

**StudioRes by Marriott
Panama City Beach, FL**



Proforma P&L

Rooms: 124
 ADR:
 Occupancy:
 RevPAR:
 Available Rooms:
 Occupied Rooms:

\$119.91	\$123.51	\$127.22	\$131.03	\$134.96
74%	77%	78%	80%	82%
\$88.73	\$95.10	\$99.23	\$104.82	\$110.67
45,260	45,260	45,260	45,260	45,260
33,492	34,850	35,303	36,208	37,113

PROFORMA					
Construction	Year 1	Year 2	Year 3	Year 4	Year 5

Revenue

Rooms	4,016,074	4,304,348	4,491,222	4,744,334	5,008,797
Misc	72,289	77,478	80,842	85,398	90,158
Total Revenues	4,088,363	4,381,826	4,572,064	4,829,732	5,098,956

Departmental Expenses

Rooms	525,000	540,750	556,973	573,682	590,892
Misc	19,528	20,114	20,717	21,339	21,979
Total Departmental Expenses	544,528	560,864	577,690	595,020	612,871

Total Departmental Income

3,543,835	3,820,963	3,994,374	4,234,712	4,486,085
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Undistributed Operating Expenses

Admin & General	275,000	283,250	291,748	300,500	309,515
Info & Telecom Systems	68,000	70,040	72,141	74,305	76,535
Sales & Marketing	116,000	119,480	123,064	126,756	130,559
Franchise Fees	281,000	289,430	298,113	307,056	316,268
Property Operations & Maint.	105,000	108,150	111,395	114,736	118,178
Utilities	155,000	159,650	164,440	169,373	174,454
Total Undistributed Expenses	1,000,000	1,030,000	1,060,900	1,092,727	1,125,509

Gross Operating Profit

2,543,835	2,790,963	2,933,474	3,141,985	3,360,576
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GOP %

62.2%	63.7%	64.2%	65.1%	65.9%
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Property Taxes

128,000	130,560	133,171	135,835	138,551
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Insurance

135,000	137,700	140,454	143,263	146,128
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Management Fees 4.0%

163,535	175,273	182,883	193,189	203,958
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Net Operating Income (NOI)

2,117,300	2,347,430	2,476,967	2,669,698	2,871,938
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Interest

1,017,196	1,002,192	986,023	968,599	949,822
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Principal

193,272	208,276	224,445	241,869	260,646
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Total Debt-service

1,210,468	1,210,468	1,210,468	1,210,468	1,210,468
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Net Cash Flow

906,833	1,136,962	1,266,499	1,459,230	1,661,471
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Debt Service Coverage Ratio

1.75	1.94	2.05	2.21	2.37
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Debt Yield

15.5%	17.2%	18.1%	19.6%	21.0%
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Construction Period

StudioRes by Marriott - Panama City Beach, FL (124 Rooms)



Sources			Uses	
<i>Loan</i>	75%	13,650,000	<i>Construction Cost</i>	11,500,000
<i>Equity - Cash</i>	25%	4,550,000	<i>Furniture Fixtures & Equipment</i>	1,600,000
			<i>Site Acquisition Price</i>	1,750,000
			<i>Capitalized Interest</i>	725,000
			<i>Design & Engineering</i>	250,000
			<i>Franchise Fee</i>	75,000
			<i>Developer Fee 5%</i>	865,000
			<i>Financial, Taxes, and Legal</i>	75,000
			<i>Telecommunications</i>	100,000
			<i>Pre-Operating Expenses/Supplies</i>	100,000
			<i>Opening Cash Balance</i>	100,000
			<i>Permits, Licenses, & Fees</i>	250,000
			<i>Insurance & Bonds</i>	85,000
			<i>Contingency</i>	300,000
			<i>Sales & Marketing</i>	50,000
			<i>Water Sewer Tap Fee</i>	250,000
<i>Loan Fees</i>	75,000			
<i>Special Inspections</i>	50,000			
Total	100%	\$ 18,200,000	Total	\$ 18,200,000

Cash Return

StudioRes by Marriott - Panama City Beach, FL



PROJECTED CAPITAL STRUCTURE:

Debt	13,650,000	75%
Equity	4,550,000	25%
Total Capital	<u>18,200,000</u>	

Amortization Period	25
Annual Debt Service	\$1,210,468

PROJECTED DEBT SERVICE:

	Constr.	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Beginning Loan Balance	\$13,650,000	\$13,650,000	\$13,456,728	\$13,248,453	\$13,024,008	\$12,782,139	
Interest Paid	-	1,017,196	1,002,192	986,023	968,599	949,822	
Principal Reduction	-	193,272	208,276	224,445	241,869	260,646	\$867,861
Annual Debt Service	-	1,210,468	1,210,468	1,210,468	1,210,468	1,210,468	
Ending Loan Balance	13,650,000	13,456,728	13,248,453	13,024,008	12,782,139	12,521,493	

PROJECTED CASH FLOW:

	Construction Period	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Operating Cash Flow		\$2,117,300	\$2,347,430	\$2,476,967	\$2,669,698	\$2,871,938	
Debt Service		1,210,468	1,210,468	1,210,468	1,210,468	1,210,468	
Net Cash Flow before Reserve		906,833	1,136,962	1,266,499	1,459,230	1,661,471	\$6,430,995

Est'd Cash on Cash Return *	20%	25%	28%	32%	37%	28%
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* Numbers presented are estimates based only on forecast property performance. Actual performance may differ.

Internal Rate of Return *

StudioRes by Marriott - Panama City Beach, FL



	Constr.	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Principal Reduction		193,272	208,276	224,445	241,869	260,646	\$1,128,507
Net Cash Flow before Reserve		906,833	1,136,962	1,266,499	1,459,230	1,661,471	\$6,430,995
Asset Value **		25,000,000	25,750,000	26,522,500	27,318,175	28,137,720	
Change in Asset Value **		-	750,000	772,500	795,675	819,545	\$3,137,720
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\$ Growth		1,100,105	2,095,238	2,263,444	2,496,774	2,741,662	\$10,697,222
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Internal Rate of Return (IRR) *	Investment (4,550,000)	906,833	1,136,962	1,266,499	1,459,230	If Sold 17,277,698	45%

* Numbers presented are estimates based only on forecast property performance. Actual performance may differ.

** Assumes an estimated 3% growth in asset value per year.