

Cobblestone Hotel & Suites Hiawatha, IA

Number of Units: **66**

Building Specifications: 66 unit , three (3) story, center load, Cobblestone Hotel & Suites, with an expanded guest wine & beer bar, standard (king & queen/queen) rooms, eight (8) 2-room extended stay suites, free hot breakfast for all guests, guest fitness room, guest laundry room, meeting room, pool, and elevator.

Total Land & Prep	\$900,000	
<i>per room</i>	<i>\$13,636</i>	
Raw Land	\$500,000	
Permit & Community (plan review/permit/inspect/impact/tap fees/etc.)	\$100,000	
Site Utility & Excav. (sewer/water/electric/grading & fill/drainage/etc)	\$300,000	
Building Construction	\$4,310,000	
<i>per room</i>	<i>\$65,303</i>	
Fixtures, Furnishings, and Equipment	\$985,000	
<i>per room</i>	<i>\$14,924</i>	
Indirect Costs	\$890,000	
<i>per room</i>	<i>\$13,485</i>	
Appraisal	\$10,000	
Architectural / Engineering	\$80,000	
Cobblestone Franchise Fee	\$40,000	
Surveys	\$5,000	
Development Services	\$350,000	
Pre-Opening Expenses	\$25,000	
Working Capital	\$150,000	
Legal and Accounting Fees	\$10,000	
Construction Period Interest / Loan Fees / Closing	\$100,000	
Insurance & Taxes During Construction	\$20,000	
Project Contingency	\$100,000	
Total Project Costs:	\$7,085,000	
<i>per room</i>	<i>\$107,348</i>	
Requested Loan Amount:	\$4,235,000	59.8%
Expected Cash Injection:	\$2,850,000	40.2%
Sources of Funding		
Bank Loan	\$4,235,000	Debt Interest: 5.50%
Expected Cash Injection	\$2,850,000	Debt Terms: 20
Total:	\$7,085,000	Debt Service: \$349,584

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

RAMP UP YEAR:													Rooms:
													66
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Lodging Rooms Available	2,046	1,848	2,046	1,980	2,046	1,980	2,046	2,046	1,980	2,046	1,980	2,046	24,090
Lodging Occupancy %	49.9%	57.6%	63.3%	72.1%	75.5%	75.9%	70.6%	65.8%	63.2%	65.8%	50.6%	43.8%	62.9%
Total Occ. Rooms	1,020	1,065	1,295	1,427	1,545	1,502	1,445	1,345	1,252	1,345	1,002	895	15,141
Average Daily Rate	\$90.16	\$93.85	\$93.90	\$97.39	\$97.15	\$100.93	\$99.28	\$95.30	\$99.09	\$97.10	\$98.16	\$85.70	\$96.15
Revenue Per Available Room (REVPAR)	\$44.97	\$54.09	\$59.45	\$70.19	\$73.38	\$76.56	\$70.14	\$62.67	\$62.65	\$63.85	\$49.68	\$37.51	\$60.43
REVENUE:													
Guest Rooms	92,001	99,966	121,633	138,973	150,129	151,595	143,499	128,220	124,055	130,634	98,360	76,735	1,455,800
Meeting Room	510	533	648	714	773	751	723	673	626	673	501	448	7,571
Vending / Bar Revenue	2,551	2,663	3,239	3,568	3,864	3,755	3,614	3,364	3,130	3,364	2,505	2,239	37,853
TOTAL HOTEL REVENUE	95,062	103,162	125,519	143,254	154,765	156,101	147,835	132,256	127,811	134,671	101,366	79,422	1,501,223
HOTEL PAYROLL EXPENSE													
Hotel Manager	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	70,000
Housekeeping	5,612	5,859	7,125	7,849	8,500	8,261	7,950	7,400	6,886	7,400	5,511	4,925	83,276
Maintenance	920	1,000	1,216	1,390	1,501	1,516	1,435	1,282	1,241	1,306	984	767	14,558
Front Desk	5,520	5,998	7,298	8,338	9,008	9,096	8,610	7,693	7,443	7,838	5,902	4,604	87,348
Workers Comp Insurance	447	467	537	585	621	618	596	555	535	559	456	403	6,380
Payroll Tax	2,236	2,336	2,684	2,926	3,105	3,088	2,978	2,776	2,675	2,797	2,279	2,016	31,898
TOTAL HOTEL PAYROLL	20,568	21,493	24,693	26,921	28,568	28,412	27,402	25,540	24,614	25,734	20,964	18,549	293,459
HOTEL OPERATING EXPENSE													
Cleaning Supplies	510	533	648	714	773	751	723	673	626	673	501	448	7,571
Laundry Supplies	765	799	972	1,070	1,159	1,127	1,084	1,009	939	1,009	752	672	11,356
Linens	1,020	1,065	1,295	1,427	1,545	1,502	1,445	1,345	1,252	1,345	1,002	895	15,141
Guest Supplies	1,276	1,332	1,619	1,784	1,932	1,878	1,807	1,682	1,565	1,682	1,253	1,119	18,926
Operating Supplies	867	905	1,101	1,213	1,314	1,277	1,229	1,144	1,064	1,144	852	761	12,870
Uniforms Expense	816	852	1,036	1,142	1,236	1,202	1,156	1,076	1,002	1,076	802	716	12,113
Repairs & Maintenance	460	500	608	695	751	758	717	641	620	653	492	384	7,279
Swimming Pool	625	625	625	625	625	625	625	625	625	625	625	625	7,500
Grounds/Landscaping	750	1,000	1,000	500	500	500	500	500	500	500	500	750	7,500
Franchise Fee	5,627	5,082	5,627	5,445	5,627	5,445	5,627	5,627	5,445	5,627	5,445	5,627	66,248
Training Expense	417	417	417	417	417	417	417	417	417	417	417	417	5,000
Property Mgmt. System Expense	459	459	459	459	459	459	459	459	459	459	459	459	5,502
Complimentary Breakfast	4,082	4,261	5,182	5,708	6,182	6,008	5,782	5,382	5,008	5,382	4,008	3,582	60,564
Travel Agent Fees	2,300	2,499	3,041	3,474	3,753	3,790	3,587	3,205	3,101	3,266	2,459	1,918	36,395
Reservations Expense	750	750	750	750	750	750	750	750	750	750	750	750	9,000
Vending / Bar Expense	1,276	1,332	1,619	1,784	1,932	1,878	1,807	1,682	1,565	1,682	1,253	1,119	18,926
Marketing / Advertising	920	1,000	1,216	1,390	1,501	1,516	1,435	1,282	1,241	1,306	984	767	14,558
Utilities	6,654	7,221	8,786	10,028	10,834	10,927	10,348	9,258	8,947	9,427	7,096	5,560	105,086
Cable/Internet/Phone	5,115	5,115	5,115	5,115	5,115	5,115	5,115	5,115	5,115	5,115	5,115	5,115	61,380
Credit Card Expense	2,139	2,321	2,824	3,223	3,482	3,512	3,326	2,976	2,876	3,030	2,281	1,787	33,778
Management Fee	5,704	6,190	7,531	8,595	9,286	9,366	8,870	7,935	7,669	8,080	6,082	4,765	90,073
Other Expense/Frequent Stay	255	266	324	357	386	376	361	336	313	336	251	224	3,785
Accounting Services	400	400	400	400	400	400	400	400	400	400	400	400	4,800
TOTAL OPERATING EXPENSES	43,186	44,922	52,195	56,313	59,957	59,576	57,570	53,518	51,497	53,983	43,774	38,859	615,350
Income Before Fixed Expenses	31,308	36,747	48,631	60,019	66,240	68,113	62,863	53,198	51,700	54,954	36,628	22,014	592,414
Gross Operating Profit (GOP)	32.93%	35.62%	38.74%	41.90%	42.80%	43.63%	42.52%	40.22%	40.45%	40.81%	36.13%	27.72%	39.46%
RESERVES & FIXED EXPENSES													
Debt Service	29,132	29,132	29,132	29,132	29,132	29,132	29,132	29,132	29,132	29,132	29,132	29,132	349,584
Real Estate Taxes (Estimates)	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	116,995
Insurance	2,310	2,310	2,310	2,310	2,310	2,310	2,310	2,310	2,310	2,310	2,310	2,310	27,720
Reserves For Replacement	951	1,032	1,255	1,433	1,548	1,561	1,478	1,323	1,278	1,347	1,014	794	15,012
TOTAL RESERVES & FIXED	42,142	42,223	42,447	42,624	42,739	42,753	42,670	42,514	42,470	42,538	42,205	41,986	509,312
NET OPERATING INCOME (NOI)	18,297	23,655	35,316	46,527	52,632	54,493	49,325	39,816	38,362	41,547	23,555	9,160	432,687
NET CASH FLOW	(10,835)	(5,477)	6,184	17,395	23,500	25,361	20,193	10,684	9,230	12,415	(5,577)	(19,972)	83,103

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

Numbers projected and compared to similar markets for a hotel with the following rooms:													Rooms: 66
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Lodging Rooms Available	2,046	1,848	2,046	1,980	2,046	1,980	2,046	2,046	1,980	2,046	1,980	2,046	24,090
Lodging Occupancy %	59.9%	67.6%	73.3%	82.1%	85.5%	85.9%	80.6%	75.8%	73.2%	75.8%	60.6%	53.8%	72.9%
Total Occ. Rooms	1,225	1,250	1,500	1,625	1,750	1,700	1,650	1,550	1,450	1,550	1,200	1,100	17,550
Average Daily Rate	\$92.95	\$96.75	\$96.80	\$100.40	\$100.15	\$104.05	\$102.35	\$98.25	\$102.15	\$100.10	\$101.20	\$88.35	\$99.05
Revenue Per Available Room (REVPAR)	\$55.65	\$65.44	\$70.97	\$82.40	\$85.66	\$89.34	\$82.54	\$74.43	\$74.81	\$75.83	\$61.33	\$47.50	\$72.16
REVENUE:													
Guest Rooms	113,864	120,938	145,200	163,150	175,263	176,885	168,878	152,288	148,118	155,155	121,440	97,185	1,738,361
Meeting Room	613	625	750	813	875	850	825	775	725	775	600	550	8,775
Vending / Bar Revenue	3,675	3,750	4,500	4,875	5,250	5,100	4,950	4,650	4,350	4,650	3,600	3,300	52,650
TOTAL HOTEL REVENUE	118,151	125,313	150,450	168,838	181,388	182,835	174,653	157,713	153,193	160,580	125,640	101,035	1,799,786
HOTEL PAYROLL EXPENSE													
Hotel Manager	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	65,000
Housekeeping	6,125	6,250	7,500	8,125	8,750	8,500	8,250	7,750	7,250	7,750	6,000	5,500	87,750
Maintenance	1,139	1,209	1,452	1,632	1,753	1,769	1,689	1,523	1,481	1,552	1,214	972	17,384
Front Desk	5,693	6,047	7,260	8,158	8,763	8,844	8,444	7,614	7,406	7,758	6,072	4,859	86,918
Breakfast/Social	1,139	1,209	1,452	1,632	1,753	1,769	1,689	1,523	1,481	1,552	1,214	972	17,384
Workers Comp Insurance	488	503	577	624	661	657	637	596	576	601	498	443	6,861
Payroll Tax	2,500	2,579	2,957	3,198	3,387	3,370	3,266	3,053	2,951	3,079	2,552	2,270	35,162
TOTAL HOTEL PAYROLL	22,500	23,215	26,615	28,784	30,483	30,326	29,391	27,475	26,562	27,707	22,967	20,437	316,458
HOTEL OPERATING EXPENSE													
Cleaning Supplies	613	625	750	813	875	850	825	775	725	775	600	550	8,775
Laundry Supplies	919	938	1,125	1,219	1,313	1,275	1,238	1,163	1,088	1,163	900	825	13,163
Linens	1,225	1,250	1,500	1,625	1,750	1,700	1,650	1,550	1,450	1,550	1,200	1,100	17,550
Guest Supplies	1,531	1,563	1,875	2,031	2,188	2,125	2,063	1,938	1,813	1,938	1,500	1,375	21,938
Operating Supplies	1,041	1,063	1,275	1,381	1,488	1,445	1,403	1,318	1,233	1,318	1,020	935	14,918
Repairs & Maintenance	854	907	1,089	1,224	1,314	1,327	1,267	1,142	1,111	1,164	911	729	13,058
Swimming Pool	625	625	625	625	625	625	625	625	625	625	625	625	7,500
Grounds/Landscaping	750	1,000	1,000	500	500	500	500	500	500	500	500	750	7,500
Franchise Fee	5,627	5,082	5,627	5,445	5,627	5,445	5,627	5,627	5,445	5,627	5,445	5,627	66,248
Property Mgmt. System Expense	459	459	459	459	459	459	459	459	459	459	459	459	5,502
Complimentary Breakfast	4,900	5,000	6,000	6,500	7,000	6,800	6,600	6,200	5,800	6,200	4,800	4,400	70,200
Travel Agent Fees	2,847	3,023	3,630	4,079	4,382	4,422	4,222	3,807	3,703	3,879	3,036	2,430	43,459
Reservations Expense	750	750	750	750	750	750	750	750	750	750	750	750	9,000
Vending / Bar Expense	1,838	1,875	2,250	2,438	2,625	2,550	2,475	2,325	2,175	2,325	1,800	1,650	26,325
Marketing / Advertising	626	665	799	897	964	973	929	838	815	853	668	535	9,561
Utilities	7,089	7,519	9,027	10,130	10,883	10,970	10,479	9,463	9,192	9,635	7,538	6,062	107,987
Cable/Internet/Phone	5,115	4,620	5,115	4,950	5,115	4,950	5,115	5,115	4,950	5,115	4,950	5,115	60,225
Credit Card Expense	2,658	2,820	3,385	3,799	4,081	4,114	3,930	3,549	3,447	3,613	2,827	2,273	40,495
Management Fee	7,089	7,519	9,027	10,130	10,883	10,970	10,479	9,463	9,192	9,635	7,538	6,062	107,987
Other Expense/Frequent Stay	306	313	375	406	438	425	413	388	363	388	300	275	4,388
Accounting Services	400	400	400	400	400	400	400	400	400	400	400	400	4,800
TOTAL OPERATING EXPENSES	47,261	48,013	56,082	59,800	63,658	63,074	61,445	57,391	55,232	57,909	47,767	42,926	660,557
Income Before Fixed Expenses	48,390	54,084	67,753	80,253	87,247	89,435	83,816	72,846	71,398	74,965	54,906	37,677	822,771
Gross Operating Profit (GOP)	40.96%	43.16%	45.03%	47.53%	48.10%	48.92%	47.99%	46.19%	46.61%	46.68%	43.70%	37.29%	45.71%
RESERVES & FIXED EXPENSES													
Debt Service	29,132	29,132	29,132	29,132	29,132	29,132	29,132	29,132	29,132	29,132	29,132	29,132	349,584
Real Estate Taxes (Estimates)	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	116,995
Insurance	2,310	2,310	2,310	2,310	2,310	2,310	2,310	2,310	2,310	2,310	2,310	2,310	27,720
Reserves For Replacement	1,182	1,253	1,505	1,688	1,814	1,828	1,747	1,577	1,532	1,606	1,256	1,010	17,998
TOTAL RESERVES & FIXED	42,373	42,445	42,696	42,880	43,005	43,020	42,938	42,769	42,724	42,797	42,448	42,202	512,297
NET OPERATING INCOME (NOI)	35,149	40,772	54,189	66,505	73,373	75,547	70,010	59,210	57,807	61,299	41,590	24,607	660,058
NET CASH FLOW	6,017	11,640	25,057	37,373	44,241	46,415	40,878	30,078	28,675	32,167	12,458	(4,525)	310,474

Five Year Numbers Projected Summary										
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5					
	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT					
Lodging Rooms Available	24,090	24,090	24,090	24,090	24,090					
Lodging Occupancy %	72.9%	73.6%	75.1%	77.0%	77.0%					
Total Occ. Rooms	17,550	17,726	18,080	18,550	18,550					
Average Daily Rate	\$99.05	\$101.03	\$103.05	\$104.08	\$105.12					
REVENUE:										
Guest Rooms	1,738,361	96.6%	1,790,860	96.6%	1,863,210	96.5%	1,930,771	96.5%	1,950,078	96.4%
Meeting Room	8,775	0.5%	10,635	0.6%	12,656	0.7%	14,840	0.7%	16,695	0.8%
Vending / Bar Revenue	52,650	2.9%	53,177	2.9%	54,240	2.8%	55,650	2.8%	55,650	2.8%
	=====		=====		=====		=====		=====	
TOTAL HOTEL REVENUE	1,799,786	100.0	1,854,672	100.0	1,930,107	100.0	2,001,261	100.0	2,022,424	100.0

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

5 Year Projection										Rooms:	
The following statistics are preliminary projection based on assumed costs of prototypical hotel.										66	
	Year 1	%	Year 2	%	Year 3	%	Year 4	%	Year 5	%	
Lodging Rooms Available	24,090		24,090		24,090		24,090		24,090		
Lodging Occupancy %	72.9%	72.9%	73.6%	73.6%	75.1%	75.1%	77.0%	77.0%	77.0%	77.0%	
Total Occ. Rooms	17,550		17,726		18,080		18,550		18,550		
Average Daily Rate	\$99.05		\$101.03		\$103.05		\$104.08		\$105.12		
Revenue Per Available Room (REVPAR)	\$72.16		\$74.34		\$77.34		\$80.15		\$80.95		
REVENUE:											
Guest Rooms	1,738,361	96.59%	1,790,860	96.56%	1,863,210	96.53%	1,930,771	96.48%	1,950,078	96.42%	
Meeting Room	8,775	16.67%	10,635	20.00%	12,656	23.33%	14,840	26.67%	16,695	30.00%	
Vending / Bar Revenue	52,650	2.93%	53,177	2.87%	54,240	2.81%	55,650	2.78%	55,650	2.75%	
TOTAL HOTEL REVENUE	1,799,786	100%	1,854,672	100%	1,930,107	100%	2,001,261	100%	2,022,424	100%	
HOTEL PAYROLL EXPENSE											
Hotel Manager	65,000	3.61%	65,975	3.56%	66,965	3.47%	67,969	3.40%	68,989	3.41%	
Housekeeping	87,750	4.88%	90,383	4.87%	93,094	4.82%	95,887	4.79%	98,763	4.88%	
Maintenance	17,384	0.97%	35,817	1.93%	46,580	2.41%	48,269	2.41%	48,752	2.41%	
Front Desk	86,918	4.83%	89,526	4.83%	92,211	4.78%	94,978	4.75%	97,827	4.84%	
Breakfast/Social	17,384	0.97%	17,905	0.97%	18,442	0.96%	18,996	0.95%	19,565	0.97%	
Workers Comp Insurance	6,426	0.36%	7,043	0.38%	7,471	0.39%	7,678	0.38%	7,858	0.39%	
Payroll Tax	35,108	1.95%	38,331	2.07%	40,595	2.10%	41,722	2.08%	42,719	2.11%	
TOTAL HOTEL PAYROLL	315,969	17.56%	344,979	18.60%	365,359	18.93%	375,498	18.76%	384,474	19.01%	
HOTEL OPERATING EXPENSE											
Cleaning Supplies	8,775	0.49%	8,863	0.48%	9,040	0.47%	9,275	0.46%	9,275	0.46%	
Laundry Supplies	13,163	0.73%	13,294	0.72%	13,560	0.70%	13,913	0.70%	13,913	0.69%	
Linens	17,550	0.98%	17,726	0.96%	18,080	0.94%	18,550	0.93%	18,550	0.92%	
Guest Supplies	21,938	1.22%	22,157	1.19%	22,600	1.17%	23,188	1.16%	23,188	1.15%	
Operating Supplies	14,918	0.83%	15,067	0.81%	15,368	0.80%	15,768	0.79%	15,768	0.78%	
Repairs & Maintenance	13,038	0.72%	17,909	0.97%	27,948	1.45%	38,615	1.93%	39,002	1.93%	
Swimming Pool Maintenance	7,500	0.42%	8,250	0.44%	9,075	0.47%	10,436	0.52%	12,524	0.62%	
Grounds/Landscape	7,500	0.42%	7,725	0.42%	7,957	0.41%	8,195	0.41%	8,441	0.42%	
Franchise Fee	66,248	3.68%	66,248	3.57%	66,248	3.43%	66,248	3.31%	66,248	3.28%	
Property Mgmt. System Expense	5,502	0.31%	5,612	0.30%	5,724	0.30%	5,839	0.29%	5,956	0.29%	
Complimentary Breakfast	70,200	3.90%	70,902	3.82%	72,320	3.75%	74,200	3.71%	74,200	3.67%	
Travel Agent Fees	43,459	2.41%	44,771	2.41%	46,580	2.41%	48,269	2.41%	48,752	2.41%	
Reservations Expense	9,000	0.50%	9,180	0.49%	9,364	0.49%	9,551	0.48%	9,742	0.48%	
Vending / Bar Expense	26,325	1.46%	26,588	1.43%	27,120	1.41%	27,825	1.39%	27,825	1.38%	
Marketing / Advertising	9,561	0.53%	9,850	0.53%	10,248	0.53%	10,619	0.53%	10,725	0.53%	
Utilities	107,987	6.00%	111,280	6.00%	115,806	6.00%	120,076	6.00%	121,345	6.00%	
Cable/Internet/Phone	60,225	3.35%	62,062	3.35%	64,586	3.35%	66,967	3.35%	67,675	3.35%	
Credit Card Expense	40,495	2.25%	41,730	2.25%	43,427	2.25%	45,028	2.25%	45,505	2.25%	
Management Fee	107,987	6.00%	111,280	6.00%	115,806	6.00%	120,076	6.00%	121,345	6.00%	
Other Expense/Frequent Stay	4,388	0.24%	4,431	0.24%	4,520	0.23%	4,638	0.23%	4,638	0.23%	
Accounting Services	4,800	0.27%	4,946	0.27%	5,148	0.27%	5,337	0.27%	5,394	0.27%	
TOTAL OPERATING EXPENSES	660,557	36.70%	679,871	36.66%	710,525	36.81%	742,612	37.11%	750,009	37.08%	
Income Before Fixed Expenses	823,260	45.74%	829,822	44.74%	854,222	44.26%	883,150	44.13%	887,941	43.90%	
Gross Operating Profit (GOP)											
RESERVES & FIXED EXPENSES											
Real Estate Taxes (Estimates)	116,995	6.50%	116,995	6.31%	116,995	6.06%	116,995	5.85%	116,995	5.78%	
Insurance	27,720	1.54%	28,274	1.52%	28,840	1.49%	29,417	1.47%	30,005	1.48%	
Reserves For Replacement	17,998	1.00%	18,547	1.00%	38,602	2.00%	60,038	3.00%	80,897	4.00%	
NET OPERATING INCOME (NOI)	660,547	36.70%	666,006	35.91%	669,785	34.70%	676,701	33.81%	660,044	32.64%	
Loan (Interest Payment)	229,939	12.78%	223,190	12.03%	216,060	11.19%	208,528	10.42%	200,572	9.92%	
LOAN (Principal Reduction)	119,645	6.65%	126,394	6.81%	133,524	6.92%	141,056	7.05%	149,012	7.37%	
NET CASH FLOW	\$310,963	17.28%	\$316,422	17.06%	\$320,201	16.59%	\$327,117	16.35%	\$310,459	15.35%	
RETURN ON INVESTMENT (ROI) %	10.91%		11.10%		11.24%		11.48%		10.89%		
ROI % (Including Principal Reduction)	15.11%		15.54%		15.92%		16.43%		16.12%		

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

5 Year Break Even										
The following statistics are preliminary projection based on assumed costs of prototypical hotel.									Rooms:	
									66	
	Year 1	%	Year 2	%	Year 3	%	Year 4	%	Year 5	
Lodging Rooms Available	24,090		24,090		24,090		24,090		24,090	
Lodging Occupancy %	58.9%	58.9%	59.4%	59.4%	60.7%	60.7%	61.2%	61.2%	61.2%	
Total Occ. Rooms	14,177		14,308		14,631		14,740		14,735	
Average Daily Rate	\$99.05		\$101.03		\$103.05		\$104.08		\$105.12	
Revenue Per Available Room (REVPAR)	\$58.29		\$60.01		\$62.59		\$63.69		\$64.30	
REVENUE:										
Guest Rooms	1,404,259	96.59%	1,445,580	96.56%	1,507,778	96.53%	1,534,200	96.48%	1,549,017	
Meeting Room	7,089	16.67%	8,585	20.00%	10,242	23.33%	11,792	26.67%	13,262	
Vending / Bar Revenue	42,531	2.93%	42,924	2.87%	43,893	2.81%	44,220	2.78%	44,205	
TOTAL HOTEL REVENUE	1,453,879	100%	1,497,088	100%	1,561,912	100%	1,590,212	100%	1,606,483	
HOTEL PAYROLL EXPENSE										
Hotel Manager	65,000	4.47%	66,950	4.47%	68,959	4.42%	71,027	4.47%	73,158	
Housekeeping	70,885	4.88%	71,540	4.78%	73,155	4.68%	73,700	4.63%	73,675	
Maintenance	14,043	0.97%	28,912	1.93%	37,694	2.41%	38,355	2.41%	38,725	
Front Desk	125,000	8.60%	128,750	8.60%	132,613	8.49%	136,591	8.59%	140,689	
Breakfast/Social	28,085	1.93%	28,928	1.93%	29,796	1.91%	30,689	1.93%	31,610	
Workers Comp Insurance	6,873	0.47%	7,404	0.49%	7,811	0.50%	7,992	0.50%	8,156	
Payroll Tax	38,736	2.66%	41,560	2.78%	43,753	2.80%	44,794	2.82%	45,752	
TOTAL HOTEL PAYROLL	348,622	23.98%	374,044	24.98%	393,780	25.21%	403,149	25.35%	411,765	
HOTEL OPERATING EXPENSE										
Cleaning Supplies	7,089	0.49%	7,154	0.48%	7,316	0.47%	7,370	0.46%	7,368	
Laundry Supplies	10,633	0.73%	10,731	0.72%	10,973	0.70%	11,055	0.70%	11,051	
Linens	14,177	0.98%	14,308	0.96%	14,631	0.94%	14,740	0.93%	14,735	
Guest Supplies	17,721	1.22%	17,885	1.19%	18,289	1.17%	18,425	1.16%	18,419	
Operating Supplies	12,050	0.83%	12,162	0.81%	12,436	0.80%	12,529	0.79%	12,525	
Repairs & Maintenance	10,532	0.72%	14,456	0.97%	22,617	1.45%	30,684	1.93%	30,980	
Swimming Pool Maintenance	7,500	0.52%	8,250	0.55%	9,075	0.58%	10,436	0.66%	12,524	
Grounds/Landscape	7,500	0.52%	7,725	0.52%	7,957	0.51%	8,195	0.52%	8,441	
Franchise Fee	66,248	4.56%	66,248	4.43%	66,248	4.24%	66,248	4.17%	66,248	
Property Mgmt. System Expense	5,502	0.38%	5,612	0.37%	5,724	0.37%	5,839	0.37%	5,956	
Complimentary Breakfast	56,708	3.90%	57,232	3.82%	58,524	3.75%	58,960	3.71%	58,940	
Travel Agent Fees	35,106	2.41%	36,139	2.41%	37,694	2.41%	38,355	2.41%	38,725	
Reservations Expense	9,000	0.62%	9,180	0.61%	9,364	0.60%	9,551	0.60%	9,742	
Vending / Bar Expense	21,266	1.46%	21,462	1.43%	21,947	1.41%	22,110	1.39%	22,103	
Marketing / Advertising	10,532	0.72%	10,842	0.72%	11,308	0.72%	11,507	0.72%	11,618	
Utilities	87,233	6.00%	89,825	6.00%	93,715	6.00%	95,413	6.00%	96,389	
Cable/Internet/Phone	60,225	4.14%	62,015	4.14%	64,700	4.14%	65,872	4.14%	66,546	
Credit Card Expense	32,712	2.25%	33,684	2.25%	35,143	2.25%	35,780	2.25%	36,146	
Management Fee	87,233	6.00%	89,825	6.00%	93,715	6.00%	95,413	6.00%	96,389	
Other Expense/Frequent Stay	3,544	0.24%	3,577	0.24%	3,658	0.23%	3,685	0.23%	3,684	
Accounting Services	4,800	0.33%	4,943	0.33%	5,157	0.33%	5,250	0.33%	5,304	
TOTAL OPERATING EXPENSES	567,310	39.02%	583,255	38.96%	610,189	39.07%	627,416	39.45%	633,831	
Income Before Fixed Expenses	537,947		539,790		557,943		559,648		560,888	
Gross Operating Profit (GOP)	537,947		539,790		557,943		559,648		560,888	
RESERVES & FIXED EXPENSES										
Real Estate Taxes (Estimates)	116,995	8.05%	116,995	7.81%	116,995	7.49%	116,995	7.36%	116,995	
Insurance	27,720	1.91%	28,274	1.89%	28,840	1.85%	29,417	1.85%	30,005	
Reserves For Replacement	43,616	3.00%	44,913	3.00%	62,476	4.00%	63,608	4.00%	64,259	
NET OPERATING INCOME (NOI)	349,615	24.05%	349,608	23.35%	349,632	22.38%	349,627	21.99%	349,628	
Loan (Interest Payment)	229,939	15.82%	223,190	14.91%	216,060	13.83%	208,528	13.11%	200,572	
Loan (Principal Reduction)	119,645	8.23%	126,394	8.44%	133,524	8.55%	141,056	8.87%	149,012	
NET CASH FLOW	\$31	0.00%	\$23	0.00%	\$48	0.00%	\$43	0.00%	\$44	

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