	1.06	92.46	67	62.29	
2018	Q4	71	HIEXP	314,164	319,186	1.02	81.23	60	48.86	
2019	Q1	71	HIEXP	350,879	369,685	1.05	83.45	69	57.85	
2019	Q2	71	HIEXP	425,007	447,985	1.05	100.34	69	69.34	
2019	Q3	71	HIEXP	394,771	418,916	1.06	92.73	69	64.13	
2019	Q4	71	HIEXP	398,759	421,199	1.06	94.74	68	64.48	
2020	Q1	71	HIEXP	411,260	424,970	1.03	104.67	64	66.51	
2020	Q2	71	HIEXP	323,591	328,952	1.02	107.68	47	50.91	
2020	Q3	71	HIEXP	462,870	469,412	1.01	118.51	61	71.86	
2020	Q4	71	HIEXP	280,472	284,632	1.01	90.83	48	43.58	
2021	Q1	71	HIEXP	183,467	188,819	1.03	80.79	37	29.55	
2021	Q2	71	HIEXP	242,194	254,868	1.05	81.61	48	39.45	

CITY		ADDR		ZIP		E S T	3 EST AVG.	4 %		YR OP --	AVG ADJ 1 -----
YEAR	Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	DAILY RATE	OCC EST	$ 5 REVPAR		
GRAHAM			1581 380 BYP		76450	HOLIDAY INN EXPRESS & SUIT				09	1.05
2021	Q3	71	HIEXP	439,060	449,958	1.02	115.90	59	68.89		
2021	Q4	71	HIEXP	508,875	524,349	1.03	124.37	65	80.27		
			3 MI E FM 1287		76450	POSSUM HOLLOW CAMP				75	1.02
2021	Q3	14		36,180	36,180	1.00	175.00	16	28.09		
			1401 STATE HIGH		76450	THE GATEWAY INN				71	2.50
2019	Q3	73		40,921	108,975	2.66	39.60	41	16.23		
2019	Q4	73		35,922	110,979	3.09	38.67	43	16.52		
2020	Q1	73		32,757	112,381	3.43	46.09	37	17.11		
2020	Q2	73		22,689	114,735	5.06	37.16	46	17.27		
2020	Q3	73		35,186	109,709	3.12	41.30	40	16.34		
2020	Q4	73		30,966	102,716	3.32	47.76	32	15.29		
2021	Q1	73		37,338	106,312	2.85	49.10	33	16.18		
2021	Q2	73		40,499	122,173	3.02	48.82	38	18.39		
2021	Q3	73		31,927	138,104	4.33	47.69	43	20.56		
2021	Q4	73		49,799	128,579	2.58	45.14	42	19.15		
			6062 HIGHWAY 16		76450	WILDCATTER RANCH & RESORT				05	1.07
2017	Q1	34		219,503	247,329	1.13	168.60	48	80.83		
2017	Q2	34		341,118	344,527	1.01	183.47	61	111.35		
2017	Q3	34		293,365	297,981	1.02	200.42	48	95.26		
2017	Q4	34		278,015	279,838	1.01	184.57	48	89.46		
2018	Q1	34		193,595	200,134	1.03	136.73	48	65.40		
2018	Q2	34		283,283	309,452	1.09	190.78	52	100.02		
2018	Q3	34		314,043	346,035	1.10	211.16	52	110.63		
2018	Q4	34		288,033	297,679	1.03	184.26	52	95.17		
2019	Q1	34		191,175	193,273	1.01	136.59	46	63.16		
2019	Q2	34		317,656	367,168	1.16	192.88	62	118.67		
2019	Q3	34		322,179	362,640	1.13	209.47	55	115.93		
2019	Q4	34		365,340	399,293	1.09	196.86	65	127.65		
2020	Q1	34		236,903	253,234	1.07	158.17	52	82.76		
2020	Q2	34		284,103	297,595	1.05	182.20	53	96.18		
2020	Q3	34		455,942	488,893	1.07	233.70	67	156.30		
2020	Q4	34		401,236	414,393	1.03	255.64	52	132.48		
2021	Q1	34		295,558	327,765	1.11	213.34	50	107.11		
2021	Q2	34		459,754	495,398	1.08	249.71	64	160.12		
2021	Q3	34		435,907	455,334	1.04	269.84	54	145.57		
2021	Q4	34		434,948	435,544	1.00	279.90	50	139.24		
JACKSBORO			824 S MAIN ST		76458	FORT RICHARDSON MOTEL				09	1.25
2021	Q3	31		46,198	53,197	1.15	40.35	46	18.65		
2021	Q4	31		43,542	47,967	1.10	37.89	44	16.82		
MINERAL WELL			4410 HIGHWAY 18		76067	BEST WESTERN CLUB HOUSE IN				02	1.50
2017	Q1	50	BWEST	137,261	144,814	1.05	54.22	59	32.18		
2017	Q2	50	BWEST	155,756	189,186	1.22	62.03	67	41.58		

CITY	ADDR	ZIP	E S T	3 EST AVG.	4 %	YR OP	AVG ADJ 1 --
YEAR Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2 -	DAILY RATE	OCC EST	$ 5 REVPAR
MINERAL WELL	4410 HIGHWAY 18	76067	BEST WESTERN CLUB HOUSE IN				02	1.50
2017Q3	50	BWEST	100,078	164,407	1.64	63.02	57	35.74
2017Q4	50	BWEST	106,053	203,431	1.92	61.60	72	44.22
2018Q1	50	BWEST	112,230	193,904	1.73	59.22	73	43.09
2018Q2	50	BWEST	158,559	262,364	1.66	77.11	75	57.66
2018Q3	50	BWEST	148,145	219,750	1.48	73.82	65	47.77
2018Q4	50	BWEST	109,563	200,961	1.83	65.42	67	43.69
2019Q1	50	BWEST	112,323	195,213	1.74	62.88	69	43.38
2019Q2	50	BWEST	124,061	239,714	1.93	77.18	68	52.68
2019Q3	50	BWEST	144,469	238,625	1.65	77.47	67	51.88
2019Q4	50	BWEST	134,971	230,816	1.71	74.66	67	50.18
2020Q1	50	BWEST	121,030	191,829	1.58	73.31	58	42.63
2020Q2	50	BWEST	119,200	202,488	1.70	79.18	56	44.50
2020Q3	50	BWEST	141,525	256,612	1.81	91.70	61	55.79
2020Q4	50	BWEST	132,846	237,611	1.79	96.65	53	51.65
2021Q1	50	BWEST	153,665	226,581	1.47	94.13	53	50.35
2021Q2	50	BWEST	255,031	285,440	1.12	95.12	66	62.73
2021Q3	50	BWEST	263,755	290,591	1.10	94.24	67	63.17
2021Q4	50	BWEST	320,042	339,899	1.06	102.67	72	73.89
	3601 US HIGHWAY	76067	BUDGET HOST MESA MOTEL				70	2.00
2017Q1	39	X.BUD	38,732	71,065	1.84	35.56	57	20.25
2017Q2	39	X.BUD	35,765	71,144	1.99	35.83	56	20.05
2017Q3	39	X.BUD	29,389	61,786	2.10	33.53	51	17.22
2017Q4	39	X.BUD	28,470	59,874	2.10	32.20	52	16.69
2018Q1	39	X.BUD	32,168	57,298	1.78	33.06	49	16.32
	401 N OAK AVE	76067	CRAZY WATER PLAZA				21	1.01
2021Q4	41		141,492	145,857	1.03	93.67	41	38.67
	107 WASHINGTON	76067	DAYS INN & SUITES				10	1.15
2017Q1	42	DAYS	64,310	67,812	1.05	40.08	45	17.94
2017Q2	42	DAYS	124,038	136,442	.00	50.20	71	35.70
2017Q3	42	DAYS	106,588	107,294	1.01	50.17	55	27.77
2017Q4	42	DAYS	126,221	141,052	1.12	54.01	68	36.50
2018Q1	42	DAYS	128,543	131,323	1.02	52.13	67	34.74
2018Q2	42	DAYS	193,256	203,698	1.05	74.63	71	53.30
2018Q3	42	DAYS	174,049	184,196	1.06	71.38	67	47.67
2018Q4	42	DAYS	130,303	132,368	1.02	53.92	64	34.26
2019Q1	42	DAYS	102,964	139,477	1.35	53.00	70	36.90
2019Q2	42	DAYS	155,466	187,592	1.21	71.73	68	49.08
2019Q3	42	DAYS	113,067	168,239	1.49	70.58	62	43.54
2019Q4	42	DAYS	116,255	158,201	1.36	63.59	64	40.94
2020Q1	42	DAYS	105,963	149,798	1.41	77.50	51	39.63
2020Q2	42	DAYS	106,307	116,643	1.10	66.61	46	30.52
2020Q3	42	DAYS	148,359	158,190	1.07	76.93	53	40.94
2020Q4	42	DAYS	113,189	114,888	1.02	79.09	38	29.73
2021Q1	42	DAYS	149,748	165,000	1.10 G	92.77	47	43.65

CITY		ADDR		ZIP		E S T	3 EST AVG.	4 %		YR OP	AVG ADJ 1
YEAR	Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	DAILY RATE	OCC EST	$ 5 REVPAR		
MINERAL WELL			107 WASHINGTON	76067	DAYS INN & SUITES					10	1.15
2021	Q2	42	DAYS	190,077	207,989	1.09	77.14	71	54.42		
2021	Q3	42	DAYS	215,258	216,131	1.00	84.70	66	55.93		
2021	Q4	42	DAYS	171,431	265,114	1.55	103.71	66	68.61		
			4103 HIGHWAY 18	76067	KNIGHTS INN (FMR RAMADA LT					76	1.75
2018	Q2	31	KNIGH	37,343	58,777	1.57	36.01	58	20.84		
			105 KARL KESSLE	76067	MOTEL 6 (FMR COMFS)					09	1.40
2017	Q1	60	COMFS	118,445	121,116	1.02	44.03	51	22.43		
2017	Q2	60	COMFS	160,397	161,222	1.00	47.64	62	29.53		
2017	Q3	60	COMFS	118,183	154,820	.00	46.56	60	28.05		
2017	Q4	60	COMFS	113,487	114,968	1.01	46.09	45	20.83		
2018	Q1	60	MTL 6	134,044	143,289	1.07	47.24	56	26.54		
2018	Q2	60	MTL 6	179,950	185,148	1.03	50.06	68	33.91		
2018	Q3	60	MTL 6	144,448	158,796	1.10	49.29	58	28.77		
2018	Q4	60	MTL 6	119,277	123,501	1.04	46.02	49	22.37		
2019	Q1	60	MTL 6	141,765	143,603	1.01	46.25	57	26.59		
2019	Q2	60	MTL 6	159,365	165,003	1.04	50.10	60	30.22		
2019	Q3	60	MTL 6	86,205	106,788	1.24	43.37	45	19.35		
2019	Q4	60	MTL 6	91,850	158,605	1.73	45.26	63	28.73		
2020	Q1	60	MTL 6	74,497	133,838	1.80	49.66	50	24.78		
2020	Q2	60	MTL 6	112,391	170,664	1.52	59.83	52	31.26		
2020	Q3	60	MTL 6	118,851	171,428	1.44	60.98	51	31.06		
2020	Q4	60	MTL 6	77,093	146,871	1.91	62.68	42	26.61		
2021	Q1	60	MTL 6	129,972	157,897	1.21	63.15	46	29.24		
2021	Q2	60	MTL 6	149,145	188,262	1.26	57.87	60	34.48		
2021	Q3	60	MTL 6	132,297	172,147	1.30	64.23	49	31.19		
2021	Q4	60	MTL 6	148,304	183,559	1.24	70.53	47	33.25		
			6801 HIGHWAY 18	76067	RED LION INN & SUITES (FMR					08	1.15
2017	Q1	67	HIEXP	237,563	240,135	1.01	65.37	61	39.82		
2017	Q2	67	HIEXP	292,314	295,454	1.01	71.19	68	48.46		
2017	Q3	67	HIEXP	259,821	263,090	1.01	72.21	59	42.68		
2017	Q4	67	HIEXP	191,583	208,825	1.09	61.72	55	33.88		
2018	Q1	67	HIEXP	131,744	143,601	1.09	44.85	53	23.81		
2018	Q2	67	REDL	174,373	178,823	1.03	70.18	42	29.33		
2018	Q3	67	REDL	155,627	186,392	1.20	66.30	46	30.24		
2018	Q4	67	REDL	123,506	134,889	1.09	57.69	38	21.88		
2019	Q1	67	REDL	139,331	144,740	1.04	56.65	42	24.00		
2019	Q2	67	REDL	225,966	232,966	1.03	69.25	55	38.21		
2019	Q3	67	REDL	160,301	168,492	1.05	57.39	48	27.33		
2019	Q4	67	REDL	143,860	169,374	1.18	56.49	49	27.48		
2020	Q1	67	REDL	124,980	141,028	1.13	73.21	32	23.39		
2020	Q2	67	REDL	114,670	132,587	1.16	74.58	29	21.75		
2020	Q3	67	REDL	150,016	203,719	1.36	84.09	39	33.05		
2020	Q4	67	REDL	116,731	132,480	1.13	68.72	31	21.49		
2021	Q1	67	REDL	166,399	189,139	1.14	76.22	41	31.37		

CITY / YEAR Q	# RMS	ADDR / BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	ZIP / EST AVG. DAILY RATE	4 % OCC EST	$ 5 REVPAR	YR AVG OP ADJ 1 -- -----
MINERAL WELL		6801 HIGHWAY 18				76067 RED LION INN & SUITES (FMR	08		1.15
2021Q2	67	REDL	214,882	222,550	1.04	67.25	54	36.50	
2021Q3	67	REDL	177,375	184,027	1.04	53.71	56	29.86	
2021Q4	67	REDL	243,442	291,415	1.20	68.96	69	47.28	
		133 SEYBOLD RD				76067 REST YOURSELF RIVER RANCH	20		1.01
2021Q2	35		78,426	89,560	1.14	95.00	30	28.12	
2021Q3	35		107,175	117,143	1.09	95.51	38	36.38	
2021Q4	35		139,321	154,967	1.11	99.98	48	48.13	
		108 FM 1821				76067 SUPER 8 MINERAL WELLS(FMR	80		1.90
2018Q2	51		52,195	107,895	2.07	47.24	49	23.25	
2018Q3	51		62,345	123,345	1.98	48.50	54	26.29	
2018Q4	51		56,214	88,164	1.57	47.85	39	18.79	
2019Q1	51		56,346	94,346	1.67	47.03	44	20.55	
2020Q1	51	SUPR8	40,792	86,292	2.12	50.51	37	18.80	
2020Q3	51	SUPR8	55,703	118,103	2.12	43.11	58	25.17	
2020Q4	51	SUPR8	40,516	77,516	1.91	47.09	35	16.52	
2021Q1	51	SUPR8	50,046	92,946	1.86	44.41	46	20.25	
2021Q2	51	SUPR8	73,212	140,212	1.92	47.16	64	30.21	
2021Q3	51	SUPR8	55,928	124,498	2.23	48.34	55	26.53	
2021Q4	51	SUPR8	57,950	116,550	2.01	48.62	51	24.84	
WEATHERFORD		WEATHERFORD AIR		N/A		AIRBNB - CITY OF WEATHERFO	17		1.00
2020Q2	16	AIRBB	43,445	51,058	1.18	87.67	40	35.07	
2020Q4	24	AIRBB	72,687	77,981	1.07	89.78	39	35.32	
2021Q1	54	AIRBB	152,003	172,699	1.14	87.70	41	35.53	
2021Q2	47	AIRBB	157,741	172,494	1.09	101.57	40	40.33	
2021Q3	45	AIRBB	148,677	165,626	1.11	101.58	39	40.01	
2021Q4	43	AIRBB	132,675	158,245	1.19	100.00	40	40.00	
		1110 FORT WORTH				76086 BEST VALUE INN (FMR BUDGET	03		1.45
2017Q1	30	BVALU	45,766	49,859	1.09	31.70	58	18.47	
2017Q2	30	BVALU	56,855	64,002	1.13	34.21	68	23.44	
2017Q3	30	BVALU	68,923	75,964	1.10	35.59	77	27.52	
2017Q4	30	BVALU	56,680	68,697	1.21	34.80	72	24.89	
2018Q1	30	BVALU	45,841	54,826	1.20	32.62	62	20.31	
2018Q2	30	BVALU	62,385	84,791	1.36	49.27	63	31.06	
2018Q3	30	BVALU	61,462	88,819	1.45	44.67	72	32.18	
2018Q4	30	BVALU	50,142	73,069	1.46	43.55	61	26.47	
2019Q1	30	BVALU	56,578	75,724	1.34	45.76	61	28.05	
2019Q2	30	BVALU	54,484	78,407	1.44	48.37	59	28.72	
2019Q3	30	BVALU	47,304	78,534	1.66	44.32	64	28.45	
2019Q4	30	BVALU	45,423	73,964	1.63	42.76	63	26.80	
2020Q1	30	BVALU	43,128	63,184	1.47	48.22	49	23.40	
2020Q2	30	BVALU	43,742	62,233	1.42	35.13	65	22.80	
2020Q3	30	BVALU	42,128	52,947	1.26	38.98	49	19.18	
2020Q4	30	BVALU	44,628	62,010	1.39	43.09	52	22.47	

CITY		ADDR		ZIP		E S T	3 EST AVG.	4 %	YR AVG OP --	ADJ 1 -----
YEAR	Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2 -	DAILY RATE	OCC EST	$ 5 REVPAR	
WEATHERFORD		1110	FORT WORTH	76086	BEST VALUE INN (FMR BUDGET				03	1.45
2021	Q1	30	BVALU	51,102	87,595	1.71	48.25	67	32.44	
2021	Q2	30	BVALU	60,909	91,656	1.50	51.55	65	33.57	
2021	Q3	30	BVALU	56,915	85,322	1.50	50.16	62	30.91	
2021	Q4	30	BVALU	68,065	102,954	1.51	65.22	57	37.30	
		210	ALFORD DR	76086	BEST WESTERN PLUS (FMR COM				02	1.22
2017	Q1	49	BWEST	169,437	186,575	1.10	67.67	63	42.31	
2017	Q2	49	BWEST	213,720	252,208	1.18	82.37	69	56.56	
2017	Q3	49	BWEST	174,670	227,814	1.30	70.24	72	50.54	
2017	Q4	49	BWEST	210,497	226,623	1.08	75.85	66	50.27	
2018	Q1	49	BWEST	215,668	274,365	1.27	79.41	78	62.21	
2018	Q2	49	BWEST	231,055	273,638	1.18	86.86	71	61.37	
2018	Q3	49	BWEST	204,859	236,018	1.15	72.55	72	52.36	
2018	Q4	49	BWEST	191,366	222,905	1.16	74.46	66	49.45	
2019	Q1	49	BWEST	155,927	193,500	1.24	69.98	63	43.88	
2019	Q2	49	BWEST	210,456	262,455	1.25	88.86	66	58.86	
2019	Q3	49	BWEST	170,757	193,054	1.13	67.47	63	42.82	
2019	Q4	49	BWEST	192,339	229,885	1.20	73.11	70	50.99	
2020	Q1	49	BWEST	149,132	215,829	1.45	81.80	60	48.94	
2020	Q2	49	BWEST	87,592	123,788	1.41	69.06	40	27.76	
2020	Q3	49	BWEST	147,906	175,597	1.19	76.54	51	38.95	
2020	Q4	49	BWEST	193,363	235,584	1.22	82.17	64	52.26	
2021	Q1	49	BWEST	177,835	214,069	1.20	77.62	63	48.54	
2021	Q2	49	BWEST	254,232	315,505	1.24	98.95	71	70.76	
2021	Q3	49	BWEST	265,312	320,771	1.21	100.02	71	71.16	
2021	Q4	49	BWEST	269,861	315,682	1.17	98.87	71	70.03	
		1911	WALL ST	76086	CLARION (FMR SLEEP INN SUI				07	1.65
2017	Q1	50	CLARI	92,264	144,350	1.57	45.74	70	32.08	
2017	Q2	50	CLARI	136,702	252,313	1.85	72.50	76	55.45	
2017	Q3	50	CLARI	124,041	223,528	1.80	61.68	79	48.59	
2017	Q4	50	CLARI	95,390	142,433	1.49	52.23	59	30.96	
2018	Q1	50	CLARI	129,909	209,343	1.61	65.77	71	46.52	
2018	Q2	50	CLARI	141,873	270,514	1.91	93.71	63	59.45	
2018	Q3	50	CLARI	147,478	260,930	1.77	84.64	67	56.72	
2018	Q4	50	CLARI	133,831	271,764	2.03	88.24	67	59.08	
2019	Q1	50	CLARI	128,312	240,197	1.87	77.80	69	53.38	
2019	Q2	50	CLARI	168,309	290,227	1.72	95.88	67	63.79	
2019	Q3	50	CLARI	143,149	284,454	1.99	87.98	70	61.84	
2019	Q4	50	CLARI	105,281	273,935	2.60	85.67	70	59.55	
2020	Q1	50	CLARI	96,973	167,925	1.73	81.16	46	37.32	
2020	Q2	50	CLARI	92,149	151,624	1.65	78.53	42	33.32	
2020	Q3	50	CLARI	118,639	193,086	1.63	83.03	51	41.98	
2020	Q4	50	CLARI	104,116	176,418	1.69	74.82	51	38.35	
2021	Q1	50	CLARI	151,543	251,758	1.66	84.03	67	55.95	
2021	Q2	50	CLARI	244,128	357,715	1.47	102.23	77	78.62	
2021	Q3	50	CLARI	180,173	369,352	2.05	106.11	76	80.29	

CITY / YEAR Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	ES T	3 EST AVG. DAILY RATE	4 % OCC EST	$ 5 REVPAR	YR OP	AVG ADJ 1
WEATHERFORD		1911 WALL ST		76086	CLARION (FMR SLEEP INN				SUI	07	1.65
2021Q4	50	CLARI	176,969	323,098	1.83		98.43	71	70.24		
		1915 WALL ST		76086	LA QUINTA INN & SUITES					02	1.13
2017Q1	62	LAQUN	270,568	298,185	1.10		78.64	68	53.44		
2017Q2	62	LAQUN	313,954	365,570	1.16		94.49	69	64.79		
2017Q3	62	LAQUN	301,606	340,473	1.13		82.63	72	59.69		
2017Q4	62	LAQUN	304,088	344,569	1.13		84.31	72	60.41		
2018Q1	62	LAQUN	289,186	334,802	1.16		78.51	76	60.00		
2018Q2	62	LAQUN	333,420	386,043	1.16		98.64	69	68.42		
2018Q3	62	LAQUN	394,059	419,504	1.06		95.91	77	73.55		
2018Q4	62	LAQUN	385,564	399,692	.00		95.10	74	70.07		
2019Q1	62	LAQUN	298,914	336,000	1.13	G	82.77	73	60.22		
2019Q2	62	LAQUN	423,777	446,221	1.05		111.07	71	79.09		
2019Q3	62	LAQUN	378,158	384,078	1.02		89.18	75	67.33		
2019Q4	62	LAQUN	375,373	380,956	1.01		95.35	70	66.79		
2020Q1	62	LAQUN	234,836	239,369	1.02		88.74	48	42.90		
2020Q2	62	LAQUN	210,804	220,214	1.04		86.89	45	39.03		
2020Q3	62	LAQUN	265,326	279,454	1.05		82.98	59	48.99		
2020Q4	62	LAQUN	250,237	254,226	1.02		79.59	56	44.57		
2021Q1	62	LAQUN	302,694	304,998	1.01		87.63	62	54.66		
2021Q2	62	LAQUN	327,303	350,435	1.07		92.98	67	62.11		
2021Q3	62	LAQUN	268,980	341,347	1.27		91.30	66	59.84		
2021Q4	62	LAQUN	267,735	317,802	1.19		84.37	66	55.72		
		1106 W PARK AVE		76086	QUEST INN (FMR DAYS INN/WA					73	1.44
2017Q4	69		29,761	56,318	1.89		19.62	45	8.87		
		720 ADAMS DR		76086	SUPER 8					02	1.02
2017Q1	64	SUPR8	99,975	100,570	1.01		31.55	55	17.46		
2017Q2	64	SUPR8	149,821	151,904	1.01		42.71	61	26.08		
2017Q3	64	SUPR8	134,093	136,775	.00		36.50	64	23.23		
2017Q4	64	SUPR8	152,230	155,275	.00		39.88	66	26.37		
2018Q1	64	SUPR8	150,348	153,355	.00		38.44	69	26.62		
2018Q2	64	SUPR8	191,536	191,855	1.00		47.08	70	32.94		
2018Q3	64	SUPR8	168,103	171,000	1.02	G	41.20	70	29.04		
2018Q4	64	SUPR8	178,445	178,779	1.00		45.14	67	30.36		
2019Q1	64	SUPR8	147,372	147,708	1.00		39.59	65	25.64		
2019Q2	64	SUPR8	192,257	193,069	1.00		48.17	69	33.15		
2019Q3	64	SUPR8	166,093	166,307	1.00		38.31	74	28.25		
2019Q4	64	SUPR8	142,328	142,639	1.00		37.56	64	24.23		
2020Q1	64	SUPR8	114,903	116,151	1.01		39.30	51	20.17		
2020Q2	64	SUPR8	135,297	135,298	1.00		38.91	60	23.23		
2020Q3	64	SUPR8	149,876	153,000	1.02	G	44.20	59	25.99		
2020Q4	64	SUPR8	135,950	139,000	1.02	G	45.97	51	23.61		
2021Q1	64	SUPR8	163,625	167,000	1.02	G	47.75	61	28.99		
2021Q2	64	SUPR8	248,181	249,291	1.00		61.98	69	42.80		
2021Q3	64	SUPR8	247,636	256,291	1.03		62.19	70	43.53		

CITY / YEAR	Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	E S T	3 EST AVG. DAILY RATE	4 % OCC EST	$ 5 REVPAR	YR OP	AVG ADJ 1
WEATHERFORD		720 ADAMS DR		76086	SUPER 8						02	1.02
2021	Q4	64	SUPR8	265,278	266,756	1.01		70.98	64	45.31		
		1927 SANTA FE D		76086	WEATHERFORD HERITAGE INN (						85	1.10
2017	Q1	45		115,360	126,896	.00		45.25	69	31.33		
2017	Q2	45		124,904	137,394	.00		49.54	68	33.55		
2017	Q3	45		110,069	121,076	.00		38.53	76	29.25		
2017	Q4	45		73,860	81,246	.00		35.09	56	19.62		
2018	Q1	45		100,644	110,708	.00		43.10	63	27.34		
2018	Q2	45		103,810	114,000	1.10	G	46.15	60	27.84		
2018	Q3	45		118,639	131,000	1.10	G	44.91	70	31.64		
2018	Q4	45		133,338	147,000	1.10	G	48.23	74	35.51		
2019	Q1	45		99,180	109,000	1.10	G	42.31	64	26.91		
2019	Q2	45		96,144	106,000	1.10	G	42.14	61	25.89		
2019	Q3	45		107,154	118,000	1.10	G	40.97	70	28.50		
2019	Q4	45		106,420	117,000	1.10	G	40.01	71	28.26		
2020	Q1	45		85,522	94,000	1.10	G	42.24	55	23.21		
2020	Q2	45		74,847	82,000	1.10	G	34.83	57	20.02		
2020	Q3	45		82,770	82,770	1.00	G	38.33	52	19.99		
2020	Q4	45		72,648	80,000	1.10	G	38.99	50	19.32		
2021	Q1	45		119,874	132,000	1.10	G	45.85	71	32.59		
2021	Q2	45		135,562	150,000	1.11	G	52.18	70	36.63		
2021	Q3	45		127,146	139,000	1.09	G	51.40	65	33.57		
2021	Q4	45		89,980	98,000	1.10	G	49.39	48	23.67		
		809 PALO PINTO		76086	WEATHERFORD INN (FMR RALTD						83	1.50
2017	Q1	35		45,039	81,094	1.80		49.40	52	25.74		
2017	Q2	35		63,407	102,005	1.61		57.64	56	32.03		
2017	Q3	35		57,163	98,582	1.73		49.82	61	30.62		
2017	Q4	35		32,481	53,478	1.65		40.78	41	16.61		
2018	Q1	35		47,108	97,647	2.07		52.93	59	31.00		
2018	Q2	35		64,865	98,750	1.52		58.76	53	31.00		
2018	Q3	35		56,772	109,341	1.93		59.05	57	33.96		
2018	Q4	35		69,527	111,579	1.60		60.87	57	34.65		
2019	Q1	35		59,676	111,025	1.86		60.01	59	35.25		
2019	Q2	35		74,124	121,543	1.64		68.24	56	38.16		
2019	Q3	35		56,300	115,398	2.05		54.91	65	35.84		
2019	Q4	35		50,859	111,007	2.18		59.77	58	34.47		
2020	Q1	35		34,215	90,563	2.65		64.72	44	28.75		
2020	Q2	35		29,478	78,413	2.66		60.63	41	24.62		
2020	Q3	35		31,907	69,947	2.19		57.31	38	21.72		
2020	Q4	35		27,857	46,299	1.66		47.42	30	14.38		
		215 ALFORD DR		76087	CANDLEWOOD SUITES						10	1.40
2017	Q1	80	CANDL	164,754	310,954	1.89		62.61	69	43.19		
2017	Q2	80	CANDL	249,150	438,778	1.76		81.09	74	60.27		
2017	Q3	80	CANDL	254,933	389,627	1.53		73.66	72	52.94		
2017	Q4	80	CANDL	186,302	266,059	1.43		63.39	57	36.15		

CITY	ADDR	ZIP		E S T	3 EST AVG.	4 %		YR AVG OP ADJ 1 -- -----
YEAR Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	-	DAILY RATE	OCC EST	$ 5 REVPAR
WEATHERFORD		215 ALFORD DR	76087	CANDLEWOOD SUITES					10 1.40
2018Q1	80	CANDL	286,587	391,362	1.37		70.62	77	54.36
2018Q2	80	CANDL	326,615	442,920	1.36		85.51	71	60.84
2018Q3	80	CANDL	336,670	426,333	1.27		77.55	75	57.93
2018Q4	80	CANDL	299,989	437,426	1.46		76.73	77	59.43
2019Q1	80	CANDL	338,127	430,456	1.27		77.78	77	59.79
2019Q2	80	CANDL	326,953	488,741	1.49		89.51	75	67.13
2019Q3	80	CANDL	246,980	405,614	1.64		72.11	76	55.11
2019Q4	80	CANDL	290,533	399,043	1.37		75.35	72	54.22
2020Q1	80	CANDL	327,935	396,083	1.21		93.18	59	55.01
2020Q2	80	CANDL	213,329	344,838	1.62		90.54	52	47.37
2020Q3	80	CANDL	284,235	410,782	1.45		92.86	60	55.81
2020Q4	80	CANDL	267,214	318,181	1.19		79.01	55	43.23
2021Q1	80	CANDL	351,219	430,784	1.23		96.41	62	59.83
2021Q2	80	CANDL	466,764	608,147	1.30		102.68	81	83.54
2021Q3	80	CANDL	389,512	528,011	1.36		108.73	66	71.74
2021Q4	80	CANDL	408,143	525,431	1.29		121.79	59	71.39
		2207 OLD DENNIS	76087	ECONO LODGE WEATHERFORD					03 1.08
2017Q1	32	ECONO	78,246	83,430	1.07		45.70	63	28.97
2017Q2	32	ECONO	80,455	92,909	1.16		52.55	61	31.91
2017Q3	32	ECONO	81,578	90,873	1.11		47.89	64	30.87
2017Q4	32	ECONO	87,116	90,657	1.04		50.32	61	30.79
2018Q1	32	ECONO	89,883	91,815	1.02		49.32	65	31.88
2018Q2	32	ECONO	103,603	111,238	1.07		61.51	62	38.20
2018Q3	32	ECONO	111,075	117,791	1.06		59.08	68	40.01
2018Q4	32	ECONO	102,867	108,594	1.06		54.67	67	36.89
2019Q1	32	ECONO	100,153	106,941	1.07		53.45	69	37.13
2019Q2	32	ECONO	104,745	117,721	1.12		61.94	65	40.43
2019Q3	32	ECONO	100,697	117,786	1.17		54.94	73	40.01
2019Q4	32	ECONO	95,850	101,638	1.06		52.70	65	34.52
2020Q1	32	ECONO	79,031	85,000	1.08	G	55.75	53	29.51
2020Q2	32	ECONO	50,582	55,000	1.08	G	48.26	39	18.89
2020Q3	32	ECONO	54,073	58,000	1.08	G	45.36	43	19.70
2020Q4	32	ECONO	56,559	61,000	1.08	G	48.40	43	20.72
2021Q1	32	ECONO	72,353	78,000	1.08	G	50.03	54	27.08
2021Q2	32	ECONO	106,207	114,000	1.07	G	56.17	70	39.15
2021Q3	32	ECONO	89,680	96,000	1.07	G	54.58	60	32.61
2021Q4	32	ECONO	93,316	101,000	1.08	G	58.56	59	34.31
		175 ALFORD DR	76087	FAIRFIELD INN & SUITES					09 1.07
2017Q1	84	FAIRF	395,920	416,989	1.05		97.91	56	55.16
2017Q2	84	FAIRF	443,234	470,361	1.06		114.20	54	61.53
2017Q3	84	FAIRF	441,079	483,054	1.10		102.80	61	62.51
2017Q4	84	FAIRF	304,790	314,685	1.03		94.57	43	40.72
2018Q1	84	FAIRF	478,185	499,688	1.05		104.99	63	66.10
2018Q2	84	FAIRF	484,100	514,722	1.06		121.44	55	67.34
2018Q3	84	FAIRF	490,874	534,891	1.09		115.57	60	69.21

CITY	ADDR	ZIP	E S T	3 EST AVG.	4 %	YR OP	AVG ADJ 1 --
YEAR Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2 -	DAILY RATE	OCC EST	$ 5 REVPAR
WEATHERFORD	175 ALFORD DR	76087	FAIRFIELD INN & SUITES				09	1.07
2018Q4	84	FAIRF	511,735	526,091	1.03	115.09	59	68.08
2019Q1	84	FAIRF	501,822	524,154	1.04	121.10	57	69.33
2019Q2	84	FAIRF	542,793	581,722	1.07	135.41	56	76.10
2019Q3	84	FAIRF	561,786	569,265	1.01	107.46	69	73.66
2019Q4	84	FAIRF	478,746	575,650	1.20	131.66	57	74.49
2020Q1	84	FAIRF	420,199	453,234	1.08	127.59	47	59.95
2020Q2	84	FAIRF	276,943	329,499	1.19	115.32	37	43.11
2020Q3	84	FAIRF	286,634	306,698	1.07	85.54	46	39.69
2020Q4	84	FAIRF	394,430	397,926	1.01	104.98	49	51.49
2021Q1	84	FAIRF	474,514	497,319	1.05	102.13	64	65.78
2021Q2	84	FAIRF	574,639	607,431	1.06	108.88	73	79.47
2021Q3	84	FAIRF	541,507	632,048	1.17	108.25	76	81.79
2021Q4	84	FAIRF	471,000	652,211	1.38	113.09	75	84.40
	2524 S MAIN ST	76087	HAMPTON INN				97	1.01
2017Q1	56	HAMPT	237,795	240,430	1.01	74.02	64	47.70
2017Q2	56	HAMPT	294,505	301,151	1.02	98.42	60	59.10
2017Q3	56	HAMPT	277,032	278,787	1.01	83.27	65	54.11
2017Q4	56	HAMPT	284,915	289,281	1.01	87.83	64	56.15
2018Q1	56	HAMPT	274,885	277,855	1.01	81.73	67	55.13
2018Q2	56	HAMPT	399,291	418,190	1.05	124.09	66	82.06
2018Q3	56	HAMPT	412,245	432,194	1.05	116.55	72	83.89
2018Q4	56	HAMPT	436,241	450,904	1.03	119.17	73	87.52
2019Q1	56	HAMPT	399,442	405,001	1.01	111.43	72	80.36
2019Q2	56	HAMPT	472,170	490,166	1.04	135.08	71	96.19
2019Q3	56	HAMPT	455,745	464,557	1.02	108.37	83	90.17
2019Q4	56	HAMPT	449,052	460,633	1.03	123.89	72	89.41
2020Q1	56	HAMPT	335,105	351,005	1.05	119.47	58	69.64
2020Q2	56	HAMPT	254,656	275,541	1.08	117.38	46	54.07
2020Q3	56	HAMPT	306,261	311,846	1.02	110.29	55	60.53
2020Q4	56	HAMPT	301,550	305,290	1.01	108.99	54	59.26
2021Q1	56	HAMPT	375,835	380,400	1.01	118.04	64	75.48
2021Q2	56	HAMPT	536,089	556,371	1.04	142.74	76	109.18
2021Q3	56	HAMPT	478,535	504,885	1.06	134.08	73	98.00
2021Q4	56	HAMPT	494,859	522,137	1.06	137.06	74	101.35
	850 INTERSTATE	76087	HOLIDAY EXPRESS & SUITES				09	1.03
2017Q1	75	HIEXP	359,274	369,268	1.03	83.03	66	54.71
2017Q2	75	HIEXP	479,552	498,644	1.04	106.44	69	73.06
2017Q3	75	HIEXP	504,469	521,122	1.03	99.62	76	75.52
2017Q4	75	HIEXP	495,962	510,098	1.03	99.24	74	73.93
2018Q1	75	HIEXP	528,689	547,896	1.04	107.88	75	81.17
2018Q2	75	HIEXP	591,623	608,354	1.03	128.49	69	89.14
2018Q3	75	HIEXP	587,905	625,398	1.06	116.25	78	90.64
2018Q4	75	HIEXP	599,710	625,611	1.04	116.82	78	90.67
2019Q1	75	HIEXP	584,275	615,004	1.05	114.22	80	91.11
2019Q2	75	HIEXP	636,497	668,559	1.05	135.52	72	97.96

CITY	ADDR	ZIP	E S T	3 EST AVG.	4 %	YR OP	AVG ADJ 1 --
YEAR Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2 -	DAILY RATE	OCC EST	$ 5 REVPAR
WEATHERFORD	850	INTERSTATE	76087	HOLIDAY EXPRESS & SUITES			09	1.03
2019Q3	75	HIEXP	579,736	597,728	1.03	108.09	80	86.63
2019Q4	75	HIEXP	599,591	647,186	1.08	121.59	77	93.80
2020Q1	75	HIEXP	433,274	463,167	1.07	122.46	56	68.62
2020Q2	75	HIEXP	298,184	389,301	1.31	121.11	47	57.04
2020Q3	75	HIEXP	439,345	477,853	1.09	117.36	59	69.25
2020Q4	75	HIEXP	450,022	480,712	1.07	123.65	56	69.67
2021Q1	75	HIEXP	563,375	584,426	1.04	123.24	70	86.58
2021Q2	75	HIEXP	687,724	735,257	1.07	139.55	77	107.73
2021Q3	75	HIEXP	756,929	780,742	1.03	140.90	80	113.15
2021Q4	75	HIEXP	738,283	785,118	1.06	144.85	79	113.79
	150	ALFORD DR	76087	MOTEL 6			04	1.23
2017Q1	51	MTL 6	90,483	91,726	1.01	28.62	70	19.98
2017Q2	51	MTL 6	99,442	107,337	1.08	32.23	72	23.13
2017Q3	51	MTL 6	84,230	85,315	1.01	35.30	51	18.18
2017Q4	51	MTL 6	72,106	74,926	1.04	30.67	52	15.97
2018Q1	51	MTL 6	72,129	76,593	1.06	29.80	56	16.69
2018Q2	51	MTL 6	105,176	110,346	1.05	35.31	67	23.78
2018Q3	51	MTL 6	96,197	102,803	1.07	31.89	69	21.91
2018Q4	51	MTL 6	86,944	91,616	1.05	31.20	63	19.53
2019Q1	51	MTL 6	90,554	108,073	1.19	35.79	66	23.55
2019Q2	51	MTL 6	142,445	172,330	1.21	53.38	70	37.13
2019Q3	51	MTL 6	121,336	159,219	1.31	43.57	78	33.93
2019Q4	51	MTL 6	110,547	156,388	1.41	47.31	70	33.33
2020Q1	51	MTL 6	74,926	115,820	1.55	47.67	53	25.23
2020Q2	51	MTL 6	90,027	109,514	1.22	41.59	57	23.60
2020Q3	51	MTL 6	74,381	93,620	1.26	41.38	48	19.95
2020Q4	51	MTL 6	60,775	96,812	1.59	42.68	48	20.63
2021Q1	51	MTL 6	138,594	168,570	1.22	49.85	74	36.73
2021Q2	51	MTL 6	179,556	240,157	1.34	65.19	79	51.75
2021Q3	51	MTL 6	200,296	241,719	1.21	65.88	78	51.52
2021Q4	51	MTL 6	167,938	241,427	1.44	73.19	70	51.46
	2213	OLD DENNIS	76087	QUALITY ONE MOTEL			08	1.20
2017Q1	33		50,451	65,538	1.30	35.41	62	22.07
2017Q2	33		55,354	75,684	1.37	41.34	61	25.20
2017Q3	33		47,191	72,446	1.54	34.09	70	23.86
2017Q4	33		45,237	81,637	1.81	36.42	74	26.89
2018Q1	33		53,806	72,226	1.34	36.41	67	24.32
2018Q2	33		66,798	90,603	1.36	48.67	62	30.17
2018Q3	33		70,723	97,580	1.38	48.98	66	32.14
2018Q4	33		67,706	86,897	1.28	44.61	64	28.62
2019Q1	33		56,698	72,426	1.28	39.50	62	24.39
2019Q2	33		81,996	114,595	1.40	55.89	68	38.16
2019Q3	33		88,511	137,682	1.56	53.90	84	45.35
2019Q4	33		63,577	97,823	1.54	50.67	64	32.22
2020Q1	33		79,031	99,000	1.25 G	55.06	61	33.33

CITY		ADDR		ZIP		E S T	3 EST AVG.	4 %	YR OP	AVG ADJ 1 --
YEAR	Q	# RMS	BRAND	TAXABLE REVENUE	GROSS REVENUE	ADJ 1 FACTOR 2	DAILY RATE	OCC EST	$ 5 REVPAR	
WEATHERFORD		2213	OLD DENNIS	76087	QUALITY ONE		MOTEL		08	1.20
2020	Q2	33		33,727	39,993	1.19	36.50	36	13.32	
2020	Q3	33		38,195	46,575	1.22	41.54	37	15.34	
2020	Q4	33		42,103	48,058	1.14	39.37	40	15.83	
2021	Q1	33		72,352	87,000	1.20 G	45.25	65	29.29	
2021	Q2	33		82,628	93,497	1.13	50.20	62	31.13	
2021	Q3	33		76,988	86,210	1.12	49.14	58	28.40	
2021	Q4	33		82,542	94,328	1.14	57.32	54	31.07	
		2500	S MAIN ST	76087	RED ROOF INN & SUITES (FMR			93		1.13
2017	Q1	64	QUALY	110,651	125,036	1.13	33.78	64	21.71	
2017	Q2	64	QUALY	171,934	202,098	1.18	44.56	78	34.70	
2017	Q3	64	QUALY	134,255	153,290	1.14	33.32	78	26.03	
2017	Q4	64	QUALY	145,112	163,166	1.12	37.82	73	27.71	
2018	Q1	64	QUALY	143,980	159,941	1.11	34.83	80	27.77	
2018	Q2	64	QUALY	222,111	248,676	1.12	64.25	66	42.70	
2018	Q3	64	QUALY	208,146	238,906	1.15	56.47	72	40.58	
2018	Q4	64	QUALY	221,250	240,633	1.09	56.90	72	40.87	
2019	Q1	64	QUALY	203,461	221,800	1.09	55.52	69	38.51	
2019	Q2	64	QUALY	251,023	261,520	1.04	65.73	68	44.90	
2019	Q3	64	QUALY	216,902	226,700	1.05	52.51	73	38.50	
2019	Q4	64	QUALY	219,755	237,496	1.08	55.88	72	40.34	
2020	Q1	64	QUALY	154,703	164,433	1.06	65.62	43	28.55	
2020	Q2	64	QUALY	139,522	153,589	1.10	62.78	42	26.37	
2020	Q3	64	QUALY	154,673	168,326	1.09	59.06	48	28.59	
2020	Q4	64	QUALY	171,274	187,071	1.09	66.29	48	31.77	
2021	Q1	64	REDRF	211,376	236,253	1.12	69.31	59	41.02	
2021	Q2	64	REDRF	275,882	313,780	1.14	78.21	69	53.88	
2021	Q3	64	REDRF	224,570	239,651	1.07	76.57	53	40.70	
2021	Q4	64	REDRF	262,273	262,473	1.00	91.44	49	44.58	
		111	W INTERSTAT	76087	RODEWAY INN (FMR		SCOTTISH	19		1.05
2019	Q3	78	SCOTT	45,532	47,946	1.05	42.40	16	6.68	
2019	Q4	78	SCOTT	115,826	193,380	1.67	43.21	62	26.95	
2020	Q1	78	SCOTT	139,154	146,000	1.05 G	43.86	47	20.80	
2020	Q2	78	RODEW	143,181	150,000	1.05 G	44.61	47	21.13	
2020	Q3	78	RODEW	81,523	104,371	1.28	39.46	37	14.54	
2020	Q4	78	RODEW	108,311	130,237	1.20	43.45	42	18.15	
2021	Q1	78	RODEW	120,435	142,637	1.18	44.04	46	20.32	
2021	Q2	78	RODEW	161,186	214,229	1.33	50.52	60	30.18	
2021	Q3	78	RODEW	119,420	188,396	1.58	48.73	54	26.25	
2021	Q4	78	RODEW	107,152	158,517	1.48	45.49	49	22.09	

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).

PERIOD: 12 MONTHS ENDING DEC 31, 2021
LODGING MARKET: TEXAS EXCLUDING LARGE METRO AREAS,LUXURY & UPSCALE SEGMENTS

BRAND	# HTL	# * RMS 000S	% RMS	EST. RNS 000S	% RNS	$ AMT. 000S	% AMT	EST. %OCC	EST. $ RATE	$ RPAR
CAMBRIA	2	.3	.1	69	.1	7,172	.2	64.0	103.76	66.38
EMBASSY	9	1.6	.8	406	.9	61,208	1.4	68.2	150.70	102.78
HOMEWOOD	26	2.5	1.2	667	1.4	80,323	1.9	72.3	120.39	86.98
RESIDENCE	31	3.2	1.5	837	1.8	102,991	2.4	71.7	123.05	88.29
STAYBRIDG	20	1.8	.8	476	1.0	53,078	1.3	72.5	111.48	80.86
OTH SUITE	1	.3	.1	77	.2	9,450	.2	80.3	123.09	98.81
TOT SUITES	89	9.7	4.5	2,532	5.4	314,221	7.4	71.4	124.08	88.62
4 POINTS	3	.3	.1	55	.1	5,670	.1	55.9	103.05	57.64
AC MARRT	1	.3	.1	58	.1	6,671	.2	63.4	114.40	72.52
ALOFT	8	.9	.4	216	.5	23,737	.6	62.7	110.10	69.07
COURTYARD	38	4.4	2.0	1,101	2.4	127,348	3.0	68.9	115.64	79.71
CROWNPLZA	1	.2	.1	37	.1	3,585	.1	50.3	97.61	49.12
DOUBLTREE	4	.8	.4	173	.4	16,768	.4	56.8	97.11	55.15
HILT GARD	29	3.6	1.6	940	2.0	116,288	2.8	72.5	123.75	89.69
HOLID INN	24	3.4	1.6	770	1.6	75,345	1.8	61.2	97.88	59.87
HYATT PLC	13	1.5	.7	355	.8	41,426	1.0	64.1	116.73	74.79
INDIGO	2	.2	.1	58	.1	9,039	.2	78.5	157.15	123.42
RADIS HTL	4	.8	.4	189	.4	16,719	.4	66.8	88.61	59.18
SHERATON	2	.7	.3	127	.3	16,005	.4	46.8	126.49	59.26
SONESTA	3	.4	.2	67	.1	4,609	.1	48.4	69.23	33.49
WYNDHAM	5	.8	.4	159	.3	10,614	.3	51.9	66.80	34.64
OTHER MUP	4	.6	.3	112	.2	8,892	.2	55.0	79.04	43.50
TOT MID/UPS	141	18.9	8.7	4,415	9.4	482,716	11.4	64.1	109.34	70.04
CANDLWOOD	38	3.3	1.5	799	1.7	68,628	1.6	66.5	85.86	57.13
COMFO STE	46	3.2	1.5	781	1.7	67,085	1.6	67.3	85.84	57.79
HAWTHORN	12	1.1	.5	252	.5	21,740	.5	61.6	86.20	53.14
HOME2STES	26	2.8	1.3	718	1.5	87,128	2.1	71.2	121.35	86.40
QUAL STES	5	.3	.2	79	.2	5,327	.1	66.2	67.83	44.91
SPRNGHILL	17	1.9	.9	500	1.1	56,712	1.3	72.5	113.50	82.27
TOWNPLACE	30	3.0	1.4	734	1.6	79,348	1.9	67.9	108.15	73.39
OTHER MIN	3	.1	.0	22	.0	2,707	.1	73.6	121.32	89.34
TOT MIN STE	177	15.6	7.2	3,885	8.3	388,674	9.2	68.2	100.04	68.20
AVID	4	.3	.1	56	.1	4,818	.1	55.4	85.60	47.45
BEST WEST	148	8.9	4.1	2,051	4.4	191,327	4.5	63.0	93.27	58.73
CNTRY INN	13	1.0	.5	237	.5	19,856	.5	66.4	83.75	55.64
COMFO INN	35	2.4	1.1	565	1.2	48,963	1.2	65.4	86.63	56.67
DRURY INN	2	.3	.2	94	.2	11,289	.3	77.1	120.05	92.60
FAIRFIELD	53	4.3	2.0	1,016	2.2	98,035	2.3	65.5	96.50	63.17
HAMPTON	106	8.8	4.0	2,166	4.6	240,590	5.7	67.8	111.05	75.30
HOLID EXP	149	11.7	5.4	2,880	6.2	306,382	7.2	67.7	106.39	72.05
LA QUINTA	129	11.1	5.1	2,568	5.5	222,115	5.3	63.6	86.51	54.99
SLEEP INN	21	1.4	.7	325	.7	24,470	.6	62.4	75.35	47.01
TRU	12	1.1	.5	272	.6	27,066	.6	65.5	99.46	65.10
WINGATE	5	.4	.2	87	.2	7,396	.2	57.8	85.24	49.30
TOT LTD SVE	677	51.6	23.8	12,317	26.4	1,202,307	28.4	65.4	97.61	63.86

PERIOD: 12 MONTHS ENDING DEC 31, 2021
LODGING MARKET: TEXAS EXCLUDING LARGE METRO AREAS,LUXURY & UPSCALE SEGMENTS

BRAND	# HTL	# * RMS 000S	% RMS	EST. RNS 000S	% RNS	$ AMT. 000S	% AMT	EST. %OCC	EST. $ RATE	$ RPAR
BUDG STES	3	1.2	.5	296	.6	16,812	.4	70.3	56.88	39.98
EXT AMERI	14	1.4	.6	371	.8	23,605	.6	74.6	63.62	47.48
INTOWN ST	7	.9	.4	243	.5	12,100	.3	74.0	49.73	36.79
MAINSTAY	5	.3	.1	67	.1	4,913	.1	57.1	73.66	42.06
STUDIO 6	27	2.1	1.0	461	1.0	25,018	.6	61.1	54.29	33.16
WOODSPRNG	23	2.7	1.2	606	1.3	32,924	.8	61.6	54.33	33.45
OTHER EXT	8	.5	.2	107	.2	7,302	.2	54.8	68.09	37.32
TOT EXT STA	87	9.0	4.2	2,151	4.6	122,673	2.9	65.2	57.04	37.20
BAYMONT	28	2.0	.9	410	.9	28,473	.7	55.0	69.49	38.21
BST VALUE	63	3.6	1.7	635	1.4	34,007	.8	47.9	53.59	25.65
CLARION	5	.4	.2	91	.2	6,405	.2	69.8	70.28	49.06
DAYS INN	77	4.8	2.2	999	2.1	66,556	1.6	56.9	66.62	37.90
ECONOLODG	30	1.6	.7	281	.6	15,597	.4	48.3	55.41	26.78
HOWARD JO	5	.4	.2	77	.2	5,090	.1	55.4	66.53	36.89
KNIGHTS	18	1.0	.4	157	.3	7,780	.2	44.5	49.53	22.05
MAGNUSON	4	.3	.1	55	.1	2,375	.1	49.8	43.01	21.42
MICROTEL	16	1.1	.5	232	.5	16,519	.4	58.3	71.16	41.52
MOTEL 6	108	8.1	3.8	1,746	3.7	103,953	2.5	58.8	59.55	35.01
OYO	20	1.2	.5	175	.4	7,622	.2	40.7	43.55	17.70
PALACE	1	.0	.0	11	.0	922	.0	73.9	81.44	60.16
QUALITY	73	5.0	2.3	1,085	2.3	76,030	1.8	59.9	70.08	41.97
RAMADA	7	.8	.3	167	.4	14,262	.3	60.9	85.35	51.96
RED ROOF	24	2.0	.9	416	.9	26,206	.6	58.1	62.92	36.56
RODEWAY	26	1.7	.8	288	.6	14,250	.3	46.8	49.56	23.18
SCOTTISH	11	.5	.2	94	.2	4,688	.1	55.0	49.86	27.44
SUPER 8	84	5.0	2.3	1,048	2.2	64,994	1.5	57.3	62.03	35.54
SURE STAY	15	.8	.4	151	.3	9,719	.2	52.1	64.28	33.46
TRAVELODG	9	.5	.2	91	.2	5,077	.1	51.7	55.92	28.92
OTHER BUD	18	.8	.3	139	.3	7,301	.2	50.3	52.63	26.49
TOT BUDGET	642	41.4	19.1	8,347	17.9	517,825	12.3	55.2	62.04	34.26
$100+ ADR	72	5.0	2.3	1,091	2.3	185,342	4.4	59.5	169.87	101.00
$60-99ADR	165	7.9	3.6	1,590	3.4	142,453	3.4	55.2	89.61	49.48
LT $60ADR	514	24.9	11.5	4,240	9.1	202,296	4.8	46.7	47.71	22.27
TOT IND HTL	751	37.8	17.5	6,921	14.8	530,091	12.5	50.2	76.59	38.42
TOT OTH IND	2	.2	.1	47	.1	1,743	.0	51.7	37.40	19.33
TOT HOTELS	2,566	184.3	85.1	40,615	86.9	3,560,250	84.2	60.4	87.66	52.93
TOT ST RENT	367	17.6	8.1	3,038	6.5	342,310	8.1	47.4	112.66	53.36
TOT OTH IND	378	14.6	6.8	3,063	6.6	324,546	7.7	57.3	105.96	60.76
TOT OTHER	745	32.2	14.9	6,101	13.1	666,856	15.8	51.9	109.30	56.72
TOT MARKET	3,311	216.5	100.0	46,717	100.0	4,227,107	100	59.1	90.48	53.50

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

EXHIBIT V

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

EXHIBIT V

investment, are often trying to get out from under a bad investment. 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:

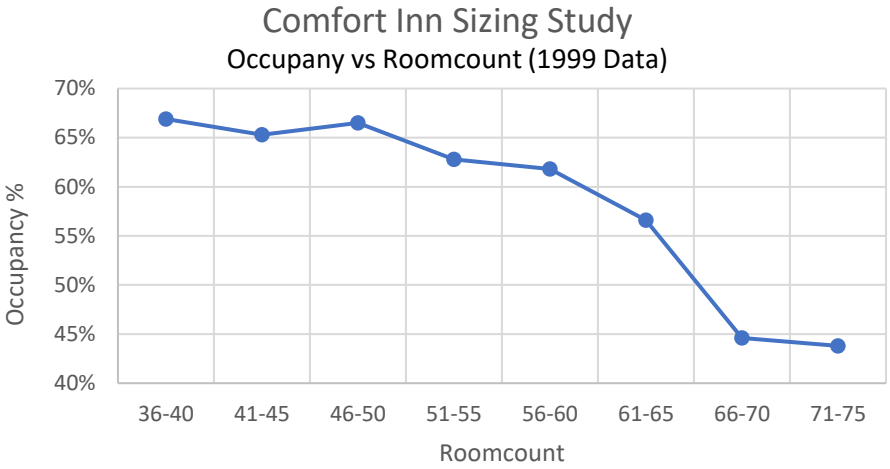
SIZING ANALYSIS

12 Months Ending September 30, 1999

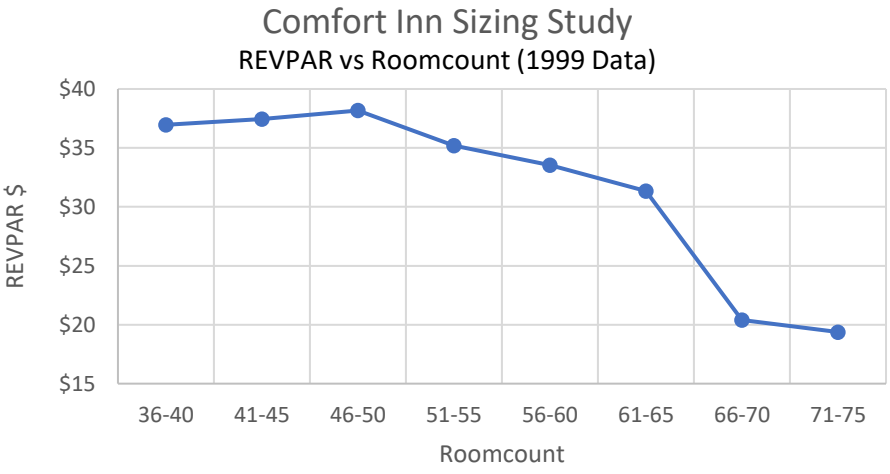
Rooms	Occupancy	Rate	REVPAR
36-40	66.9%	$55.25	$36.95
41-45	65.3%	$57.34	$37.45
46-50	66.5%	$57.38	$38.17
51-55	62.8%	$56.02	$35.20
56-60	61.8%	$54.26	$33.55
61-65	56.6%	$55.33	$31.33
66-70	44.6%	$45.71	$20.41
71-75	43.8%	$44.20	$19.38
Combined: 52	63.2%	$55.46	$35.03

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 36-90 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:

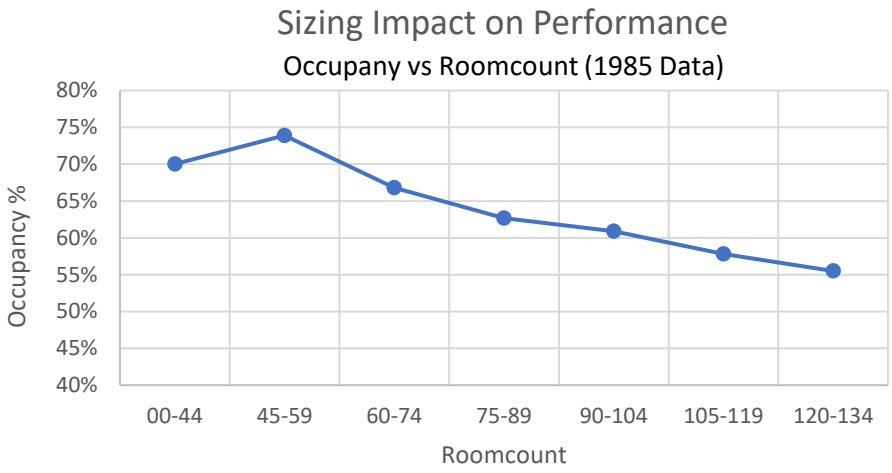
SIZING ANALYSIS

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.



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 roomcount 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) roomcount 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.).

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

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 REVPAR[16] 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*

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

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.

EXHIBIT VI

ANALYSIS AND FINDINGS:

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

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) 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:

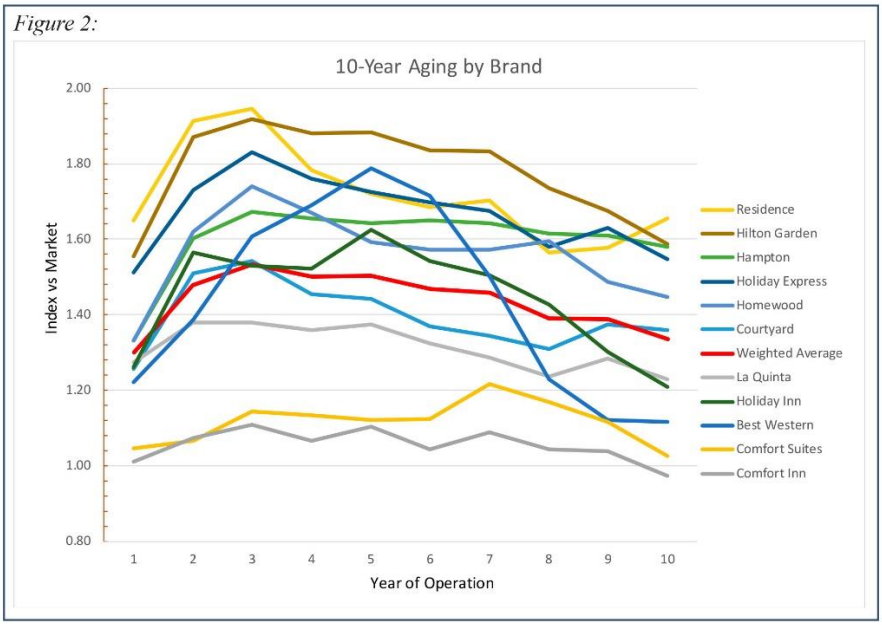


Figure 3:
Progression of New REVPAR Index Compared to Previous Data

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.

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**:

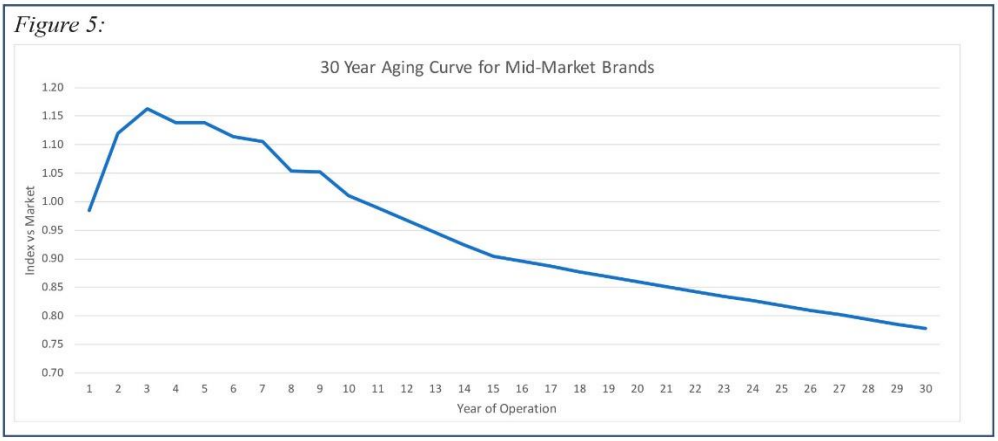
These figures can then be plotted on a graph and extended over a thirty year period with a 1% decline per year as follows in **Figure 5**:

Figure 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

EXHIBIT VI

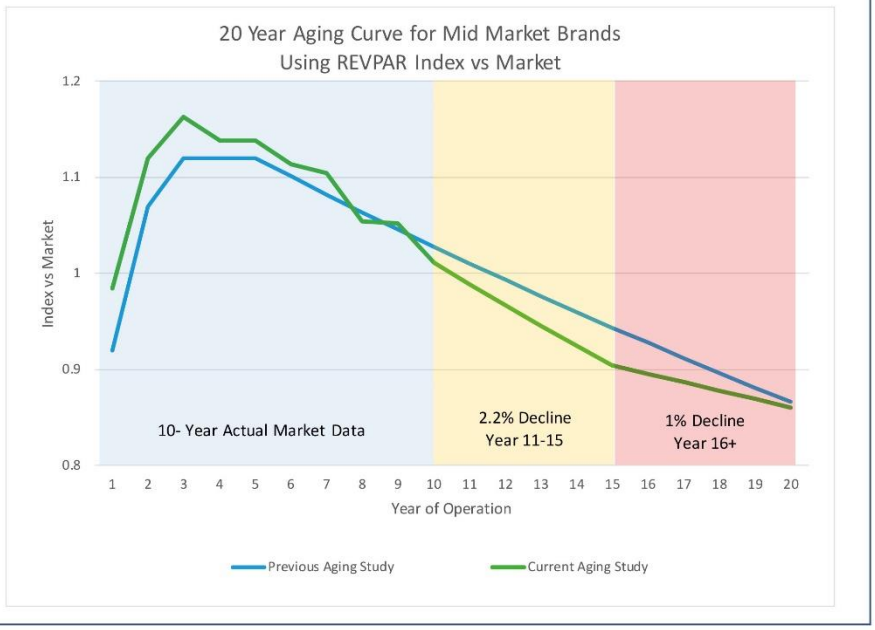
Figure 5:



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.

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.

Figure 6:



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.

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

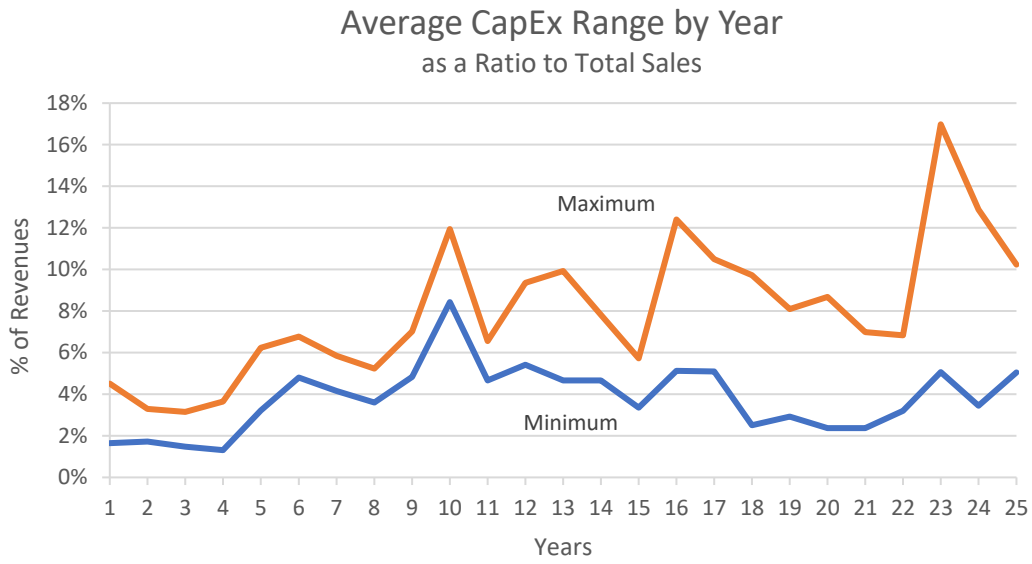
Although many equity investors frequently argue against the necessity of a reserve, particularly if the investor does not plan to hold the property for greater than five years, the requirement for and amount of reserves are typically contractual issues between ownership, lender, manager, and/or franchisor/franchisee.

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

Source Strategies

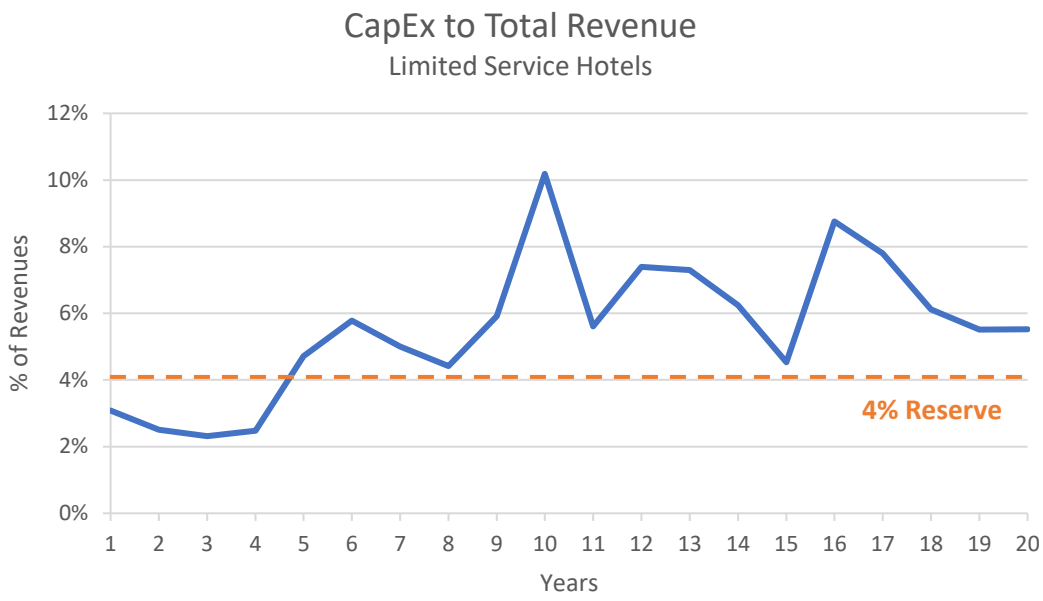


Percentage Range of CapEx Spending by Year

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

Source Strategies

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.[17]

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

REFERENCEES

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.

Stanton Leddy, 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 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** hotel and motel's Revenue, REVPAR, Occupancy Numbers, etc. compared to last year and summarized by zip, city and metro. Factbooks contain 3-month data or 12-month data.
- ***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.
- ***Hotel Markets Report:*** Geographic Breakdowns of Texas Markets – metro, county and city by quarter and by past 12 months.
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REFERENCEES

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.

REFERENCEES

STANTON LEDDY

Stanton Leddy is the CEO of Source Strategies, Texas' leading hotel consultancy. During his career in the hotel industry, he has cultivated excellence in fact-based decision-making that leads to positive revenue growth. He has more than 15 years of experience in data analysis and market research. Stanton has served on the Finance Committee of the Choice Hotels Regional Advisory Board. In 2014, *Hotel Business* magazine recognized him as an "Up and Comer." Today, he guides Source Strategies' role as the trusted, must-have resource for the Texas lodging industry.

CAREER HIGHLIGHTS

- **2021-Present: Source Strategies.** CEO. Takes a positive, hands-on approach to helping ensure that Source Strategies' hotel database meaningfully supports stakeholders (hotel clients, owners and investors).

- **2016-2021: Prestige Hospitality Group.** Regional Director of Operations. Oversaw all aspects of the company's hotel portfolio (corporate processes, profits and guest satisfaction), and doubled its size from 15 hotels to 30 during his tenure.

- **2009-2018: Presidian Hotels and Resorts.** Vice President of Business Development (2014-16), Vice President of Operations (2013-14), Corporate Operations Manager (2011-13), Corporate Operations Analyst (2009-11). Served in roles of increasing responsibility and leadership, ultimately developing a proprietary hotel management system as a basis of rapid growth. Managed a hotel portfolio so that it generated a 130% to 140% RevPAR index.

- **2006-2009: Circuit City Stores Inc.** Associate Buyer (2008-09), Merchandise/Advertising Specialist (2006-08). Managed business relationships with film studios including Disney and Lionsgate. Designed and executed advertising strategies in the weekly circular to increase attach rates by 15% for TV, home audio and DVD.

EDUCATION

- **University of Richmond**. Bachelor of Science in Business Administration, concentration in marketing, 2005.

REFERENCEES

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's 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 successfully, encompassing over thirty different brands now operating successfully in Texas, New Mexico, Louisiana, Kansas, Colorado, Oklahoma and other states. Studies include 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 analyst, writer and editor to ***Hotel Brand Report*** newsletter and the ***Texas Hotel Performance Factbook***, 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 Globe & Mail is Canada's national newspaper. Wrote business articles and edited publications. Edited *InfoGlobe*.

EDUCATION

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

REFERENCEES

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; system allowed 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.

REFERENCEES

- Numerous articles for the ***Hotel Brand Report*** newsletter.

REFERENCEES

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 the Technology programs including *Visual Communications*, *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

REFERENCEES

FINANCIAL FEASIBILITY STUDIES

SAMPLE PROJECTS

Aloft
- Austin
- Houston

Americas **Best Value**
- Houston
- Houston SW
- Humble
- San Antonio
- Waller

Baymont Inn
- Katy
- New Braunfels

Best Western Inn & Suites
- 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

REFERENCEES

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 Ltd
- Marble Falls

Hilton Hotel
- Fort Worth CC

Hilton Garden Inn
- Amarillo
- Austin
- Corpus Christi
- Del City, OK
- Galveston
- Granbury
- Houston Beltway 8
- Killeen
- Odessa
- New Braunfels
- Temple

Sample Projects Continued

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

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

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 Convention Center
- Colorado Springs CC
- JW Marriott, Houston

Motel 6
- Aransas Pass

Quality Inn & Suites
- Katy
- San Antonio East
- Waco

REFERENCEES

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

REFERENCES

Sample Studies, Data and Litigation Support

1. Contracted by the Texas' Governors Office of Economic Development, Tourism Division (1988 – 2016) to assess Texas tourism promotion efforts and to aid in marketing Texas.

2. Provided over 1,000 ten-year custom local hotel market histories to MAI appraiser clients (Appraisal Market Packages).

3. 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.

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's most important work, frequently the basis for expert witness testimony by Source's principal Bruce Walker.

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).

Frequent litigation clients have included the TxDOT through 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 vs. 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 re: 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. Represented Host Marriott before Real Estate Tax Appeal Board, Virginia.

6. Drafted national lending guidelines for Heller Small Business Finance for lodging projects under $5 million.

7. 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.

8. Analysis of alternative markets to determine their potential for new lodging: alternative metro areas, alternative sites, and strategically, for an expanding chain.

9. Consumer intercept and secondary data studies, including the effect of a new hotel or a potential name change.

METHODOLOGY

(210) 734-3434
SourceStrategies.org

Methodology of Texas Hotel/Motel Reports

Texas Hotel/Motel Quarterly 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 SSI 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, and include the following names: 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.