

# Cobblestone Hotel & Suites Orange, VA

Number of Units: **40**

<b>Total Land &amp; Prep</b>	<b>\$250,000</b>	
<i>per room</i>	<i>\$6,250</i>	
Raw Land	\$100,000	
Permit & Community (plan review/permit/inspect/impact/tap fees/etc.)	\$50,000	
Site Utility & Excav. (sewer/water/electric/grading & fill/drainage/etc )	\$100,000	
<b>Building Construction</b>	<b>\$3,767,000</b>	
<i>per room</i>	<i>\$94,175</i>	
<b>Fixtures, Furnishings, and Equipment</b>	<b>\$784,000</b>	
<i>per room</i>	<i>\$19,600</i>	
<b>Indirect Costs</b>	<b>\$795,000</b>	
<i>per room</i>	<i>\$19,875</i>	
Appraisal	\$5,000	
Architectural / Engineering	\$80,000	
Cobblestone Franchise Fee	\$35,000	
Surveys	\$5,000	
Development Services	\$270,000	
Pre-Opening Expenses	\$25,000	
Working Capital	\$150,000	
Legal and Accounting Fees	\$5,000	
Construction Period Interest / Loan Fees / Closing	\$100,000	
Insurance & Taxes During Construction	\$20,000	
Project Contingency	\$100,000	
<b>Total Project Costs:</b>	<b>\$5,596,000</b>	
<i>per room</i>	<i>\$139,900</i>	
Requested Loan Amount:	\$3,346,000	59.8%
Expected Cash Injection:	\$2,250,000	40.2%
<b>Sources of Funding</b>		
Bank Loan	\$3,346,000	<b>Debt Interest:</b> 5.50%
Expected Cash Injection	\$2,250,000	<b>Debt Terms:</b> 20
<b>Total:</b>	<b>\$5,596,000</b>	<b>Debt Service:</b> \$276,201

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

<b>RAMP UP YEAR:</b>													<b>Rooms:</b>
													<b>40</b>
	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>TOTAL</b>
Lodging Rooms Available	1,240	1,120	1,240	1,200	1,240	1,200	1,240	1,240	1,200	1,240	1,200	1,240	14,600
Lodging Occupancy %	58.1%	56.3%	54.4%	56.3%	61.7%	67.3%	65.3%	61.7%	61.9%	58.1%	56.3%	54.4%	59.3%
Total Occ. Rooms	720	630	675	675	765	810	810	765	743	720	675	675	8,663
Average Daily Rate	\$96.43	\$96.90	\$105.93	\$112.10	\$125.16	\$116.76	\$112.10	\$112.58	\$116.00	\$123.88	\$112.67	\$95.00	\$110.87
Revenue Per Available Room (REVPAR)	\$55.99	\$54.51	\$57.66	\$63.06	\$77.22	\$78.81	\$73.23	\$69.45	\$71.77	\$71.93	\$63.38	\$51.71	\$65.78
<b>REVENUE:</b>													
Guest Rooms	69,426	61,047	71,499	75,668	95,749	94,572	90,801	86,120	86,126	89,194	76,052	64,125	960,379
Vending / Bar Revenue	1,800	1,575	1,688	1,688	1,913	2,025	2,025	1,913	1,856	1,800	1,688	1,688	21,656
<b>TOTAL HOTEL REVENUE</b>	<b>71,226</b>	<b>62,622</b>	<b>73,187</b>	<b>77,355</b>	<b>97,662</b>	<b>96,597</b>	<b>92,826</b>	<b>88,032</b>	<b>87,983</b>	<b>90,994</b>	<b>77,740</b>	<b>65,813</b>	<b>982,035</b>
<b>HOTEL PAYROLL EXPENSE:</b>													
Hotel Manager	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	50,000
Housekeeping	3,960	3,465	3,713	3,713	4,208	4,455	4,455	4,208	4,084	3,960	3,713	3,713	47,644
Front Desk	6,943	6,105	7,150	7,567	9,575	9,457	9,080	8,612	8,613	8,919	7,605	6,413	96,038
Workers Comp Insurance	377	343	376	386	449	452	443	425	422	426	387	357	4,842
Payroll Tax	1,884	1,717	1,879	1,931	2,244	2,260	2,213	2,123	2,108	2,131	1,936	1,786	24,210
<b>TOTAL HOTEL PAYROLL</b>	<b>17,330</b>	<b>15,797</b>	<b>17,283</b>	<b>17,763</b>	<b>20,641</b>	<b>20,791</b>	<b>20,357</b>	<b>19,534</b>	<b>19,393</b>	<b>19,603</b>	<b>17,807</b>	<b>16,435</b>	<b>222,734</b>
<b>HOTEL OPERATING EXPENSE:</b>													
Cleaning Supplies	360	315	338	338	383	405	405	383	371	360	338	338	4,331
Laundry Supplies	540	473	506	506	574	608	608	574	557	540	506	506	6,497
Linens	720	630	675	675	765	810	810	765	743	720	675	675	8,663
Guest Supplies	900	788	844	844	956	1,013	1,013	956	928	900	844	844	10,828
Operating Supplies	612	536	574	574	650	689	689	650	631	612	574	574	7,363
Uniforms Expense	576	504	540	540	612	648	648	612	594	576	540	540	6,930
Repairs & Maintenance	347	305	357	378	479	473	454	431	431	446	380	321	4,802
Swimming Pool	625	625	625	625	625	625	625	625	625	625	625	625	7,500
Grounds/Landscaping	750	750	750	500	250	250	250	250	250	250	500	750	5,500
Franchise Fee	3,410	3,080	3,410	3,300	3,410	3,300	3,410	3,410	3,300	3,410	3,300	3,410	40,150
Training Expense	417	417	417	417	417	417	417	417	417	417	417	417	5,000
Property Mgmt. System Expense	335	335	335	335	335	335	335	335	335	335	335	335	4,020
Complimentary Breakfast	2,880	2,520	2,700	2,700	3,060	3,240	3,240	3,060	2,970	2,880	2,700	2,700	34,650
Travel Agent Fees	1,736	1,526	1,787	1,892	2,394	2,364	2,270	2,153	2,153	2,230	1,901	1,603	24,009
Reservations Expense	750	750	750	750	750	750	750	750	750	750	750	750	9,000
Vending / Bar Expense	900	788	844	844	956	1,013	1,013	956	928	900	844	844	10,828
Marketing / Advertising	694	610	715	757	957	946	908	861	861	892	761	641	9,604
Utilities	4,986	4,384	5,123	5,415	6,836	6,762	6,498	6,162	6,159	6,370	5,442	4,607	68,742
Cable/Internet/Phone	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	37,200
Credit Card Expense	1,603	1,409	1,647	1,740	2,197	2,173	2,089	1,981	1,980	2,047	1,749	1,481	22,096
Management Fee	4,274	3,757	4,391	4,641	5,860	5,796	5,570	5,282	5,279	5,460	4,664	3,949	58,922
Other Expense/Frequent Stay	180	158	169	169	191	203	203	191	186	180	169	169	2,166
Accounting Services	400	400	400	400	400	400	400	400	400	400	400	400	4,800
<b>TOTAL OPERATING EXPENSES</b>	<b>31,094</b>	<b>28,158</b>	<b>30,996</b>	<b>31,439</b>	<b>36,157</b>	<b>36,317</b>	<b>35,701</b>	<b>34,304</b>	<b>33,947</b>	<b>34,399</b>	<b>31,513</b>	<b>29,577</b>	<b>393,601</b>
Income Before Fixed Expenses	22,803	18,667	24,907	28,153	40,863	39,489	36,768	34,195	34,643	36,992	28,420	19,800	365,700
Gross Operating Profit (GOP)	32.01%	29.81%	34.03%	36.40%	41.84%	40.88%	39.61%	38.84%	39.38%	40.65%	36.56%	30.09%	37.24%
<b>RESERVES &amp; FIXED EXPENSES</b>													
Debt Service	23,017	23,017	23,017	23,017	23,017	23,017	23,017	23,017	23,017	23,017	23,017	23,017	276,201
Real Estate Taxes (Estimates)	6,735	6,735	6,735	6,735	6,735	6,735	6,735	6,735	6,735	6,735	6,735	6,735	80,820
Insurance	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	16,800
Reserves For Replacement	712	626	732	774	977	966	928	880	880	910	777	658	9,820
<b>TOTAL RESERVES &amp; FIXED</b>	<b>31,864</b>	<b>31,778</b>	<b>31,884</b>	<b>31,925</b>	<b>32,128</b>	<b>32,118</b>	<b>32,080</b>	<b>32,032</b>	<b>32,032</b>	<b>32,062</b>	<b>31,929</b>	<b>31,810</b>	<b>383,641</b>
<b>NET OPERATING INCOME (NOI)</b>	<b>13,955</b>	<b>9,906</b>	<b>16,040</b>	<b>19,245</b>	<b>31,751</b>	<b>30,388</b>	<b>27,705</b>	<b>25,179</b>	<b>25,629</b>	<b>27,947</b>	<b>19,507</b>	<b>11,007</b>	<b>258,260</b>
<b>NET CASH FLOW</b>	<b>(9,061)</b>	<b>(13,111)</b>	<b>(6,977)</b>	<b>(3,772)</b>	<b>8,735</b>	<b>7,371</b>	<b>4,688</b>	<b>2,163</b>	<b>2,612</b>	<b>4,930</b>	<b>(3,509)</b>	<b>(12,010)</b>	<b>(17,941)</b>

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: 40
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Lodging Rooms Available	1,240	1,120	1,240	1,200	1,240	1,200	1,240	1,240	1,200	1,240	1,200	1,240	14,600
Lodging Occupancy %	64.5%	62.5%	60.5%	62.5%	68.5%	75.0%	72.6%	68.5%	68.8%	64.5%	62.5%	60.5%	65.9%
Total Occ. Rooms	800	700	750	750	850	900	900	850	825	800	750	750	9,625
Average Daily Rate	\$101.50	\$102.00	\$111.50	\$118.00	\$131.75	\$122.90	\$118.00	\$118.50	\$122.10	\$130.40	\$118.60	\$100.00	\$116.70
Revenue Per Available Room (REVPAR)	\$65.48	\$63.75	\$67.44	\$73.75	\$90.31	\$92.18	\$85.65	\$81.23	\$83.94	\$84.13	\$74.13	\$60.48	\$76.93
<b>REVENUE:</b>													
Guest Rooms	81,200	71,400	83,625	88,500	111,988	110,610	106,200	100,725	100,733	104,320	88,950	75,000	1,123,250
Vending / Bar Revenue	2,400	2,100	2,250	2,250	2,550	2,700	2,700	2,550	2,475	2,400	2,250	2,250	28,875
<b>TOTAL HOTEL REVENUE</b>	<b>83,600</b>	<b>73,500</b>	<b>85,875</b>	<b>90,750</b>	<b>114,538</b>	<b>113,310</b>	<b>108,900</b>	<b>103,275</b>	<b>103,208</b>	<b>106,720</b>	<b>91,200</b>	<b>77,250</b>	<b>1,152,125</b>
<b>HOTEL PAYROLL EXPENSE</b>													
Hotel Manager	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
Housekeeping	4,000	3,500	3,750	3,750	4,250	4,500	4,500	4,250	4,125	4,000	3,750	3,750	48,125
Front Desk	7,308	6,426	7,526	7,965	10,079	9,955	9,558	9,065	9,066	9,389	8,906	6,750	101,093
Workers Comp Insurance	376	342	376	387	452	455	445	427	424	428	388	356	4,855
Payroll Tax	1,929	1,752	1,925	1,981	2,316	2,333	2,282	2,186	2,171	2,196	1,987	1,826	24,884
<b>TOTAL HOTEL PAYROLL</b>	<b>17,364</b>	<b>15,770</b>	<b>17,327</b>	<b>17,833</b>	<b>20,847</b>	<b>20,993</b>	<b>20,535</b>	<b>19,678</b>	<b>19,535</b>	<b>19,763</b>	<b>17,880</b>	<b>16,432</b>	<b>223,957</b>
<b>HOTEL OPERATING EXPENSE</b>													
Cleaning Supplies	400	350	375	375	425	450	450	425	413	400	375	375	4,813
Laundry Supplies	600	525	563	563	638	675	675	638	619	600	563	563	7,219
Linens	800	700	750	750	850	900	900	850	825	800	750	750	9,625
Guest Supplies	1,000	875	938	938	1,063	1,125	1,125	1,063	1,031	1,000	938	938	12,031
Operating Supplies	680	595	638	638	723	765	765	723	701	680	638	638	8,181
Repairs & Maintenance	406	357	418	443	560	553	531	504	522	445	375	375	5,616
Swimming Pool	625	625	625	625	625	625	625	625	625	625	625	625	7,500
Grounds/Landscaping	750	750	750	500	250	250	250	250	250	250	500	750	5,500
Franchise Fee	3,410	3,080	3,410	3,300	3,410	3,300	3,410	3,410	3,300	3,410	3,300	3,410	40,150
Property Mgmt. System Expense	335	335	335	335	335	335	335	335	335	335	335	335	4,020
Complimentary Breakfast	3,200	2,800	3,000	3,000	3,400	3,600	3,600	3,400	3,300	3,200	3,000	3,000	38,500
Travel Agent Fees	2,030	1,785	2,091	2,213	2,800	2,765	2,655	2,518	2,518	2,608	2,224	1,875	28,081
Reservations Expense	750	750	750	750	750	750	750	750	750	750	750	750	9,000
Vending / Bar Expense	1,200	1,050	1,125	1,125	1,275	1,350	1,350	1,275	1,238	1,200	1,125	1,125	14,438
Marketing / Advertising	325	286	335	354	448	442	425	403	403	417	356	300	4,493
Utilities	5,016	4,410	5,153	5,445	6,872	6,799	6,534	6,197	6,192	6,403	5,472	4,635	69,128
Cable/Internet/Phone	3,100	2,800	3,100	3,000	3,100	3,000	3,100	3,100	3,000	3,100	3,000	3,100	36,500
Credit Card Expense	1,881	1,654	1,932	2,042	2,577	2,549	2,450	2,324	2,322	2,401	2,052	1,738	25,923
Management Fee	5,016	4,410	5,153	5,445	6,872	6,799	6,534	6,197	6,192	6,403	5,472	4,635	69,128
Other Expense/Frequent Stay	200	175	188	188	213	225	225	213	206	200	188	188	2,406
Accounting Services	400	400	400	400	400	400	400	400	400	400	400	400	4,800
<b>TOTAL OPERATING EXPENSES</b>	<b>32,124</b>	<b>28,711</b>	<b>32,025</b>	<b>32,426</b>	<b>37,584</b>	<b>37,657</b>	<b>37,089</b>	<b>35,596</b>	<b>35,124</b>	<b>35,704</b>	<b>32,505</b>	<b>30,503</b>	<b>407,051</b>
Income Before Fixed Expenses	34,112	29,019	36,522	40,491	56,106	54,660	51,276	48,000	48,548	51,252	40,815	30,315	521,117
Gross Operating Profit (GOP)	40.80%	39.48%	42.53%	44.62%	48.98%	48.24%	47.09%	46.48%	47.04%	48.03%	44.75%	39.24%	45.23%
<b>RESERVES &amp; FIXED EXPENSES</b>													
Debt Service	23,017	23,017	23,017	23,017	23,017	23,017	23,017	23,017	23,017	23,017	23,017	23,017	276,201
Real Estate Taxes (Estimates)	6,735	6,735	6,735	6,735	6,735	6,735	6,735	6,735	6,735	6,735	6,735	6,735	80,820
Insurance	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	16,800
Reserves For Replacement	836	735	859	908	1,145	1,133	1,089	1,033	1,032	1,067	912	773	11,521
<b>TOTAL RESERVES &amp; FIXED</b>	<b>31,988</b>	<b>31,887</b>	<b>32,010</b>	<b>32,059</b>	<b>32,297</b>	<b>32,285</b>	<b>32,241</b>	<b>32,184</b>	<b>32,184</b>	<b>32,219</b>	<b>32,064</b>	<b>31,924</b>	<b>385,342</b>
<b>NET OPERATING INCOME (NOI)</b>	<b>25,141</b>	<b>20,149</b>	<b>27,529</b>	<b>31,449</b>	<b>46,826</b>	<b>45,392</b>	<b>42,052</b>	<b>38,833</b>	<b>39,381</b>	<b>42,050</b>	<b>31,768</b>	<b>21,407</b>	<b>411,076</b>
<b>NET CASH FLOW</b>	<b>2,125</b>	<b>(2,868)</b>	<b>4,512</b>	<b>8,432</b>	<b>23,809</b>	<b>22,375</b>	<b>19,035</b>	<b>15,816</b>	<b>16,364</b>	<b>19,033</b>	<b>8,751</b>	<b>(1,609)</b>	<b>135,775</b>

Five Year Numbers Projected Summary										
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5					
	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT					
Lodging Rooms Available	14,600	14,600	14,600	14,600	14,600					
Lodging Occupancy %	65.9%	67.9%	69.9%	72.0%	72.0%					
Total Occ. Rooms	9,625	9,914	10,211	10,517	10,517					
Average Daily Rate	\$116.70	\$117.87	\$120.23	\$122.63	\$125.08					
<b>REVENUE:</b>										
Guest Rooms	1,123,250	97.5%	1,168,517	97.9%	1,227,644	98.0%	1,289,763	98.0%	1,315,558	98.0%
Vending / Bar Revenue	28,875	2.5%	24,784	2.1%	25,528	2.0%	26,294	2.0%	26,294	2.0%
<b>TOTAL HOTEL REVENUE</b>	<b>1,152,125</b>	<b>100.0</b>	<b>1,193,301</b>	<b>100.0</b>	<b>1,253,172</b>	<b>100.0</b>	<b>1,316,056</b>	<b>100.0</b>	<b>1,341,852</b>	<b>100.0</b>

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.

<b>5 Year Projection</b>										<b>Rooms:</b>	
The following statistics are preliminary projection based on assumed costs of prototypical hotel.										<b>40</b>	
	<b>Year 1</b>	<b>%</b>	<b>Year 2</b>	<b>%</b>	<b>Year 3</b>	<b>%</b>	<b>Year 4</b>	<b>%</b>	<b>Year 5</b>	<b>%</b>	
Lodging Rooms Available	14,600		14,600		14,600		14,600		14,600		
Lodging Occupancy %	65.9%	65.9%	67.9%	67.9%	69.9%	69.9%	72.0%	72.0%	72.0%	72.0%	
Total Occ. Rooms	9,625		9,914		10,211		10,517		10,517		
Average Daily Rate	\$116.70		\$117.87		\$120.23		\$122.63		\$125.08		
Revenue Per Available Room (REVPAR)	\$76.93		\$80.04		\$84.09		\$88.34		\$90.11		
<b>REVENUE:</b>											
Guest Rooms	1,123,250	97.49%	1,168,517	97.52%	1,227,644	97.57%	1,289,763	97.61%	1,315,558	97.66%	
Vending / Bar Revenue	28,875	2.51%	29,741	2.48%	30,633	2.43%	31,552	2.39%	31,552	2.34%	
<b>TOTAL HOTEL REVENUE</b>	<b>1,152,125</b>	<b>100%</b>	<b>1,198,258</b>	<b>100%</b>	<b>1,258,277</b>	<b>100%</b>	<b>1,321,315</b>	<b>100%</b>	<b>1,347,110</b>	<b>100%</b>	
<b>HOTEL PAYROLL EXPENSE</b>											
Hotel Manager	45,000	3.91%	45,675	3.81%	46,360	3.68%	47,056	3.56%	47,761	3.55%	
Maintenance	0	0.00%	11,685	0.98%	18,415	1.46%	25,795	1.95%	32,889	2.44%	
Housekeeping	48,125	4.18%	49,569	4.14%	51,056	4.06%	52,587	3.98%	52,587	3.90%	
Front Desk	101,093	8.77%	104,125	8.69%	107,249	8.52%	110,467	8.36%	113,780	8.45%	
Workers Comp Insurance	4,855	0.42%	5,276	0.44%	5,577	0.44%	5,898	0.45%	6,175	0.46%	
Payroll Tax	24,884	2.16%	27,041	2.26%	28,582	2.27%	30,225	2.29%	31,649	2.35%	
<b>TOTAL HOTEL PAYROLL</b>	<b>223,957</b>	<b>19.44%</b>	<b>243,372</b>	<b>20.31%</b>	<b>257,239</b>	<b>20.44%</b>	<b>272,028</b>	<b>20.59%</b>	<b>284,843</b>	<b>21.14%</b>	
<b>HOTEL OPERATING EXPENSE</b>											
Cleaning Supplies	4,813	0.42%	4,957	0.41%	5,106	0.41%	5,259	0.40%	5,259	0.39%	
Laundry Supplies	7,219	0.63%	7,435	0.62%	7,658	0.61%	7,888	0.60%	7,888	0.59%	
Linens	9,625	0.84%	9,914	0.83%	10,211	0.81%	10,517	0.80%	10,517	0.78%	
Guest Supplies	12,031	1.04%	12,392	1.03%	12,764	1.01%	13,147	0.99%	13,147	0.98%	
Operating Supplies	8,181	0.71%	8,427	0.70%	8,679	0.69%	8,940	0.68%	8,940	0.66%	
Repairs & Maintenance	5,616	0.49%	5,843	0.49%	9,207	0.73%	9,673	0.73%	9,867	0.73%	
Swimming Pool Maintenance	7,500	0.65%	9,000	0.75%	10,800	0.86%	12,960	0.98%	15,552	1.15%	
Grounds/Landscape	5,500	0.48%	5,665	0.47%	5,835	0.46%	6,010	0.45%	6,190	0.46%	
Franchise Fee	40,150	3.48%	40,150	3.35%	40,150	3.19%	40,150	3.04%	40,150	2.98%	
Property Mgmt. System Expense	4,020	0.35%	4,100	0.34%	4,182	0.33%	4,266	0.32%	4,351	0.32%	
Complimentary Breakfast	38,500	3.34%	39,655	3.31%	40,845	3.25%	42,070	3.18%	42,070	3.12%	
Travel Agent Fees	28,081	2.44%	29,213	2.44%	30,691	2.44%	32,244	2.44%	32,889	2.44%	
Reservations Expense	9,000	0.78%	9,180	0.77%	9,364	0.74%	9,551	0.72%	9,742	0.72%	
Vending / Bar Expense	14,438	1.25%	14,871	1.24%	15,317	1.22%	15,776	1.19%	15,776	1.17%	
Marketing / Advertising	4,493	0.39%	4,674	0.39%	4,911	0.39%	5,159	0.39%	5,262	0.39%	
Utilities	69,128	6.00%	71,895	6.00%	75,497	6.00%	79,279	6.00%	80,827	6.00%	
Cable/Internet/Phone	36,500	3.17%	37,962	3.17%	39,863	3.17%	41,860	3.17%	42,677	3.17%	
Credit Card Expense	25,923	2.25%	26,961	2.25%	28,311	2.25%	29,730	2.25%	30,310	2.25%	
Management Fee	69,128	6.00%	71,895	6.00%	75,497	6.00%	79,279	6.00%	80,827	6.00%	
Other Expense/Frequent Stay	2,406	0.21%	2,478	0.21%	2,553	0.20%	2,629	0.20%	2,629	0.20%	
Accounting Services	4,800	0.42%	4,992	0.42%	5,242	0.42%	5,505	0.42%	5,612	0.42%	
<b>TOTAL OPERATING EXPENSES</b>	<b>407,051</b>	<b>35.33%</b>	<b>421,659</b>	<b>35.19%</b>	<b>442,682</b>	<b>35.18%</b>	<b>461,892</b>	<b>34.96%</b>	<b>470,483</b>	<b>34.93%</b>	
Income Before Fixed Expenses	521,117	45.23%	533,227	44.50%	558,356	44.37%	587,395	44.46%	591,784	43.93%	
Gross Operating Profit (GOP)											
<b>RESERVES &amp; FIXED EXPENSES</b>											
Real Estate Taxes (Estimates)	80,820	7.01%	80,820	6.74%	80,820	6.42%	80,820	6.12%	80,820	6.00%	
Insurance	16,800	1.46%	17,136	1.43%	17,479	1.39%	17,828	1.35%	18,185	1.35%	
Reserves For Replacement	11,521	1.00%	11,983	1.00%	25,166	2.00%	39,639	3.00%	53,884	4.00%	
<b>NET OPERATING INCOME (NOI)</b>	<b>411,976</b>	<b>35.76%</b>	<b>423,288</b>	<b>35.33%</b>	<b>434,892</b>	<b>34.56%</b>	<b>449,107</b>	<b>33.99%</b>	<b>438,895</b>	<b>32.58%</b>	
Loan (Interest Payment)	181,671	15.77%	176,338	14.72%	170,705	13.57%	164,755	12.47%	158,468	11.76%	
LOAN (Principal Reduction)	94,530	8.20%	99,863	8.33%	105,496	8.38%	111,446	8.43%	117,733	8.74%	
<b>NET CASH FLOW</b>	<b>\$135,775</b>	<b>11.78%</b>	<b>\$147,088</b>	<b>12.28%</b>	<b>\$158,691</b>	<b>12.61%</b>	<b>\$172,907</b>	<b>13.09%</b>	<b>\$162,695</b>	<b>12.08%</b>	
<b>RETURN ON INVESTMENT (ROI) %</b>	<b>6.03%</b>		<b>6.54%</b>		<b>7.05%</b>		<b>7.68%</b>		<b>7.23%</b>		
<b>ROI % (Including Principal Reduction)</b>	<b>10.24%</b>		<b>10.98%</b>		<b>11.74%</b>		<b>12.64%</b>		<b>12.46%</b>		

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<b>5 Year Break Even</b>										<b>Rooms:</b>	
The following statistics are preliminary projection based on assumed costs of prototypical hotel.										<b>40</b>	
	<b>Year 1</b>	<b>%</b>	<b>Year 2</b>	<b>%</b>	<b>Year 3</b>	<b>%</b>	<b>Year 4</b>	<b>%</b>	<b>Year 5</b>	<b>%</b>	
Lodging Rooms Available	14,600		14,600		14,600		14,600		14,600		
Lodging Occupancy %	54.1%	54.1%	55.0%	55.0%	56.1%	56.1%	56.0%	56.0%	56.0%	56.0%	
Total Occ. Rooms	7,895		8,037		8,187		8,175		8,171		
Average Daily Rate	\$116.70		\$117.87		\$120.23		\$122.63		\$125.08		
Revenue Per Available Room (REVPAR)	\$63.11		\$64.88		\$67.42		\$68.66		\$70.00		
<b>REVENUE:</b>											
Guest Rooms	921,357	97.49%	947,308	97.52%	984,288	97.57%	1,002,502	97.61%	1,022,052	97.66%	
Vending / Bar Revenue	23,685	2.51%	24,111	2.48%	24,561	2.43%	24,525	2.39%	24,513	2.34%	
<b>TOTAL HOTEL REVENUE</b>	<b>945,042</b>	<b>100%</b>	<b>971,419</b>	<b>100%</b>	<b>1,008,849</b>	<b>100%</b>	<b>1,027,027</b>	<b>100%</b>	<b>1,046,565</b>	<b>100%</b>	
<b>HOTEL PAYROLL EXPENSE</b>											
Hotel Manager	45,000	4.76%	46,350	4.77%	47,741	4.73%	49,173	4.79%	50,648	4.84%	
Maintenance	0	0.00%	9,473	0.98%	14,764	1.46%	20,050	1.95%	25,551	2.44%	
Housekeeping	39,475	4.18%	40,185	4.14%	40,935	4.06%	40,875	3.98%	40,855	3.90%	
Front Desk	80,000	8.47%	82,400	8.48%	84,872	8.41%	87,418	8.51%	90,041	8.60%	
Workers Comp Insurance	4,112	0.44%	4,460	0.46%	4,708	0.47%	4,938	0.48%	5,177	0.49%	
Payroll Tax	21,073	2.23%	22,859	2.35%	24,127	2.39%	25,307	2.46%	26,534	2.54%	
<b>TOTAL HOTEL PAYROLL</b>	<b>189,660</b>	<b>20.07%</b>	<b>205,727</b>	<b>21.18%</b>	<b>217,147</b>	<b>21.52%</b>	<b>227,761</b>	<b>22.18%</b>	<b>238,806</b>	<b>22.82%</b>	
<b>HOTEL OPERATING EXPENSE</b>											
Cleaning Supplies	3,948	0.42%	4,019	0.41%	4,094	0.41%	4,088	0.40%	4,086	0.39%	
Laundry Supplies	5,921	0.63%	6,028	0.62%	6,140	0.61%	6,131	0.60%	6,128	0.59%	
Linens	7,895	0.84%	8,037	0.83%	8,187	0.81%	8,175	0.80%	8,171	0.78%	
Guest Supplies	9,869	1.04%	10,046	1.03%	10,234	1.01%	10,219	0.99%	10,214	0.98%	
Operating Supplies	6,711	0.71%	6,831	0.70%	6,959	0.69%	6,949	0.68%	6,945	0.66%	
Repairs & Maintenance	4,607	0.49%	4,737	0.49%	7,382	0.73%	7,519	0.73%	7,665	0.73%	
Swimming Pool Maintenance	7,500	0.79%	9,000	0.93%	10,800	1.07%	12,960	1.26%	15,552	1.49%	
Grounds/Landscape	5,500	0.58%	5,665	0.58%	5,835	0.58%	6,010	0.59%	6,190	0.59%	
Franchise Fee	40,150	4.25%	40,150	4.13%	40,150	3.98%	40,150	3.91%	40,150	3.84%	
Property Mgmt. System Expense	4,020	0.43%	4,100	0.42%	4,182	0.41%	4,266	0.42%	4,351	0.42%	
Complimentary Breakfast	31,580	3.34%	32,148	3.31%	32,748	3.25%	32,700	3.18%	32,684	3.12%	
Travel Agent Fees	23,034	2.44%	23,683	2.44%	24,607	2.44%	25,063	2.44%	25,551	2.44%	
Reservations Expense	9,000	0.95%	9,180	0.95%	9,364	0.93%	9,551	0.93%	9,742	0.93%	
Vending / Bar Expense	11,843	1.25%	12,056	1.24%	12,281	1.22%	12,263	1.19%	12,257	1.17%	
Marketing / Advertising	3,685	0.39%	3,789	0.39%	3,937	0.39%	4,010	0.39%	4,088	0.39%	
Utilities	56,703	6.00%	58,285	6.00%	60,531	6.00%	61,622	6.00%	62,794	6.00%	
Cable/Internet/Phone	36,500	3.86%	37,519	3.86%	38,964	3.86%	39,666	3.86%	40,421	3.86%	
Credit Card Expense	21,263	2.25%	21,857	2.25%	22,699	2.25%	23,108	2.25%	23,548	2.25%	
Management Fee	56,703	6.00%	58,285	6.00%	60,531	6.00%	61,622	6.00%	62,794	6.00%	
Other Expense/Frequent Stay	1,974	0.21%	2,009	0.21%	2,047	0.20%	2,044	0.20%	2,043	0.20%	
Accounting Services	4,800	0.51%	4,934	0.51%	5,124	0.51%	5,216	0.51%	5,316	0.51%	
<b>TOTAL OPERATING EXPENSES</b>	<b>353,204</b>	<b>37.37%</b>	<b>362,357</b>	<b>37.30%</b>	<b>376,796</b>	<b>37.35%</b>	<b>383,330</b>	<b>37.32%</b>	<b>390,690</b>	<b>37.33%</b>	
Income Before Fixed Expenses	<b>402,177</b>		<b>403,334</b>		<b>414,906</b>		<b>415,936</b>		<b>417,069</b>		
Gross Operating Profit (GOP)											
<b>RESERVES &amp; FIXED EXPENSES</b>											
Real Estate Taxes (Estimates)	80,820	8.55%	80,820	8.32%	80,820	8.01%	80,820	7.87%	80,820	7.72%	
Insurance	16,800	1.78%	17,136	1.76%	17,479	1.73%	17,828	1.74%	18,185	1.74%	
Reserves For Replacement	28,351	3.00%	29,143	3.00%	40,354	4.00%	41,081	4.00%	41,863	4.00%	
<b>NET OPERATING INCOME (NOI)</b>	<b>276,206</b>	<b>29.23%</b>	<b>276,236</b>	<b>28.44%</b>	<b>276,253</b>	<b>27.38%</b>	<b>276,207</b>	<b>26.89%</b>	<b>276,201</b>	<b>26.39%</b>	
Loan (Interest Payment)	181,671	19.22%	176,338	18.15%	170,705	16.92%	164,755	16.04%	158,468	15.14%	
Loan (Principal Reduction)	94,530	10.00%	99,863	10.28%	105,496	10.46%	111,446	10.85%	117,733	11.25%	
<b>NET CASH FLOW</b>	<b>\$6</b>	<b>0.00%</b>	<b>\$35</b>	<b>0.00%</b>	<b>\$53</b>	<b>0.01%</b>	<b>\$6</b>	<b>0.00%</b>	<b>\$1</b>	<b>0.00%</b>	

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