MARKET STUDY WITH FINANCIAL PROJECTIONS

Downtown Amarillo Hotel Market Study

623 South Johnson Street
Amarillo, Potter County, TX 79101

Prepared For:

City of Amarillo/Center City TIRZ #1

Mr. Drew Brassfield
Assistant Director of Planning
City of Amarillo on behalf of TIRZ #1

LWHA® Job No.: 26-NY-027

LWHA®
LW HOSPITALITY ADVISORS

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August 25, 2026

Mr. Drew Brassfield
Assistant Director of Planning
City of Amarillo on behalf of TIRZ #1

Re: Market Study with Financial Projections of the Downtown Amarillo Hotel Market Study
623 South Johnson Street
Amarillo, Potter County, TX 79101

LWHA® Job No.: 26-NY-027

Dear Mr. Brassfield,

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our market study with financial projections in the report dated August 25, 2026.

LW Hospitality Advisors has been engaged to conduct a comprehensive written hotel economic market study evaluating downtown Amarillo economic conditions, planning infrastructure and redevelopment initiatives in order to assess the impact of increases in lodging supply. As part of our analysis, we have made various assumptions based on the hypothetical development of a proposed hotel in Downtown Amarillo to determine the impact that additional hotel keys would have on the overall existing hotel market and whether the market can successfully absorb additional hotel keys.

Our analysis assumes that upon completion of construction, on or around January 1, 2028, a hypothetical brand affiliated, upper-upscale full-service 200-room hotel would enter the Downtown Amarillo market. This hotel is anticipated to feature amenities and facilities that include a Ground Floor Restaurant, Rooftop Bar & Lounge, In-Room Dining, outdoor pool, business center, fitness center, sundry shop, and 10,000 square feet of dedicated meeting space.

This report is for the use and benefit of City of Amarillo/Center City TIRZ #1. The intended use of this report is for publicly available market study for those interested in developing a hotel in TIRZ #1. The Client agrees that there are no other Intended Users or Intended Use of our work.

This analysis assumes that the hotel will remain open and operational throughout the projection period. The analysis contained in this report is based upon assumptions and estimates that are subject to uncertainty and variation. These estimates are often based on data obtained in interviews with third parties, and such data are not always completely reliable. In addition, we make assumptions as to the future behavior of consumers and the general economy, which are highly uncertain. However, it is inevitable that some assumptions will not materialize, and unanticipated events may occur that will cause actual operating results to differ from the financial analyses contained in this report and these differences may be material. Therefore, while our analysis was conscientiously prepared based on our experience and the data available, we make no warranty that the conclusions presented will, in fact, be achieved. Additionally, we have not been engaged to evaluate the effectiveness of management, and we are not responsible for future marketing efforts and other management actions upon which actual results may depend.

We did not ascertain the legal, engineering, and regulatory requirements applicable to the property, including zoning and other state and local government regulations, permits and licenses. No effort has been made to determine the possible impact on the property of present or future federal, state or local legislation, including any environmental or ecological matters or interpretations thereof. With respect to the market demand analysis, our work did not include analysis of the potential impact of any significant rise or decline in local or general economic conditions.

We believe, based on the assumptions employed in our cash flow, as well as our selection of investment parameters for the subject, that the value conclusion represents a market price achievable within 6 to 12 months exposure prior to the date of value.

We take no responsibility for any events, conditions, or circumstances affecting the market or property that exists subsequent to the last day of our fieldwork, March 18, 2026.

This analysis considers current information that would be available to market participants upon a hypothetical sale of the subject property. We acknowledge that financial markets are extremely fluid and are changing rapidly in response to various geopolitical situations. While we recognize this present uncertainty and instability, the specific outcomes of these events are very difficult to forecast and have not been explicitly considered; however, we do not foresee any substantial long-term macro impact on lodging real estate.

Assumptions

These assumptions, if found to be false could alter the resulting opinions or conclusions.

This market study assumes that a branded, full-service hotel with 200 keys will enter the market upon completion of construction on or around January 1, 2028. In addition, we have assumed that the hotel and all of its components will be built to the current brand-mandated design standards and level of fit and finish. Furthermore, if the hotel is not adequately marketed during its pre-opening or if the scope of the development is altered in any way that is contrary to what we have assumed, we reserve the right to amend the projections herein.

For the purposes of this analysis, we have utilized a market-based management fee of 3.00% of total revenue.

We assume the subject property will operate as a branded upper-upscale full-service hotel. For the purpose of this analysis and projections, we have reviewed various Upper Upscale brand Franchise Disclosure Documents (FDD) and utilized market-oriented fees reflecting a combined 9.00% Franchise Fee comprised of a 6.00% Royalty on Gross Rooms Revenue and a 3.00% Marketing/Program Fee.

Respectfully submitted,

LW Hospitality Advisors®

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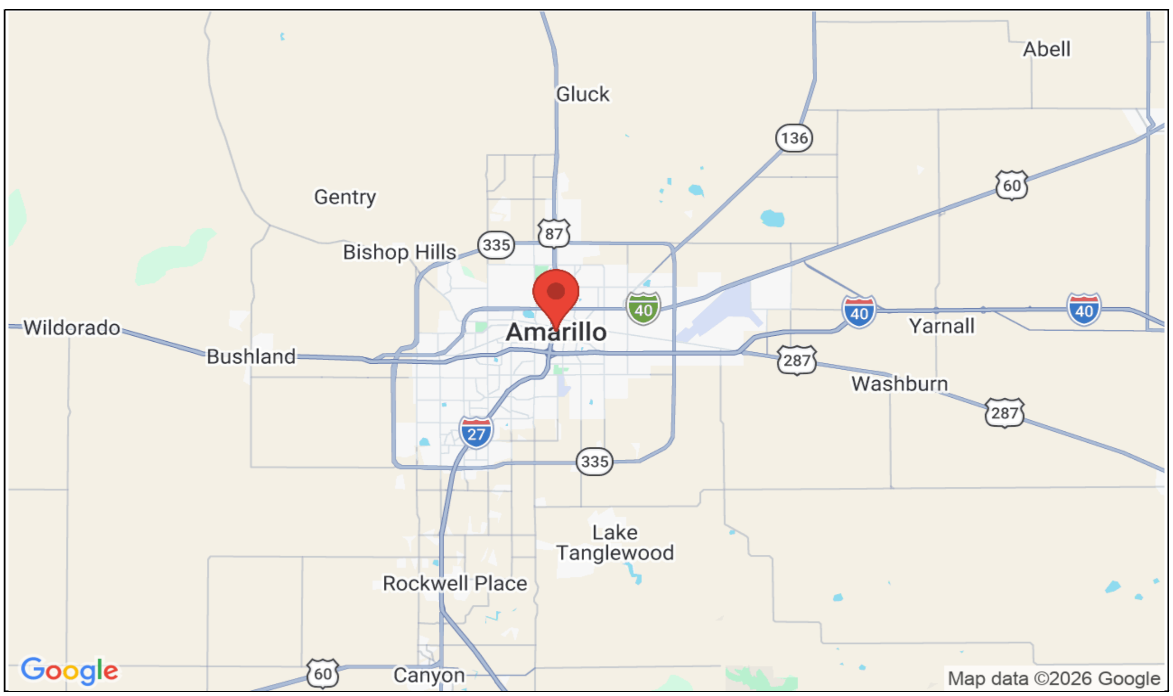
Location Maps

The location of the City of Amarillo within the State of Texas, as identified by the star.



Aerial Maps

Downtown Amarillo, Source: Google Earth

Downtown Amarillo, Source: Google Earth

Executive Summary

General Information	
Project Name	Downtown Amarillo Hotel Market Study
City	Amarillo
County	Potter County
State	Texas
Zip Code	79101
Market Visit conducted by:	John Lingenfelter (in-person inspection; March 18, 2026)

Operating Statistics		
	Occupancy	**ADR**
Projected Completed Year (Year 1)	70.00%	$232.62
Projected Stabilized Year (Year 3)	80.00%	$262.29
	Net Operating Income	
Completed Year - Adjusted	$3,730,542	
Stabilized Year	$6,296,042	
Stabilized Year Deflated to Year One	*$5,934,624*	

Salient Facts

Intended User City of Amarillo/Center City TIRZ #1

Intended Use The intended use of this report is for a publicly available market study for those interested in developing a hotel in TIRZ #1.

Scope of Work In preparing this market study with financial projections, LWHA®:

- Inspected existing properties, researched occupancies, average rates, and segmentation, and performed fair share projections for the analysis. Data was obtained through interviews and LWHA®'s internal database;
- Prepared detailed projections of occupancy, average daily rate, and operating expenses;
- Discuss with representatives of the Client any known plans for hotel developments downtown including the operating strategy and any planned improvements, etc.;
- Completed a site visit of downtown Amarillo in order to better understand the location and surrounding neighborhood;
- Assemble and analyze key economic and demographic data pertaining to the immediate market area and the regional market area to estimate the future growth potential of lodging demand;
- If relevant, interview representatives of local and state economic agencies and other related organizations such as the Convention and Visitors Bureau, Chamber of Commerce and Economic Development Agency to determine patterns of growth, stability or decline in the proposed Hotel's market area. These interviews would address major economic development projects in the market that may impact lodging demand including office, retail, residential, recreational, transportation, and other facilities;
- Identify and interview potential demand generators pertaining to the local hotel market, in an effort to understand their needs and desires concerning the hotel market; specifically what types of hotel products are currently being used and what are the strengths and weaknesses of those products;
- Assess the subject's surrounding market to identify major known external factors that may positively or negatively affect the future lodging demand for the development of hotels in downtown Amarillo;

- Research select existing competitive hotels to evaluate the present quality level, mix and scope of facilities, and physical condition. Interview representatives of key competitive hotels regarding market trends and their individual hotel operations, including demand segmentation, historical performance, market positioning and any proposed improvements and/or renovations;

- Investigate, to the extent such information is available, any planned hotel additions or expansions in the immediate and surrounding areas to determine each development's progress, anticipated size, type, class, chain affiliation, facilities and timing, plus an assessment of each project's likelihood of completion;

- Analyze the historical and current lodging demand for the competitive set and estimate future changes in market demand based on factors studied in the market analysis;

- Prepare a Comprehensive Written Hotel Economic Market Study report concluding as to whether it is feasible to build a hotel in the downtown Amarillo, TX market.

Date of Market Visit March 18, 2026

Market Visit Performed By: John Lingenfelter

Operational Assumptions For the purposes of this report, this analysis assumes that hotel properties within Downtown Amarillo will be operated by competent and experienced management familiar with the operation of hotels in the United States, and more specifically, the greater Amarillo, Texas market.

Assessed Value and Real Estate Taxes

Hotels are assessed for tax purposes by Potter County. Real property in Texas is assessed at 100 percent of fair market value as of January 1st of each year. The property tax amount is calculated by taking the market value and subtracting any appropriate exemptions, as granted by the district, to determine the taxable value, then multiplying this taxable value by each applicable taxing entity's tax rate. Please note that the sale of a property does not necessarily trigger a reassessment and Texas is a non-disclosure state. Tax rates are typically adopted in September or October.

Each property is typically taxed by several taxing units. For example, every property in Potter County is taxed by both the county and a school district. Taxes may also be payable to a city or special district, including such entities as municipal utility districts, hospital districts, college districts, and others. Tax collection typically commences in October when the tax bills are sent out to property owners. The tax burden is due on January 31st of the following year before it becomes delinquent, and penalty and interest charges begin accumulating on unpaid tax bills. It should be noted that until 2009, personal and real property were taxed separately. In that year, the Assessor's Office changed its assessment process, and now incorporates personal property and real property into one assessment figure. As a result, the property is now valued and taxed as one entity.

In order to determine the subject's prospective real property assessment, we have reviewed several real property tax comparables relative to the subject property and analyzed them on an assessment per room basis.

Ad Valorem Real Property Tax Comparables

	1	2	3	4	5	6	7
	Four Points Amarillo Central	Fairfield Inn & Suites Amarillo Central	Courtyard Amarillo Downtown	The Barfield, Autograph Collection	Hyatt Place Amarillo West	Hampton Inn Amarillo West	Home2 Suites Amarillo East
Year Built	1970	2021	2010	2021	2019	2024	2021
No. of Rooms	128	108	107	112	91	117	97
Tax Year	2025	2025	2025	2025	2025	2025	2025
Total Real Property Value	**$14,000,000**	**$14,000,000**	**$8,300,000**	**$15,294,084**	**$6,750,000**	**$7,297,807**	**$6,228,000**
Total Real Property Value Per Room	*$109,375*	*$129,630*	*$77,570*	*$136,554*	*$74,176*	*$62,374*	*$64,206*

The above comparables exhibit assessment values ranging from $62,374 to $136,554 per room, with the average assessed value per room approximately $93,412.

For this analysis, and in consideration of the range presented above, we have assumed that a upper-upscale, branded, full-service hotel entering the Downtown Amarillo Market would be assessed at $125,000 per key for a total of $25,000,000 (based on 200 keys). Real Property value is expected to increase by 2.0 percent annually coupled with tax rates increasing by 1.0 percent for a standard inflationary rate of 3.0 percent.

Ad Valorem Tax Information							
Taxing Authority	Potter County						
					Subject Opens		
		Actual	Estimate	Estimate	Estimate	Estimate	Estimate
	Tax Year	2025	2026	2027	2028	2029	2030
	Parcel / ID						
Real Property							
Land							
Improvement							
Total Real Property Value		**$0**	**$0**	**$0**	**$25,000,000**	**$25,500,000**	**$26,010,000**
Percentage Change			-	-	-	*2.0%*	*2.0%*
Tax Rates		**Actual**	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**
Property Tax Rates	(per $100 A.V.)						
Millage Rates		2.08	2.10	2.12	2.14	2.16	2.18
Percentage Change			*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
Effective Property Tax Liabilities		**Actual**	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**
Real Property Tax Liability		$0	$0	$0	$535,477	$551,648	$568,308

The hypothetical tax liability is anticipated to be $535,477 in Year 1, $551,648 in Year 2, and $568,308 in Year 3. Moving forward, we have grown our tax liability at a standard inflationary rate of 3.0 percent annually.

Improvements Description

As previously discussed, this market study analyzes a hypothetical 200-room, upper-upscale, branded full-service hotel upon completion of construction on or around January 1, 2028. The table below summarizes the hypothetical specifications of the proposed subject property which we have relied on for our analysis. All information below is proposed, and hypothetical for the purpose of this analysis.

General Information	
Property Type	Full-Service Hotel
Anticipated Opening Date	January 1, 2028
Number of Buildings	One
Construction Type	Reinforced Concrete
HVAC - Guestrooms	Central System
HVAC - Public Spaces	Central System
Onsite Parking Spaces	Sufficient to satisfy zoning.

Guestrooms	
Room Type	**Number of Rooms**
Guestrooms	200
Total Guestrooms Available	**200**

Operated Food & Beverage Outlets	
Outlet	**Indoor Space**
Restaurant	150 seats
Rooftop Bar & Lounge	50 seats
In-Room Dining	n/a

Meeting Rooms	
Room	**Square Feet**
Meeting Space	10,000
Total Meeting Space	**10,000**

Additional Amenities	
Lounge	Business Center
Outdoor Pool	Sundry Shop
Fitness Center	

Hotel General

The property is anticipated to be improved in 2028 with a upper-upscale, branded, full-service hotel featuring 200 guestrooms. Facilities and amenities are anticipated to include the Ground Floor Restaurant, Rooftop Bar & Lounge, In-Room Dining, outdoor pool, business center, fitness center, sundry shop, and 10,000 square feet of meeting space. The subject property also is anticipated to offer complimentary high-speed internet access in the guestrooms and public spaces.

The lobby is anticipated to feature ample seating and a sundry shop adjacent to the registration desk. The ground floor is anticipated to be comprised of the registration desk, a Restaurant, In-Room Dining, outdoor pool, business center, fitness center, and sundry shop.

Guestrooms

The branded, full-service hotel will feature 200 guestrooms. Guestrooms are anticipated to be accessible via guest elevators. Standard amenities are anticipated to include a work area, nightstand, dresser, sofa chair, flat screen television, internet, iron & ironing board, coffee maker, and mini-refrigerator which are typical of branded, full-service assets. The guestroom HVAC is expected to be a central system.

Food & Beverage

The subject food and beverage program is anticipated to comprise 3 outlets onsite, including in-room dining, namely: Ground Floor Restaurant, Rooftop Bar & Lounge, and In-Room Dining. Please note all information below is entirely estimated for the sole purpose of this analysis.

- The **Ground Floor Restaurant** is planned to be situated on the lobby level. The outlet is expected to be hotel-operated, featuring 150 seats. The outlet would be open for three-meals daily.

- The **Rooftop Bar & Lounge** is planned to be situated on the rooftop level. The outlet is expected to be hotel-operated, featuring 50 seats. The outlet would be open for all-day service daily.

- **In-Room Dining** is expected to be hotel-operated. The outlet would be open for all-day service daily.

Meeting Space

The branded, full-service hotel is expected to feature 10,000 square feet of dedicated meeting space contained within a single meeting room.

Parking

This study assumes that any new hotels being developed in Downtown Amarillo would have sufficient parking to satisfy all zoning requirements.

Conclusion

Overall, the condition of the improvement is anticipated to be excellent upon completion of construction with the guestrooms and public spaces offering a quality will be comparable or superior to the majority of the primary competitive set. This analysis assumes there are no known adverse factors expected pertaining to the property’s marketability, and it is anticipated to be positioned well within its intended demographic.

Area Economic Analysis

Economy

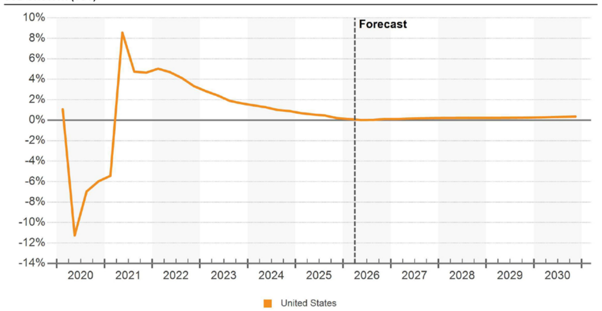
Texas Panhandle Hospitality

TEXAS PANHANDLE EMPLOYMENT BY INDUSTRY IN THOUSANDS

	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
Industry	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	-	-	-	-0.71%	-	0.20%	-	0.02%
Trade, Transportation, and Utilities	-	-	-	-0.61%	-	0.56%	-	0.11%
Retail Trade	-	-	-	-0.14%	-	-0.21%	-	0.04%
Financial Activities	-	-	-	-0.48%	-	1.05%	-	0.12%
Government	-	-	-	-1.00%	-	0.51%	-	0.20%
Natural Resources, Mining, and Construction	-	-	-	0.31%	-	1.93%	-	0.48%
Education and Health Services	-	-	-	2.12%	-	2.13%	-	0.28%
Professional and Business Services	-	-	-	-0.38%	-	1.07%	-	0.27%
Information	-	-	-	-2.04%	-	0.11%	-	0.03%
Leisure and Hospitality	-	-	-	0.73%	-	0.86%	-	0.71%
Other Services	-	-	-	0.76%	-	0.62%	-	0.13%
Total Employment	**-**	**1.0**	**-**	**0.05%**	**-**	**0.98%**	**-**	**0.25%**

Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

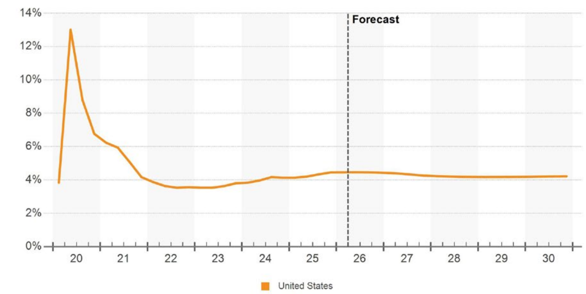


Source: Oxford Economics

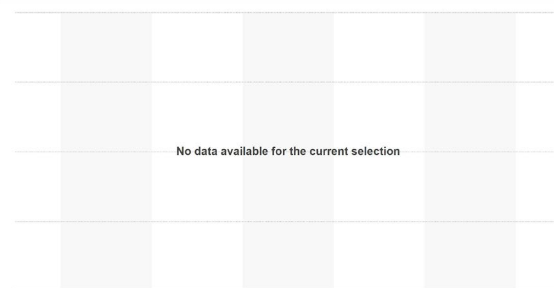
Economy

Texas Panhandle Hospitality

UNEMPLOYMENT RATE (%)



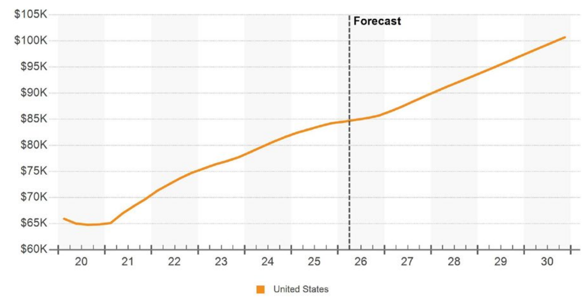
NET EMPLOYMENT CHANGE (YOY)



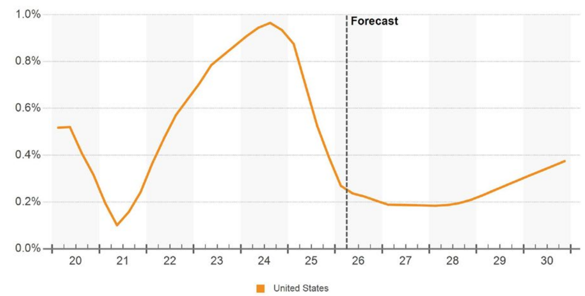
Economy

Texas Panhandle Hospitality

MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



Economy

Texas Panhandle Hospitality

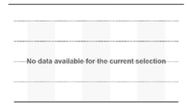
NET POPULATION CHANGE (YOY)

DEMOGRAPHIC TRENDS

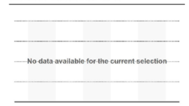
	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
Demographic Category	Metro	US	Metro	US	Metro	US	Metro	US
Population	-	342,326,438	-	0.2%	-	0.6%	-	0.3%
Households	-	134,345,797	-	0.7%	-	1.0%	-	0.5%
Median Household Income	-	$84,731	-	2.3%	-	4.1%	-	3.8%
Labor Force	-	170,470,594	-	-0.1%	-	0.7%	-	0.1%
Unemployment	-	4.5%	-	0.3%	-	0%	-	0%

Source: Oxford Economics

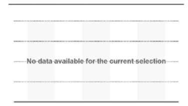
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

Consumer Spending Report

JM Jones Federal Bldg
205 SE Fifth Ave, Amarillo, TX 79101

Building Type: **Class B Office**
Class: **B**
RBA: **68,177 SF**
Typical Floor: **22,725 SF**
Total Available: **0 SF**
% Leased: **100%**
Rent/SF/Yr: **-**

2025 Annual Spending ($000s)	1 Mile	3 Mile	5 Mile
Total Specified Consumer Spending	**$46,423**	**$677,190**	**$1,507,038**
Total Apparel	**$2,793**	**$40,105**	**$85,484**
Women's Apparel	1,020	14,634	31,791
Men's Apparel	521	7,455	16,322
Girl's Apparel	198	3,058	6,457
Boy's Apparel	171	2,548	5,164
Infant Apparel	169	2,371	4,805
Footwear	715	10,039	20,945
Total Entertainment & Hobbies	**$7,017**	**$96,714**	**$219,282**
Entertainment	837	11,301	24,798
Audio & Visual Equipment/Service	1,906	25,664	55,760
Reading Materials	60	783	2,150
Pets, Toys, & Hobbies	1,053	15,423	36,316
Personal Items	3,162	43,541	100,258
Total Food and Alcohol	**$14,115**	**$194,552**	**$424,596**
Food At Home	7,982	108,021	229,153
Food Away From Home	5,323	75,541	169,993
Alcoholic Beverages	810	10,990	25,450
Total Household	**$6,540**	**$101,328**	**$231,178**
House Maintenance & Repair	1,389	25,238	56,382
Household Equip & Furnishings	2,643	38,981	89,159
Household Operations	1,993	28,937	65,322
Housing Costs	514	8,171	20,315

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5/27/2026

Consumer Spending Report

JM Jones Federal Bldg
205 SE Fifth Ave, Amarillo, TX 79101

2025 Annual Spending (000s)	1 Mile	3 Mile	5 Mile
Total Transportation/Maint.	**$11,777**	**$184,098**	**$403,218**
Vehicle Purchases	5,666	95,495	208,499
Gasoline	3,679	54,085	115,211
Vehicle Expenses	299	2,763	6,577
Transportation	761	10,299	25,606
Automotive Repair & Maintenance	1,372	21,458	47,325
Total Health Care	**$2,458**	**$31,770**	**$72,084**
Medical Services	1,289	17,379	39,705
Prescription Drugs	888	10,868	24,481
Medical Supplies	281	3,523	7,897
Total Education/Day Care	**$1,723**	**$28,623**	**$71,195**
Education	1,083	18,371	45,591
Fees & Admissions	640	10,253	25,605

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5/27/2026

**Please note that we have utilized the address of the JM Jones Federal Building as the location point for the data seen on pages 17-20 given that the location is centrally located in Downtown Amarillo, and there is not an actual hotel address tied to our analysis.*

Daytime Employment Report 1 Mile Radius

JM Jones Federal Bldg
205 SE Fifth Ave, Amarillo, TX 79101

Building Type: **Class B Office** Total Available: **0 SF**
Class: **B** % Leased: **100%**
RBA: **68,177 SF** Rent/SF/Yr: **-**
Typical Floor: **22,725 SF**

Business Employment by Type	# of Businesses	# Employees	#Emp/Bus
Total Businesses	**1,851**	**17,758**	**10**
Retail & Wholesale Trade	198	2,119	11
Hospitality & Food Service	65	797	12
Real Estate, Renting, Leasing	59	300	5
Finance & Insurance	150	1,040	7
Information	29	620	21
Scientific & Technology Services	426	2,522	6
Management of Companies	6	265	44
Health Care & Social Assistance	186	2,034	11
Educational Services	13	316	24
Public Administration & Sales	124	2,465	20
Arts, Entertainment, Recreation	30	184	6
Utilities & Waste Management	71	734	10
Construction	123	949	8
Manufacturing	62	973	16
Agriculture, Mining, Fishing	24	295	12
Other Services	285	2,145	8

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5/27/2026

Demographic Detail Report

JM Jones Federal Bldg
205 SE Fifth Ave, Amarillo, TX 79101

Building Type: **Class B Office** Total Available: **0 SF**
Class: **B** % Leased: **100%**
RBA: **68,177 SF** Rent/SF/Yr: **-**
Typical Floor: **22,725 SF**

Radius	1 Mile		3 Mile		5 Mile	
Population						
2030 Projection	5,696		73,370		149,654	
2025 Estimate	5,603		73,478		148,415	
2020 Census	5,129		75,364		150,499	
Growth 2025 - 2030	1.66%		-0.15%		0.83%	
Growth 2020 - 2025	9.24%		-2.50%		-1.38%	
2025 Population by Age	**5,603**		**73,478**		**148,415**	
Age 0 - 4	366	6.53%	5,245	7.14%	10,144	6.83%
Age 5 - 9	313	5.59%	4,822	6.56%	9,549	6.43%
Age 10 - 14	337	6.01%	5,348	7.28%	10,483	7.06%
Age 15 - 19	355	6.34%	5,516	7.51%	10,775	7.26%
Age 20 - 24	387	6.91%	5,584	7.60%	10,998	7.41%
Age 25 - 29	379	6.76%	5,131	6.98%	10,189	6.87%
Age 30 - 34	430	7.67%	5,618	7.65%	10,889	7.34%
Age 35 - 39	351	6.26%	5,042	6.86%	10,017	6.75%
Age 40 - 44	310	5.53%	4,543	6.18%	9,362	6.31%
Age 45 - 49	294	5.25%	4,065	5.53%	8,378	5.64%
Age 50 - 54	318	5.68%	4,191	5.70%	8,412	5.67%
Age 55 - 59	290	5.18%	4,006	5.45%	8,154	5.49%
Age 60 - 64	290	5.18%	3,851	5.24%	7,811	5.26%
Age 65 - 69	273	4.87%	3,362	4.58%	6,945	4.68%
Age 70 - 74	242	4.32%	2,773	3.77%	5,962	4.02%
Age 75 - 79	195	3.48%	1,982	2.70%	4,527	3.05%
Age 80 - 84	164	2.93%	1,248	1.70%	3,009	2.03%
Age 85+	309	5.51%	1,150	1.57%	2,809	1.89%
Age 65+	1,183	21.11%	10,515	14.31%	23,252	15.67%
Median Age	**38.30**		**34.50**		**35.60**	
Average Age	**40.70**		**36.50**		**37.40**	

LWHA LW HOSPITALITY ADVISORS

5/27/2026

Demographic Detail Report

JM Jones Federal Bldg
205 SE Fifth Ave, Amarillo, TX 79101

Radius	1 Mile		3 Mile		5 Mile	
2025 Population by Occupation	**3,886**		**58,597**		**126,956**	
Real Estate & Finance	129	3.32%	1,489	2.54%	3,302	2.60%
Professional & Management	548	14.10%	9,705	16.56%	23,911	18.83%
Public Administration	50	1.29%	1,166	1.99%	3,416	2.69%
Education & Health	220	5.66%	6,633	11.32%	15,372	12.11%
Services	567	14.59%	8,396	14.33%	15,511	12.22%
Information	55	1.42%	380	0.65%	671	0.53%
Sales	587	15.11%	6,639	11.33%	14,527	11.44%
Transportation	49	1.26%	122	0.21%	200	0.16%
Retail	386	9.93%	3,694	6.30%	8,510	6.70%
Wholesale	43	1.11%	817	1.39%	1,987	1.57%
Manufacturing	296	7.62%	4,230	7.22%	8,808	6.94%
Production	308	7.93%	6,120	10.44%	12,503	9.85%
Construction	356	9.16%	4,847	8.27%	8,704	6.86%
Utilities	167	4.30%	2,281	3.89%	4,508	3.55%
Agriculture & Mining	26	0.67%	393	0.67%	898	0.71%
Farming, Fishing, Forestry	1	0.03%	122	0.21%	323	0.25%
Other Services	98	2.52%	1,563	2.67%	3,805	3.00%
2025 Worker Travel Time to Job	**2,131**		**32,543**		**68,512**	
<30 Minutes	1,851	86.86%	28,328	87.05%	59,257	86.49%
30-60 Minutes	223	10.46%	3,048	9.37%	6,517	9.51%
60+ Minutes	57	2.67%	1,167	3.59%	2,738	4.00%
2020 Households by HH Size	**2,096**		**28,862**		**58,310**	
1-Person Households	883	42.13%	8,797	30.48%	17,654	30.28%
2-Person Households	536	25.57%	8,192	28.38%	17,611	30.20%
3-Person Households	267	12.74%	4,682	16.22%	9,201	15.78%
4-Person Households	193	9.21%	3,605	12.49%	7,127	12.22%
5-Person Households	120	5.73%	2,051	7.11%	3,950	6.77%
6-Person Households	60	2.86%	936	3.24%	1,690	2.90%
7 or more Person Households	37	1.77%	599	2.08%	1,077	1.85%
2025 Average Household Size	**2.20**		**2.50**		**2.50**	
Households						
2030 Projection	2,323		28,086		58,242	
2025 Estimate	2,287		28,142		57,712	
2020 Census	2,096		28,862		58,311	
Growth 2025 - 2030	1.57%		-0.20%		0.92%	
Growth 2020 - 2025	9.11%		-2.49%		-1.03%	

5/27/2026

Demographic Detail Report

JM Jones Federal Bldg
205 SE Fifth Ave, Amarillo, TX 79101

Radius	1 Mile		3 Mile		5 Mile	
2025 Households by HH Income	**2,290**		**28,141**		**57,711**	
<$25,000	717	31.31%	6,789	24.12%	11,755	20.37%
$25,000 - $50,000	605	26.42%	8,169	29.03%	15,033	26.05%
$50,000 - $75,000	599	26.16%	5,683	20.19%	10,872	18.84%
$75,000 - $100,000	168	7.34%	2,780	9.88%	6,546	11.34%
$100,000 - $125,000	67	2.93%	1,538	5.47%	4,494	7.79%
$125,000 - $150,000	104	4.54%	1,429	5.08%	3,587	6.22%
$150,000 - $200,000	19	0.83%	988	3.51%	2,772	4.80%
$200,000+	11	0.48%	765	2.72%	2,652	4.60%
2025 Avg Household Income	**$49,761**		**$63,205**		**$74,131**	
2025 Med Household Income	**$41,904**		**$46,415**		**$53,941**	
2025 Occupied Housing	**2,287**		**28,142**		**57,712**	
Owner Occupied	816	35.68%	14,670	52.13%	32,337	56.03%
Renter Occupied	1,471	64.32%	13,472	47.87%	25,375	43.97%
2020 Housing Units	**2,763**		**32,032**		**62,962**	
1 Unit	1,466	53.06%	24,557	76.66%	47,461	75.38%
2 - 4 Units	236	8.54%	2,714	8.47%	4,213	6.69%
5 - 19 Units	309	11.18%	2,636	8.23%	6,067	9.64%
20+ Units	752	27.22%	2,125	6.63%	5,221	8.29%
2025 Housing Value	**817**		**14,670**		**32,338**	
<$100,000	455	55.69%	5,773	39.35%	8,122	25.12%
$100,000 - $200,000	256	31.33%	5,958	40.61%	13,329	41.22%
$200,000 - $300,000	38	4.65%	1,568	10.69%	6,947	21.48%
$300,000 - $400,000	15	1.84%	570	3.89%	1,713	5.30%
$400,000 - $500,000	19	2.33%	187	1.27%	869	2.69%
$500,000 - $1,000,000	34	4.16%	518	3.53%	1,151	3.56%
$1,000,000+	0	0.00%	96	0.65%	207	0.64%
2025 Median Home Value	**$89,779**		**$126,217**		**$160,372**	
2025 Housing Units by Yr Built	**2,870**		**33,526**		**66,424**	
Built 2010+	259	9.02%	2,199	6.56%	5,287	7.96%
Built 2000 - 2010	137	4.77%	1,343	4.01%	4,162	6.27%
Built 1990 - 1999	138	4.81%	1,181	3.52%	3,642	5.48%
Built 1980 - 1989	212	7.39%	1,718	5.12%	5,786	8.71%
Built 1970 - 1979	179	6.24%	3,320	9.90%	9,967	15.01%
Built 1960 - 1969	275	9.58%	4,413	13.16%	11,030	16.61%
Built 1950 - 1959	594	20.70%	9,543	28.46%	14,790	22.27%
Built <1949	1,076	37.49%	9,809	29.26%	11,760	17.70%
2025 Median Year Built	**1955**		**1956**		**1965**	

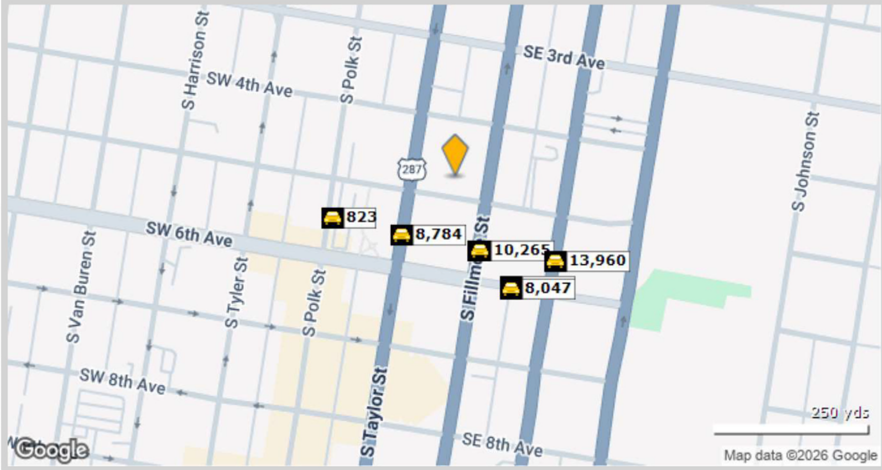
5/27/2026

Traffic Count Report

JM Jones Federal Bldg

205 SE Fifth Ave, Amarillo, TX 79101

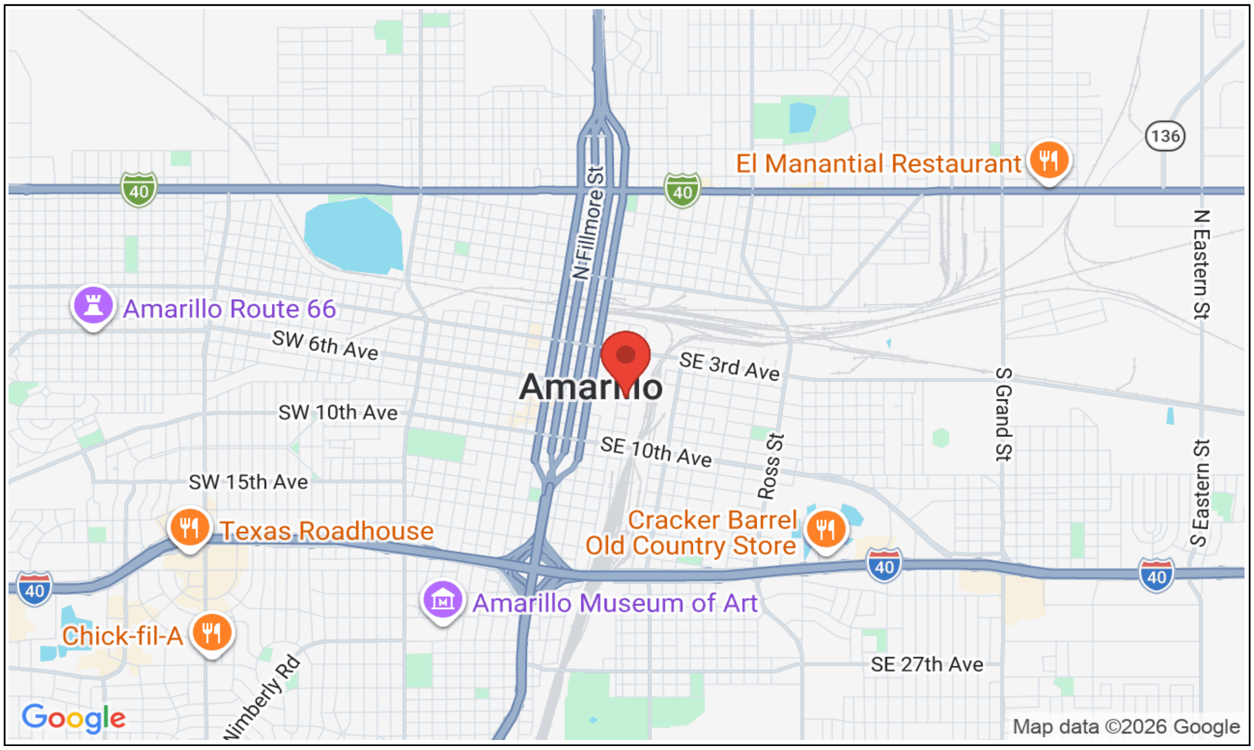
Building Type:	**Class B Office**
Class:	**B**
RBA:	**68,177 SF**
Typical Floor:	**22,725 SF**
Total Available:	**0 SF**
% Leased:	**100%**
Rent/SF/Yr:	**-**



	Street	Cross Street	Cross Str Dist	Count Year	Avg Daily Volume	Volume Type	Miles from Subject Prop
1	S Fillmore St	E 6th Ave	0.03 S	2025	9,293	MPSI	.07
2	S Fillmore St	E 6th Ave	0.03 S	2018	8,496	MPSI	.07
3	S Fillmore St	E 6th Ave	0.03 S	2024	10,265	MPSI	.07
4	S Taylor St	E 6th Ave	0.03 S	2018	8,652	MPSI	.07
5	S Taylor St	E 6th Ave	0.03 S	2025	8,759	MPSI	.07
6	S Taylor St	E 6th Ave	0.03 S	2024	8,784	MPSI	.07
7	E 6th Ave	S Fillmore St	0.03 W	2025	8,085	MPSI	.11
8	E 6th Ave	S Fillmore St	0.03 W	2024	8,047	MPSI	.11
9	S Polk St	W 5th Ave	0.03 N	2018	823	MPSI	.12
10	S Pierce St	E 6th Ave	0.03 S	2025	13,960	MPSI	.12

5/27/2026

Market Analysis



Location

The city of Amarillo is located within Potter County, in the state of Texas. Amarillo is ±104 square miles in size and is located in North Texas, approximately 365 miles northwest of Dallas, Texas. Amarillo is the largest city in the Texas Panhandle.

History

According to information sourced from Visit Amarillo and the Amarillo Chamber of Commerce, the city was founded in the spring of 1887 at the intersection of the Fort Worth & Denver City and the Atchison, Topeka & Santa Fe railroads. This strategic location naturally positioned the settlement to become a premier cattle shipping market as the era of open trail drives wound down. Initially a modest settlement known colloquially as "Ragtown," the community was renamed Amarillo—the Spanish word for yellow—due to the distinct color of the sub-soil and the vibrant yellow yucca flowers blooming near Amarillo Creek. In the early days, residents embraced the identity so thoroughly that most houses were painted yellow. In 1889, the town began to literally move on wheels a mile east to the Glidden & Sanborn addition, which officially became the seat of local government following an election in 1893. By that year, the frontier town was expanding rapidly, famously described in local archives as having a population of "between 500 and 600 humans and 50,000 head of cattle.

The 20th century ushered in rapid modernization and industrialization for the growing town. By 1910, Amarillo's population neared 10,000 residents, and in 1913, it passed its own charter to become the first city in the Southwest—and only the fifth in the United States—to adopt the Commission-Manager form of government. The discovery of natural gas in 1918 and oil in 1921 triggered a massive economic boom, transforming the agricultural hub into an energy powerhouse.

To guide this explosive growth, the Amarillo Chamber of Commerce was established in 1926. Industrial milestones quickly followed; in 1929, the U.S. Bureau of Mines completed the Amarillo Helium Plant, designating the city as the "Center of the Helium Industry," while the opening of the Amarillo International Airport that same year made it a key stop on the nation's first continuous cross-country commercial passenger and air mail route. Amarillo's deep-seated identity as a legendary cowboy town was further secured in 1948 when the American Quarter Horse Association moved its headquarters to the city.

Over the subsequent decades and through 2026, Amarillo has evolved into a dynamic metropolis that blends the rugged Western heritage with big-city sophistication. The economic landscape diversified beyond oil and agriculture into aviation and high-tech manufacturing, anchored by major developments like Bell Helicopter's Tiltrotor Assembly Center, which was established in the late 1990s to build the V-22 Osprey. Concurrently, the Texas Panhandle solidified its reputation as the "Cattle Feeding Capital of the World," with the region generating billions of dollars in agricultural commodities. Today, Amarillo serves as a vital transportation hub at the crossroads of Interstates 40 and 27, boasting a metropolitan population (MSA) of over 250,000 residents. The city continues to celebrate its history through a bustling historic Route 66 district, a thriving Downtown Cultural District, and landmarks like the historic 1905 Bivins Home, which is notably the current headquarters of the Chamber of Commerce. In many ways, Amarillo serves as one of the last frontiers of the Authentic Texas Culture, which is coupled with a robust economy serving the greater region.

Access & Transportation

The subject market is easily accessible by car, as Interstate 40 runs west-east through the city. Additionally, Interstate 27, which provides north-south access to Lubbock, TX, terminates with Interstate 40 in downtown Amarillo. North of downtown, Interstate 27 becomes U.S. Route 87, which provides access to the City of Dumas, TX. Amarillo's convenient location at the intersection of Interstate 27 and Interstate 40 provides the city with a significant amount of commercial highway traffic, positively affecting the area's lodging industry.

Amarillo is also an ideal location for trade and shipping services via rail. Two BNSF Railway mainlines intersect in Amarillo and provide direct service to cities across the country including Chicago, Los Angeles, Denver, Kansas City, Dallas, Seattle, Vancouver, Memphis, St. Louis, and Pensacola. These routes also terminate at the ports of Houston and Long Beach. Union Pacific Railroad also has trackage rights in the Amarillo area.

Rick Husband Amarillo International Airport (AMA)

Commercial air service for Amarillo is primarily provided by Rick Husband Amarillo International Airport (AMA). Rick Husband Amarillo International Airport services much of the Texas and Oklahoma Panhandle region, as well as portions of eastern New Mexico.

The airport is situated approximately 10 miles east of the central business district of Amarillo. Approximately 60 percent of total traffic at AMA is generated from domestic travel with Dallas, Denver, Houston, and Las Vegas. Major airlines with a presence at AMA include American Airlines, Southwest Airlines, and United Airlines.

The table below exhibits yearly passenger data from 2014 through 2025, as well as year-to-date through February 2026 (most recent available).

AMA - Statistics		
Year	**Passengers**	**% Change**
2016	664,330	-
2017	664,076	0.0%
2018	706,785	6.4%
2019	701,222	-0.8%
2020	344,443	-50.9%
2021	602,562	74.9%
2022	712,601	18.3%
2023	791,079	11.0%
2024	801,501	1.3%
2025	796,365	-0.6%
Annual Compound Growth		**2.0%**
YTD 2/25	101,701	
YTD 2/26	103,577	1.8%
Compiled by LW Hospitality Advisors®		

Population & Demographics

Population growth is an important factor in determining the economic strength of a given area. Although the growth of the local population is not related directly to room-night demand, it does reflect employment growth and future employment concentration which, in turn, typically influence levels of commercial room-night demand.

According to the most recent information provided by the U.S. Census Bureau, the population of Potter County is 114,453, a 6.2% decrease from 2014 figures. The population of Potter County with a bachelor's degree or higher represents approximately 18.6%, and the home ownership rate is 60.8%. The average income is $59,196, and the median household income is approximately $53,656. The unemployment rate is currently estimated to be 3.5% with 20.8% of the population considered to be living below the poverty level. The following table exhibits population information for the U.S., Texas, and Potter County.

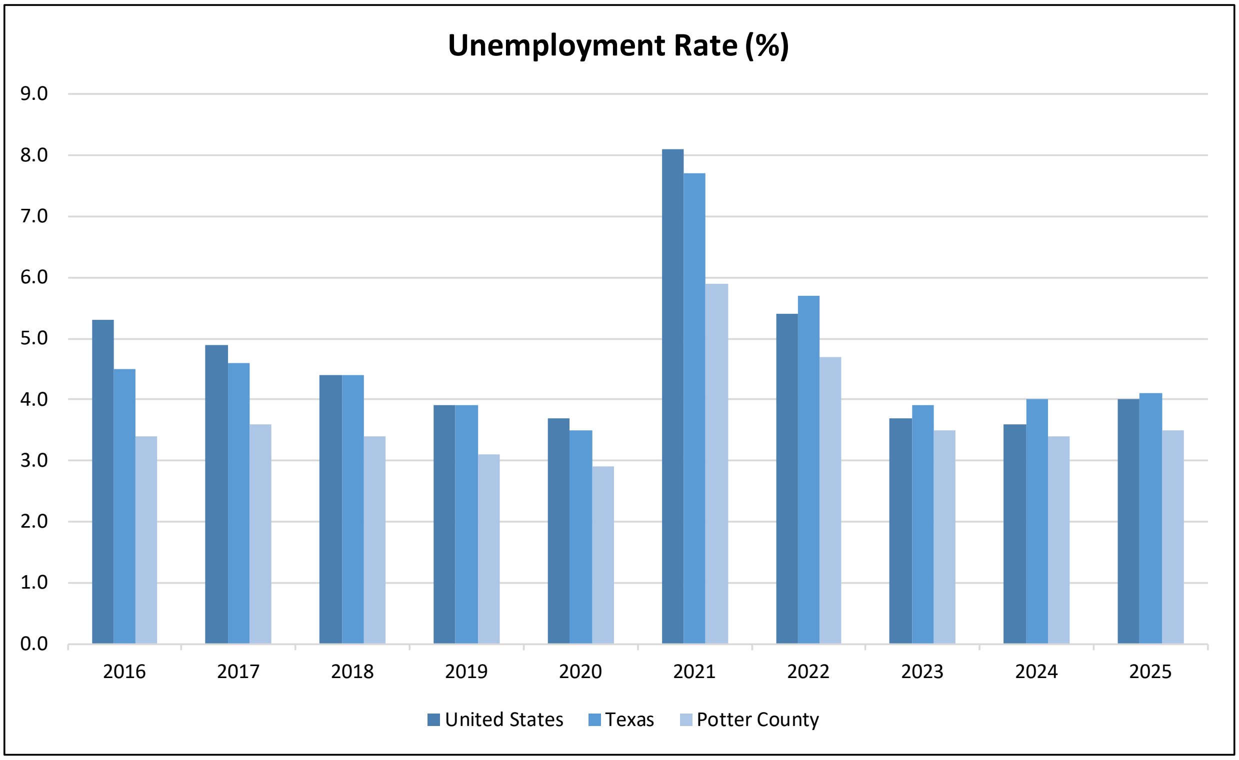
Population Growth			
Year	**United States**	**Texas**	**Potter County**
2019	330,226,000	28,987,000	117,000
2020	331,578,000	29,238,000	118,400
2021	332,100,000	29,573,000	116,600
2022	334,017,000	30,118,000	115,100
2023	336,806,000	30,719,000	115,300
2024	340,111,000	31,319,000	114,600
2025	341,800,000	31,710,000	114,500
CAGR	**0.58%**	**1.51%**	**-0.36%**
Source: U.S. Census Bureau and Moody's Analytics			
Compiled by LW Hospitality Advisors®			

Local Economy

The subject market draws corporate demand from various regional offices in the surrounding area, as well as local commercial businesses. Notable commercial demand generators include CNS Pantex Plant, BSA Healthcare System, Northwest Texas Healthcare System, Tyson Foods, and Bell Helicopter. The following table details the area's largest employers:

Major Employers of Amarillo (500+ Employees)	
Company	**Employees**
Pantex / PanTexas Deterrence, LLC	4,662
Amarillo Independent School District	4,500
Tyson Foods, Inc.	4,300
BSA Health System	3,100
Northwest Texas Healthcare System	2,150
City of Amarillo	1,953
Xcel Energy	1431
Affiliated Foods	1250
Canyon ISD	1168
Amarillo VA Health Care System	984
Bell	900
United Supermarkets	900
Happy State Bank	987
Maxor National Pharmacy Services Corp.	860
West Texas A&M University	856
Texas Department of Criminal Justice	850
Texas Tech University Health Sciences Center	750
Toot'n Totum Food Stores LLC	743
Owens Corning	650
Amarillo College	625
Amarillo National Bank	568
Potter County Courthouse	530
Total:	**34,717**
Source: Chamber of Commerce	
Compiled by LW Hospitality Advisors®	

The following table exhibits unemployment information for the U.S., Texas, and Potter County.



Local Economy

The City of Amarillo is considered the regional economic center for the Texas Panhandle. It is home to companies across a wide variety of industries such as agriculture, manufacturing, aviation & aerospace, technology, food processing, logistics & distribution, energy production, and healthcare.

According to the Amarillo Economic Development Corporation, Amarillo has approximately 14 million acres of agricultural land, producing primarily corn, wheat, cotton, sorghum, hay, and soybeans. In addition to farming, livestock production plays an integral role in the makeup of Amarillo's agricultural landscape. Major employers within the agricultural sector include MWI – Micro Beef, a distributor of feed additives, pharmaceuticals, vaccines, parasiticides, supplies, and other animal health products and Cargill, specifically their Animal Nutrition facility which develops the latest research and products to help livestock producers. Additionally, approximately one-quarter of the beef supply in the United States is processed in the Panhandle region.

Within the aviation & aerospace sector, Amarillo is home to several major companies such as Bell, who builds the V-22 Osprey military helicopter and provides upgrades to several other existing helicopter platforms; International Aerospace Coatings, who is a leading global provider of aviation coating services, including exterior & interior aircraft painting and graphics; and also Flight Mechanix, who provides all facets of corporate aviation services, such as brokerage, asset management, and maintenance.

Within the growing technology sector, Amarillo is home to several companies such as Maxor, who provides a pharmacy services platform which provides a suite of features aimed at better managing the many facets of running a pharmacy business; Confluence Security Group, who provides physical security services communications systems to governments and commercial customers; as well as Sharpened Iron Studios, whose focus is on the development, pre-production, production, and post-production of feature-length movies, television series, and documentaries.

The food processing sector within Amarillo is a key driver to the overall economy given the presence of many major employers such as Ben E. Keith, Pacific Cheese, Hilmar Cheese, Affiliated Foods Inc., SSI Foods, LLC, and most notably, Tyson Foods, who has an extensive operation to prepare a range of fresh, frozen, and prepared products all featuring beef raised in and around Amarillo.

The energy production sector is primarily focused on wind energy production and nuclear storage. GE Renewables and GRI Towers Texas provide employment geared towards wind energy and the maintenance of the existing wind farms in the area. In addition, Xcel Energy has a technical training facility in the area which provides training in electrical transmission line maintenance and substation operations. The Pantex Nuclear Weapon Facility, located 17 miles northeast of Amarillo, is a 16,000-acre site responsible for the assembly, disassembly, testing, and evaluation of the United States nuclear weapons.

Within the healthcare sector, Amarillo serves as a regional hub for the surrounding area and is home to several key employers and facilities such as the Harrington Regional Medical Center, Baptist St. Anthony's (BSA) Hospital, the Northwest Texas Hospital, the Don & Sybil Harrington Cancer Center, Bivins Memorial Nursing Home, Texas Tech University Health Sciences Center, Texas Tech School of Pharmacy, and Texas Panhandle Mental Health & Mental Retardation. We have provided more detail on a variety of these demand generators below.

Area Demand Generators

Amarillo offers numerous events featuring Texas culture that draw tourists every year, including the Tri-State Fair & Rodeo, The World Championship Ranch Rodeo, the World Championship Chuckwagon Roundup, the Amarillo Farm & Ranch Show, and the Amarillo Livestock Auction. Such events attract participants from New Mexico, Oklahoma, and other parts of Texas.

Located in the heart of downtown Amarillo, the **Amarillo Civic Center Complex** is the premier event venue for the Texas Panhandle, encompassing the Amarillo Civic Center, the Globe-News Center for the Performing Arts, and the Pavilion at the Santa Fe Depot. The complex is designed to accommodate a wide variety of events, from conventions and concerts to business meetings and community gatherings. The Amarillo Civic Center Complex is the primary meeting place for over 300,000+ residents living in the Texas Panhandle, with easy access to Interstates 27 and 40 (Historic Route 66). The 340,000-square-foot Amarillo Civic Center contains a variety of multipurpose areas including the 4,870-fixed-seat Cal Farley Coliseum and the 2,300-fixed-seat Civic Center Auditorium, and boasts two exhibit halls, two ballrooms, and meeting rooms designed to meet a wide variety of needs including business meetings, banquets, dances, conventions, and trade shows.

The North Exhibit Hall has 24,565 square feet of exhibit space with a 25-foot ceiling height and capacity for up to 2,200 people, used for trade shows, conventions, meetings, and banquets. The South Exhibit Hall offers 26,000 square feet with a 14-foot ceiling height and is used for similar events. The **Cal Farley Coliseum** is a multipurpose arena located on the southeast corner of the Amarillo Civic Center with a total maximum capacity of up to 7,000. The arena features 4,870 permanent seats, with 1,800 additional portable seats available for the coliseum floor. The floor itself is 190 feet long and 90 feet wide, encompassing 17,000 square feet. Ceiling height runs 38'10" to the lower steel and 50'10" to the ceiling. The Coliseum features a sound system, portable stage, unlimited floor loading, and an ice plant. A loading ramp at floor level can accommodate truck or trailer rigs, and four spacious concourses surrounding the Coliseum can hold vendors, merchandise stands, and concessions.

The **Pavilion at the Santa Fe Depot** is a 60,000-square-foot open-air facility approved by the Amarillo City Council in June 2022, with a grand opening held in August 2023. Located at 401 S. Grant by the historic Santa Fe Depot, it has two public access entries on the north and west sides and a load-in ramp on the southeast corner. Ceiling height is 37 feet at the peak and 25 feet on the sides, with a loading ramp clearance of 16'2". The venue features LED lighting and 400-amp electrical service. City officials positioned the Pavilion to host events such as the WRCA World Championship Ranch Rodeo and others as a boost for the local economy, offering options for private parties, sporting events like basketball and volleyball, concerts, and rodeo attractions.

The table below was provided to us for this analysis from the Amarillo Civic Center Complex. This data specifically reflects a standard year of events indicating the month, event, duration, and estimated attendance.

Month(s)	Event	Duration	Est. Attendance
Jan.	Brick Convention - Legos	2 days	4,442
Feb.	Talent On Parade	2 days	920
Feb./Apr./Oct.	Lone Star Reptile Show	2 days	2,650
Feb./May/Oct.	Pioneer Gun Show	2 days	3,535
Mar./Aug.	Affiliated Foods Tradeshow	1 day	4,535
Mar.	1st In Texas Robotics Convention	3 days	3,515
Mar./Jul./Dec.	Texas Gun & Knife	2 days	3,070
Mar.	Bomb City Con	2 days	5,450
Mar./Oct.	Peddler Show	2 days	3,700
Apr.	Southwest Tumbling & Trampoline	2 days	2,445
Apr.	Yellow City Con	2 days	5,550
May	Greater SW Music Festival	3 days	13,000
Jun.	Jehovah Witness Convention	4 days	6,558
Jul.	AQHA Youth Seminar	3 days	1,330
Jul.	APD Ironhorse Shootout	3 days	1,270
Aug.	Ama Con	2 days	5,605
Sep.	Panhandle Kennel Club Dog Show	4 days	3,741
Sep.	Panhandle Regional Emergency Conf.	2 days	1,385
Oct.	Ben E. Keith Food Show	1 day	2,000
Nov.	WRCA World Ranch Rodeo Champ.	4 days	46,085
Nov./Dec.	Ideag Farm & Ranch Show	3 days	39,053
Nov.	Panhandle Nationals Wrestling Tour.	2 days	3,975
Nov.	Christmas Roundup	3 days	7,440

The **Globe-News Center for the Performing Arts** houses the 1,300-seat Carol Bush Emeny Performance Hall and the Gilliland Education Room which serves as a meeting or rehearsal space. The Globe-News Center is equipped to hold everything from large concerts and lectures to private receptions and meetings.

Palo Duro Canyon State Park is located 25 miles south of Amarillo and is the second largest canyon in the United States. It is approximately 60 miles long and has an average width of 6 miles, and visitors can tour the canyon by foot, bike, horse, or car. The park also features attractions such as Panhandle-Plains Historical Museum, Buffalo Lake National Wildlife Refuge, Lake Meredith National Recreation Area, Alibates Flint Quarries National Monument, and Pioneer Amphitheater, an outdoor theater which showcases the musical TEXAS.

Historic Route 66/Sixth Street Historic District is listed on the National Register of Historic Places and functions as a hub for nightlife, shopping, and tourism. It hosts summer festivals and serves as a living museum of Route 66 culture. Route 66 was officially designated as U.S. Highway 66 in 1926, making 2026 its centennial year which coincides with the 250th Birthday of America. In 2026, Amarillo has positioned itself as a cornerstone stop on the centennial celebration circuit, described in industry media as 'the ultimate destination for dreamers, road trippers and Americana lovers.' The Texas Route 66 Centennial Festival is scheduled for June 4–13, 2026 — a 10-day event that is expected to generate one of the highest leisure demand peaks in the Amarillo market's recent history. Industry publication Meetings Today cited Amarillo directly in its 2025 Texas development report in connection with this event.

Cadillac Ranch is Amarillo's most recognizable roadside attraction and a globally known symbol of Route 66 culture. The public art installation consists of ten Cadillac automobiles buried nose-first in the ground, creating a constantly evolving canvas for visitor graffiti. Drawing approximately one million visitors annually, Cadillac Ranch serves as a major tourism anchor and photo destination for travelers crossing Interstate 40 and exploring the Texas Panhandle.

The Big Texan Steakhouse is one of Texas' most famous dining attractions and a longstanding stop for Interstate 40 travelers. Best known for its legendary 72-ounce steak challenge, the destination combines dining, entertainment, lodging, and retail offerings that attract both domestic and international visitors. Its strong brand recognition has made it a staple stop along the Route 66 corridor and a significant contributor to Amarillo's tourism economy.

Hodgetown Stadium (Home of the Amarillo Sod Poodles) is one of Amarillo's most significant modern demand generators and serves as the home of the Amarillo Sod Poodles, the Double-A affiliate of the Arizona Diamondbacks. Opened in 2019 as part of Amarillo's downtown revitalization effort, the 6,600-seat ballpark hosts professional baseball games, community events, concerts, corporate gatherings, and special entertainment programming throughout the year. It is located in the heart of Downtown. The stadium serves as home of the Double A affiliate of Major League Baseball's Arizona Diamondbacks.

The **American Quarter Horse Hall of Fame** in Amarillo serves as a center for equine heritage and western culture. The American Quarter Horse Hall of Fame & Museum attracts horse enthusiasts, breeders, competitors, and visitors interested in ranching history and western traditions. The facility reinforces Amarillo's identity as a major hub for the equine industry and agricultural tourism.

The **Amarillo Botanical Gardens** provide a year-round horticultural attraction featuring themed gardens, seasonal exhibits, educational programming, and special events. The facility appeals to families, leisure travelers, and local residents, offering a softer recreational amenity that complements Amarillo's outdoor and western-themed attractions while supporting community events and tourism activity.

The **Amarillo Zoo** is located in Thompson Park near downtown Amarillo. The Zoo serves as one of the region's primary family attractions. Housing more than 60 animal species, the zoo draws local residents, school groups, and leisure visitors throughout the year. While smaller than major metropolitan zoos, it enhances Amarillo's family tourism offering and complements nearby attractions such as Wonderland Amusement Park which is a regional family entertainment destination located within Thompson Park. Featuring roller coasters, water attractions, children's rides, and seasonal events, the park attracts visitors from throughout the Texas Panhandle and neighboring states.

The table below, derived from Travel Texas Data, shows Total Direct Travel Spending by year for Amarillo, which has notably seen continued increases coming out of the COVID Pandemic in 2020, with the exception of 2023.

Amarillo City
Total Direct Travel Spending
Total Direct Travel Spending

	Value	YOY Change
2025	1,105,425,448	5.0% ▲
2024	1,052,335,913	0.6% ▲
2023	1,046,315,717	-3.5% ▼
2022	1,084,422,243	11.9% ▲
2021	969,371,521	33.6% ▲
2020	725,836,696	-21.2% ▼
2019	920,745,792	1.0% ▲
2018	911,896,032	4.8% ▲
2017	870,428,593	4.6% ▲
2016	832,237,159	-1.1% ▼
2015	841,260,849	-3.8% ▼
2014	874,074,193	1.1% ▲
2013	864,392,358	4.3% ▲
2012	828,806,536	4.1% ▲
2011	796,463,642	5.8% ▲
2010	752,931,660	8.7% ▲
2009	692,706,259	-11.6% ▼
2008	783,777,888	3.0% ▲
2007	760,595,829	7.9% ▲
2006	704,848,197	N/A

Source: Travel Texas

Major Developments

In April 2024, TxDOT (Texas Department of Transportation) awarded a $312 million contract for an **Interstate 27 expansion** between Amarillo and Canyon. The project began in the summer of 2024 and is expected to be completed in 2028. The expansion will include widening the current highway from four to six lanes (three in both directions), along with bridgework, frontage road improvements, shoulder lanes, as well as median work to improve safety.

The **Rockrose Sports Park** is a proposed 90-acre youth sports complex being developed by Kids, Incorporated, made possible by a land donation from Rockrose Development. The complex is designed to transform youth athletics in the Texas Panhandle. It will host sports programs including soccer, baseball, softball, track, flag football, outdoor volleyball, and any other sport suited for outdoor play. A central goal of the park is the ability to host regional athletic tournaments — allowing Amarillo to become a destination for competitive youth sports, rather than requiring families to travel to cities like Denver, Dallas, Albuquerque, or San Antonio. The Sports Park is located just off I-27 and Hollywood Road, adjacent to the Cinemark Hollywood 16. The property has convenient access from I-27, Loop 335, and Coulter Street. The Amarillo City Council approved final annexation of the property on June 25, 2025. On October 7, 2025 the project officially broke ground, with the timeline for completion expected on or around May 1, 2027. The sports facility will contain 36 acres of synthetic turf playing fields, inclusive of Eight baseball and softball fields, 24 3-vs-3 soccer fields, two full-size tackle football fields, and eight flag football fields — and those are just the marked fields. The complex will also feature open green spaces and walking trails. Additional amenities include concessions, restrooms, shade structures, and more than 1,600 parking spaces. It will be the largest youth sports facility in Amarillo and is expected to serve as a regional tournament hub for the entire Texas Panhandle.

Producer Owned Beef is developing a new approximately $670 million beef processing facility in Amarillo that represents one of the largest private-sector investments in the region's recent history. During the multi-year construction phase, the project is expected to bring contractors, engineers, construction managers, equipment installers, and specialized trade workers to the region. Upon completion in Q4 2028, the facility will create substantial permanent employment and ongoing visitation from suppliers, customers, industry representatives, and corporate personnel.

Project Matador is a planned data center, and energy campus located roughly 17 miles northeast of Downtown Amarillo near the Pantex Nuclear Weapons plant. It is reportedly one of the most ambitious private energy and artificial intelligence data center campus ever proposed in the United States. Developed by Fermi Inc. in partnership with the Texas Tech University System (TTUS), the project is located on approximately 5,236 to 7,570 acres in Carson County, Texas. The company was co-founded by Toby Neugebauer — son of retired Republican Congressman Randy Neugebauer, whose former congressional district encompasses the Amarillo area — and Rick Perry, former Governor of Texas and Secretary of Energy under President Donald Trump. At full build-out, Project Matador targets up to 17 gigawatts (GW) of total on-site power capacity, encompassing 11 GW of clean natural gas generation, 4.4 GW of nuclear energy from four Westinghouse AP1000 reactors, plus solar and battery storage. The campus is designed to contain approximately 18 million square feet of AI-focused data center capacity across 15 data center buildings, making it one of the world's largest planned private energy and data campus to-date. Estimated total project cost ranges from $70 billion to $90 billion.

In late May 2025, President Trump signed an executive order directing the Secretary of Energy to designate AI data centers located at or operated in coordination with Department of Energy facilities as 'critical defense facilities,' and to designate nuclear reactors powering them as 'defense critical electric infrastructure.' This executive order directly spawned Project Matador: Fermi America was approved as the sole applicant to serve as both constructor and operator of a proposed hyper grid energy production facility in Carson County. In late June 2025, the Amarillo Tribune was the first news outlet in the nation to break the story of Fermi America's incoming project.

> The formal announcement of Project Matador followed shortly thereafter, and on July 4, 2025, the project was officially launched in partnership with the Texas Tech University System under the name “Hyper grid”. As of May 31, 2026, the project has secured key regulatory permits and over $1.4 billion in infrastructure and equipment. Fermi America entered into a 99-year ground lease with the Texas Tech University System to utilize land adjacent to the Pantex facility in Carson County. The initial leased footprint covers 5,236 acres, with expansion plans to approximately 7,570 acres through adjacent parcels. The site was selected for its stable geology, existing infrastructure, proximity to existing federal energy facilities, and available land in a region with strong political and community support.

The campus will draw power from four distinct energy sources, phased over time:

- Natural Gas: Natural Gas (near-term): Up to 11 GW of combined-cycle natural gas generation, initially using mobile and industrial gas turbines. The first 6 GW has received a final Clean Air Permit from the TCEQ (February 25, 2026). A second 5 GW air permit application was filed with TCEQ on March 27, 2026, targeting a total of 11 GW of natural gas capacity.
- Nuclear: Nuclear Energy (medium-term): Four Westinghouse AP1000 pressurized water reactors generating 4.4 GW of clean baseload power. The AP1000 is a proven, NRC-licensed design. Fermi submitted a Combined Operating License (COL) application to the NRC on June 17, 2025.
- Solar/BESS: Solar and Battery Storage (supplemental): Utility-scale solar panels and battery energy storage systems (BESS) to smooth AI load fluctuations and provide additional renewable capacity.
- Grid: Grid Interconnection (backup/bridge): Utility grid power as a fallback and bridge source while private generation is ramped up.

The campus is designed to house 15 individual data center buildings totaling approximately 18 million square feet of AI-ready space. The initial phase targets three 500,000-square-foot data centers, each powered by 1 GW of on-site generation, with an additional gigawatt of generation and accompanying data center space added each year for approximately ten years. Fermi has described potential tenants as hyperscale cloud operators, AI infrastructure companies, chip manufacturers, and enterprise compute users. In October 2025, Fermi goes public on Nasdaq and London Stock Exchange (ticker: FRMI), raising approximately $682 million. On October 14, 2025, Amarillo City Council votes 5-0 to authorize a water supply agreement with Fermi America. Shortly thereafter and throughout Q4 2025 into Q1/Q2 2026, a massive influx of construction workers has flooded the region. According to Fermi's Combined Operating License application submitted to the NRC, Project Matador will employ over 9,000 workers at its construction peak. Of those, approximately 3,000 workers will be engaged directly in nuclear reactor construction activities. The remaining 6,000+ workers will support civil, mechanical, electrical, infrastructure, and data center construction across the campus. This represents one of the largest construction labor mobilizations ever planned for a single private project in the Texas Panhandle.

The Amarillo/Carson County region, will need to accommodate a significant influx of skilled tradespeople, engineers, technicians, and support workers. A peak construction workforce of 9,000 workers — the vast majority of whom will need to be recruited from outside the immediate region — will create substantial ripple effects on the Amarillo area:

- Housing demand: Temporary and permanent housing needs for thousands of construction workers and their families will strain the local rental and housing market.
- Hospitality and retail: Increased demand for hotels, short-term rentals, restaurants, and retail services.
- Transportation: Increased traffic on regional roads and highways, particularly corridors connecting Amarillo to the Carson County site.
- Medical and emergency services: Growth pressure on regional healthcare, public safety, and municipal services.
- Local labor market: Skilled trades shortages may emerge locally, driving up wages for construction workers in the Texas Panhandle.

Project Matador's economic impact projections include driving over 50,000 jobs across the broader regional and national economy when accounting for direct operations, indirect supply chain, and induced economic activity. The on-site permanent operations workforce for data centers and power generation, while not disaggregated in public filings, would include nuclear plant operators, data center technicians, electrical engineers, security personnel, and administrative staff. At a projected total cost of $70 billion to $90 billion, Project Matador would be among the largest private capital investments in Texas history and one of the largest private infrastructure projects ever undertaken in the United States. This capital deployment spans a decade-plus timeline, generating sustained economic activity for the Amarillo and Texas Panhandle region. Major infrastructure contracts already awarded or financed include partnerships with Siemens Energy (gas turbines), GE (gas turbines), Westinghouse (AP1000 nuclear reactors), Doosan Enerbility (nuclear components), Hyundai E&C (nuclear FEED and EPC), Titan Production Equipment (fuel gas systems), Terracon Consultants (environmental), and financing institutions including MUFG, Keystone National Group, CSG Investments / Beal Bank USA, and Cape Commercial Finance. Local and regional contractors, suppliers, and service businesses stand to benefit substantially from the campus buildout.

The site's co-location with the Pantex nuclear weapons plant — the primary U.S. facility for assembly, disassembly, and maintenance of nuclear warheads — and its designation as a defense-critical facility gives Project Matador strategic importance beyond its commercial value. The campus is explicitly intended to support U.S. national security computing, AI infrastructure independence, and energy dominance. Of note, on April 17, 2026, the Fermi Board removed Toby Neugebauer as CEO and subsequently terminated him 'for cause,' citing misrepresentations to the Board, communications inconsistent with fiduciary duties, and policy violations. CFO Miles Everson also resigned. The most significant commercial risk facing Project Matador is the absence of a confirmed, binding anchor tenant. Fermi's first prospective tenant (widely reported as Amazon) withdrew after Fermi reportedly failed to raise the multi-billion-dollar financing that tenant required to de-risk execution. Without a creditworthy anchor tenant providing a bankable lease, Fermi cannot access the large-scale project financing required to advance beyond the current equipment-warehousing stage into full site construction. The total timeline, which is subject to fluctuations from delays, is anticipated to conclude in the late 2020's or mid 2030's according to sources familiar with the project. All data above was derived from publicly available sources including the SEC Filings for Fermi Inc including 10-K, 8-K, DEFA14A, Permit Filings, and Femi Press Releases.

Annual Recurring Events

The **Tri-State Fair & Rodeo** is one of the largest annual events in the Texas Panhandle and a longstanding regional tradition that attracts visitors from across Texas, Oklahoma, New Mexico, and Kansas. Held each September, the event combines rodeo competitions, livestock exhibitions, concerts, carnival attractions, and agricultural showcases, generating substantial overnight visitation from exhibitors, participants, families, and spectators. It is one of Amarillo's signature events. The State Fair takes place during mid to late September annually.

The **World Championship Ranch Rodeo** celebrates the working ranching heritage of the American West and draws competitors and spectators from some of the nation's most prominent ranching operations. Unlike traditional rodeos, the event features authentic ranch work competitions that showcase the skills used in daily cattle operations. The championship attracts ranching professionals, agricultural businesses, and western heritage enthusiasts, creating a unique source of visitor demand and reinforcing Amarillo's role as a center of the livestock and ranching industry. The Rodeo takes place in Early November annually.

The **Amarillo Farm & Ranch Show** is one of the region's premier agricultural trade events, bringing together producers, equipment manufacturers, agribusiness companies, and industry professionals from across the High Plains. The multi-day event features exhibits, product demonstrations, educational programming, and networking opportunities focused on farming and ranching operations. As a major business-to-business gathering, the show supports Amarillo's position as an agricultural hub. It takes place in early December annually.

The **Electric Light Parade** is one of Amarillo's most popular holiday traditions, drawing thousands of spectators to downtown each year. Featuring illuminated floats, community organizations, local businesses, and festive entertainment, the parade serves as a major seasonal attraction that increases visitation to the downtown area during the holiday period. The event supports local tourism, retail activity, and community engagement while enhancing Amarillo's appeal as a family-friendly destination. It occurs in early December annually.

Commercial Generators

The Pantex Plant is Amarillo's largest single employment center and one of the region's most important economic drivers. Operated for the U.S. Department of Energy's National Nuclear Security Administration, the facility employs approximately 4,600 workers and serves as the nation's primary site for the assembly, disassembly, testing, and maintenance of the nuclear weapons stockpile. In addition to its substantial direct employment base, ongoing federal investments and multi-year capital improvement programs generate recurring visitation from government officials, engineering firms, specialty contractors, consultants, and technical service providers. The facility's mission-critical operations provide a stable source of year-round demand that is largely insulated from broader economic cycles.

Tyson Foods operates one of the largest beef processing facilities in the Texas Panhandle, historically employing approximately 4,000 workers and serving as a major component of Amarillo's agricultural and food-processing economy. The plant supports extensive supply-chain activity involving livestock producers, transportation providers, equipment vendors, and agricultural service firms. While Tyson announced workforce reductions scheduled for 2026, the facility is expected to remain a significant regional employer. Business travel associated with plant operations, maintenance, vendor relationships, and industry activities continues to contribute to Amarillo's commercial lodging demand.

Bell Helicopter maintains a significant manufacturing and assembly presence in Amarillo, employing approximately 900 workers in aerospace production, testing, and support operations. The facility attracts a steady flow of corporate personnel, suppliers, contractors, engineers, military representatives, and aviation industry professionals. As part of the broader aerospace and defense sector, Bell supports Amarillo's role as a regional center for advanced manufacturing and aviation-related activities.

Regional Trade (General) Amarillo functions as the primary commercial, healthcare, financial, legal, and professional services hub for a 26-county trade area spanning the Texas Panhandle and portions of neighboring states. Residents and businesses throughout the region routinely travel to Amarillo for medical appointments, specialized healthcare services, legal proceedings, financial transactions, government functions, corporate meetings, and professional consulting services. This regional hub status generates consistent year-round commercial visitation.

West Texas A&M University, located in nearby Canyon, and **Amarillo College** collectively serve thousands of students and play an important role in generating educational and institutional demand. Demand is created through student recruitment activities, campus tours, academic conferences, graduation ceremonies, continuing education programs, and faculty events. In addition, both institutions host numerous athletic competitions, tournaments, and student-related events that attract visiting teams, families, alumni, and spectators throughout the year. These activities contribute to a recurring source of lodging demand that

Conclusion

Amarillo is the largest city in the Texas Panhandle and is a hub for major north-south and east-west transportation. The subject market benefits from the presence of leisure demand generators such as Cadillac Ranch, Palo Duro Canyon State Park, Historic Route 66, the Big Texan Steak Ranch, Hodgetown Stadium (home to the Amarillo Sod Poodles), and the American Quarter Horse Museum, as well as large companies with facilities in the surrounding area such as Bell Helicopters, the Pantex Plant, Cargill, and Owens Corning. In addition, the area is a regional healthcare hub as evidenced by the presence of numerous facilities. Further, the area benefits from the presence of the Amarillo Civic Center Complex. The area will additionally from a strong youth sports market following the completion of the Rockrose Sports Park in May 2027. The overall long-term economic outlook for the area is positive, with robust growth forecast in the foreseeable future due to the presence of the aforementioned data center build outs taking shape in the Texas Panhandle and the Rockrose Sports Park.

National Lodging Market Analysis

U.S. Lodging Market Overview

Although mixed signals abound, the U.S. economy at the end of 2025 continues to show surprising resilience, defying some expectations of a slowdown. GDP growth is strong (roughly 4.3% in Q3) driven by consumer and government spending, however with a cooling and uneven labor market as well as rising unemployment (4.6% in November). Despite overall economic expansion, cost of living remains a top concern for many Americans making affordability of daily expenses challenging. While many perceive broadening strength in 2026, issues include high credit card debt, elevated interest rates, wage growth lagging nominal revenue increases, and regional disparities, leading to a "K-shaped" recovery where some thrive while others struggle.

While general market perception of the U.S. lodging industry at the beginning of 2025 was optimistic, the year ended with a significantly tempered near term outlook. An expectation of moderate economic conditions and potential for profit growth due to stabilizing labor costs, initial 2025 forecasts by Lodging Analytics Research & Consulting (LARC) as well as CoStar/STR and Tourism Economics indicated slight improvement and relative stability. Amidst economic headwinds, persistent elevated levels of inflation, a softening job market, and changing travel patterns, mid-year U.S. hotel performance forecasts were downgraded. Persistent headwinds, including stagnant consumer sentiment, a fragile labor market, and tariffs and travel fees squeezing international travel culminated in Q4 2025 predictions of a decline in revenue per available room (RevPAR) for the full year. Driven by lower occupancy and muted ADR growth, the RevPAR dip was the first since the 2020 pandemic.

The U.S. lodging sector is currently characterized by stable but softening revenue per available room (RevPAR), continuing labor challenges, elevated costs, and evolving consumer behaviors. While occupancy nears pre-pandemic levels and revenue remains strong, projections for 2026 show modest growth with supply outpacing demand and placing negative pressure on profit margins. Sector operational challenges are anticipated to continue to experience headwinds driven in part by labor shortages and costs, and significant increases in other expenses including insurance, property taxes, utilities, and technology. The industry is pivoting toward agentic commerce embracing artificial intelligence (AI) to optimize staffing, real-time forecasting, and ensuring properties are discoverable by AI powered travel assistants. The 2026 FIFA World Cup is expected to be a catalyst for the 11 U.S. host cities which will realize temporary benefits.

Pressures on owners/potential sellers are growing with debt maturities, required PIPs and other necessary capital expenditures coupled with expiring fund life/holding periods all of which are likely to force more transactions to occur. As credit spreads continue to tighten, debt is widely available, particularly from banks and the CMBS markets. Narrowing bid-ask spreads are fueling an active hotel sale transaction market, yet headline volume looks muted because deal sizes have changed.

The LW Hospitality Advisors (LWHA) Q3 2025 Major U.S. Hotel Sales Survey includes 105 single sale transactions over $10 million which totaled approximately $3.8 billion and included approximately 18,200 hotel rooms with an average deal size of $35.9 million and an average sale price per room of roughly $207,000.

- In comparison, the LWHA Q2 2025 Major U.S. Hotel Sales Survey included 89 single sale transactions that totaled nearly $3.3 billion and included approximately 14,500 hotel rooms with an average deal size of $36.7 million and an average sale price per room of $225,000. Comparing

Q3 2025 with Q2 2025, the number of trades increased roughly 18 percent while total dollar volume increased approximately 14 percent, average deal size declined by roughly 3 percent and sale price per room declined 8 percent.

- By further comparison, the LWHA Q3 2024 Major U.S. Hotel Sales Survey included 97 single asset sale transactions over $10 million which totaled just over $4.4 billion and included approximately 16,600 hotel rooms with an average deal size of $45.4 million and an average sale price per room of $266,000. Comparing Q3 2025 with Q3 2024, the number of trades increased by approximately 8 percent while total dollar volume declined 14 percent, average deal size declined by roughly 21 percent and sale price per room decreased by 22 percent.

The LW Hospitality Advisors (LWHA) Q4 2025 Major U.S. Hotel Sales Survey included 111 single sale transactions over $10 million which totaled approximately $5.0 billion and included approximately 23,600 hotel rooms with an average deal size of $45.1 million and an average sale price per room of roughly $212,000.

- In comparison, and as previously stated the LWHA Q3 2025 Major U.S. Hotel Sales Survey includes 107 single asset sale transactions over $10 million which totaled just over $3.8 billion and included approximately 18,500 hotel rooms with an average deal size of $35.5 million and an average sale price per room of $207,000. Comparing Q4 2025 with Q3 2025, the number of trades increased by approximately 4 percent while total dollar volume grew roughly 32 percent, average deal size increased by roughly 27 percent and sale price per room increased by nearly 2.5 percent.

- By further comparison, the LW Hospitality Advisors (LWHA) Q4 2024 Major U.S. Hotel Sales Survey included 103 sales that totaled over $3.4 billion and included approximately 17,200 hotel rooms with an average deal size of $33.4 million and an average sale price per room of roughly $198,000. Comparing Q4 2025 with Q4 2024, the number of trades increased approximately 8 percent while total dollar volume grew roughly 47 percent, average deal size grew 37 percent and sale price per room increased by roughly 7 percent.

For the year 2025, the LWHA Major U.S. Hotel Sales Survey includes 392 single transactions over $10 million. These transactions totaled nearly $15 billion and included approximately 70,700 hotel rooms with an average deal size of $38 million, and an average sale price per room of $211,000. In comparison, the 2024 LWHA Major U.S. Hotel Sales Survey included 356 single transactions over $10 million. These transactions totaled just over $14.3 billion and included approximately 58,900 hotel rooms with an average deal size of $40.2 million, and an average sale price per room of $243,000. Comparing 2025 with 2024, the number of trades increased 10 percent while total dollar volume grew roughly 5 percent, average deal size declined nearly 5 percent and sale price per room declined 13 percent.

Notable Q3 2025 observations include:

- Twenty-seven trades, or roughly 25 percent of the national Q3 2025 total, occurred in Florida and California. These transactions total nearly $1.2 billion of investment activity or 32 percent of the national Q3 aggregate.
  - Sixteen major hotel sale transactions in the State of Florida represented nearly $865 million in investment activity or 19 percent of the national Q4 aggregate.

  - Eleven major hotel sale transactions in the State of California represented a total of $325 million in investment activity or 8 percent of the national Q4 aggregate.

- A joint venture including Trinity Investments and Certares Real Estate Management sold to Blackstone the 352-room EAST Miami hotel for $300 million, or just over $850,000 per unit. The seller acquired the property in 2021 for $174 million.

- A partnership between Slate Property Group and a non-profit supportive housing developer acquired from a joint venture between Sioni Group and Patriarch Equities, the 611 key Stewart Hotel in New York, NY for $255 million or just over $412,000 per unit. The buyer intends to redevelop the property, which has been closed since 2022 into a 579-unit apartment complex for low-income households and/or formerly homeless individuals.

- Blackstone acquired the 785-key Sunseeker Resort Charlotte Harbor in Charlotte Harbor, FL from Allegiant Travel Company for $200 million, or nearly $255,000 per unit. The $720 million expansive resort faced significant financial challenges since it opened in December 2023. The trade, at 28 cents on the dollar, reflects the ill-conceived nature of the development. The property has since been rebranded as the Sunseeker Resort Florida Gulf Coast, Curio Collection by Hilton.

- Southwest Value Partners sold to KSL Capital Partners the 420-room Westin Hilton Head Island Resort & Spa in Hilton Head Island, SC for nearly $200 million of just over $475,000 per key. Reportedly since the sellers acquired the asset in 2012, the property has undergone more than $47 million in capital improvements, including a $13.8 million renovation of its guest rooms completed in early 2024.

- T2 Hospitality acquired from Host Hotels & Resorts, Inc. the 454-room Washington Marriott at Metro Center in Washington DC for $177 million, or just over $385,000 per key. The transaction was financed by an affiliate of the seller, with Host Holdings Business Trust providing a $113.75 million loan.

- Braemar Hotels & Resorts Inc. sold the 369-room Seattle Marriott Waterfront in Seattle, WA for $145 million, or $393,000 per key, to a joint venture between Sixth Street Partners and Riller Capital.

- Columbia Sussex acquired from Starwood Capital the 744 room Hilton Daytona Beach Oceanfront Resort in Daytona Beach, FL for $112 million, or slightly more than $150,000 per unit. The deal was supported by a $83.25 million interest-only loan from Wells Fargo, and the buyer is anticipated to complete a $26.8 million renovation of the asset.

- After a three-year bankruptcy process involving the former owner Urban Commons, the leasehold interest in 298-room The Wagner at the Battery, formerly Ritz-Carlton Battery Park City in New York, NY was acquired by Silver Creek Development for $110 million or nearly $370,000 per unit. The hotel which has been closed since April 2020 is anticipated to undergo a substantial renovation and a relaunch as a luxury hotel.

Notable Q4 2025 observations include:

- Forty-two trades, or roughly 38 percent of the national Q4 2025 total, occurred in California and Florida. These transactions total over $2.2 billion of investment activity or 42 percent of the national Q4 aggregate.
    - Twenty-one major hotel sale transactions in the State of California represented $1.4 billion of investment activity or 28 percent of the national Q4 aggregate.
    - Twenty-one major hotel sale transactions in the State of Florida represented a total of $775 million of investment activity or 14 percent of the national Q4 aggregate.
- In a single deal reportedly valued at $489.8 million or roughly $435,000 per key, Magna Hospitality sold a portfolio of four Manhattan hotels with a total of 1,129 rooms to a group of unidentified "large institutional owners." The properties include the Hilton Garden Inn New York Times Square North, Motto by Hilton New York City Chelsea, DoubleTree by Hilton New York Times Square South, & Fairfield Inn & Suites New York Midtown Manhattan Penn Station. Reportedly the seller retained a minority ownership stake in the portfolio.
- A joint venture between Newbond Holdings and Conversant Capital acquired the nearly 3,000-room Hilton San Francisco Union Square and Parc 55 in San Francisco, CA for $408M or roughly $140,000 per unit. The hotels had been in receivership since 2023, when Park Hotels & Resorts ceased making payments on a $725M loan tied to the assets. The sale price reportedly represented a nearly 75% decline from the hotels' combined appraised value of $1.56 billion in 2016. The new ownership group reportedly plans to invest an additional $200 million to renovate the properties. This deal is one of several recent sales of major downtown San Francisco hotels acquired by institutional investors at fractions of replacement cost, as many perceive the market has finally bottomed out.
- Kam Sang Company, Inc. purchased the 273-room New York EDITION Hotel for approximately $235 million, or just over $860,000 per unit. The seller, The Abu Dhabi Investment Authority previously acquired the property in 2015 for an allocated price of $337 million as part of its $815 million purchase of three Edition hotels from Marriott International. Hudson Bay Capital provided a $155 million loan for the purchase.
- The InterContinental New York Times Square was sold for $230 million to a partnership of Highgate, Gencom, and Argent Ventures, from a Tishman/MetLife joint venture. The buyer reportedly intends to conduct a significant renovation and shift to an IHG franchise model under Highgate's management.
- Related Ross acquired from Wheelock Street Capital the 208-room The Ben in West Palm Beach, FL for $190 million, or more than $900,000 per unit. Wheelock Street Capital paid $106.4 million, or $511,000 per key for the asset in 2021 from Concord Hospitality who developed the property which opened in 2020.
- University of California Investments purchased the 331-key Residence Inn by Marriott Berkeley from Pyramid Global Hospitality for $175.8 million, just over $530,000 per unit.

- CIM Group, LP sold to Cain International the 276-room Dominick Hotel in New York, NY for $174 million, or roughly $630,000 per room. Madison Realty Capital and Newbond Holdings provided a $180 million loan for the transaction. The property contains a total of 390 keys, however 114 are owned by third parties and operate within a rental management program.

- A joint venture led by South Street Partners and Dream Finders Homes acquired the 514-key Sawgrass Marriott Golf Resort & Spa and Cabana Beach Club in Ponte Vedra Beach, FL for just over $148 million, or $288,000 per unit. Acquisition financing was provided by BDT & MSD Partners' affiliated funds.

- Blackstone purchased the 277-room Four Seasons Hotel in San Francisco, CA for $130 million, or just under $470,000 per key. This deal is yet another example of several recent sales of major downtown San Francisco hotels acquired by institutional investors at fractions of replacement cost, as many perceive the market has finally bottomed out.

- With the $125 million ($473,000 per unit) acquisition of the 264-room Nomo Soho hotel in New York, NY from the Sapir Corporation, Israeli hotel chain Dan Hotels entered the U.S. market for the first time. The seller acquired the asset in 2015 for $208 million resulting in a 40 percent erosion in value during the 10-year period.

During the next several years, the U.S. economy is anticipated to strengthen. While headwinds persist for lower income households, higher income people are in a strong wealth position and will benefit from continued tax cuts. Irrespective of income groups, consumer appetite for travel and spending remains strong and a priority for many. For the near term, many expect inbound international visitation to remain suppressed while group and business transient demand has softened. With muted levels of new supply combined with the likelihood of short-term rates easing and a pro-business pro-growth tax environment at the federal level will serve as catalysts for the economy to transition to a more stable footing and a swing back of the pendulum.

The outlook for the future will invariably be fluid as life is, and most likely always will be, "uncertain." During the past nearly 65 years, the U.S. has experienced periods of heightened levels of uncertainty, including but not limited to the 1962 Cuban Missile Crisis, the 1970s energy crisis, the Stock Market Crash of 1987, the 1990 Gulf War, the September 11 attacks, the Second Gulf War, the global financial crisis (GFC),and the global COVID-19 pandemic. Random events and circumstances beyond one's control, such as disease, natural disaster, geopolitical conflict or an economic downturn, make future outcomes unpredictable. While this unpredictability can be a source of stress and anxiety for those who crave security and control, it can also be reframed as an opportunity for growth, resilience, and excitement. The reality of existence is that things change constantly. Nothing is static, and regardless of one's plans, unexpected events can and do happen. The fact is we have always, and most likely will continue to live in uncertain times with black swan events resulting in unanticipated shocks to the lodging industry. History proves the U.S. economy to be resilient, and the world survives uncertainty and generally comes out ahead on the other side of crisis after crisis.

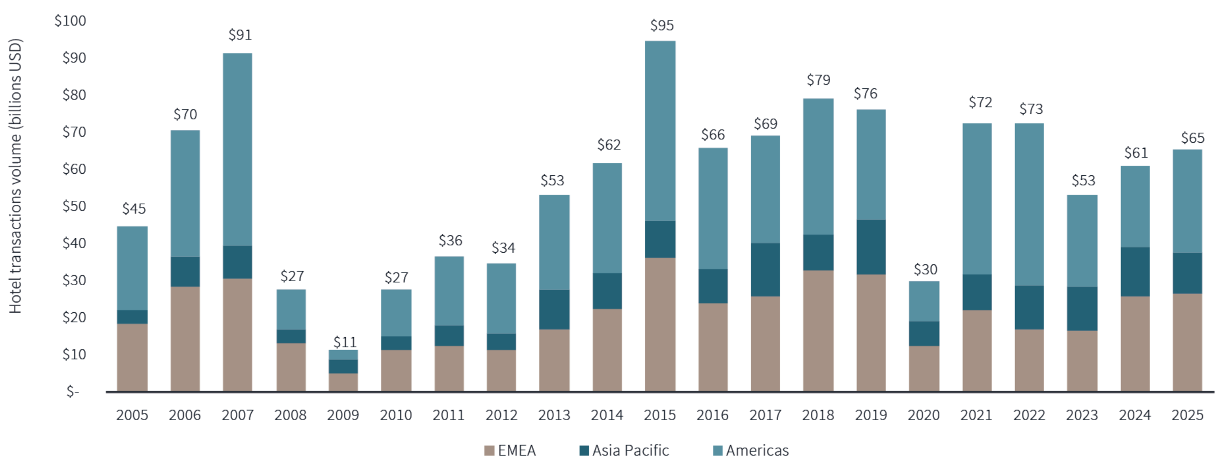
Although economic uncertainty and other challenges remain, opportunities are on the rise. With $2.7 trillion in commercial real estate debt maturing and construction at historic lows, the conditions are set for those with capital and conviction. The U.S. lodging industry is facing a complex combination of strengths, weaknesses, opportunities, and threats. While fundamentals may be challenged in the short-term, longer-term patient capital that seizes acquisition opportunities at the right basis and that offer good locations with diverse demand drivers, will realize healthy returns. Perhaps the real "silver lining" amidst todays cloudy skies are the rewards for those who remain calm in times of panic. The fact is the best opportunities are always born during times of enhanced uncertainty.

Global Transaction Volume

Global hotel investment volume reached approximately $65 million in 2025. While monetary tightening policies that plagued 2023 were less prevalent in 2024 and 2025, interest rates remained stubbornly high. Liquidity was uneven across regions, which can be attributed to differing economic policies (i.e. the European Central Bank cut interest rates in mid-2024, compared to the Federal Reserve making its first cut later in September 2024). Global hotel transaction volume remained limited in portfolio volume and significant down in average deal size; select-service and urban/luxury assets were the most favored by investors as viewed as irreplaceable hotels with in-place cash flow into 2025.

The Americas region accounts for increased share of transaction volumes in 2025. Transaction volume in the Americas increased in the late part of the year, resulting in a strong outlook for 2026. The increasing separation between the high-performing luxury assets in prime locations and lower-tier properties with weaker demand fundamentals may reduce overall deal count in 2026; however, this will likely be counteracted by larger average transaction sizes. The proportion of transactions over $250 million is expected to increase in 2026; analogously, the last two years have seen the proportion of transactions under $50 million ease to more normalized levels. Cross-border capital in the Americas could also see a return in 2026.

Hotel transaction volumes by region



Pertains to transactions $5 million and above; excludes casino transactions. Includes entity-level transactions where bulk of value was driven by the underlying real estate that traded
Sources: JLL Research

Investment Rates

The latest Q1 2026 Real Estate Investor Survey published by PwC for luxury, full service, limited service and select service properties is illustrated in the following table, as well as the comparison to the Q4 2025, Q3 2025, Q2 2025, Q1 2025, Q4 2024, and Q3 2024 survey results. As reported, the U.S. lodging industry continues to regain strength, however, risk remains related to macro-economic factors. Availability of labor is also noted as an ongoing challenge for many owners.

Hotel Investor Survey

	Discount Rate		*Overall Cap Rate*		*Residual Cap Rate*	
Type	*Range*	*Average*	*Range*	*Average*	*Range*	*Average*
PwC Hotels						
Luxury/Upper-Upscale						
Q1 2026	8.00% - 13.00%	10.31%	6.00% - 10.00%	8.25%	7.00% - 10.00%	8.63%
Q4 2025	8.00% - 13.00%	10.00%	6.00% - 10.00%	8.08%	6.50% - 10.00%	8.67%
Q3 2025	7.50% - 12.00%	9.81%	5.00% - 10.00%	7.57%	6.00% - 10.00%	7.91%
Q2 2025	7.50% - 12.00%	9.94%	6.00% - 10.00%	8.38%	6.50% - 11.00%	8.84%
Q1 2025	7.50% - 11.00%	9.63%	6.00% - 9.00%	8.00%	6.50% - 10.00%	8.09%
Q4 2024	7.50% - 11.00%	9.63%	6.00% - 9.00%	8.00%	6.25% - 10.00%	8.00%
Q3 2024	7.50% - 12.00%	9.81%	6.00% - 10.00%	8.25%	6.25% - 10.00%	8.13%
Full Service						
Q1 2026	8.00% - 12.00%	10.42%	5.50% - 9.50%	7.88%	4.50% - 10.50%	8.67%
Q4 2025	8.00% - 12.00%	10.40%	5.50% - 9.50%	7.80%	4.50% - 10.50%	8.75%
Q3 2025	8.00% - 12.00%	10.20%	6.50% - 10.00%	8.58%	4.50% - 10.50%	8.65%
Q2 2025	8.00% - 12.00%	10.65%	7.00% - 10.00%	8.68%	4.50% - 10.50%	8.65%
Q1 2025	8.00% - 12.00%	10.05%	7.00% - 9.50%	8.48%	5.00% - 10.50%	8.30%
Q4 2024	8.00% - 11.00%	9.98%	7.00% - 9.50%	8.50%	5.75% - 10.50%	8.38%
Q3 2024	9.00% - 12.00%	10.55%	6.00% - 10.50%	8.65%	6.00% - 10.50%	8.70%
Limited Service*						
Q1 2026	9.50% - 13.00%	11.42%	8.00% - 11.00%	8.92%	8.50% - 10.00%	9.08%
Q4 2025	9.50% - 13.00%	11.50%	8.00% - 11.00%	8.92%	8.50% - 10.00%	9.17%
Q3 2025	9.50% - 13.00%	11.25%	8.00% - 11.00%	9.38%	8.50% - 10.00%	9.25%
Q2 2025	9.50% - 13.00%	11.38%	8.00% - 11.00%	9.38%	8.50% - 10.00%	9.25%
Q1 2025	8.50% - 14.00%	11.00%	7.50% - 12.00%	9.50%	7.50% - 11.00%	9.25%
Q4 2024	8.50% - 14.00%	10.63%	7.50% - 12.00%	9.50%	8.00% - 11.00%	9.38%
Q3 2024	10.00% - 14.00%	11.75%	8.50% - 12.00%	10.13%	9.00% - 11.00%	10.00%
Select Service**						
Q1 2026	10.00% - 12.00%	11.00%	8.00% - 11.00%	9.45%	8.00% - 11.00%	9.25%
Q4 2025	10.00% - 12.00%	11.00%	8.00% - 11.00%	9.45%	8.00% - 11.00%	9.30%
Q3 2025	10.00% - 12.00%	11.00%	8.50% - 11.00%	9.81%	8.00% - 11.00%	9.56%
Q2 2025	10.00% - 12.00%	11.00%	8.50% - 11.00%	9.81%	8.00% - 11.00%	9.56%
Q1 2025	8.00% - 12.00%	10.31%	7.50% - 10.50%	9.04%	7.00% - 11.00%	9.00%
Q4 2024	8.00% - 12.50%	10.56%	7.50% - 10.50%	8.94%	7.00% - 11.00%	9.06%
Q3 2024	9.00% - 14.00%	11.50%	8.00% - 10.50%	9.00%	8.00% - 11.00%	9.56%

** Limited Service includes midscale and economy lodging with rooms only*

*** Select Service includes upscale and upper-midscale lodging with rooms only*

Source: PwC Real Estate Investor Survey - Q1 2026

The latest Q1 2026 Hotel Real Estate Survey published by RERC is presented below, which illustrates a rate comparison of First, Second and Third-Tier investment properties on a regional basis.

Hotel Investor Survey						
	Pre-Tax Yield (IRR)		*Going-In Cap Rate*		*Terminal Cap Rate*	
Type	*Range*	*Average*	*Range*	*Average*	*Range*	*Average*
RERC						
First-Tier Properties*						
West	9.0% - 10.0%	9.6%	7.0% - 8.5%	8.0%	7.5% - 9.0%	8.5%
Midwest	9.0% - 10.5%	9.9%	8.2% - 9.0%	8.5%	8.7% - 10.0%	9.2%
South	9.0% - 10.5%	9.6%	7.5% - 8.5%	8.2%	8.5% - 9.0%	8.8%
East	9.0% - 12.0%	10.1%	8.0% - 10.0%	8.6%	8.0% - 10.5%	9.0%
Second-Tier Properties**						
West	10.0% - 10.9%	10.4%	8.0% - 9.4%	8.8%	8.5% - 10.0%	9.4%
Midwest	9.6% - 11.5%	10.8%	8.5% - 10.5%	9.5%	9.0% - 11.3%	10.1%
South	9.3% - 11.5%	10.3%	8.1% - 9.5%	8.9%	8.8% - 10.0%	9.4%
East	9.7% - 13.0%	11.1%	8.2% - 11.0%	9.6%	8.9% - 11.5%	10.0%
Third-Tier Properties***						
West	11.0% - 11.5%	11.3%	8.8% - 10.0%	9.6%	9.3% - 11.0%	10.1%
Midwest	10.2% - 12.5%	11.5%	8.8% - 11.0%	10.2%	9.3% - 11.8%	10.8%
South	9.6% - 12.5%	11.4%	8.1% - 11.5%	9.7%	8.8% - 12.0%	10.3%
East	9.9% - 14.0%	11.8%	8.4% - 12.0%	10.2%	9.1% - 12.5%	10.7%

** First-tier investment properties are defined as new or newer quality construction in prime to good locations*
*** Second-tier investment properties are defined as aging, former first-tier properties, in good to average locations*
****Third-tier investment properties are defined as older properties with function inadequacies and/or in marginal locations*

Source: Situs RERC Real Estate Report - Q1 2026

JF Capital Advisors analyzed the implied net operating income (NOI) and capitalization rates for 2019, 2024 and 2025 for the below public hotel trading companies, based on various growth rates of -10.0 percent and -20.0 percent, displayed below.

Implied Cap Rates Based on Assumed Growth

		2019			2024		2025		2019 Cap Rate (1)		2024 Cap Rate (1)		2025 Cap Rate (1)	
Company	*Enterprise Value (billions)*	*NOI (2)*	*Current Cap Rate*	*YE 2019 Cap Rate (3)*	*NOI (2)*	*Cap Rate*	*NOI (2)*	*Cap Rate*	*-10.0%*	*-20.0%*	*-10.0%*	*-20.0%*	*-10.0%*	*-20.0%*
Hotel REITs														
Host	17,134	1,313	7.7%	7.9%	1,491	8.7%	1,489	8.7%	6.9%	6.1%	7.8%	7.0%	7.8%	7.0%
Park	5,930	574	9.7%	7.6%	501	8.5%	531	9.0%	8.7%	7.7%	7.6%	6.8%	8.1%	7.2%
Service Properties	5,241	746	14.2%	8.4%	440	8.4%	437	8.3%	12.8%	11.4%	7.6%	6.7%	7.5%	6.7%
Ashford	2,842	251	8.8%	7.5%	169	5.9%	171	6.0%	7.9%	7.1%	5.4%	4.8%	5.4%	4.8%
Braemar	1,544	106	6.9%	6.9%	107	7.0%	108	7.0%	6.2%	5.5%	6.3%	5.6%	6.3%	5.6%
Ryman	9,482	578	6.1%	6.0%	683	7.2%	726	7.7%	5.5%	4.9%	6.5%	5.8%	6.9%	6.1%
Sunstone	2,866	221	7.7%	7.5%	193	6.7%	205	7.2%	6.9%	6.2%	6.1%	5.4%	6.4%	5.7%
DiamondRock	2,956	236	8.0%	7.0%	242	8.2%	252	8.5%	7.2%	6.4%	7.4%	6.6%	7.7%	6.8%
Pebblebrook	4,108	379	9.2%	6.5%	284	6.9%	300	7.3%	8.3%	7.4%	6.2%	5.5%	6.6%	5.8%
RLJ	3,323	368	11.1%	7.9%	278	8.4%	285	8.6%	10.0%	8.9%	7.5%	6.7%	7.7%	6.9%
Summit	2,021	191	9.5%	6.7%	144	7.1%	156	7.7%	8.5%	7.6%	6.4%	5.7%	6.9%	6.2%
Chatham	795	118	14.8%	8.1%	80	10.1%	82	10.3%	13.3%	11.9%	9.1%	8.0%	9.3%	8.2%
Apple	4,249	445	10.5%	7.6%	384	9.0%	387	9.1%	9.4%	8.4%	8.1%	7.2%	8.2%	7.3%
Xenia	2,572	234	9.1%	7.1%	190	7.4%	207	8.0%	8.2%	7.3%	6.6%	5.9%	7.2%	6.4%
AHIP	431	55	12.7%	6.6%	30	6.9%	29	6.7%	11.4%	10.1%	6.2%	5.5%	6.1%	5.4%
Sotherly Hotels	432	34	8.0%	6.5%	35	8.1%	36	8.4%	7.2%	6.4%	7.3%	6.5%	7.6%	6.7%
Maximum			**14.8%**	**8.4%**		**10.1%**		**10.3%**	**13.3%**	**11.9%**	**9.1%**	**8.0%**	**9.3%**	**8.2%**
Weighted Average			**8.9%**	**7.4%**		**8.0%**		**8.2%**	**8.0%**	**7.1%**	**7.2%**	**6.4%**	**7.4%**	**6.6%**
Minimum			**6.1%**	**6.0%**		**5.9%**		**6.0%**	**5.5%**	**4.9%**	**5.4%**	**4.8%**	**5.4%**	**4.8%**

Note: Does not add back corporate G&A which negatively affects EBITDA and NOI assumptions
Note: Debt and Preferred are included in Enterprise Value at par
(1) For each year, NOI is adjusted by -10.0% and -20.0%; this adjusted NOI is utilized to calculate an implied cap rate
(2) Based on FF&E Reserve of 4.0 percent of revenue
(3) Per JF Capital Internal Comparables Overview dated 12/31/2019

Source: JF Capital Advisors November 2025

As indicated, the public hotel REITs are currently trading at implied cap rates on 2019 NOI levels ranging from 6.1 percent to 14.8 percent with an average of 8.9 percent.

Supply Changes

It is important to consider the new supply of rooms recently added and anticipated to enter the market in the foreseeable future. Some development projects experienced delays or postponements as the COVID-19 pandemic lingered beyond original expectations. In addition to a lack of demand for new hotels, there have also been limitations causing existing projects to remain under construction for longer periods of time, including persistent inflation, rising energy prices, elevated transportation costs, material shortages and supply chain backlogs.

According to Lodging Econometrics (LE), there was a total of 474 newly opened hotels representing 60,436 rooms in 2023. Subsequently, there were 583 newly opened hotels representing 67,995 rooms in 2024. New hotel openings reached 640 with 74,079 rooms in 2025, resulting in a national supply increase of 1.3 percent. The following table illustrates the number of rooms of new hotel openings between 2017 and 2025.

U.S. New Hotel Openings

	2017	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*
Hotels	985	954	1,024	842	826	464	474	583	640
Rooms (Total)	117,865	112,329	119,399	98,202	106,192	54,620	60,436	67,995	74,079
% Change	*-*	*-4.70%*	*6.29%*	*-17.75%*	*8.14%*	*-48.56%*	*10.65%*	*12.51%*	*8.95%*

Source: Lodging Econometrics

At the end of Q4 2025, there are 6,146 projects with 720,089 rooms in the pipeline. The U.S. hotel pipeline shows steady activity across all project stages. At the close of Q4 2025, there are 1,088 projects comprising 134,380 rooms under construction. Projects slated to start construction in the next 12 months total 2,175 projects with 253,750 rooms. Projects and room counts in the early planning stage accounted for the majority of the projects in the active pipeline, closing the quarter with 2,883 projects and 331,959 rooms.

The top five markets with the largest hotel construction pipeline as of Q4 2025 were as follows:

1. Dallas, Texas: 193 projects/23,720 rooms;
2. Atlanta, Georgia: 159 projects/17,804 rooms;
3. Phoenix, Arizona: 124 projects/16,303 rooms;
4. Nashville, Tennessee: 120 projects/15,983 rooms; and
5. Austin, Texas: 120 projects/14,120 rooms.

The top five markets with the largest number of projects under construction as of Q4 2025 were as follows:

1. Phoenix, Arizona: 35 projects/4,829 rooms;
2. Dallas, Texas: 34 projects/3,663 rooms;
3. New York City: 29 projects/5,689 rooms;
4. Miami, Florida: 24 projects/4,843 rooms; and
5. Atlanta, Georgia: 21 projects/2,206 rooms.

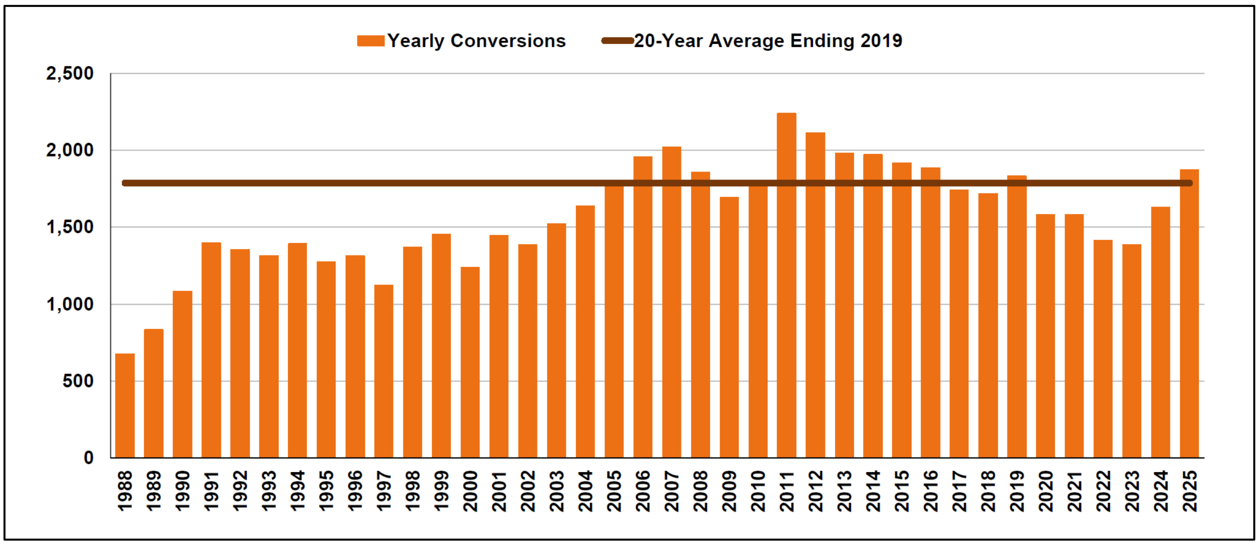
The upper midscale chain scale continues to have the largest project count in the U.S. pipeline, accounting for 2,275 projects/218,526 rooms at Q4 2025. The second largest is the upscale chain scale, which has 1,336 projects/167,316 rooms. The midscale chain scale has 956 projects/80,260 rooms. Luxury hotels in the U.S. hotel construction pipeline showed positive year-end growth, reaching a record 95 projects with 22,045 rooms.

New project announcements during Q4 2025 totaled 285 new projects with 32,358 rooms entering the pipeline. The leading markets for new project announcements (NPAs) include Phoenix, with 12 projects/1,347 rooms; followed by Atlanta with 8 projects/854 rooms; and Saint Louis with 7 projects/725 rooms. Tampa and the Inland Empire round out the top markets for new announcements with 6 projects/664 rooms and 5 projects/535 rooms, respectively.

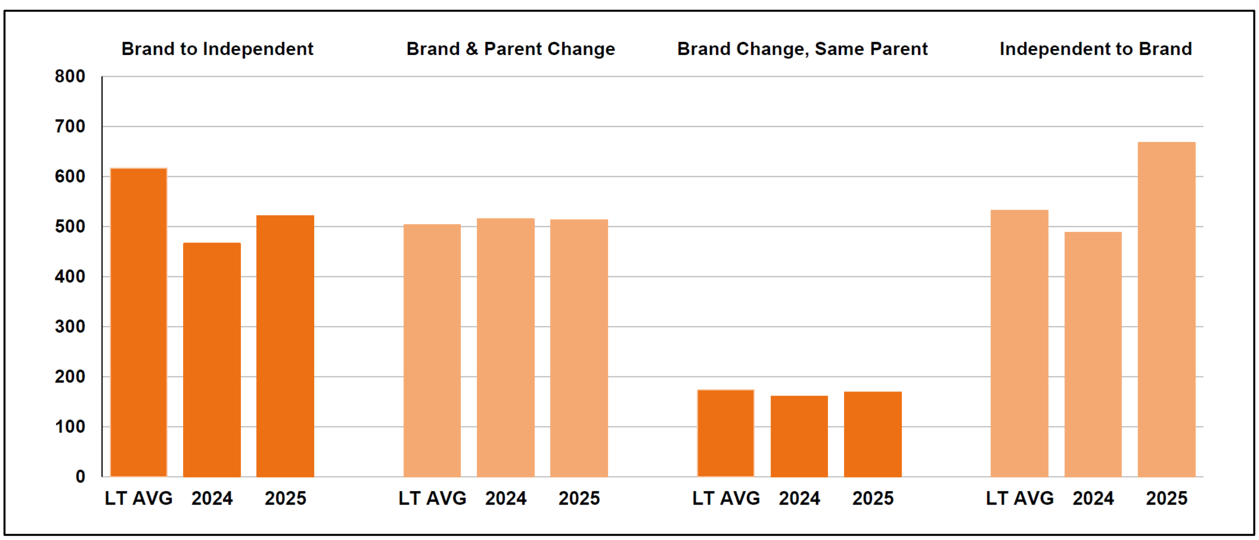
Construction starts throughout the year stand at 668 total projects, comprising 78,530 rooms, of which 148 projects comprising 17,623 rooms broke new ground in Q4 2025.

There is also increasing hotel renovation and conversion activity across the United States. According to Lodging Econometrics (LE), renovation and conversion projects represent a significant portion of hotel development activity, reaching a new record-high totaling 2,118 projects with 278,628 rooms.

Also according to Smith Travel Research/CoStar, conversion activity has been the highest since 2016, more recently driven by independent hotels converting to brand/chain-affiliated properties.



**Note: Excludes 2011 Best Western Plus internal conversions*



Lodging Econometrics forecasts a total of 708 new hotels/80,034 rooms to open in 2026 and 824 new hotels/88,095 rooms to open in 2027. It is important to note that supply projections do not consider a possible surge in new supply related to alternative lodging sources (i.e. Airbnb).

Historical Lodging Performance

Average daily rate levels played a significant role in the initial recovery for the United States lodging market following the onset of the global COVID-19 outbreak in early 2020. National RevPAR performance from 2022 through 2025 reflects a significant improvement over pre-COVID 2019 levels, though ADR growth began to soften starting in the second half of 2023.

U.S. Hotel Performance

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Occupancy	65.5%	65.9%	66.2%	66.0%	44.0%	57.6%	62.7%	63.0%	63.0%	62.3%
% Change	--	0.6%	0.5%	-0.3%	-33.3%	30.9%	8.9%	0.5%	0.0%	-1.1%
ADR	$124	$127	$130	$131	$103	$125	$149	$156	$159	$161
% Change	--	2.4%	2.4%	0.9%	-21.3%	21.1%	19.1%	4.6%	2.0%	1.2%
RevPAR	$81	$84	$86	$87	$45	$72	$93	$98	$100	$100
% Change	--	3.0%	2.8%	0.7%	-47.5%	58.3%	29.5%	5.0%	2.0%	0.1%

Source: STR/Tourism Economics

Future Outlook

Future growth incorporates increased demand from the corporate and group segments, though offset by the waning leisure segment. The table below illustrates the most recent U.S. Hotel Industry Outlook as published by Lodging Analytics Research & Consulting (LARC).

U.S. Lodging Industry Forecast

	Economic Supply Growth	Occupancy Change	ADR Change	RevPAR Change	EBITDA Change	Hotel Value Change
2025 Growth	0.7%	-1.2%	0.9%	-0.3%	-4.2%	-0.6%
2026F Growth	0.6%	-2.3%	3.0%	0.6%	0.5%	1.3%
25-'28 CAGR	0.6%	-1.1%	2.2%	1.1%	-0.2%	1.4%
25-'30 CAGR	0.8%	-0.5%	2.4%	1.9%	0.7%	1.5%

Source: LARC National Market Intelligence Report
Revised March 2026

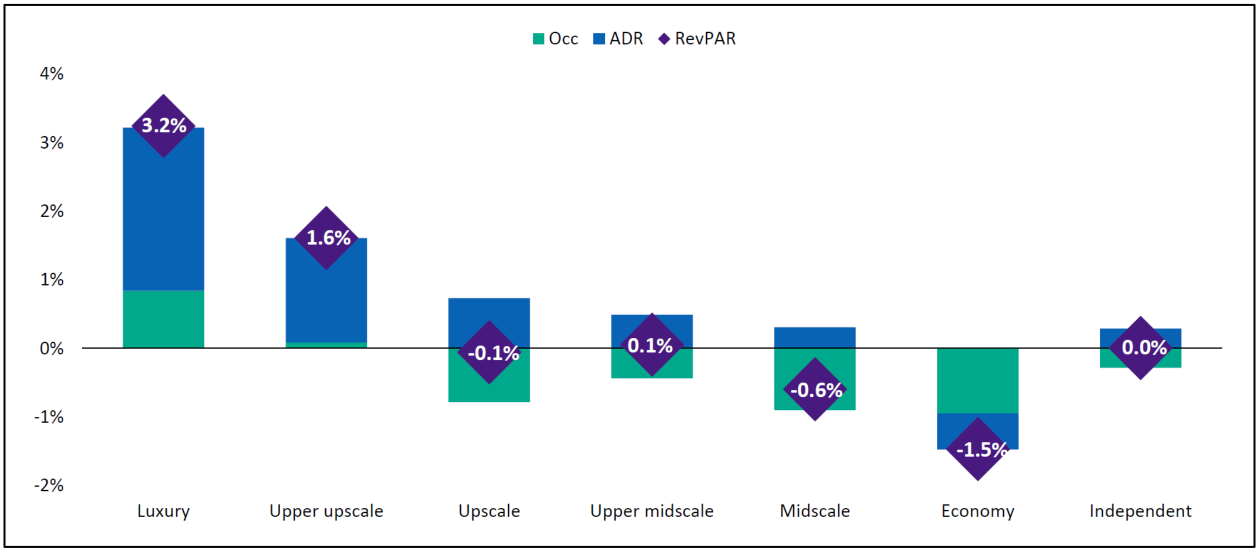
The following table summarizes the most recent annual forecasts of occupancy, average daily rate and RevPAR on a national level by Smith Travel Research/Tourism Economics.

U.S. Hotel Forecast

	YE 2022	YE 2023	YE 2024	YE 2025	2026F*	2027F*
					% Change Prior Year	% Change Prior Year
Occupancy	62.7%	63.0%	63.0%	62.3%	62.1%	62.2%
Average Daily Rate	$148.83	$155.62	$158.67	$160.54	1.0%	1.3%
RevPAR	$93.27	$97.97	$99.94	$100.02	0.6%	1.4%

Source: STR/Tourism Economics (February 2026)

Similar to 2025, growth metrics in 2026 is expected to remain concentrated in the upper-tier chains, as indicated below:



The following table summarizes the most recent annual forecasts of occupancy, average daily rate and RevPAR by chain scale segment by PricewaterhouseCoopers (PwC) Hospitality Directions.

U.S. Chain Scale Outlook										
	2025					*2026 Forecast**				
Chain Scale	*Demand*	*Supply*	*Occupancy*	*ADR*	*RevPAR*	*Demand*	*Supply*	*Occupancy*	*ADR*	*RevPAR*
Luxury	4.5%	4.6%	-0.1%	4.3%	4.2%	1.4%	1.8%	-0.3%	3.8%	3.5%
Upper Upscale	2.0%	3.0%	-1.0%	0.9%	-0.1%	1.5%	2.2%	-0.7%	2.7%	2.0%
Upscale	0.7%	2.0%	-1.2%	-0.1%	-1.3%	2.6%	3.0%	-0.4%	2.2%	1.8%
Upper Midscale	0.5%	2.0%	-1.5%	-0.2%	-1.7%	1.8%	2.7%	-0.9%	1.9%	1.0%
Midscale	1.5%	3.1%	-1.5%	0.8%	-2.3%	2.1%	3.1%	-1.0%	0.2%	-0.8%
Economy	-2.1%	0.0%	-2.1%	2.1%	-4.1%	-0.1%	1.1%	-1.2%	0.0%	-1.2%
Total United States	**0.3%**	**1.5%**	**-1.2%**	**1.0%**	**-0.2%**	**2.1%**	**2.3%**	**-0.2%**	**1.1%**	**0.9%**

Source: PwC Hospitality Directions (December 2025)
**Percentage Change From Prior Year*

Conclusion

While hotel industry fundamentals are relatively strong, uncertainty still exists in terms of future outlook. The typical lodging industry metrics appear positive, but macro-economic issues such as inflation, interest rates, supply chain issues, labor shortages and rising wage rates are all weighing on investor confidence. There has been tremendous pressure on operating margins for many hotels, particularly in the Top-25 major markets. However, lodging performance continued to increase in 2024 and 2025, albeit to a lesser extent, suggesting changes in travel patterns and consumer perception/trends.

The near-term outlook continues to evolve rapidly. It is important to consider that hotel fundamentals have historically rebounded relatively quickly after a decline. The industry has experienced travel disruptions in the past and it is expected that the current disruption will ultimately be temporary in nature when considering the typical holding period and long-term cash flow projections of hotel real estate. Therefore, there is guarded optimism regarding future growth; however, underwriting practices will likely consider existing external factors, including economic volatility, as well as the potential of future market disruptions and economic cycles.

Lodging Analytics Research & Consulting (LARC) Overview

The LARC Score is a simple metric that utilizes our proprietary algorithm to create one metric that objectively quantifies the quality of a given hotel location in terms of its proximity to demand generators relative to competitive supply. The LARC score enables a user to compare hotel locations across geographies in a purely objective and analytical way. The LARC Score also has three sub-scores for every hotel or development site, based on its strength related to the three primary hotel demand segments:

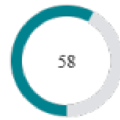
- Leisure Score
- Corporate Transient Score
- Group Score

The LARC Score is a data-driven, objective scoring mechanism that analytically measures the quality of a hotel location based on proximity to hotel demand drivers relative to competitive supply. The score is indexed from 0 to 100 with 50 being the average score across the U.S. and 100 being perfect. The LARC score identifies the quality of a site location, not the asset on that location. For example, a Motel 6 and Four Seasons at the same location would have the exact same LARC score.

Some of the indicators used to rank a hotel using a LARC score include current and future hotel supply, retail sales, economic activity, office employment, meeting space, as well as modelled leisure demand and RevPAR. The advantage to utilizing a LARC score is that locations with comparable LARC scores are considered similar in economic activity. This allows analysis to occur beyond a specific neighborhood, market, and or region. It is especially useful when there is not enough “competitive” properties with similar attributes in a market to generate credible data. By using a LARC score to ‘even the field’ we are able to identify how other properties, which would be considered a direct competitor in the local market, perform in a market with the same or similar LARC score. The following table profiles the LARC scores of the comparable set, comprised of similarly rated hotels throughout the United States.

We have utilized the location of City Hall, at 623 South Johnson Street in Amarillo, Texas as the custom location for our comparison to the other two Upper Upscale properties in the Downtown which are notably the Embassy Suites and Barfield Autograph Collection. Our findings can be found below in the form of a LARC Market Intelligence Report.

Subject Property LARC Score Relative to the N/A Market



Larc score

LARC subscores are intended to identify a hotel's location strength related to the three primary hotel demand segments: Leisure, Transient Corporate and Group. LARC subscores weigh the various macro-economic data points differently that comprise the LARC Score. The Leisure score skews the algorithm toward LARC's proprietary leisure demand index and retail sales. The Transient Corporate score skews the date toward office employment and economic activity. The Group score skews the data toward meeting space within the area.

Subject Property LARC Subcores

Subscores

Leisure

Transient corporate

Group

Competitive Set Analysis

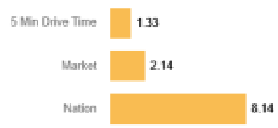
Assessing a hotel's LARC score and subscores relative to its true competitors can highlight a location's strength or weakness relative to those competitors, related to each demand segment and overall. This data may be incredibly helpful when seeking to understand a property's over-penetration or under-penetration on RevPAR relative to the same competitive set.

Property	Address	Rooms	Leisure Score	Corporate Transient	Group Score	**Larc Score**
Embassy Suites By Hilton Amarillo Downtown	550 South Buchanan Street	226	42	65	82	**59**
The Barfield Autograph Collection	600 South Polk Street	110	42	67	81	**59**
Courtyard Amarillo Downtown	724 South Polk Street	107	41	66	82	**58**
Competitive Set Average		147.7	41.7	66.0	81.7	**58.7**
Custom Location 1	623 S Johnson St, Amarillo, TX 79101-2530, United States	N/A	40	65	82	**58**
Index vs. Competitive set		N/A	95.9%	98.5%	100.4%	**98.8%**

Location Details

Macro-Economic Outlook on a Supply Adjusted Basis - 5-minutes Drive Time Zone, N/A Market and Nation

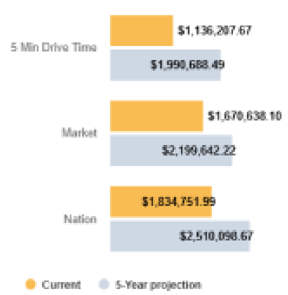
Leisure Demand Index - Measures Proximity to Leisure Demand Generators (higher index is stronger)



Source: Lodging Analytics Research & Consulting

Lesure demand Index is a proprietary metric that reflects the amount of leisure demand in a given area, utilizing a wide range of data sources to estimate the desirability of a location for tourists and leisure-oriented travelers. The index indicates the proximity to tourist attractions, including beaches, ski resorts, gold courses, marinas, tour/ charter locations, national parks, state parks, casinos, museums, wineries, stadiums, arenas, city parks, amusement parks and many others. Climate-based seasonality factors are also accounted for in the index.

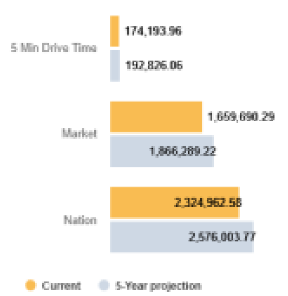
Retail Sales per Available Hotel Room



Source: Lodging Analytics Research & Consulting

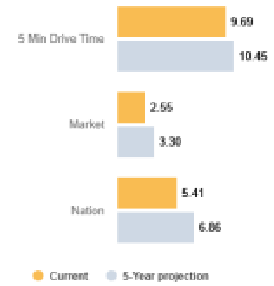
Retail Sales measures the total sales of all retail storefronts. It does not include on-line retail sales.

Economic Activity per Available Hotel Room



Economic Activity is a measure of total transactions. These transactions include both retail and consumer goods purchased as well as commercial transactions based on corporate office and industrial locations.

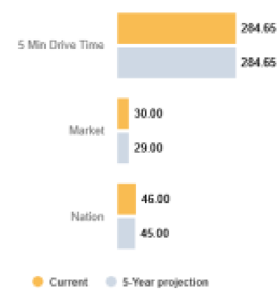
Office Employment per Available Hotel Room



Source: Lodging Analytics Research & Consulting

Office Employment measures the number of employed persons in management, business, finance, insurance, real estate, sales, professional services and other similar occupations.

Meeting Space per Available Hotel Room



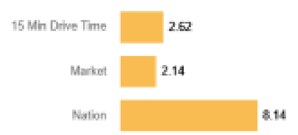
Source: Lodging Analytics Research & Consulting

Meeting Space includes all hotel-level meeting space as well as the meeting space found in over 430 convention centers across the United States.

Location Details

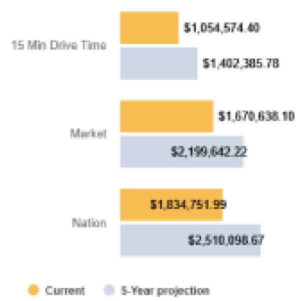
Macro-Economic Outlook on a Supply Adjusted Basis - 15-minutes Drive Time Zone, N/A Market and Nation

Leisure Demand Index - Measures Proximity to Leisure Demand Generators (higher index is stronger)



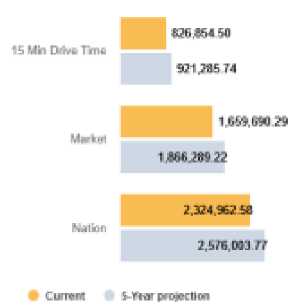
Source: Lodging Analytics Research & Consulting

Retail Sales per Available Hotel Room



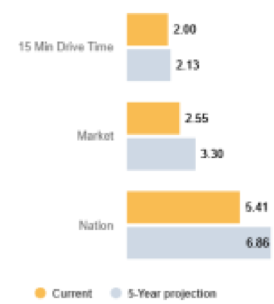
Source: Lodging Analytics Research & Consulting

Economic Activity per Available Hotel Room



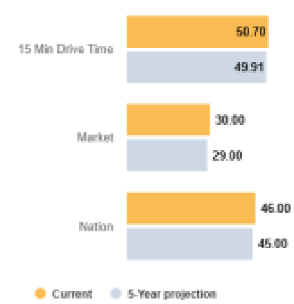
Source: Lodging Analytics Research & Consulting

Office Employment per Available Hotel Room



Source: Lodging Analytics Research & Consulting

Meeting Space per Available Hotel Room



Source: Lodging Analytics Research & Consulting

Competitive Lodging Market Analysis

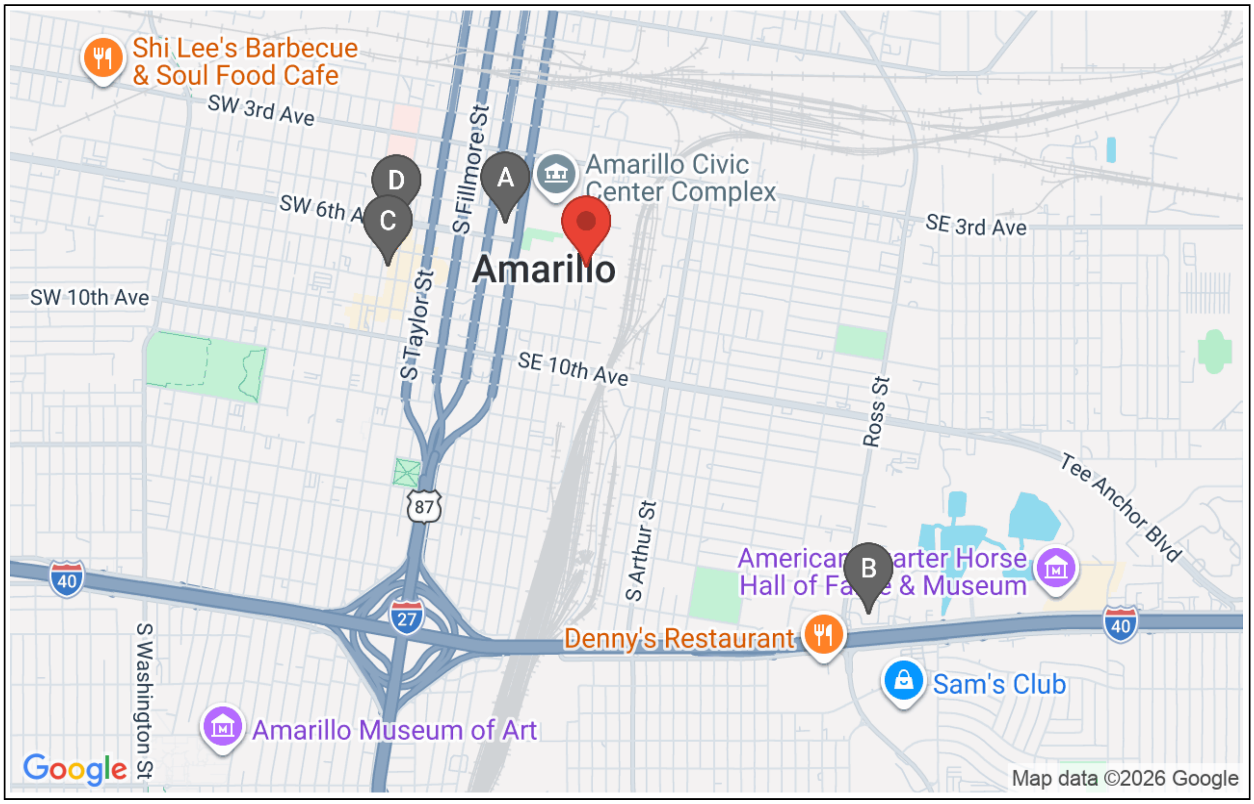
For the supply/demand analysis, CoStar has been utilized as the primary source of market data. To ensure confidentiality of individual hotel-level data, CoStar creates and applies a "composite property" methodology when aggregating property-level performance data in user-defined sets.

The composite property consists of actual performance data from a small group of comparable hotels selected anonymously by CoStar which considers factors such as performance, class, business mix, and location. Weighted at 5% of the total room sample, the composite property ensures that no single hotel's data can be isolated, while maintaining accuracy with results that typically have a variation within +/-1% from the actual performance of the selected competitive set of hotels. This approach provides reliable market analytics for key performance indicators without compromising data confidentiality.

As such, operating metrics for a chosen competitive set (defined herein), including supply, demand, occupancy, ADR, and RevPAR, incorporate data from the selected participating properties along with the system-generated composite property. These additional rooms from the composite property are reflected in the total room count utilized to calculate and forecast subject market performance metrics. However, it is important to note for the reader that the composite property is not an actual hotel considered to be directly competitive with the subject property.

Considering the anticipated branding of the subject hotel, product-type, amenities, ADR-positioning, condition and location, the subject property is expected to compete predominately with other similar hotels in the surrounding area. We recognize that there are various other lodging facilities in the area which may compete with the subject to a nominal degree; however, for the most part, we do not expect they will compete as directly and cater to the same clientele that would choose the subject property or the majority of the competitive set of hotels.

The subject's competitive market consists of the Embassy Suites by Hilton Amarillo Downtown, Fairfield Inn & Suites Amarillo Central, Courtyard Amarillo Downtown, and The Barfield, Autograph Collection. The primary competitive set for the subject hotel is expected to be comprised of four hotels, which range in size from 107 to 226 rooms, and collectively contain an aggregate of 553 rooms. We were required to include an additional hotel in our competitive set due to CoStar's criteria for composite reports. As such, we have also included the 108-room Fairfield Inn & Suites Amarillo Central. The following tables present summary information on the competitive set. This information was assembled from market interviews, property inspections, and lodging directories. Market segmentation reflects the estimated share of room nights in each of the market segments: Commercial, Meeting & Group, and Leisure.



A) Embassy Suites by Hilton Amarillo Downtown

B) Fairfield Inn & Suites Amarillo Central

C) Courtyard Amarillo Downtown

D) The Barfield, Autograph Collection

Primary Competitive Set Profile				**Segmentation**			**Amenities**							
Hotel	Location	Year Built	No. of Rooms	Commercial	Meeting & Group	Leisure	Total Meeting Space (Sq. Ft.)	Meeting Space per Key (Sq. Ft.)	Restaurant	Lounge	Indoor Pool	Outdoor Pool	Fitness Center	Comp Breakfast
Proposed Hotel (200 Keys)	**Downtown Amarillo**	**2028**	**200**	**55%**	**20%**	**25%**	**10,000**	**50**	**X**	**X**		**X**	**X**	
Embassy Suites by Hilton Amarillo Downtown	550 South Buchanan Street, Amarillo, TX	2017	226	60%	20%	20%	17,877	79	X	X	X		X	X
Fairfield Inn & Suites Amarillo Central	1911 East Interstate 40 Highway, Amarillo, TX	2021	108	60%	10%	30%	360	3	X	X	X		X	X
Courtyard Amarillo Downtown	724 S Polk Street, Amarillo, TX	2010	107	65%	15%	20%	1,694	16	X	X			X	
The Barfield, Autograph Collection	600 South Polk Street, Amarillo, TX	2021	112	60%	15%	25%	2,862	26	X	X			X	
CoStar Composite	*N/A*	*N/A*	*28*	*61%*	*16%*	*23%*	*N/A*	*N/A*	-	-	-	-	-	-
Totals / *Averages*			**781**	***59%***	***17%***	***23%***	**32,793**	***42.0***						

Property Information			**Estimated 2024**			**Estimated 2025**		
Hotel	*No. of Keys*	*Competitive Rooms*	*Occupancy*	*Average Rate*	*RevPAR*	*Occupancy*	*Average Rate*	*RevPAR*
Embassy Suites by Hilton Amarillo Downtown	226	226	80% - 85%	$145 - $155	$115 - $125	80% - 85%	$155 - $165	$120 - $130
Fairfield Inn & Suites Amarillo Central	108	108	75% - 80%	$105 - $115	$80 - $90	75% - 80%	$105 - $115	$80 - $90
Courtyard Amarillo Downtown	107	107	80% - 85%	$110 - $120	$85 - $95	80% - 85%	$110 - $120	$85 - $95
The Barfield, Autograph Collection	112	112	80% - 85%	$200 - $210	$160 - $170	80% - 85%	$220 - $230	$180 - $190
CoStar Composite	*28*	*28*	*75% - 80%*	*$140 - $150*	*$110 - $120*	*75% - 80%*	*$150 - $160*	*$120 - $130*
Totals / *Averages*	**581**	**581**	***79%***	***$147.04***	***$116.15***	***79%***	***$154.99***	***$122.92***

Property Information			**Estimated 2024**			**Estimated 2025**		
Hotel	*No. of Keys*	*Competitive Rooms*	*Occupancy Penetration*	*ADR Penetration*	*RevPAR Penetration*	*Occupancy Penetration*	*ADR Penetration*	*RevPAR Penetration*
Embassy Suites by Hilton Amarillo Downtown	226	226	101% - 108%	99% - 105%	99% - 108%	101% - 107%	99% - 106%	97% - 105%
Fairfield Inn & Suites Amarillo Central	108	108	95% - 101%	71% - 78%	69% - 77%	94% - 101%	68% - 74%	65% - 73%
Courtyard Amarillo Downtown	107	107	101% - 108%	75% - 82%	73% - 82%	101% - 107%	71% - 77%	69% - 77%
The Barfield, Autograph Collection	112	112	101% - 108%	136% - 143%	138% - 146%	101% - 107%	142% - 148%	146% - 154%
CoStar Composite	*28*	*28*	*95% - 101%*	*97% - 103%*	*95% - 103%*	*94% - 101%*	*97% - 103%*	*97% - 105%*
Totals / *Averages*	**581**	**581**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

The primary downtown competitors are seen below:

Embassy Suites by Hilton Amarillo Downtown

550 South Buchanan Street, Amarillo, TX

Number of Rooms:	226
Year Opened:	2017
Parent Company:	Hilton
Service Level	Full-Service
Chainscale	Upper Upscale
Distance From Subject:	1 mile
2025 Occupancy | ADR:	80% - 85% | $155 - $165
Meeting Space:	17,877 Square Feet

<u>Amenities</u>

Restaurant	Lounge
Indoor Pool	Fitness Center
Complimentary Breakfast	

Fairfield Inn & Suites Amarillo Central

1911 East Interstate 40 Highway, Amarillo, TX

Number of Rooms:	108
Year Opened:	2021
Parent Company:	Marriott
Service Level	Limited-Service
Chainscale	Upper Midscale
Distance From Subject:	1.5 miles
2025 Occupancy | ADR:	75% - 80% | $105 - $115
Meeting Space:	360 Square Feet

<u>Amenities</u>

Restaurant	Fitness Center
Complimentary Breakfast	

Courtyard Amarillo Downtown

724 S Polk Street, Amarillo, TX

Number of Rooms:	107
Year Opened:	2010
Parent Company:	Marriott
Service Level	Select-Service
Chainscale	Upscale
Distance From Subject:	1 mile
2025 Occupancy | ADR:	80% - 85% | $110 - $120
Meeting Space:	1,694 Square Feet

<u>Amenities</u>

Lounge	Fitness Center

The Barfield, Autograph Collection

600 South Polk Street, Amarillo, TX

Number of Rooms:	112
Year Opened:	2021
Parent Company:	Marriott
Service Level	Full-Service
Chainscale	Upper Upscale
Distance From Subject:	1 mile
2025 Occupancy | ADR:	80% - 85% | $220 - $230
Meeting Space:	2,862 Square Feet
Amenities	
Restaurant	Lounge
Fitness Center	

Occupancy & Average Daily Rate Projections

Historical Supply and Demand Analysis

The competitive market supply has fluctuated during the period studied. For this analysis, we have utilized the three branded hotels located in Downtown Amarillo, which are the 226-room Embassy Suites, the 107-Room Courtyard by Marriott, and the 112-room Autograph Collection by Marriott (The Barfield).

Beginning in August 2021, The Barfield, Autograph Collection, 112-rooms, opened for business followed by the 108-room Fairfield Inn & Suites Amarillo Central in September 2021. In 2022, market supply stabilized, and remains constant throughout the Year-to-Date period of March 2026. Occupancy has seen consistent year-over-year increases from 2021 to 2025, achieving its most recent high of 79.3 percent to end 2025, which reflects a CAGR of 3.5% over the historical period examined. Average Daily Rate (ADR) has followed a similar path, albeit with one slight decline from 2022 to 2023, where ADR fell by less than $1. ADR has grown at a CAGR of 3.8% over the historical period. Revenue Per Available Room (RevPAR), a byproduct of Occupancy and ADR, has seen annual increases from 2021 through 2025, growing at a CAGR of 7.4%. Further, from 2021 to 2025, this competitive set of hotels, which contain the only three major hotels in Downtown Amarillo, has seen consistent demand growth outpacing the market supply. Demand has grown at a CAGR of 36.1% compared to supply at 31.5% over the same period which indicates that the market defined herein is absorbing the existing rooms at a faster rate than rooms are being added.

In the year-to-date (YTD) period through March 2026 compared to the same period through March 2025, this is even more evident with occupancy increasing 5 percent year over year, ADR increasing 12.5 percent, resulting in a RevPAR increase of 18.1%, respectively. In the trailing-twelve-month (TTM) period through March 2026, a similar story applies, with occupancy reaching 80.2 percent for the first time in recorded history, ADR reaching $159.15, and RevPAR ultimately at $127.63, an approximate $5 increase over year-end 2025 figures achieved.

The following tables present historical trends in the performance of the primary competitors.

CoStar Composite Report										
Year	*Supply*	*% Change*	*Demand*	*% Change*	*Occupancy*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
2021	194	-	48,939	-	69.1%	-	$133.48	-	$92.21	-
2022	581	*199.2%*	153,803	*214.3%*	72.6%	*5.0%*	$145.06	*8.7%*	$105.27	*14.2%*
2023	581	*0.0%*	160,122	*4.1%*	75.6%	*4.1%*	$144.69	*-0.3%*	$109.32	*3.8%*
2024	581	*0.0%*	167,413	*4.6%*	79.0%	*4.6%*	$147.04	*1.6%*	$116.15	*6.3%*
2025	581	*0.0%*	168,073	*0.4%*	79.3%	*0.4%*	$154.99	*5.4%*	$122.92	*5.8%*
CAGR		***31.5%***		***36.1%***		***3.5%***		***3.8%***		***7.4%***
Mar 2026										
YTD 2025	581	-	37,880	-	72.5%	-	$145.82	-	$105.70	-
YTD 2026	581	*0.0%*	39,760	*5.0%*	76.1%	*5.0%*	$164.03	*12.5%*	$124.80	*18.1%*
TTM 2025	581	-	165,363	-	78.0%	-	$149.09	-	$116.33	-
TTM 2026	581	*0.0%*	169,953	*2.8%*	80.2%	*2.8%*	$159.15	*6.8%*	$127.63	*9.7%*

CoStar Composite Monthly Report						
Month	*Occ*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
Jan-23	58.2%	-3.4%	$134.20	-5.3%	$78.10	-8.6%
Feb-23	67.5%	14.0%	$133.17	-13.5%	$89.89	-1.4%
Mar-23	79.5%	7.4%	$149.85	4.2%	$119.13	11.9%
Apr-23	73.8%	9.6%	$143.28	4.8%	$105.74	14.8%
May-23	77.5%	2.6%	$144.54	2.9%	$112.02	5.5%
Jun-23	88.9%	7.0%	$151.27	0.9%	$134.48	7.9%
Jul-23	83.7%	2.3%	$154.13	1.7%	$129.01	4.0%
Aug-23	80.6%	0.1%	$147.56	-2.4%	$118.93	-2.3%
Sep-23	72.4%	-1.9%	$146.25	1.2%	$105.89	-0.7%
Oct-23	72.9%	0.5%	$140.66	3.4%	$102.54	3.9%
Nov-23	76.9%	5.2%	$152.95	1.7%	$117.62	7.0%
Dec-23	74.4%	8.3%	$131.19	-5.7%	$97.61	2.2%
Jan-24	69.0%	18.7%	$137.60	2.5%	$94.94	21.7%
Feb-24	75.9%	12.5%	$130.17	-2.3%	$98.80	9.9%
Mar-24	84.2%	5.9%	$143.14	-4.5%	$120.52	1.2%
Apr-24	81.2%	10.2%	$145.20	1.3%	$117.90	11.6%
May-24	78.7%	1.5%	$144.72	0.1%	$113.89	1.6%
Jun-24	87.6%	-1.4%	$155.49	2.8%	$136.21	1.3%
Jul-24	84.5%	0.9%	$155.56	0.9%	$131.45	1.9%
Aug-24	88.7%	10.1%	$156.58	6.1%	$138.89	16.8%
Sep-24	74.0%	2.1%	$148.96	1.9%	$110.23	4.0%
Oct-24	76.1%	4.4%	$145.88	3.7%	$111.01	8.2%
Nov-24	71.4%	-7.2%	$150.03	-1.9%	$107.12	-8.9%
Dec-24	76.3%	2.5%	$146.06	11.3%	$111.44	14.2%
Jan-25	65.0%	-5.8%	$141.07	2.5%	$91.70	-3.5%
Feb-25	70.0%	-7.8%	$145.09	11.5%	$101.56	2.8%
Mar-25	82.2%	-2.4%	$150.13	4.9%	$123.41	2.4%
Apr-25	80.7%	-0.6%	$152.46	5.0%	$123.04	4.4%
May-25	81.9%	4.1%	$147.77	2.1%	$121.02	6.3%
Jun-25	90.1%	2.9%	$164.09	5.5%	$147.85	8.6%
Jul-25	88.6%	4.9%	$159.54	2.6%	$141.35	7.5%
Aug-25	83.8%	-5.6%	$154.62	-1.3%	$129.57	-6.8%
Sep-25	80.5%	8.9%	$157.68	5.9%	$126.93	15.3%
Oct-25	76.9%	1.1%	$156.26	7.1%	$120.16	8.3%
Nov-25	78.2%	9.6%	$163.26	8.8%	$127.67	19.2%
Dec-25	73.2%	-4.1%	$163.54	12.0%	$119.71	7.4%
Jan-26	67.2%	3.4%	$156.21	10.7%	$104.97	14.5%
Feb-26	75.0%	7.1%	$157.02	8.2%	$117.77	15.9%
Mar-26	86.0%	4.6%	$175.67	17.0%	$151.08	22.4%

CoStar Composite Day of Week Occupancy								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	**Total Year**
TTM 3/25	57.9%	77.0%	84.9%	84.5%	76.4%	81.7%	84.2%	**78.0%**
TTM 3/26	59.3%	82.0%	88.9%	86.0%	77.0%	82.4%	85.3%	**80.2%**
Average:	**58.6%**	**79.5%**	**86.9%**	**85.3%**	**76.7%**	**82.1%**	**84.8%**	**79.1%**

CoStar Composite Day of Week ADR								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	**Total Year**
TTM 3/25	$130.28	$145.55	$155.26	$153.83	$147.24	$150.93	$150.61	**$149.09**
TTM 3/26	$134.89	$158.17	$171.92	$166.13	$152.53	$155.58	$158.47	**$159.15**
Average:	**$132.59**	**$151.86**	**$163.59**	**$159.98**	**$149.89**	**$153.26**	**$154.54**	**$154.12**

The previously presented competitive set only includes four hotels. As such, while the historical metrics are positive and reflect robust growth in the Downtown Amarillo market, it is important to analyze the greater market to determine if this type of performance is isolated to only the Downtown market, or if the greater Amarillo Market is experiencing similar performance from both a current and historical standpoint. Therefore, we have compiled various comparable sets along with market and submarket data which is presented below along with an overview of the data.

The table below reflects branded, Upper Midscale, Upscale, and Upper Upscale chain scale hotels that opened in Amarillo from 2019 to 2025. Note that performance metrics were only available at the beginning of 2021. The second table lists these properties for reference. In this example, a similar story applies, with the demand for newly built products outpacing the supply on a CAGR basis, even as supply increases from 2021 to 2025.

Amarillo Hotels - Opened 2019-2025

Year	*Supply*	*% Change*	*Demand*	*% Change*	*Occupancy*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
2021	305	-	77,092	-	69.2%	-	$121.94	-	$84.37	-
2022	712	*133.1%*	185,709	*140.9%*	71.5%	*3.3%*	$124.24	*1.9%*	$88.83	*5.3%*
2023	745	*4.8%*	202,794	*9.2%*	74.5%	*4.2%*	$123.68	*-0.5%*	$92.17	*3.8%*
2024	797	*6.9%*	217,315	*7.2%*	74.7%	*0.2%*	$126.51	*2.3%*	$94.51	*2.5%*
2025	868	*9.0%*	236,278	*8.7%*	74.5%	*-0.2%*	$132.17	*4.5%*	$98.54	*4.3%*
CAGR		***29.9%***		***32.3%***		***1.9%***		***2.0%***		***4.0%***
Mar 2026										
YTD 2025	868	-	52,656	-	67.4%	-	$124.30	-	$83.75	-
YTD 2026	898	*3.5%*	58,605	*11.3%*	72.5%	*7.6%*	$136.91	*10.1%*	$99.24	*18.5%*
TTM 2025	827	-	224,733	-	74.4%	-	$127.64	-	$95.00	-
TTM 2026	876	*5.9%*	242,227	*7.8%*	75.8%	*1.8%*	$135.03	*5.8%*	$102.33	*7.7%*

Building Name	Data Participation	Rooms	Brand	Parent Company	Hotel Operator	True Owner
Hyatt Place Amarillo - West	Monthly & Daily	91	Hyatt Place	Hyatt Corporation	Thirty-Nine 23 M...	Kamp Hotels, LLC
Fairfield Inn & Suites Amarillo Central	Monthly	108	Fairfield Inn	Marriott Internati...	RAM Hotels (TX)	RAM Hotels (TX)
Holiday Inn Amarillo East	Monthly	120	Holiday Inn	IHG Hotels & Res...	Pride Hospitality, ...	Dipak & Sangita Patel
Country Inn & Suites by Choice Amarillo ...	Monthly	83	Country Inn & Suites by...	Choice Hotels Int...	Ragha Group	Ragha Group
Hampton Inn & Suites Amarillo West	Monthly & Daily	117	Hampton by Hilton	Hilton Worldwide	RAM Hotels (TX)	RAM Hotels (TX)
Home2 Suites by Hilton Amarillo East	Monthly & Daily	97	Home2 Suites by Hilton	Hilton Worldwide	Route 66 Manage...	Route 66 Amarillo Llc
TownePlace Suites Amarillo West/Medica...	Monthly	104	TownePlace Suites	Marriott Internati...	RAM Hotels (TX)	RAM Hotels (TX)
The Barfield, Autograph Collection	Monthly	112	Autograph Collection	Marriott Internati...	Coury Hospitality	Misty Marples
Best Western Plus Amarillo East Hotel	Monthly	78	Best Western Plus	BWH Hotels		Satish Bhakta

The table below reflects a variety of branded hotels in the Upscale chain scale as defined by CoStar, with historical performance dating back to 2013. The hotels presented are specifically located to the West of Downtown among all the various medical facilities including Hospitals, Rehabilitation Centers, etc. In this example, demand has remained in-line with supply from 2013 to 2025 on a CAGR basis. This specific set of hotels achieved its peak ADR of $92.49 in 2015, prior to the COVID Pandemic, and has not achieved it since, albeit it has come close in 2021 and the TTM period through March 2026 where it currently sits at a RevPAR of $91.71.

Amarillo Hotels - Medical Area - Upscale

Year	*Supply*	*% Change*	*Demand*	*% Change*	*Occupancy*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
2013	434	-	124,255	-	78.4%	-	$101.24	-	$79.41	-
2014	434	*0.0%*	127,177	*2.4%*	80.3%	*2.4%*	$105.32	*4.0%*	$84.56	*6.5%*
2015	441	*1.7%*	134,591	*5.8%*	83.6%	*4.1%*	$110.68	*5.1%*	$92.49	*9.4%*
2016	457	*3.7%*	124,595	*-7.4%*	74.6%	*-10.7%*	$113.09	*2.2%*	$84.39	*-8.8%*
2017	533	*16.5%*	146,823	*17.8%*	75.5%	*1.2%*	$107.26	*-5.2%*	$80.98	*-4.0%*
2018	568	*6.6%*	154,892	*5.5%*	74.7%	*-1.0%*	$104.28	*-2.8%*	$77.91	*-3.8%*
2019	576	*1.4%*	165,912	*7.1%*	78.9%	*5.6%*	$101.97	*-2.2%*	$80.45	*3.3%*
2020	640	*11.0%*	162,891	*-1.8%*	69.8%	*-11.6%*	$87.66	*-14.0%*	$61.15	*-24.0%*
2021	664	*3.7%*	202,788	*24.5%*	83.7%	*20.0%*	$109.13	*24.5%*	$91.37	*49.4%*
2022	664	*0.0%*	181,943	*-10.3%*	75.1%	*-10.3%*	$113.45	*4.0%*	$85.22	*-6.7%*
2023	664	*0.0%*	175,511	*-3.5%*	72.5%	*-3.5%*	$113.16	*-0.2%*	$82.00	*-3.8%*
2024	664	*0.0%*	184,849	*5.3%*	76.3%	*5.3%*	$111.34	*-1.6%*	$84.97	*3.6%*
2025	664	*0.0%*	189,834	*2.7%*	78.4%	*2.7%*	$112.35	*0.9%*	$88.05	*3.6%*
CAGR		***3.6%***		***3.6%***		***0.0%***		***0.9%***		***0.9%***
Mar 2026										
YTD 2025	664	-	42,319	-	70.9%	-	$101.94	-	$72.23	-
YTD 2026	664	*0.0%*	46,345	*9.5%*	77.6%	*9.5%*	$112.21	*10.1%*	$87.08	*20.5%*
TTM 2025	664	-	186,912	-	77.2%	-	$110.60	-	$85.35	-
TTM 2026	664	*0.0%*	193,860	*3.7%*	80.0%	*3.7%*	$114.59	*3.6%*	$91.71	*7.5%*

Building Name	Data Participation	Rooms	Brand	Parent Company	Hotel Operator	True Owner
Hyatt Place Amarillo - West	Monthly & Daily	91	Hyatt Place	Hyatt Corporation	Thirty-Nine 23 M...	Kamp Hotels, LLC
SpringHill Suites Amarillo	Monthly	102	SpringHill Suites	Marriott Internati...	Aperture Hotels	1: RCA Capital Group | 2: Platinum Companies
Homewood Suites by Hilton Amarillo	Monthly & Daily	92	Homewood Suites by H...	Hilton Worldwide	R K Hotels Ltd	Onkar Enterprises Inc
Hilton Garden Inn Amarillo	Monthly & Daily	90	Hilton Garden Inn	Hilton Worldwide	Sohrab Ltd	Onkar Enterprises Inc
Courtyard Amarillo West/Medical Center	Monthly	89	Courtyard	Marriott Internati...	Highgate Hotels L...	1: Varde Partners, Inc. | 2: Flynn Properties, Inc.
Drury Inn & Suites Amarillo	Monthly	168	Drury Inn & Suites	Drury Developme...	Drury Developme...	Drury Southwest Inc

Additionally, the tables below reflect overall market performance based on chain scale, in the Amarillo Hospitality Submarket as defined by CoStar. Please note we have excluded Economy hotels from this analysis. Below each table, we have presented monthly performance for full year 2025 and year-to-date through April 2026. In reviewing the monthly performance, one key indication stands out, which is the significant increase in year over year performance that is occurring in every single submarket beginning in October 2025 through April 2026, which can be almost directly correlated with the influx of workers to the region following the commencement of Project Matador in Q4 2025.

Amarillo Hospitality Submarket - Entire Submarket

Year	*Supply*	*% Change*	*Demand*	*% Change*	*Occupancy*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
2013	3,546	-	866,116	-	66.9%	-	$83.40	-	$55.81	-
2014	3,561	0.4%	891,715	3.0%	68.6%	2.5%	$85.29	2.3%	$58.52	4.9%
2015	3,587	0.7%	933,295	4.7%	71.3%	3.9%	$92.11	8.0%	$65.67	12.2%
2016	3,693	3.0%	933,384	0.0%	69.2%	-2.9%	$95.58	3.8%	$66.18	0.8%
2017	3,976	7.7%	960,387	2.9%	66.2%	-4.4%	$94.27	-1.4%	$62.39	-5.7%
2018	4,037	1.5%	1,024,421	6.7%	69.5%	5.0%	$95.13	0.9%	$66.13	6.0%
2019	4,149	2.8%	1,059,911	3.5%	70.0%	0.7%	$93.17	-2.1%	$65.20	-1.4%
2020	4,179	0.7%	945,441	-10.8%	62.0%	-11.4%	$82.75	-11.2%	$51.29	-21.3%
2021	4,504	7.8%	1,219,518	29.0%	74.2%	19.7%	$102.61	24.0%	$76.11	48.4%
2022	4,877	8.3%	1,229,528	0.8%	69.1%	-6.9%	$106.04	3.3%	$73.24	-3.8%
2023	4,985	2.2%	1,231,023	0.1%	67.7%	-2.0%	$105.37	-0.6%	$71.29	-2.7%
2024	5,033	1.0%	1,244,806	1.1%	67.8%	0.1%	$105.71	0.3%	$71.62	0.5%
2025	5,168	2.7%	1,265,633	1.7%	67.1%	-1.0%	$108.16	2.3%	$72.57	1.3%
CAGR		***3.2%***		***3.2%***		***0.0%***		***2.2%***		***2.2%***
Apr 26										
YTD 2025	5,057	-	364,559	-	60.1%	-	$103.08	-	$61.93	-
YTD 2026	5,198	2.8%	428,154	17.4%	68.6%	14.3%	$110.11	6.8%	$75.58	22.1%
TTM 2025	5,071	-	1,230,329	-	66.5%	-	$106.62	-	$70.88	-
TTM 2026	5,221	3.0%	1,331,361	8.2%	69.9%	5.1%	$110.24	3.4%	$77.02	8.7%

Amarillo Hospitality Submarket - Entire Submarket

Month	*Occ*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
Jan-25	53.0%	-2.9%	$98.59	5.0%	$52.21	1.9%
Feb-25	54.6%	-5.5%	$97.79	4.8%	$53.37	-1.0%
Mar-25	67.8%	-6.0%	$106.79	-0.1%	$72.38	-6.1%
Apr-25	65.0%	-8.6%	$107.30	3.5%	$69.74	-5.4%
May-25	68.4%	-2.0%	$107.90	2.6%	$73.85	0.6%
Jun-25	77.9%	-1.4%	$118.59	2.4%	$92.40	1.0%
Jul-25	73.1%	-3.8%	$115.39	0.3%	$84.37	-3.4%
Aug-25	70.3%	-4.4%	$109.66	-1.2%	$77.05	-5.6%
Sep-25	69.6%	5.2%	$106.83	1.9%	$74.36	7.2%
Oct-25	70.3%	6.2%	$106.49	3.3%	$74.88	9.7%
Nov-25	67.6%	7.2%	$108.29	3.8%	$73.24	11.3%
Dec-25	66.1%	4.6%	$107.20	4.1%	$70.83	8.8%
Jan-26	58.6%	10.7%	$102.66	4.1%	$60.20	15.3%
Feb-26	64.6%	18.4%	$102.59	4.9%	$66.30	24.2%
Mar-26	77.4%	14.2%	$117.27	9.8%	$90.75	25.4%
Apr-26	73.9%	13.7%	$115.11	7.3%	$85.07	22.0%

Note that the submarket does not have enough Upper Upscale hotel keys to run the analysis on its own, therefore we have combined Upper Upscale with Upscale chain scale products for the table below.

Amarillo Hospitality Submarket - Upscale & Upper Upscale										
Year	*Supply*	*% Change*	*Demand*	*% Change*	*Occupancy*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
2013	1,009	-	259,207	-	70.4%	-	$92.13	-	$64.86	-
2014	1,010	0.2%	260,118	0.4%	70.5%	0.2%	$92.81	0.7%	$65.46	0.9%
2015	1,011	0.1%	251,984	-3.1%	68.3%	-3.2%	$107.57	15.9%	$73.45	12.2%
2016	1,013	0.2%	220,533	-12.5%	59.7%	-12.6%	$113.94	5.9%	$67.98	-7.5%
2017	1,093	8.0%	245,116	11.1%	61.4%	3.0%	$109.94	-3.5%	$67.54	-0.7%
2018	1,079	-1.3%	283,868	15.8%	72.1%	17.3%	$111.49	1.4%	$80.36	19.0%
2019	1,014	-6.0%	289,539	2.0%	78.2%	8.5%	$111.03	-0.4%	$86.84	8.1%
2020	1,031	1.6%	257,329	-11.1%	68.4%	-12.5%	$95.21	-14.2%	$65.14	-25.0%
2021	1,152	11.8%	331,345	28.8%	78.8%	15.2%	$118.94	24.9%	$93.75	43.9%
2022	1,302	13.0%	342,459	3.4%	72.1%	-8.6%	$126.91	6.7%	$91.45	-2.4%
2023	1,302	0.0%	342,986	0.2%	72.2%	0.2%	$126.68	-0.2%	$91.43	0.0%
2024	1,302	0.0%	363,890	6.1%	76.6%	6.1%	$126.14	-0.4%	$96.58	5.6%
2025	1,302	0.0%	370,071	1.7%	77.9%	1.7%	$129.80	2.9%	$101.08	4.7%
CAGR		***2.1%***		***3.0%***		***0.8%***		***2.9%***		***3.8%***
Apr 26										
YTD 2025	1,302	-	113,410	-	72.6%	-	$121.87	-	$88.47	-
YTD 2026	1,302	0.0%	121,983	7.6%	78.1%	7.6%	$135.08	10.8%	$105.46	19.2%
TTM 2025	1,302	-	364,763	-	76.8%	-	$126.55	-	$97.13	-
TTM 2026	1,302	0.0%	378,529	3.8%	79.7%	3.8%	$133.91	5.8%	$106.66	9.8%

Amarillo Hospitality Submarket - Upscale & Upper Upscale						
Month	*Occ*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
Jan-25	63.3%	0.7%	$117.26	0.9%	$74.21	1.6%
Feb-25	67.3%	0.1%	$116.83	4.4%	$78.63	4.5%
Mar-25	83.5%	3.9%	$124.00	-2.5%	$103.55	1.4%
Apr-25	76.3%	-2.0%	$127.83	2.9%	$97.47	0.9%
May-25	76.8%	-1.1%	$127.75	3.0%	$98.06	1.8%
Jun-25	90.7%	3.7%	$142.30	4.1%	$129.07	8.0%
Jul-25	85.3%	4.1%	$137.48	-0.1%	$117.33	4.1%
Aug-25	80.2%	-2.4%	$132.30	-1.8%	$106.12	-4.1%
Sep-25	81.2%	7.0%	$130.67	4.5%	$106.05	11.9%
Oct-25	77.7%	1.6%	$130.40	7.7%	$101.39	9.4%
Nov-25	75.9%	5.4%	$132.94	7.4%	$100.97	13.2%
Dec-25	75.6%	-0.9%	$130.70	5.8%	$98.84	4.8%
Jan-26	66.0%	4.2%	$126.77	8.1%	$83.63	12.7%
Feb-26	75.6%	12.3%	$125.45	7.4%	$94.80	20.6%
Mar-26	88.6%	6.0%	$143.14	15.4%	$126.76	22.4%
Apr-26	82.2%	7.8%	$141.90	11.0%	$116.66	19.7%

Amarillo Hospitality Submarket - Midscale & Upper Midscale										
Year	*Supply*	*% Change*	*Demand*	*% Change*	*Occupancy*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
2013	2,538	-	606,909	-	65.5%	-	$79.68	-	$52.21	-
2014	2,550	0.5%	631,597	4.1%	67.8%	3.5%	$82.19	3.2%	$55.76	6.8%
2015	2,576	1.0%	681,311	7.9%	72.5%	6.8%	$86.39	5.1%	$62.61	12.3%
2016	2,681	4.1%	712,851	4.6%	72.9%	0.5%	$89.90	4.1%	$65.50	4.6%
2017	2,883	7.5%	715,271	0.3%	68.0%	-6.7%	$88.90	-1.1%	$60.43	-7.7%
2018	2,958	2.6%	740,553	3.5%	68.6%	0.9%	$88.86	0.0%	$60.94	0.8%
2019	3,135	6.0%	770,372	4.0%	67.3%	-1.8%	$86.46	-2.7%	$58.21	-4.5%
2020	3,149	0.4%	688,112	-10.7%	59.9%	-11.1%	$78.09	-9.7%	$46.76	-19.7%
2021	3,353	6.5%	888,173	29.1%	72.6%	21.2%	$96.52	23.6%	$70.05	49.8%
2022	3,575	6.6%	887,069	-0.1%	68.0%	-6.3%	$97.98	1.5%	$66.61	-4.9%
2023	3,683	3.0%	888,037	0.1%	66.1%	-2.8%	$97.14	-0.9%	$64.17	-3.7%
2024	3,731	1.3%	880,916	-0.8%	64.7%	-2.1%	$97.27	0.1%	$62.91	-2.0%
2025	3,866	3.6%	895,562	1.7%	63.5%	-1.9%	$99.22	2.0%	$62.97	0.1%
CAGR		***3.6%***		***3.3%***		***-0.3%***		***1.8%***		***1.6%***
Apr 26										
YTD 2025	3,755	-	251,365	-	55.8%	-	$94.69	-	$52.83	-
YTD 2026	3,896	3.8%	306,400	21.9%	65.5%	17.5%	$100.34	6.0%	$65.76	24.5%
TTM 2025	3,769	-	865,566	-	62.9%	-	$98.23	-	$61.81	-
TTM 2026	3,919	4.0%	952,832	10.1%	66.6%	5.9%	$100.84	2.7%	$67.17	8.7%

Amarillo Hospitality Submarket - Midscale & Upper Midscale						
Month	*Occ*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
Jan-25	49.4%	-4.2%	$90.39	7.2%	$44.67	2.7%
Feb-25	50.2%	-7.7%	$89.04	4.5%	$44.71	-3.5%
Mar-25	62.4%	-9.8%	$98.88	0.2%	$61.70	-9.6%
Apr-25	61.1%	-11.1%	$98.52	3.2%	$60.23	-8.3%
May-25	65.6%	-2.2%	$99.95	2.6%	$65.56	0.4%
Jun-25	73.7%	-3.2%	$108.88	1.5%	$80.21	-1.7%
Jul-25	69.0%	-6.5%	$106.31	0.2%	$73.40	-6.4%
Aug-25	67.0%	-5.1%	$100.63	-0.9%	$67.38	-5.9%
Sep-25	65.8%	4.6%	$97.05	0.6%	$63.82	5.3%
Oct-25	67.8%	8.2%	$97.38	1.8%	$66.06	10.2%
Nov-25	64.9%	8.1%	$98.69	2.5%	$64.01	10.8%
Dec-25	62.9%	7.2%	$97.80	4.2%	$61.51	11.7%
Jan-26	56.2%	13.7%	$93.25	3.2%	$52.41	17.3%
Feb-26	61.0%	21.5%	$93.17	4.6%	$56.83	27.1%
Mar-26	73.7%	18.2%	$107.16	8.4%	$79.03	28.1%
Apr-26	71.2%	16.5%	$105.03	6.6%	$74.79	24.2%

Additionally, we have added historical performance for the entire hospitality market defined by CoStar which is considered the Texas Panhandle Hospitality Market. Note that we have combined chain scales for Upscale/Upper Upscale and Midscale/Upper Midscale hotel products. The same story applies to the greater hospitality market with respect to the influx of workers to the region, which can be visually seen in the year over year performance metrics in the monthly table below beginning in Q4 2025.

Texas Panhandle - Entire Hospitality Market										
Year	*Supply*	*% Change*	*Demand*	*% Change*	*Occupancy*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
2013	8,850	-	2,175,643	-	67.4%	-	$91.93	-	$61.92	-
2014	8,961	1.3%	2,234,992	2.7%	68.3%	1.5%	$95.38	3.8%	$65.17	5.3%
2015	9,141	2.0%	2,257,892	1.0%	67.7%	-1.0%	$97.78	2.5%	$66.17	1.5%
2016	9,654	5.6%	2,309,596	2.3%	65.5%	-3.1%	$98.18	0.4%	$64.35	-2.7%
2017	10,479	8.5%	2,398,723	3.9%	62.7%	-4.3%	$96.35	-1.9%	$60.42	-6.1%
2018	10,828	3.3%	2,609,992	8.8%	66.0%	5.3%	$97.48	1.2%	$64.38	6.5%
2019	11,406	5.3%	2,697,029	3.3%	64.8%	-1.9%	$96.02	-1.5%	$62.20	-3.4%
2020	11,365	-0.4%	2,299,770	-14.7%	55.4%	-14.4%	$84.19	-12.3%	$46.67	-25.0%
2021	12,371	8.9%	2,954,027	28.4%	65.4%	18.0%	$100.76	19.7%	$65.92	41.2%
2022	12,858	3.9%	2,986,729	1.1%	63.6%	-2.7%	$106.83	6.0%	$67.98	3.1%
2023	12,973	0.9%	3,045,341	2.0%	64.3%	1.1%	$106.98	0.1%	$68.81	1.2%
2024	13,115	1.1%	3,057,374	0.4%	63.9%	-0.7%	$108.82	1.7%	$69.50	1.0%
2025	13,343	1.7%	3,106,795	1.6%	63.8%	-0.1%	$110.70	1.7%	$70.61	1.6%
CAGR		***3.5%***		***3.0%***		***-0.5%***		***1.6%***		***1.1%***
Apr 26										
YTD 2025	13,164	-	930,822	-	58.9%	-	$104.71	-	$61.70	-
YTD 2026	13,380	1.6%	1,038,801	11.6%	64.7%	9.8%	$114.32	9.2%	$73.96	19.9%
TTM 2025	13,191	-	3,032,482	-	63.0%	-	$109.40	-	$68.91	-
TTM 2026	13,403	1.6%	3,211,781	5.9%	65.7%	4.2%	$113.62	3.9%	$74.60	8.3%

Texas Panhandle - Entire Hospitality Market						
Month	*Occ*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
Jan-25	51.6%	-0.5%	$98.84	4.2%	$51.04	3.7%
Feb-25	56.5%	-2.3%	$102.52	3.3%	$57.91	1.0%
Mar-25	65.2%	-3.3%	$107.80	1.9%	$70.26	-1.5%
Apr-25	62.4%	-9.7%	$108.33	-1.0%	$67.59	-10.6%
May-25	65.4%	-1.3%	$115.19	0.7%	$75.29	-0.6%
Jun-25	71.5%	-2.0%	$113.05	2.1%	$80.84	0.1%
Jul-25	68.4%	-0.4%	$109.81	0.4%	$75.08	0.0%
Aug-25	68.0%	-3.3%	$114.10	-1.0%	$77.62	-4.3%
Sep-25	66.5%	5.4%	$110.60	-4.2%	$73.53	1.0%
Oct-25	68.6%	7.2%	$119.49	8.5%	$81.95	16.4%
Nov-25	62.1%	4.8%	$114.51	3.0%	$71.11	8.0%
Dec-25	58.7%	5.8%	$108.90	4.2%	$63.88	10.3%
Jan-26	53.5%	3.7%	$103.70	4.9%	$55.53	8.8%
Feb-26	64.4%	14.0%	$109.90	7.2%	$70.75	22.2%
Mar-26	70.8%	8.6%	$115.74	7.4%	$81.90	16.6%
Apr-26	70.1%	12.4%	$125.06	15.4%	$87.66	29.7%

Texas Panhandle - Upscale & Upper Upscale										
Year	*Supply*	*% Change*	*Demand*	*% Change*	*Occupancy*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
2013	1,702	-	451,977	-	72.8%	-	$109.12	-	$79.40	-
2014	1,747	2.6%	466,835	3.3%	73.2%	0.6%	$112.60	3.2%	$82.46	3.9%
2015	1,807	3.5%	478,491	2.5%	72.5%	-0.9%	$120.69	7.2%	$87.56	6.2%
2016	1,970	9.0%	472,761	-1.2%	65.7%	-9.4%	$123.88	2.6%	$81.43	-7.0%
2017	2,208	12.0%	530,989	12.3%	65.9%	0.2%	$119.63	-3.4%	$78.83	-3.2%
2018	2,233	1.1%	593,688	11.8%	72.8%	10.5%	$120.24	0.5%	$87.58	11.1%
2019	2,255	1.0%	618,909	4.2%	75.2%	3.2%	$119.05	-1.0%	$89.50	2.2%
2020	2,236	-0.8%	503,738	-18.6%	61.7%	-17.9%	$101.38	-14.8%	$62.56	-30.1%
2021	2,866	28.1%	727,606	44.4%	69.6%	12.7%	$119.56	17.9%	$83.17	32.9%
2022	3,122	8.9%	773,599	6.3%	67.9%	-2.4%	$129.48	8.3%	$87.90	5.7%
2023	3,122	0.0%	810,126	4.7%	71.1%	4.7%	$128.34	-0.9%	$91.24	3.8%
2024	3,122	0.0%	827,950	2.2%	72.7%	2.2%	$130.61	1.8%	$94.90	4.0%
2025	3,122	0.0%	839,092	1.3%	73.6%	1.3%	$133.24	2.0%	$98.11	3.4%
CAGR		***5.2%***		***5.3%***		***0.1%***		***1.7%***		***1.8%***
Apr 26										
YTD 2025	3,122	-	267,478	-	71.4%	-	$124.22	-	$88.69	-
YTD 2026	3,122	0.0%	284,180	6.2%	75.9%	6.2%	$137.38	10.6%	$104.21	17.5%
TTM 2025	3,122	-	826,713	-	72.5%	-	$130.92	-	$94.98	-
TTM 2026	3,122	0.0%	855,443	3.5%	75.1%	3.5%	$137.44	5.0%	$103.17	8.6%

Texas Panhandle - Upscale & Upper Upscale						
Month	*Occ*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
Jan-25	61.7%	1.3%	$118.40	3.7%	$73.11	5.0%
Feb-25	71.0%	-0.1%	$123.50	2.4%	$87.74	2.3%
Mar-25	78.3%	2.6%	$125.51	0.2%	$98.21	2.9%
Apr-25	74.5%	-5.3%	$128.39	-1.9%	$95.70	-7.2%
May-25	73.2%	-0.3%	$138.51	0.3%	$101.35	0.0%
Jun-25	82.9%	1.2%	$133.17	3.0%	$110.45	4.2%
Jul-25	78.3%	5.8%	$129.74	0.9%	$101.57	6.7%
Aug-25	76.6%	-1.3%	$139.52	0.3%	$106.85	-1.0%
Sep-25	74.5%	4.3%	$136.42	-3.9%	$101.62	0.2%
Oct-25	76.0%	2.7%	$149.60	11.3%	$113.71	14.3%
Nov-25	70.0%	3.4%	$141.86	3.9%	$99.27	7.4%
Dec-25	66.5%	2.5%	$130.97	4.9%	$87.16	7.5%
Jan-26	62.1%	0.6%	$123.82	4.6%	$76.92	5.2%
Feb-26	78.4%	10.4%	$131.64	6.6%	$103.26	17.7%
Mar-26	81.4%	4.1%	$137.57	9.6%	$112.04	14.1%
Apr-26	81.4%	9.2%	$153.07	19.2%	$124.62	30.2%

Texas Panhandle - Midscale & Upper Midscale										
Year	*Supply*	*% Change*	*Demand*	*% Change*	*Occupancy*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
2013	7,148	-	1,723,666	-	66.1%	-	$87.42	-	$57.75	-
2014	7,214	0.9%	1,768,157	2.6%	67.1%	1.6%	$90.83	3.9%	$60.99	5.6%
2015	7,334	1.7%	1,779,401	0.6%	66.5%	-1.0%	$91.62	0.9%	$60.90	-0.2%
2016	7,684	4.8%	1,836,836	3.2%	65.5%	-1.5%	$91.56	-0.1%	$59.97	-1.5%
2017	8,271	7.7%	1,867,734	1.7%	61.9%	-5.5%	$89.73	-2.0%	$55.51	-7.4%
2018	8,595	3.9%	2,016,304	8.0%	64.3%	3.9%	$90.78	1.2%	$58.35	5.1%
2019	9,150	6.5%	2,078,120	3.1%	62.2%	-3.2%	$89.16	-1.8%	$55.47	-4.9%
2020	9,128	-0.2%	1,796,032	-13.6%	53.9%	-13.4%	$79.36	-11.0%	$42.78	-22.9%
2021	9,505	4.1%	2,226,421	24.0%	64.2%	19.0%	$94.62	19.2%	$60.72	41.9%
2022	9,736	2.4%	2,213,130	-0.6%	62.3%	-3.0%	$98.91	4.5%	$61.60	1.4%
2023	9,851	1.2%	2,235,215	1.0%	62.2%	-0.2%	$99.24	0.3%	$61.69	0.2%
2024	9,993	1.4%	2,229,424	-0.3%	61.1%	-1.7%	$100.72	1.5%	$61.56	-0.2%
2025	10,221	2.3%	2,267,703	1.7%	60.8%	-0.6%	$102.36	1.6%	$62.22	1.1%
CAGR		***3.0%***		***2.3%***		***-0.7%***		***1.3%***		***0.6%***
Apr 26										
YTD 2025	10,042	-	663,803	-	55.1%	-	$96.93	-	$53.39	-
YTD 2026	10,258	2.1%	754,862	13.7%	61.3%	11.3%	$105.69	9.0%	$64.81	21.4%
TTM 2025	10,069	-	2,205,769	-	60.0%	-	$101.34	-	$60.82	-
TTM 2026	10,281	2.1%	2,356,338	6.8%	62.8%	4.6%	$104.98	3.6%	$65.92	8.4%

Texas Panhandle - Midscale & Upper Midscale						
Month	*Occ*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
Jan-25	48.5%	-1.0%	$91.13	4.5%	$44.21	3.4%
Feb-25	52.0%	-2.9%	$93.72	3.9%	$48.74	0.8%
Mar-25	61.2%	-5.4%	$100.83	2.2%	$61.67	-3.3%
Apr-25	58.7%	-11.2%	$100.50	-0.8%	$58.95	-11.9%
May-25	63.0%	-1.6%	$106.86	0.9%	$67.29	-0.7%
Jun-25	68.0%	-2.9%	$105.59	1.6%	$71.84	-1.4%
Jul-25	65.4%	-2.4%	$102.56	-0.2%	$67.03	-2.6%
Aug-25	65.4%	-4.0%	$105.07	-1.6%	$68.73	-5.5%
Sep-25	64.0%	5.9%	$101.48	-4.0%	$65.00	1.7%
Oct-25	66.3%	9.0%	$109.00	8.0%	$72.30	17.7%
Nov-25	59.7%	5.5%	$104.78	3.0%	$62.56	8.6%
Dec-25	56.3%	7.2%	$100.97	4.5%	$56.81	12.0%
Jan-26	50.9%	5.0%	$96.25	5.6%	$49.03	10.9%
Feb-26	60.1%	15.6%	$101.27	8.1%	$60.88	24.9%
Mar-26	67.5%	10.4%	$107.80	6.9%	$72.82	18.1%
Apr-26	66.7%	13.7%	$114.76	14.2%	$76.53	29.8%

Conclusion

The impact of Project Matador in the region can be clearly identified beginning in Q4 2025, around September and October, and continuing consistently month over month through April 2026 (most recent available data). In consideration of project matador, other infrastructure projects and continued demand in the Texas Panhandle, the area is anticipated to see a constant influx of workers and visitors for the foreseeable future, with Project Matador specifically set to conclude in late 2020's to mid-2030's, based on current timelines.

Recently Opened/Proposed Supply

Per our research and discussions with various market participants and municipal officials, there are three proposed hotels that we have incorporated as competitive with the subject market, which include the proposed property utilized in this analysis, and the Hampton Inn Amarillo Downtown (proposed).

Competitive Supply:

- The **Hampton Inn Amarillo Downtown** hotel is proposed for SEQ S Buchanan St, located approximately 0.8 miles from the subject property. Upon completion on or around September of 2028, the hotel is anticipated to feature 106 keys. This hotel is considered to be competitive given similarities in location within Downtown Amarillo, demand base, and brand affiliation.

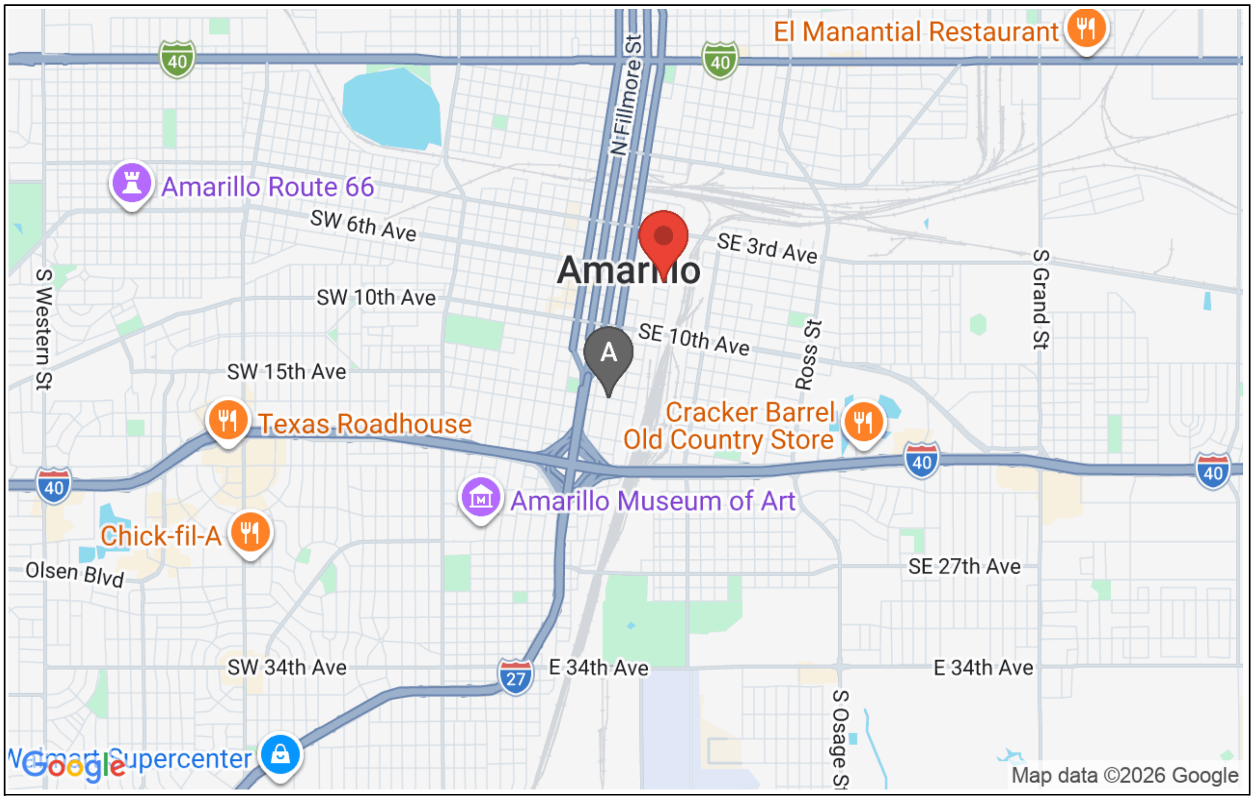
The competitive supply is summarized in the table below:

Competitive New Supply					
Name	*Address*	*Number of Keys*	*Distance (Miles)*	*Percent Competitive*	*Opened / Anticipated Opening*
Downtown Amarillo Hotel Market Study (Subject)	***623 South Johnson Street***	***200***	*n/a*	***100%***	***Jan-28***
Recently Opened / Proposed New Supply					
Hampton Inn Amarillo Downtown	SEQ S Buchanan St, Amarillo, TX	106	0.8	100%	Sep-28

**Note that the proposed hotel for this analysis utilizes the address of City Hall, which is not reflective of any actual development site.*

The phase-in of keys is calculated in the table below:

Competitive New Supply Phase-In				
Fiscal Year Ending:	*2028*	*2029*	*2030*	*2031*
Downtown Amarillo Hotel Market Study (Subject)	***200***	***200***	***200***	***200***
Hampton Inn Amarillo Downtown	35	106	106	106
Total	**235**	**306**	**306**	**306**



A) Hampton Inn Amarillo Downtown

Further, we have detailed the other proposed, under construction, and final planning projects in Amarillo based on CoStar data:

Proposed Supply Overview					
Hotel	Keys	Parent Co.	Chain Scale	Status	Open Date
Country Inn & Suites by Radisson Amarillo Central	83	Choice Hotels International, Inc.	Upper Midscale	Under Construction	2026
Residence Inn By Marriott Amarillo Airport	107	Marriott International	Upscale	Final Planning	2027
SpringHill Suites By Marriott Amarillo Airport	92	Marriott International	Upscale	Final Planning	2027
aloft Amarillo West	144	Marriott International	Upscale	Under Construction	2027
StudioRes Amarillo	120	Marriott International	Midscale	Final Planning	2028
Hampton by Hilton Amarillo Downtown	106	Hilton Worldwide	Upper Midscale	Proposed	2028
Residence Inn by Marriott Amarillo Downtown	120	Marriott International	Upscale	Proposed	2028
LivSmart Studios by Hilton Amarillo West	122	Hilton Worldwide	Midscale	Proposed	2028
Atwell Suites Amarillo West – Medical Center	100	IHG Hotels & Resorts	Upper Midscale	Proposed	2029
Courtyard by Marriott Amarillo East	89	Marriott International	Upscale	Proposed	2029
Comfort Suites Amarillo	92	Choice Hotels International, Inc.	Upper Midscale	Proposed	2035
Homewood Suites by Hilton Amarillo East	127	Hilton Worldwide	Upscale	Proposed	2035
Tru by Hilton Amarillo East	82	Hilton Worldwide	Midscale	Proposed	2035
Total Proposed Supply:	**1384**				
Total Under Construction:	**227**				

Additionally, while there is a moderate amount of other new supply anticipated to enter the overall surrounding area over the next several years, the majority of the proposed new supply is considered speculative and/or consists of properties that are not anticipated to directly compete with the subject property. We have considered the proposed hotel developments within the surrounding area in our overall demand and rate growth projections, as well as our selection of discount and capitalization rates.

As part of our analysis, we have also detailed the current existing inventory in the Amarillo Market by Chain Scale which can be seen in the table below:

Room Inventory / % of Inventory		
Luxury	0	*0%*
Upper Upscale	338	*4%*
Upscale	1,223	*16%*
Upper Midscale	2,330	*30%*
Midscale	1,585	*20%*
Economy	2,399	*30%*
Total:	**7,875**	**100%**

To-date, there are no Luxury products in the Amarillo Hospitality Market, with only two hotels comprising the Upper Upscale inventory which are notably the 226-room Embassy Suites by Hilton Amarillo Downtown, and the 112-room Barfield, Autograph Collection, also located in Downtown Amarillo. The following table breaks down the current brand distribution within Amarillo, along with the amount of hotels for each brand:

Brand Name	Count	Rooms	*% of Supply - Count*	*% of Supply - Rooms*
Americas Best Value Inn	1	103	*2%*	2%
Autograph Collection	1	112	*2%*	2%
Baymont	1	108	*2%*	2%
Best Western	1	56	*2%*	1%
Best Western Plus	2	158	*3%*	3%
Candlewood Suites	1	96	*2%*	2%
Comfort Inn	2	165	*3%*	3%
Country Inn & Suites by Choice	1	80	*2%*	1%
Courtyard	2	196	*3%*	3%
Days Inn	2	169	*3%*	3%
Drury Inn & Suites	1	168	*2%*	3%
Econo Lodge	1	55	*2%*	1%
Embassy Suites by Hilton	1	226	*2%*	4%
Everhome Suites	1	114	*2%*	2%
Extended Stay America Suites	1	92	*2%*	2%
Fairfield Inn	3	261	*5%*	4%
Four Points by Sheraton	1	128	*2%*	2%
Hampton by Hilton	2	244	*3%*	4%
Hawthorn Suites by Wyndham	1	69	*2%*	1%
Hilton Garden Inn	1	90	*2%*	2%
Holiday Inn	2	271	*3%*	5%
Holiday Inn Express	4	355	*6%*	6%
Home2 Suites by Hilton	2	189	*3%*	3%
HomeTowne Studios by Red Roof	1	53	*2%*	1%
Homewood Suites by Hilton	1	92	*2%*	2%
Hyatt Place	1	91	*2%*	2%
La Quinta Inns & Suites	3	346	*5%*	6%
Microtel Inn & Suites by Wyndham	2	118	*3%*	2%
Motel 6	3	284	*5%*	5%
My Place	1	63	*2%*	1%
Quality Inn	2	214	*3%*	4%
Red Roof Inn	1	63	*2%*	1%
Sleep Inn	1	63	*2%*	1%
Spark by Hilton	3	290	*5%*	5%
SpringHill Suites	1	102	*2%*	2%
Staybridge Suites	1	97	*2%*	2%
Studio 6	2	120	*3%*	2%
Super 8	3	172	*5%*	3%
TownePlace Suites	1	104	*2%*	2%
Tru by Hilton	1	90	*2%*	2%
WoodSpring Suites	1	105	*2%*	2%
Totals:	**64**	**5972**	***100%***	***100%***

The table below details the parent companies tied to the table above, which reflects Hilton as the leader in the market with 1,221 keys comprising 20% of the supply, followed by Wyndham Hotels with 982 keys comprising 16% of supply and Marriott with 903 keys comprising 15% of supply.

Parent Company	Count	Rooms	*% of Supply - Count*	*% of Supply - Rooms*
Hilton	7	1221	*17%*	*20%*
Wyndham Hotels & Resorts	6	982	*15%*	*16%*
Marriott	6	903	*15%*	*15%*
IHG	4	819	*10%*	*14%*
Choice Hotels International	7	796	*17%*	*13%*
G6 Hospitality	2	404	*5%*	*7%*
BWH Hotels	2	214	*5%*	*4%*
Drury	1	168	*2%*	*3%*
Red Roof	2	116	*5%*	*2%*
Sonesta International	1	103	*2%*	*2%*
Extended Stay America	1	92	*2%*	*2%*
Hyatt Hotels Corporation	1	91	*2%*	*2%*
My Place	1	63	*2%*	*1%*
Totals:	**41**	**5972**	***100%***	***100%***

Demand Analysis

The following section summarizes our analysis and projection of demand in each of the market segments: commercial, meeting & group, and leisure.

Commercial Demand arises from individuals who are conducting business and visiting various firms in the subject's market area. Commercial/corporate demand is strongest Monday through Thursday nights, declining significantly on Friday and Saturday, and increasing somewhat on Sunday. Commercial/corporate travelers' typical length of stay ranges from one to three days, and this demand is relatively constant throughout the year, although some declines are noticeable in late December and during other holiday periods.

The subject market draws corporate demand from various regional offices in the surrounding area, as well as local commercial businesses. There are a variety of industries located within the neighborhood. Major employment sectors include healthcare, manufacturing, educational, government, and retail. The subject market draws commercial demand from nearby companies, such as CNS Pantex Plant, BSA Healthcare System, Northwest Texas Healthcare System, Tyson Foods, and Bell Helicopter. This concentration of business activity, as well as its location in Amarillo, creates hotel room night demand.

Meeting & Group Demand includes groups who reserve blocks of rooms for meetings, seminars, trade association shows, and other similar gatherings of ten or more people. Group meetings and convention demand is typically strongest during the spring and fall months, while the summer months represent the slowest period for this market segment, and the winter demand varies. Meeting and group travelers typically achieve an average length of stay of three to five days. Historically, most corporate groups meet on weekdays and social groups use the weekend periods. However, in the recent past the corporate group booking trends have changed to include some or all of the weekend. Many corporate groups, as a cost containment measure have been utilizing weekend meetings, which usually result in lower airfares and hotel room rates, especially in non-resort markets.

The meeting and group segment also includes the hotel's ability to capture a portion of group-oriented business affiliated with a segment known as MICE (Meetings, Incentives, Conferencing and Exhibitions) as well as SMERF (Social, Military, Educational, Religious, and Fraternal). Room nights from the MICE group consist of groups associated with corporate meetings, conferences and events, as well as incentive travel. Room nights from the SMERF group usually consist of groups such as youth athletic teams and church groups among a variety of others. Consistent with most group bookings, the SMERF group usually garners a lower room rate, but offsets rate loss with greater occupancy levels.

In the subject market, meeting & group business is derived from the SMERF segment. The SMERF sector in this competitive market is primarily comprised of demand from religious, educational and fraternal groups, inclusive of tour & travel. Additional demand is generated from meetings and groups associated with nearby corporations. A notable volume of demand is generated by Amarillo Civic Center Complex, Globe-News Center for the Performing Arts, and Amarillo National Center. The college/university presence also creates demand in this segment, namely from West Texas A&M University (enrollment ±10,000), Amarillo College, and Texas Tech University Health Sciences Center.

Leisure Demand consists of individual tourists and families visiting the attractions of a local market and/or passing through to other destinations. Leisure demand is strongest on Friday and Saturday nights, holiday periods and the summer months. These peak periods generally are negatively correlated with commercial and meeting & group demand. Spring is also a prime period for weddings and other social activities.

Leisure demand levels tend to vary based on the overall economy, due to changes in levels of disposable income, coupled with the strength or weakness of the U.S. dollar, as a strong dollar promotes domestic travel whereas a weak dollar promotes international travel to the United States.

Leisure demand is drawn by family and friends in the immediate area, visiting relatives, sports/events and other related travel, as well as local weddings, family reunions and other social events. However, the market predominantly benefits from its nature as an appealing destination. The market benefits from its location in Amarillo. Demand is also generated by nearby attractions including Palo Duro Canyon State Park, Historic Route 66 District, Cadillac Ranch, American Quarter Horse Hall of Fame & Museum, and Big Texan Steak Ranch. The subject market also benefits from local universities such as West Texas A&M University (enrollment ±10,000), Amarillo College, and Texas Tech University Health Sciences Center. Graduation and homecoming especially are peak times with guestrooms booked over a year in advance.

Area Wide Demand Projections

The projection of area-wide occupancy is derived from the relationship between estimated future demand and future guestroom supply. Annual growth rates for each market segment are applied to the estimated current year-end area-wide room night demand for each market segment to arrive at a projection of area-wide annual lodging demand as set forth in the table on the following page.

As mentioned previously, based on our analysis of the local market for transient accommodations for the current year, we have projected varying growth rates in each of the market demand segments over the course of our projection period.

Going forward, we anticipate that the market will continue to improve and achieve stabilization through 2030, as reflected in our base demand projections.

Latent Demand accounts for guests who cannot be accommodated by the existing competitive supply for a variety of reasons. Because the local market demand estimate is based on hotel occupancies, it considers only those hotel rooms that were utilized by guests. Latent demand can be divided into displaced demand and induced demand.

Displaced Demand occurs when individuals are unable to rent a room because the marketplace's hotels are filled to capacity. As a result, individuals must defer their trips or make accommodations in other markets. Displaced demand is illustrated further in markets where there are distinct high and low seasons, or several periods of high and low occupancy throughout the year.

Our research indicates there are typically nine months of the year that market occupancy levels exceed 75%. As such, we have projected a moderate amount of previously displaced demand to be accommodated into the subject market given the entrance of the hypothetical subject property and the Hampton Inn Amarillo Downtown (proposed).

Induced Demand is additional demand created by the existence of a new demand generator or the addition to the competitive supply of new lodging properties. The demand generators typically feature specialized facilities designed to cater to a particular segment and attract demand that previously did not exist in the area or increase the attraction of that demand.

We have projected a moderate amount of induced demand relating to the entrance of directly competitive new supply in the competitive market.

The following tables summarize our projection of area-wide room night demand, supply, and occupancy rates based on the previously presented competitive set of hotels, all of which are in Downtown Amarillo with the exception of the Fairfield Inn, which is located to the Southeast.

Projected Segmented Demand

Projected Segmented Demand												
Segment	Base Year	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030	12/31/2031	12/31/2032	12/31/2033	12/31/2034	12/31/2035	12/31/2036
Commercial												
Annual Growth		3.0%	4.0%	10.0%	5.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Demand	281.2	289.6	301.2	331.3	347.9	361.8	361.8	361.8	361.8	361.8	361.8	361.8
Annual Room Nights	102,638	105,717	109,946	121,272	126,987	132,067	132,067	132,429	132,067	132,067	132,067	132,429
Displaced Demand		0	0	4,533	5,878	5,878	5,878	5,894	5,878	5,878	5,878	5,894
Induced Demand		0	0	15,405	20,393	20,393	20,393	20,448	20,393	20,393	20,393	20,448
Total Segment Demand	102,638	105,717	109,946	141,210	153,258	158,338	158,338	158,772	158,338	158,338	158,338	158,772
Competitive New Supply		*0*	*0*	*48,666*	*65,299*	*65,299*	*65,299*	*65,477*	*65,299*	*65,299*	*65,299*	*65,477*
Meeting & Group												
Annual Growth		2.0%	2.0%	8.0%	5.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Demand	74.4	75.9	77.4	83.6	87.8	90.4	90.4	90.4	90.4	90.4	90.4	90.4
Annual Room Nights	27,150	27,693	28,247	30,591	32,032	32,993	32,993	33,084	32,993	32,993	32,993	33,084
Displaced Demand		0	0	1,199	1,555	1,555	1,555	1,559	1,555	1,555	1,555	1,559
Induced Demand		0	0	5,073	5,833	5,833	5,833	5,849	5,833	5,833	5,833	5,849
Total Segment Demand	27,150	27,693	28,247	36,862	39,420	40,381	40,381	40,492	40,381	40,381	40,381	40,492
Competitive New Supply		*0*	*0*	*15,933*	*18,469*	*18,469*	*18,469*	*18,520*	*18,469*	*18,469*	*18,469*	*18,520*
Leisure												
Annual Growth		2.0%	2.0%	7.0%	5.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Demand	105.6	107.7	109.8	117.5	123.4	127.1	127.1	127.1	127.1	127.1	127.1	127.1
Annual Room Nights	38,538	39,309	40,095	43,019	45,047	46,398	46,398	46,525	46,398	46,398	46,398	46,525
Displaced Demand		0	0	1,702	2,207	2,207	2,207	2,213	2,207	2,207	2,207	2,213
Induced Demand		0	0	6,826	8,742	8,742	8,742	8,766	8,742	8,742	8,742	8,766
Total Segment Demand	38,538	39,309	40,095	51,547	55,995	57,347	57,347	57,504	57,347	57,347	57,347	57,504
Competitive New Supply		*0*	*0*	*21,533*	*27,923*	*27,923*	*27,923*	*27,999*	*27,923*	*27,923*	*27,923*	*27,999*

	Base Year	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030	12/31/2031	12/31/2032	12/31/2033	12/31/2034	12/31/2035	12/31/2036
Projected Segmented Demand Totals												
Commercial	102,638	105,717	109,946	141,210	153,258	158,338	158,338	158,772	158,338	158,338	158,338	158,772
Meeting & Group	27,150	27,693	28,247	36,862	39,420	40,381	40,381	40,492	40,381	40,381	40,381	40,492
Leisure	38,538	39,309	40,095	51,547	55,995	57,347	57,347	57,504	57,347	57,347	57,347	57,504
Total Market Demand	168,326	172,719	178,288	229,619	248,674	256,066	256,066	256,767	256,066	256,066	256,066	256,767
% Change		2.6%	3.2%	28.8%	8.3%	3.0%	0.0%	0.3%	-0.3%	0.0%	0.0%	0.3%
Market Statistics												
Existing Rooms Supply	581	581	581	581	581	581	581	581	581	581	581	581
Proposed Rooms Supply	0	0	0	235	306	306	306	306	306	306	306	306
Total Available Room Nights	211,937	211,937	211,937	298,650	323,627	323,627	323,627	324,514	323,627	323,627	323,627	324,514
Market-Wide Occupancy	79%	81%	84%	77%	77%	79%	79%	79%	79%	79%	79%	79%

Projected Occupancy and Average Daily Rate

A hotel's ability to generate room revenue is determined by two operating statistics: annual occupancy rate and average daily room rate. In most markets, a room night analysis may be performed to quantify and forecast room night demand. The occupancy of a given hotel may be projected based on its relative competitiveness with other hotels and its penetration through the market. Individual lodging facilities may operate above or below the area-wide occupancy or average rate, depending upon the particular attributes of the property.

Penetration Factor Analysis

The projected market share of the subject property is based on a penetration factor analysis. As previously stated, a penetration factor is the ratio between a property's market share and its fair share. Penetration factors were used to project the subject property's ability to capture room night demand. A hotel's fair share of lodging demand is equal to its number of rooms divided by the total competitive supply of rooms. If the subject property were to capture its fair share of the room night demand, it would penetrate the market by 100 percent. A penetration factor above or below 100 percent indicates a hotel's greater or lesser ability to compete in the marketplace.

The following tables illustrate the estimated 2025 penetration factors by market segment.

Commercial							
Property	2025 Average Room Count	2025 Fair Share	2025 Estimated Occupancy	2025 Market Segmentation	2025 Estimated Rooms Occupied	2025 Market Share	2025 Penetration Factor
Embassy Suites by Hilton Amarillo Downtown	226	38.92%	80% - 85%	60.00%	39,595 - 42,070	38.6% - 41.0%	99% - 105%
Fairfield Inn & Suites Amarillo Central	108	18.60%	75% - 80%	60.00%	17,739 - 18,922	17.3% - 18.4%	93% - 99%
Courtyard Amarillo Downtown	107	18.43%	80% - 85%	65.00%	20,309 - 21,578	19.8% - 21.0%	107% - 114%
The Barfield, Autograph Collection	112	19.29%	80% - 85%	60.00%	19,622 - 20,849	19.1% - 20.3%	99% - 105%
CoStar Composite	*28*	*4.76%*	*75% - 80%*	*61.00%*	*4,676 - 4,987*	*4.6% - 4.9%*	*96% - 102%*
Totals / *Averages*	**581**	**100.00%**	***79.42%***	***60.98%***	**102,638**	**100.00%**	

Meeting & Group							
Property	2025 Average Room Count	2025 Fair Share	2025 Estimated Occupancy	2025 Market Segmentation	2025 Estimated Rooms Occupied	2025 Market Share	2025 Penetration Factor
Embassy Suites by Hilton Amarillo Downtown	226	38.92%	80% - 85%	20.00%	13,198 - 14,023	48.6% - 51.7%	125% - 133%
Fairfield Inn & Suites Amarillo Central	108	18.60%	75% - 80%	10.00%	2,957 - 3,154	10.9% - 11.6%	59% - 62%
Courtyard Amarillo Downtown	107	18.43%	80% - 85%	15.00%	4,687 - 4,980	17.3% - 18.3%	94% - 100%
The Barfield, Autograph Collection	112	19.29%	80% - 85%	15.00%	4,906 - 5,212	18.1% - 19.2%	94% - 100%
CoStar Composite	*28*	*4.76%*	*75% - 80%*	*16.00%*	*1,226 - 1,308*	*4.5% - 4.8%*	*95% - 101%*
Totals / *Averages*	**581**	**100.00%**	***79.42%***	***16.13%***	**27,150**	**100.00%**	

Leisure							
Property	2025 Average Room Count	2025 Fair Share	2025 Estimated Occupancy	2025 Market Segmentation	2025 Estimated Rooms Occupied	2025 Market Share	2025 Penetration Factor
Embassy Suites by Hilton Amarillo Downtown	226	38.92%	80% - 85%	20.00%	13,198 - 14,023	34.2% - 36.4%	88% - 93%
Fairfield Inn & Suites Amarillo Central	108	18.60%	75% - 80%	30.00%	8,870 - 9,461	23.0% - 24.5%	124% - 132%
Courtyard Amarillo Downtown	107	18.43%	80% - 85%	20.00%	6,249 - 6,639	16.2% - 17.2%	88% - 93%
The Barfield, Autograph Collection	112	19.29%	80% - 85%	25.00%	8,176 - 8,687	21.2% - 22.5%	110% - 117%
CoStar Composite	*28*	*4.76%*	*75% - 80%*	*23.00%*	*1,763 - 1,880*	*4.6% - 4.9%*	*96% - 102%*
Totals / *Averages*	**581**	**100.00%**	***79.42%***	***22.89%***	**38,538**	**100.00%**	

Total							
Property	2025 Average Room Count	2025 Fair Share	2025 Estimated Occupancy	2025 Market Segmentation	2025 Estimated Rooms Occupied	2025 Market Share	2025 Penetration Factor
Embassy Suites by Hilton Amarillo Downtown	226	38.92%	80% - 85%	100.00%	65,992 - 70,117	39.2% - 41.7%	101% - 107%
Fairfield Inn & Suites Amarillo Central	108	18.60%	75% - 80%	100.00%	29,565 - 31,536	17.6% - 18.7%	94% - 101%
Courtyard Amarillo Downtown	107	18.43%	80% - 85%	100.00%	31,244 - 33,197	18.6% - 19.7%	101% - 107%
The Barfield, Autograph Collection	112	19.29%	80% - 85%	100.00%	32,704 - 34,748	19.4% - 20.6%	101% - 107%
CoStar Composite	*28*	*4.76%*	*75% - 80%*	*100.00%*	*7,665 - 8,176*	*4.6% - 4.9%*	*96% - 102%*
Totals / *Averages*	**581**	**100.00%**	***79.42%***	***100.00%***	**168,326**	**100.00%**	

The projected room night demand is multiplied by the subject property's fair share percentage and by the projected penetration factor to derive the number of room nights captured during each year. The number of room nights captured is then totaled and divided by the annual number of rooms available at the subject property to estimate the projected annual occupancy level.

A brief summary of the rationale used to project the penetration rates for the proposed subject by market segment follows.

Commercial Penetration

The subject is anticipated to be a full-service, hotel, in excellent condition upon completion of construction, with amenities inclusive of the Ground Floor Restaurant, Rooftop Bar & Lounge, In-Room Dining, outdoor pool, business center, fitness center, sundry shop, and 10,000 square feet of meeting space. The subject market benefits from demand generated by CNS Pantex Plant, BSA Healthcare System, Northwest Texas Healthcare System, Tyson Foods, and Bell Helicopter. Additionally, the brand reservation system is anticipated to allow for the subject property to effectively penetrate the commercial market. Penetration levels for this segment are projected to incrementally increase as the property management team establishes relationships and local corporate negotiated accounts in the market in the initial projection years. Thus, we anticipate penetration levels to stabilize at approximately 90%, continuing throughout the remainder of the projection period. Commercial business is expected to generate approximately 55% of the hypothetical subject property's business-mix upon stabilization.

Meeting & Group Penetration

The subject property is anticipated to feature approximately 10,000 square feet of meeting space upon completion of construction. The subject hotel is anticipated to be able to capture group demand from meetings and groups associated with nearby corporations. The subject is also expected to receive business from religious, educational and fraternal groups, inclusive of tour & travel. On a stabilized basis, we anticipate penetration levels to increase and stabilize at approximately 125%, continuing throughout the remainder of projection period. Meeting & group business is expected to generate approximately 19% of the hypothetical subject property's business-mix upon stabilization.

Leisure Penetration

The subject is a full-service property that is anticipated to include the Ground Floor Restaurant, Rooftop Bar & Lounge, In-Room Dining, outdoor pool, business center, fitness center, sundry shop, and 10,000 square feet of meeting space. The subject property is anticipated to benefit from its location in Amarillo. Major demand drivers in the subject market include Palo Duro Canyon State Park, Historic Route 66 District, Cadillac Ranch, American Quarter Horse Hall of Fame & Museum, and Big Texan Steak Ranch. We anticipate penetration levels to increase and stabilize at 115%, continuing throughout the remainder of the projection period. Leisure business is anticipated to generate approximately 25% of the hypothetical subject property's business-mix upon stabilization.

Overall Penetration

Given the anticipated condition of the subject property upon completion, as well as its specific location, branding, size and amenities, we anticipate that the subject will capture approximately its fair share by the stabilized year. We anticipate an overall increase in penetration levels for the subject property upon opening to stabilization, given the typical ramp-up that occurs for new hotel properties. Please note we have also considered our simultaneous ADR projections in determining reasonable penetration and occupancy projections for the subject property.

Total penetration level for the subject property is estimated to be 101% at stabilization. Due to the anticipated condition, location, branding, and product offering of the subject property, we determine this to be a reasonable estimate.

The following table illustrates our estimated penetration rates over the projection period and resultant occupancy levels:

Downtown Amarillo Hotel Market Study	Subject Opens								
	12/31/2028	12/31/2029	12/31/2030	12/31/2031	12/31/2032	12/31/2033	12/31/2034	12/31/2035	12/31/2036
Subject Property's Fair Share									
Market Supply Room	816	887	887	887	887	887	887	887	887
Subject Property Room Count	200	200	200	200	200	200	200	200	200
Fair Share	24.5%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%
Room Nights Captured by Subject									
Commercial									
Fair Share	24.5%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%
Penetration Factor	85.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Market Share	20.8%	20.3%	20.3%	20.3%	20.3%	20.3%	20.3%	20.3%	20.3%
Demand	141,210	153,258	158,338	158,338	158,772	158,338	158,338	158,338	158,772
Market Share	20.8%	20.3%	20.3%	20.3%	20.3%	20.3%	20.3%	20.3%	20.3%
Capture	29,419	31,113	32,144	32,144	32,232	32,144	32,144	32,144	32,232
Meeting & Group									
Fair Share	24.5%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%
Penetration Factor	105.0%	115.0%	125.0%	125.0%	125.0%	125.0%	125.0%	125.0%	125.0%
Market Share	25.7%	25.9%	28.2%	28.2%	28.2%	28.2%	28.2%	28.2%	28.2%
Demand	36,862	39,420	40,381	40,381	40,492	40,381	40,381	40,381	40,492
Market Share	25.7%	25.9%	28.2%	28.2%	28.2%	28.2%	28.2%	28.2%	28.2%
Capture	9,487	10,226	11,386	11,386	11,417	11,386	11,386	11,386	11,417
Leisure									
Fair Share	24.5%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%
Penetration Factor	100.0%	110.0%	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%
Market Share	24.5%	24.8%	25.9%	25.9%	25.9%	25.9%	25.9%	25.9%	25.9%
Demand	51,547	55,995	57,347	57,347	57,504	57,347	57,347	57,347	57,504
Market Share	24.5%	24.8%	25.9%	25.9%	25.9%	25.9%	25.9%	25.9%	25.9%
Capture	12,634	13,894	14,876	14,876	14,917	14,876	14,876	14,876	14,917
Total Capture	51,541	55,233	58,406	58,406	58,566	58,406	58,406	58,406	58,566
Subject Property Projected Occupancy									
Room Nights Captured	51,541	55,233	58,406	58,406	58,566	58,406	58,406	58,406	
Available Room Nights	73,200	73,000	73,000	73,000	73,200	73,000	73,000	73,000	
Occupancy	70%	76%	80%	80%	80%	80%	80%	80%	
Fiscal Year Adjusted Room Nights Captured	51,541	55,233	58,406	58,406	58,566	58,406	58,406	58,406	
Fiscal Year Occupancy	70%	76%	80%	80%	80%	80%	80%	80%	
Overall Market Share	22%	22%	23%	23%	23%	23%	23%	23%	
Overall Penetration	91%	99%	101%	101%	101%	101%	101%	101%	

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Average Daily Rate Projection

One of the most important considerations in developing an estimate of the value of a lodging facility is a supportable projection of its attainable average rate, which is more formally defined as the average rate per occupied room. Average rate can be calculated by dividing the total rooms revenue achieved during a specified period by the number of rooms sold during the same period. The average rate and the anticipated occupancy percentage are used to project rooms revenue, which in turn provides the basis for developing an opinion of most other income and expense categories. Although the average rate analysis presented here follows the occupancy projections, these two statistics are highly correlated; in reality, one cannot project occupancy without making specific assumptions regarding average rate. This relationship is best illustrated by RevPAR, which reflects a property's ability to maximize rooms revenue.

We examined the rate structure and achieved average room rates and RevPARs of the competitive hotels in the market, in concluding the subject property's average room rate. These are depicted in the following table.

Estimated Competitive ADR - 2025		
Property	***ADR***	***RevPAR***
Embassy Suites by Hilton Amarillo Downtown	$155 - $165	$120 - $130
Fairfield Inn & Suites Amarillo Central	$105 - $115	$80 - $90
Courtyard Amarillo Downtown	$110 - $120	$85 - $95
The Barfield, Autograph Collection	$220 - $230	$180 - $190
CoStar Composite	$150 - $160	$120 - $130
Market Average	***$154.99***	***$122.92***
Subject Positioned ADR as if 2025:	**$200.00**	

We have estimated the proposed subject's ADR at $200.00 as if open and operating for Year end 2025 as the base for our analysis.

Going forward, average daily rate is forecasted to increase by 5.00% in Year 1, 4.00% in Year 2, and 3.00% in Year 3 of the projection period. In the subsequent years, average daily rate is forecasted to increase at the underlying rate of inflation of 3.00% per year. The projections are based on overall market trends and expectations of local operators, taking into account the subject's location, projected occupancy levels, anticipated condition, and brand affiliation.

Additionally, please note we have accounted for discounting of the projected ADR, equal to 5.0% in fiscal year 3, to account for typical promotional rates and opening specials offered by new hotels as they ramp up and establish themselves in the market.

The estimated positioned ADR of $200 notably falls within the range of the Embassy Suites and Barfield, Autograph Collection estimates, which appears reasonable given the key count, product offering, and brand affiliation.

Subject Projected ADR				
Year	ADR Growth	Projected ADR	Avg. Rate Discounting	Adjusted Projected ADR
Estimated ADR (2025)		**$200.00**		
1/1/2026 - 12/31/2026	10.0%	$220.00	0.0%	**$220.00**
1/1/2027 - 12/31/2027	6.0%	$233.20	0.0%	**$233.20**
1/1/2028 - 12/31/2028	5.0%	$244.86	**5.0%**	**$232.62**
1/1/2029 - 12/31/2029	4.0%	$254.65	0.0%	**$254.65**
1/1/2030 - 12/31/2030	3.0%	$262.29	0.0%	**$262.29**
1/1/2031 - 12/31/2031	3.0%	$270.16	0.0%	**$270.16**
1/1/2032 - 12/31/2032	3.0%	$278.27	0.0%	**$278.27**
1/1/2033 - 12/31/2033	3.0%	$286.62	0.0%	**$286.62**
1/1/2034 - 12/31/2034	3.0%	$295.21	0.0%	**$295.21**
1/1/2035 - 12/31/2035	3.0%	$304.07	0.0%	**$304.07**
1/1/2036 - 12/31/2036	3.0%	$313.19	0.0%	**$313.19**
1/1/2037 - 12/31/2037	3.0%	$322.59	0.0%	**$322.59**
1/1/2038 - 12/31/2038	3.0%	$332.27	0.0%	**$332.27**
1/1/2039 - 12/31/2039	3.0%	$342.23	0.0%	**$342.23**
1/1/2040 - 12/31/2040	3.0%	$352.50	0.0%	**$352.50**

A hotel's ability to raise room rates is affected by several factors as indicated below.

- *Supply and Demand Relationships* – The relationship between supply and demand is one of the factors that determine hotel occupancies and average rates. Strong markets where lodging demand is increasing faster than supply are often characterized by rate growth that exceeds inflation. Markets that are overbuilt or suffering from declining demand are unlikely to exhibit any significant increases in average rates.

- *Inflationary Pressures* – Price increases caused by inflation affect hotel room rates by eroding profit margins and encouraging operators to raise prices. This strategy is effective only in markets that are characterized by a healthy supply and demand relationship.

- *Improving the Competitive Standard* – When a new lodging facility enters a mature market, its rates may be set higher than the market-wide average in an effort to justify the development costs. This may allow other competitors to achieve corresponding gains by effectively raising the amount the market will bear. However, if the addition to supply has a severe impact on the occupancy levels of other hotels, price competition may ensue.

- *Property-Specific Improvements* – Changes that make a hotel more or less attractive to guests can have an impact on average rate. An expansion, renovation, upgrading, or the introduction of additional facilities and amenities may enable greater-than-inflationary room rate increases. Likewise, deferred maintenance may make a property less competitive, engendering a decline in room rates.

Occupancy and Average Daily Rate Conclusion

The operating performance of the subject hotel is projected in terms of annual guestroom occupancy and average daily room rate. Based on the previously concluded occupancy and average room rate, the subject's room revenue is projected as illustrated below.

Occupancy, ADR, RevPAR and Rooms Revenue Conclusions			
Projection Year:	1	2	3
Fiscal Year Ending December 31:	2028	2029	2030
Number of Days in Year:	366	365	365
Number of Rooms:	200	200	200
Annual Available Rooms:	73,200	73,000	73,000
Occupied Rooms:	51,240	54,750	58,400
Annual Occupancy:	70.00%	75.00%	80.00%
Average Rate:	$232.62	$254.65	$262.29
RevPAR:	$162.83	$190.99	$209.84
Rooms Revenue	$11,919,295	$13,942,307	$15,317,970

Given the hotel's location, the complementary demand generators and amenities within the area, and the quality and size of the property, it has been assumed that the 101% occupancy penetration is reasonable for the subject hotel upon stabilization. Hence, we stabilized the subject hotel's occupancy at 80% as of January 1, 2030. We also believe the subject's $262.29 stabilized ADR and $209.84 RevPAR in year three to be reasonable and appropriate given the subject's location, anticipated branding, size (key count), facilities, amenities and level of service.

Income & Expense Review

Review of Financial Operating Statements

Please note that we were not provided with a financial pro-forma for the purpose of this assignment.

Comparable Analysis – Industry Averages & Comparable Hotels

In order to bolster our forecast for the subject property, we have analyzed the operating performance of the subject versus hotel industry averages and various comparable hotels.

Illustrated on the following page are aggregate averages for five selected property descriptive categories from the 2024 Hotel Profitability Review, published by CoStar. This 2024 Hotel Profitability Review features data from the 2024 calendar year. Please note, the 2025 Hotel Profitability Review featuring 2025 data is anticipated to be released in Q3 2026.

Those comparative categories that were analyzed include:

Service Type: Full Service
Affiliation: Chain-Affiliated
Geographic Region: West South Central
Location: Urban
Price Category: Upper Upscale

Given the breadth and diversity of properties underlying HOST averages, we have also identified a set of more directly comparable hotels to provide a more precise basis for evaluating and positioning individual revenue and expense line items. HOST serves as a useful frame of reference and, in certain instances, offers corroborating support for concluded figures; however, the regional comparable set carries greater weight in this analysis. This approach mirrors the due diligence process a prospective buyer would undertake when underwriting the asset in terms of anchoring revenue and expense assumptions in locally informed, property-specific evidence rather than broad national averages.

HOST Report

Downtown Amarillo Hotel Market Study
CoStar 2024 U.S. Hotel Profitability Review

Category	Host Weighted Average			Full Service			Chain-Affiliated			West South Central			Urban			Upper Upscale		
Occupancy	67.9%			67.1%			69.8%			66.5%			68.7%			67.3%		
Average Daily Rate	225			$255.03			$203.50			$170.05			$243.01			$230.89		
RevPAR	$152.64			$171.19			$142.03			$113.12			$166.88			$155.38		
	Ratio to Sales	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**
REVENUE																		
Rooms Revenue	65.5%	58,410	224.72	62.6%	65,315	255.03	68.5%	55,276	203.50	64.1%	44,076	170.05	68.9%	63,061	243.01	63.3%	59,108	230.89
Food & Beverage Revenue	26.3%	23,571	90.86	28.4%	29,608	115.61	23.3%	18,811	69.25	27.3%	18,763	72.39	24.2%	22,175	85.45	28.2%	26,269	102.61
Other Operated Departments Revenue	8.2%	7,344	28.29	9.0%	9,443	36.87	8.1%	6,553	24.12	8.5%	5,873	22.66	6.9%	6,310	24.32	8.5%	7,938	31.01
Total Revenue	**100.0%**	**89,325**	**343.87**	**100.0%**	**104,366**	**407.52**	**100.0%**	**80,640**	**296.88**	**100.0%**	**68,711**	**265.10**	**100.0%**	**91,546**	**352.78**	**100.0%**	**93,316**	**364.51**
DEPARTMENTAL EXPENSES																		
Rooms Expense	27.0%	15,870	61.06	27.1%	17,722	69.20	26.8%	14,799	54.48	23.5%	10,371	40.01	29.1%	18,346	70.70	27.3%	16,151	63.09
Food & Beverage Expense	71.0%	16,788	64.70	73.3%	21,690	84.69	73.2%	13,773	50.71	61.8%	11,589	44.71	74.6%	16,550	63.77	69.2%	18,184	71.03
Other Operated Departments Expense	59.5%	2,276	8.77	62.5%	3,266	12.75	59.8%	2,116	7.79	56.6%	1,892	7.30	57.0%	1,616	6.23	60.8%	2,319	9.06
Total Departmental Expenses	38.9%	34,934	134.53	40.9%	42,678	166.64	38.1%	30,688	112.98	34.7%	23,852	92.02	39.9%	36,512	140.70	39.3%	36,655	143.18
Total Departmental Profit	**61.1%**	**54,392**	**209.34**	**59.1%**	**61,688**	**240.87**	**61.9%**	**49,952**	**183.90**	**65.3%**	**44,859**	**173.07**	**60.1%**	**55,035**	**212.08**	**60.7%**	**56,661**	**221.33**
UNDISTRIBUTED OPERATING EXPENSES																		
Administrative & General	8.3%	7,445	28.66	8.2%	8,599	33.58	8.5%	6,821	25.11	8.4%	5,799	22.37	8.5%	7,791	30.02	8.1%	7,572	29.58
Information & Telecommunications Systems	1.5%	1,340	5.16	1.5%	1,557	6.08	1.5%	1,191	4.38	1.6%	1,080	4.17	1.5%	1,418	5.47	1.4%	1,344	5.25
Sales & Marketing	7.1%	6,319	24.33	7.0%	7,337	28.65	6.9%	5,575	20.53	7.0%	4,820	18.60	7.3%	6,649	25.62	7.1%	6,615	25.84
Franchise Fees	1.7%	1,485	5.70	1.4%	1,472	5.75	2.0%	1,610	5.93	2.1%	1,467	5.66	1.5%	1,403	5.40	1.6%	1,486	5.80
Utility Costs	3.2%	2,828	10.88	3.1%	3,233	12.63	3.3%	2,652	9.76	3.2%	2,171	8.38	3.1%	2,854	11.00	3.2%	2,991	11.69
Property Operation & Maintenance	4.5%	3,988	15.35	4.4%	4,567	17.83	4.6%	3,674	13.53	4.5%	3,126	12.06	4.5%	4,100	15.80	4.4%	4,145	16.19
Total Undistributed Operating Expenses	26.3%	23,406	90.08	25.6%	26,765	104.51	26.7%	21,523	79.24	26.9%	18,463	71.23	26.5%	24,215	93.31	25.9%	24,154	94.35
Gross Operating Profit (GOP)	**34.9%**	**30,986**	**119.26**	**33.5%**	**34,923**	**136.36**	**35.3%**	**28,429**	**104.66**	**38.4%**	**26,396**	**101.84**	**33.7%**	**30,819**	**118.76**	**34.8%**	**32,507**	**126.98**
Management Fee	3.3%	2,981	11.48	3.4%	3,516	13.73	3.3%	2,628	9.68	3.3%	2,276	8.78	3.3%	2,985	11.50	3.5%	3,224	12.59
Income Before Fixed Charges	**31.5%**	**28,005**	**107.78**	**30.1%**	**31,407**	**122.63**	**32.0%**	**25,800**	**94.99**	**35.1%**	**24,120**	**93.06**	**30.4%**	**27,834**	**107.26**	**31.4%**	**29,284**	**114.39**
Selected Fixed Charges																		
Non-Operating Income	0.5%	467	1.80	0.6%	585	2.28	0.5%	377	1.39	0.3%	215	0.83	0.8%	697	2.69	0.4%	357	1.40
Rent	1.0%	924	3.56	1.2%	1,204	4.70	1.0%	778	2.87	0.6%	407	1.57	1.1%	964	3.72	1.2%	1,083	4.23
Property Taxes	3.4%	3,056	11.76	3.2%	3,365	13.14	3.5%	2,788	10.27	2.8%	1,896	7.31	4.2%	3,812	14.69	3.2%	2,994	11.69
Insurance	1.6%	1,464	5.63	1.6%	1,718	6.71	1.7%	1,402	5.16	1.8%	1,219	4.70	1.5%	1,352	5.21	1.7%	1,541	6.02
Reserve For Replacement	1.8%	1,604	6.18	1.9%	1,941	7.58	1.8%	1,422	5.23	1.4%	939	3.62	1.9%	1,694	6.53	1.9%	1,786	6.98
Hotel Cash Flow	**22.9%**	**20,229**	**77.85**	**21.2%**	**22,158**	**86.52**	**23.3%**	**18,755**	**69.05**	**28.1%**	**19,295**	**74.44**	**20.9%**	**19,132**	**73.73**	**22.8%**	**21,307**	**83.23**

Expense Comparables

A table detailing the operating performance of five comparable hotels is presented below. The comparable statements were taken from our database.

Downtown Amarillo Hotel Market Study
Competitive Review

Category	Comp Weighted Average			Comp Hotel 1			Comp Hotel 2			Comp Hotel 3			Comp Hotel 4			Comp Hotel 5		
Chain-Affiliated or Independent				Chain-Affiliated			Chain-Affiliated			Independent			Chain-Affiliated			Chain-Affiliated		
Service Type				Full-Service			Full-Service			Full-Service			Full-Service			Full-Service		
Chain Scale				Upper Upscale			Upper Upscale			Luxury			Upper Upscale			Upper Upscale		
Location Type				Urban			Urban			Urban			Urban			Urban		
Annual Occupancy:	70%			68%			68%			72%			67%			70%		
Number of Rooms:	245			195 - 215			155 - 170			405 - 450			175 - 190			235 - 260		
Average Daily Rate:	$271			$223			$280			$291			$306			$242		
	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR
Revenue																		
Rooms Revenue	63.1%	68,967	270.89	63.6%	55,428	223.11	63.8%	69,449	279.99	64.3%	76,186	291.40	63.7%	74,971	306.17	59.7%	62,523	242.36
Food & Beverage Revenue	31.0%	33,939	133.26	26.2%	22,818	91.85	30.7%	33,487	135.01	30.0%	35,500	135.78	32.4%	38,164	155.85	35.6%	37,337	144.73
Other Operated Departments Revenue	2.2%	2,397	9.42	1.0%	887	3.57	5.5%	5,979	24.10	2.3%	2,689	10.29	1.0%	1,155	4.72	1.6%	1,710	6.63
Parking Revenue	2.8%	3,067	12.01	4.3%	3,726	15.00	0.0%	0	0.00	3.1%	3,657	13.99	2.9%	3,395	13.86	3.1%	3,202	12.41
Total Revenue	**100.0%**	**109,247**	**429.08**	**100.0%**	**87,180**	**350.92**	**100.0%**	**108,915**	**439.11**	**100.0%**	**118,515**	**453.31**	**100.0%**	**117,684**	**480.60**	**100.0%**	**104,772**	**406.14**
Departmental Expenses																		
Rooms Expense	22.7%	15,809	62.13	20.2%	11,180	45.00	18.2%	12,623	50.89	23.3%	17,781	68.01	29.1%	21,850	89.23	22.0%	13,778	53.41
Food & Beverage Expense	70.0%	23,275	91.79	94.6%	21,575	86.85	68.0%	22,766	91.78	57.2%	20,310	77.69	84.6%	32,302	131.91	63.8%	23,817	92.32
Other Operated Departments Expense	22.7%	776	3.06	0.6%	5	0.02	51.0%	3,052	12.30	32.7%	879	3.36	7.9%	91	0.37	15.3%	261	1.01
Parking Expense	53.7%	1,853	7.27	28.7%	1,070	4.31	0.0%	0	0.00	52.0%	1,900	7.27	90.5%	3,071	12.54	84.3%	2,698	10.46
Total Departmental Expenses	38.6%	42,030	165.51	41.0%	35,780	144.02	35.3%	38,440	154.98	34.5%	40,871	156.33	48.7%	57,314	234.06	38.7%	40,553	157.20
Departmental Income (Loss)	**61.4%**	**67,218**	**263.57**	**59.0%**	**51,400**	**206.90**	**64.7%**	**70,475**	**284.13**	**65.5%**	**77,644**	**296.98**	**51.3%**	**60,370**	**246.54**	**61.3%**	**64,219**	**248.94**
Undistributed Operating Expenses																		
Administrative & General	8.3%	9,063	35.73	8.5%	7,384	29.72	9.6%	10,449	42.13	7.2%	8,528	32.62	10.6%	12,445	50.82	7.7%	8,095	31.38
Information & Telecommunications Systems	1.6%	1,744	6.88	1.8%	1,578	6.35	2.3%	2,510	10.12	1.4%	1,701	6.51	1.6%	1,914	7.82	1.3%	1,354	5.25
Sales & Marketing	7.1%	7,643	30.25	8.3%	7,214	29.04	9.6%	10,416	41.99	4.4%	5,182	19.82	9.5%	11,228	45.85	7.7%	8,053	31.22
Franchise Fees	3.0%	3,136	12.50	4.5%	3,914	15.75	3.6%	3,896	15.71	0.0%	0	0.00	4.9%	5,798	23.68	5.4%	5,681	22.02
Utility Costs	2.3%	2,473	9.75	3.4%	2,969	11.95	1.6%	1,703	6.87	1.9%	2,218	8.48	2.9%	3,407	13.91	2.2%	2,355	9.13
Property Operation & Maintenance	3.3%	3,591	14.13	4.4%	3,817	15.37	2.7%	2,922	11.78	2.9%	3,495	13.37	3.5%	4,062	16.59	3.5%	3,668	14.22
Total Undistributed Operating Expenses	25.7%	27,651	109.24	30.8%	26,876	108.18	29.3%	31,897	128.60	17.8%	21,124	80.80	33.0%	38,854	158.67	27.9%	29,206	113.21
Gross Operating Profit (GOP)	**35.8%**	**39,567**	**154.33**	**28.1%**	**24,523**	**98.71**	**35.4%**	**38,578**	**155.53**	**47.7%**	**56,520**	**216.19**	**18.3%**	**21,516**	**87.87**	**33.4%**	**35,013**	**135.72**
Fixed Charges																		
Management Fee	3.0%	3,285	12.85	2.6%	2,239	9.01	3.0%	3,246	13.09	3.1%	3,707	14.18	2.0%	2,406	9.83	3.8%	4,012	15.55
Property Taxes	4.2%	4,548	17.84	5.6%	4,872	19.61	2.7%	2,889	11.65	4.9%	5,821	22.27	4.2%	4,886	19.95	2.7%	2,859	11.08
Insurance	1.1%	1,254	4.94	0.9%	742	2.99	0.6%	600	2.42	0.9%	1,065	4.07	2.0%	2,322	9.48	1.6%	1,653	6.41
Reserve for Replacement	3.1%	3,547	13.85	0.0%	-	0.00	2.7%	2,892	11.66	4.2%	4,955	18.95	3.9%	4,605	18.81	3.4%	3,556	13.78
Total Fixed Charges	**11.8%**	**13,026**	**51.07**	**9.0%**	**7,854**	**31.61**	**11.6%**	**12,679**	**51.12**	**13.1%**	**15,548**	**59.47**	**12.1%**	**14,220**	**58.07**	**11.5%**	**12,080**	**46.83**
Hotel Cash Flow	**22.7%**	**25,372**	**98.56**	**10.9%**	**9,480**	**38.16**	**23.8%**	**25,899**	**104.41**	**34.6%**	**40,972**	**156.72**	**6.2%**	**7,297**	**29.80**	**21.9%**	**22,933**	**88.90**
NOI Adjusted for 3.00% Management & 4.00% Reserves	**21.8%**	**24,557**	**95.23**	**6.4%**	**5,616**	**22.61**	**22.4%**	**24,413**	**98.42**	**34.9%**	**41,338**	**158.12**	**5.2%**	**6,070**	**24.79**	**22.1%**	**23,167**	**89.80**

Financial Analysis

A summary of the underlying rationale and assumptions used in developing the annual operating performance for the subject hotel is presented in the following text. Fundamental to the opinions of operating results is the assumption of competent and efficient management at the property level, a well-coordinated marketing plan for the hotel, and a well-devised yield management strategy. Among the primary responsibilities of management are the maintenance of a quality facility, the execution of an adequate marketing effort, and operating in a cost-efficient manner.

We have utilized a holding period of 10 years, and we have capitalized the Year 11 net operating income to calculate the reversion proceeds from a sale in that year.

Our projections incorporate an opinion of general price inflation based upon economic projections from various sources (including the U.S. Congressional Budget Office), tempered by our observations and expectations derived from historical perspectives both locally and nationally. Accordingly, to portray price level changes, we assumed an average CPI inflation rate of 3.0 percent per year throughout the 10-year projection period. This assumption is intended only to portray an expected long-term trend in price movements, rather than for a specific interval of time.

Operating revenues and expenses for the subject are projected using a Microsoft Excel model developed for LW Hospitality Advisors®. This model was especially designed to reflect the operating characteristics of a hotel property. The Excel model is based upon the theory that hotel revenues and expenses have an independent fixed component and a dependent component that varies in proportion to occupancy and the overall use of the facility. An estimate of each revenue and expense line item can be made by calculating the fixed and variable percentage components of an established level of revenue or expense. The fixed component is held constant, while the variable component is adjusted for the future incremental changes in occupancy and utilization levels.

Based on our review of the subject's prospective operating performance, as well as our analysis of comparable hotel income and expense statements and industry norms, we derived base levels of income and expense. The units of comparison include percentage of departmental and/or total revenue, amount per available room, and amount per occupied room. These units of comparison are the basis for calculating the fixed and variable component relationships for each line item.

After reviewing U.S. hotel industry averages, and the performance of comparable hotels, we developed a 10-year projection of income and expense, with the first year beginning January 1, 2028. Considering the current state of the competitive hotel market, we believe the subject property will achieve stabilization, beginning January 1, 2030.

The projection of income and expense is intended to reflect the appraiser's opinion of how a typical buyer would project the subject property's operating results. Depending on the dynamics of the local market, a typical buyer's projection may be adjusted upward or downward. We have attempted to incorporate these considerations into this analysis.

Departmental Revenues

Room Revenues were calculated by estimating annual occupancy and average daily rate per occupied room for the subject property for each year of our analysis period. The estimates of occupancy were multiplied by the estimated ADR and by the room count in each year to derive room revenues, as shown in our projections. We expect the hotel's occupancy and ADR to stabilize in year three.

Occupancy, ADR, RevPAR and Rooms Revenue Conclusions					
Projection Year:	1	2	3	4	5
Fiscal Year Ending December 31:	2028	2029	2030	2031	2032
Number of Days in Year:	366	365	365	365	366
Number of Rooms:	200	200	200	200	200
Annual Available Rooms:	73,200	73,000	73,000	73,000	73,200
Occupied Rooms:	51,240	54,750	58,400	58,400	58,560
Annual Occupancy:	70.00%	75.00%	80.00%	80.00%	80.00%
Average Rate:	$232.62	$254.65	$262.29	$270.16	$278.27
RevPAR:	$162.83	$190.99	$209.84	$216.13	$222.61
Rooms Revenue	$11,919,295	$13,942,307	$15,317,970	$15,777,519	$16,295,374

Food & Beverage Revenue are anticipated to include revenues from Restaurant, Rooftop Bar & Lounge, and In-Room Dining. Additionally, this line item is anticipated to include proceeds from banquets, catering, room service, meeting room rental fees, audiovisual fees, attrition fees, and other food and beverage related income.

We prepared a detailed analysis of the food and beverage program, as described below.

Revenue Projections

We considered our revenue projections relative to comparables and our own industry expertise. We analyzed the revenue projections based on what we believe the main driver to be for each outlet. For example, we typically consider restaurant revenues on a Per Seat basis given the revenue is closely tied to seat count, whereas a bar/lounge would typically be considered Per Square Foot given the patrons occupy both seats and standing room. Revenue sources such as in-room dining, minibar, or a coffee bar in the rear of the lobby are typically considered most accurately on a POR (Per Occupied Room) basis given the revenues are most likely driven by overnight guests of the hotel. Please note that all projections are compiled off of the usable square footage or seat count, which includes indoor space and outdoor space adjusted for seasonality.

Our projections are displayed alongside the comparables at the end of this section. Please note, we accounted for discounting of the revenue projections prior to stabilization as the outlets ramp up post opening.

Revenue projections are shown below. The projections are compiled based on a primary driver, and growth has been employed annually from the base year onward.

Food & Beverage Projections							
Projection Year		Positioned	1	2	3	4	5
Fiscal Year Ending:		12/31/2025	12/31/2028	12/31/2029	12/31/2030	12/31/2031	12/31/2032
Occupied Rooms:		***58,400***	***51,240***	***54,750***	***58,400***	***58,400***	***58,560***
Restaurant		**$3,750,000**	**$4,098,000**	**$4,221,000**	**$4,347,600**	**$4,478,100**	**$4,612,500**
Seats (avg. usable)		150	150	150	150	150	150
Per Seat		*$25,000*	*$27,320*	*$28,140*	*$28,984*	*$29,854*	*$30,750*
Per Occupied Room		*$64.21*	*$79.98*	*$77.10*	*$74.45*	*$76.68*	*$78.77*
Positioned Revenue	**Per Seat**	**$25,000**	**$27,320**	**$28,140**	**$28,984**	**$29,854**	**$30,750**
Annual Growth %			***9.3%***	*3.0%*	*3.0%*	*3.0%*	*3.0%*
Days Open *(projections prorated accordingly)*			*366*	*365*	*365*	*365*	*366*
Discounting							
Restaurant - Total Revenues		**$3,750,000**	**$4,098,000**	**$4,221,000**	**$4,347,600**	**$4,478,100**	**$4,612,500**
Rooftop Bar & Lounge		**$1,500,000**	**$1,639,200**	**$1,688,400**	**$1,739,050**	**$1,791,200**	**$1,844,950**
Seats (avg. usable)		50	50	50	50	50	50
Per Seat		*$30,000*	*$32,784*	*$33,768*	*$34,781*	*$35,824*	*$36,899*
Per Occupied Room		*$25.68*	*$31.99*	*$30.84*	*$29.78*	*$30.67*	*$31.51*
Positioned Revenue	**Per Seat**	**$30,000**	**$32,784**	**$33,768**	**$34,781**	**$35,824**	**$36,899**
Annual Growth %			***9.3%***	*3.0%*	*3.0%*	*3.0%*	*3.0%*
Days Open *(projections prorated accordingly)*			*366*	*365*	*365*	*365*	*366*
Discounting							
Rooftop Bar & Lounge - Total Revenues		**$1,500,000**	**$1,639,200**	**$1,688,400**	**$1,739,050**	**$1,791,200**	**$1,844,950**
In-Room Dining		**$292,000**	**$279,770**	**$307,695**	**$338,136**	**$348,064**	**$359,558**
Per Occupied Room		*$5.00*	*$5.46*	*$5.62*	*$5.79*	*$5.96*	*$6.14*
Positioned Revenue	**Per Occupied Room**	**$5.00**	**$5.46**	**$5.62**	**$5.79**	**$5.96**	**$6.14**
Annual Growth %			***9.3%***	*3.0%*	*3.0%*	*3.0%*	*3.0%*
Days Open *(projections prorated accordingly)*			*366*	*365*	*365*	*365*	*366*
Discounting							
In-Room Dining - Total Revenues		**$292,000**	**$279,770**	**$307,695**	**$338,136**	**$348,064**	**$359,558**
Meeting/Event Space		**$2,500,000**	**$2,730,000**	**$2,810,000**	**$2,890,000**	**$2,980,000**	**$3,070,000**
Seats (avg. usable)		-	-	-	-	-	-
Square Footage (avg. usable)		10,000	10,000	10,000	10,000	10,000	10,000
Per Square Foot		*$250*	*$273*	*$281*	*$289*	*$298*	*$307*
Per Occupied Room		*$42.81*	*$53.28*	*$51.32*	*$49.49*	*$51.03*	*$52.42*
Positioned Revenue	**Per Square Foot**	**$250**	**$273**	**$281**	**$289**	**$298**	**$307**
Annual Growth %			***9.3%***	*3.0%*	*3.0%*	*3.0%*	*3.0%*
Days Open *(projections prorated accordingly)*			*366*	*365*	*365*	*365*	*366*
Discounting							
Meeting/Event Space - Total Revenues		**$2,500,000**	**$2,730,000**	**$2,810,000**	**$2,890,000**	**$2,980,000**	**$3,070,000**

Note, annual growth to Year 1 represents inflation (at 3.0% per year) from the base year through to projection Year 1

Revenue Comparables

Below please find revenue comparables considered, alongside our projections.

Food & Beverage Outlet Revenues - Comparable Analysis

Restaurant

Comparable	Category	Revenue	Usable Seat Count/ Capacity	Revenue Per Seat	Occupied Rooms	Revenue POR
Comparable 1	Restaurant	**$5,015,583**	155	$32,359	53,112	$94.43
Comparable 2	Restaurant	**$3,563,342**	175	$20,409	45,637	$78.08
Comparable 3	Restaurant	**$5,352,757**	175	$30,587	47,792	$112.00
Comparable 4	Restaurant	**$1,830,550**	78	$23,469	20,062	$91.24
Comparable 5	Restaurant	**$2,189,925**	85	$25,764	44,104	$49.65
Comparable 6	Restaurant	**$2,843,285**	150	$18,955	80,955	$35.12
Comparable Averages		**3,465,907**	**136**	**$25,435**	**48,610**	**$71.30**
Subject Projections						
Year One		**$4,098,000**	150	$27,320	51,240	$79.98
Year Two		**$4,221,000**	150	$28,140	54,750	$77.10
Stabilized (Year 3)		**$4,347,600**	150	$28,984	58,400	$74.45
Stabilized Year Deflated to Base Year		*$3,749,974*	*150*	*$25,000*	*58,400*	*$64.21*

Food & Beverage Outlet Revenues - Comparable Analysis

Rooftop Bar & Lounge

Comparable	Category	Revenue	Usable Seat Count/ Capacity	Revenue Per Seat	Occupied Rooms	Revenue POR
Comparable 1	Bar/Lounge	**$1,696,517**	50	$33,930	73,693	$23.02
Comparable 2	Bar/Lounge	**$1,080,587**	42	$25,728	148,392	$7.28
Comparable 3	Bar/Lounge	**$1,477,528**	44	$33,580	44,604	$33.13
Comparable 4	Bar/Lounge	**$1,853,057**	53	$34,963	126,615	$14.64
Comparable 5	Bar/Lounge	**$2,013,821**	86	$23,417	63,315	$31.81
Comparable 6	Bar/Lounge	**$1,089,094**	40	$27,227	118,085	$9.22
Comparable 7	Bar/Lounge	**$1,303,999**	32	$40,750	39,722	$32.83
Comparable Averages		**1,502,086**	**50**	**$30,301**	**87,775**	**$17.11**
Subject Projections						
Year One		**$1,639,200**	50	$32,784	51,240	$31.99
Year Two		**$1,688,400**	50	$33,768	54,750	$30.84
Stabilized (Year 3)		**$1,739,050**	50	$34,781	58,400	$29.78
Stabilized Year Deflated to Base Year		*$1,499,998*	*50*	*$30,000*	*58,400*	*$25.68*

Food & Beverage Outlet Revenues - Comparable Analysis				
In-Room Dining				
Comparable	**Category**	**Revenue**	Occupied Rooms	**Revenue POR**
Comparable 1	In-Room Dining	**$96,006**	72,029	$1.33
Comparable 2	In-Room Dining	**$113,104**	45,546	$2.48
Comparable 3	In-Room Dining	**$373,110**	50,578	$7.38
Comparable 4	In-Room Dining	**$193,138**	46,583	$4.15
Comparable 5	In-Room Dining	**$358,268**	44,811	$8.00
Comparable 6	In-Room Dining	**$355,910**	66,339	$5.37
Comparable 7	In-Room Dining	**$456,259**	48,320	$9.44
Comparable 8	In-Room Dining	**$452,213**	62,064	$7.29
Comparable Averages		**299,751**	**54,534**	**$5.50**
Subject Projections				
Year One		**$279,770**	51,240	$5.46
Year Two		**$307,695**	54,750	$5.62
Stabilized (Year 3)		**$338,136**	58,400	$5.79
Stabilized Year Deflated to Base Year		*$291,655*	*58,400*	*$4.99*

Meeting/Event Revenue Comparables

Meeting & Event Space Revenues - Comparable Analysis						
Meeting/Event Space						
Comparable	**Category**	**Revenue**	Usable Square Footage	**Revenue PSF**	Occupied Rooms	**Revenue POR**
Comparable 1	Meeting & Event Space	**$3,257,166**	14,073	$231	66,210	$49.19
Comparable 2	Meeting & Event Space	**$3,292,512**	11,539	$285	44,104	$74.65
Comparable 3	Meeting & Event Space	**$1,978,242**	6,549	$302	38,551	$51.31
Comparable 4	Meeting & Event Space	**$3,294,672**	10,527	$313	72,029	$45.74
Comparable 5	Meeting & Event Space	**$2,308,577**	9,195	$251	43,598	$52.95
Comparable 6	Meeting & Event Space	**$2,407,616**	10,614	$227	107,168	$22.47
Comparable 7	Meeting & Event Space	**$1,286,211**	5,966	$216	93,849	$13.71
Comparable 8	Meeting & Event Space	**$4,444,538**	17,555	$253	63,585	$69.90
Comparable Averages		**2,783,692**	**10,752**	**$259**	**66,137**	**$42.09**
Subject Projections						
Year One		**$2,730,000**	10,000	$273	51,240	$53.28
Year Two		**$2,810,000**	10,000	$281	54,750	$51.32
Stabilized (Year 3)		**$2,890,000**	10,000	$289	58,400	$49.49
Stabilized Year Deflated to Base Year		*$2,492,738*	*10,000*	*$249*	*58,400*	*$42.68*

Full Revenue Projections

Per the information presented in the preceding section, our full revenue projections are shown below. We have considered these projections alongside comparables, which are shown on the following pages.

Food & Beverage Projections					
Fiscal Year Ending December 31:	12/31/2028	12/31/2029	12/31/2030	12/31/2031	12/31/2032
Food & Beverage Revenue Projections					
Restaurant	$4,098,000	$4,221,000	$4,347,600	$4,478,100	$4,612,500
Rooftop Bar & Lounge	$1,639,200	$1,688,400	$1,739,050	$1,791,200	$1,844,950
Meeting/Event Space	$2,730,000	$2,810,000	$2,890,000	$2,980,000	$3,070,000
Total Revenue	**$8,746,970**	**$9,027,095**	**$9,314,786**	**$9,597,364**	**$9,887,008**

We estimated these revenues to be 35.6% of Total Revenue or $150.34 per occupied room (POR) in the stabilized year deflated to year one. The projections are above the HOST averages, but within the range of the comparable properties on a POR basis. The projections are above the HOST averages, but within the range of the comparable properties on a ratio basis.

Revenue Analysis: Food & Beverage Revenue

	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
Industry Averages						
Full Service	67.1%	171.19	NA	28.4%	29,608	115.61
Chain-Affiliated	69.8%	142.03	NA	23.3%	18,811	69.25
West South Central	66.5%	113.12	NA	27.3%	18,763	72.39
Urban	68.7%	166.88	NA	24.2%	22,175	85.45
Upper Upscale	67.3%	155.38	NA	28.2%	26,269	102.61
Comparable Hotels						
Comp Hotel 1	67.9%	223.11	4,655	26.2%	22,818	91.85
Comp Hotel 2	68.0%	279.99	5,391	30.7%	33,487	135.01
Comp Hotel 3	71.6%	291.40	15,194	30.0%	35,500	135.78
Comp Hotel 4	66.9%	306.17	6,984	32.4%	38,164	155.85
Comp Hotel 5	70.5%	242.36	9,260	35.6%	37,337	144.73
Projections						
DCF Year 1	70.0%	232.62	8,747	39.9%	43,735	170.71
DCF Stabilized	80.0%	262.29	9,315	35.6%	46,574	159.50
DCF Stabilized (Deflated)	*80.0%*	*247.24*	*8,780*	*35.6%*	*43,900*	*150.34*

Other Operated Departments Revenue includes proceeds from miscellaneous departments, including sundry shop, telecommunications, laundry/valet service, attrition fees, commissions, and cancellation fees. We estimated these revenues to be 1.9% of Total Revenue or $7.96 per occupied room (POR) in the stabilized year deflated to year one. The projections are below the HOST averages, but within the range of the comparable properties on a POR basis. The projections are below the HOST averages, but within the range of the comparable properties on a ratio basis.

Revenue Analysis: Other Operated Departments Revenue						
	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
Industry Averages						
Full Service	67.1%	171.19	NA	9.0%	9,443	36.87
Chain-Affiliated	69.8%	142.03	NA	8.1%	6,553	24.12
West South Central	66.5%	113.12	NA	8.5%	5,873	22.66
Urban	68.7%	166.88	NA	6.9%	6,310	24.32
Upper Upscale	67.3%	155.38	NA	8.5%	7,938	31.01
Comparable Hotels						
Comp Hotel 1	67.9%	223.11	181	1.0%	887	3.57
Comp Hotel 2	68.0%	279.99	963	5.5%	5,979	24.10
Comp Hotel 3	71.6%	291.40	1,151	2.3%	2,689	10.29
Comp Hotel 4	66.9%	306.17	211	1.0%	1,155	4.72
Comp Hotel 5	70.5%	242.36	424	1.6%	1,710	6.63
Projections						
DCF Year 1	70.0%	232.62	436	2.0%	2,182	8.52
DCF Stabilized	80.0%	262.29	493	1.9%	2,465	8.44
DCF Stabilized (Deflated)	*80.0%*	*247.24*	*465*	*1.9%*	*2,324*	*7.96*

Parking Revenue includes proceeds from the anticipated valet parking operation.

We have considered the following comparables in determining our nightly parking rate for the subject property:

Parking Comparables		
Hotel	**Valet**	**Self**
Downtown Amarillo Hotel Market Study (Subject)	**TBD**	**TBD**
Embassy Suites by Hilton Amarillo Downtown	$33	$18
Fairfield Inn & Suites Amarillo Central	-	-
Courtyard Amarillo Downtown	-	$15
The Barfield, Autograph Collection	$20	-
Averages	**$27**	**$17**

Considering the subject's location and product offering compared to the above comparables, our positioning parking rate per night appears reasonable.

In order to estimate the capture rate (e.g. number of occupied rooms that will utilize the parking facilities), we reviewed the below parking capture rate comparables from hotels considered similar to the subject property.

Parking Capture Rate Comparables								
Comparable	**Chain Scale**	**Service Type**	**Total Occupied Rooms**	**Hotel Revenue**	**Parking Revenue**	Parking Revenue POR	Average Asking Rate (Per Night)	**Capture Rate**
Comparable 1	Luxury	Full-Service	**44,604**	-	**$718,179**	$16.10	$33	49%
Comparable 2	Upper Upscale	Full-Service	**71,981**	$20,028,960	**$1,005,562**	$13.97	$22	64%
Comparable 3	Upper Upscale	Full-Service	**32,365**	$4,979,156	**$0**	-	$28	-
Comparable 4	Upscale	Full-Service	**19,778**	$2,570,274	**$235,465**	$11.91	$25	48%
Comparable 5	Luxury	Full-Service	**18,388**	$6,498,707	**$361,675**	$19.67	$30	66%
Comparable 6	Upper Upscale	Full-Service	**109,255**	$30,884,083	**$1,499,428**	$13.72	$30	46%
Comparable 7	Upper Upscale	Full-Service	**49,063**	$18,381,589	**$757,290**	$15.44	$38	41%
Comparable 8	Upper Upscale	Full-Service	**54,774**	$13,095,263	**$908,799**	$16.59	$37	45%
Totals / *Averages*			**400,208**	$96,438,032	**$5,486,398**	***$13.71***	*$30*	*51%*

Parking Detailed Revenue Projections

Full revenue projections are shown below. The projections are compiled based on a primary driver, and growth has been employed annually from the base year onward.

Parking Projections						
Projection Year	Base, as if	1	2	3	4	5
Fiscal Year Ending:	12/31/2025	12/31/2028	12/31/2029	12/31/2030	12/31/2031	12/31/2032
Occupied Rooms:		***51,240***	***54,750***	***58,400***	***58,400***	***58,560***
Parking Revenues						
Valet Parking Revenue		**$839,824**	**$924,180**	**$1,015,284**	**$1,045,652**	**$1,079,846**
Per Occupied Room		*$16.39*	*$16.88*	*$17.39*	*$17.91*	*$18.44*
Positioned Revenue — Per Nightly Rate	$30	**$32.78**	**$33.76**	**$34.77**	**$35.81**	**$36.88**
Capture Rate	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Annual Revenue Growth %		*9.3%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*
Days Open (projections prorated accordingly)		*366*	*365*	*365*	*365*	*366*
Discounting						
Valet Parking Revenue - Total Revenues		**$839,824**	**$924,180**	**$1,015,284**	**$1,045,652**	**$1,079,846**
Total Parking Revenues		**$839,824**	**$924,180**	**$1,015,284**	**$1,045,652**	**$1,079,846**

Annual growth to Year 1 represents inflation (at 3.0% per year) from the base year through to projection Year 1

We estimated these revenues to be 3.9% of Total Revenue or $16.39 per occupied room (POR) in the stabilized year deflated to year one. The projections are above the HOST averages, but within the range of the comparable properties on a ratio basis.

Revenue Analysis: Parking Revenue	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
Comparable Hotels						
Comp Hotel 1	67.9%	223.11	760	4.3%	3,726	15.00
Comp Hotel 3	71.6%	291.40	1,565	3.1%	3,657	13.99
Comp Hotel 4	66.9%	306.17	621	2.9%	3,395	13.86
Comp Hotel 5	70.5%	242.36	794	3.1%	3,202	12.41
Projections						
DCF Year 1	70.0%	232.62	840	3.8%	4,199	16.39
DCF Stabilized	80.0%	262.29	1,015	3.9%	5,076	17.39
DCF Stabilized (Deflated)	*80.0%*	*247.24*	*957*	*3.9%*	*4,785*	*16.39*

Departmental Expenses

Rooms Expense includes both payroll related and other departmental expenditures. Room department expenses consist of salaries and wages, uniforms, travel agent commissions, guest supplies, paper goods, cleaning, laundry, linen, and other items for maintaining guestrooms. We estimated these expenses to be 22.7% of Rooms Revenue or $56.24 per occupied room (POR) in the stabilized year deflated to year one. The projections are within the range of the comparable properties and HOST averages on a POR basis. The projections are below the HOST averages, but within the range of the comparable properties on a ratio basis.

Expense Analysis: Rooms Expense						
	Occ %	ADR	$ 1000's	% of Department Revenue	$ per Available Room	$ per Occupied Room
Industry Averages						
Full Service	67.1%	171.19	NA	27.1%	17,722	69.20
Chain-Affiliated	69.8%	142.03	NA	26.8%	14,799	54.48
West South Central	66.5%	113.12	NA	23.5%	10,371	40.01
Urban	68.7%	166.88	NA	29.1%	18,346	70.70
Upper Upscale	67.3%	155.38	NA	27.3%	16,151	63.09
Comparable Hotels						
Comp Hotel 1	67.9%	223.11	2,281	20.2%	11,180	45.00
Comp Hotel 2	68.0%	279.99	2,032	18.2%	12,623	50.89
Comp Hotel 3	71.6%	291.40	7,610	23.3%	17,781	68.01
Comp Hotel 4	66.9%	306.17	3,999	29.1%	21,850	89.23
Comp Hotel 5	70.5%	242.36	3,417	22.0%	13,778	53.41
Projections						
DCF Year 1	70.0%	232.62	3,042	25.5%	15,208	59.36
DCF Stabilized	80.0%	262.29	3,484	22.7%	17,421	59.66
DCF Stabilized (Deflated)	*80.0%*	*247.24*	*3,284*	*22.7%*	*16,421*	*56.24*

Food & Beverage Expense includes the cost of sales and other operational expenses from the sale of food & beverages at the subject hotel. We estimated these expenses to be 71.0% of Food & Beverage Revenue or $106.69 per occupied room (POR) in the stabilized year deflated to year one. The projections are above the HOST averages, but within the range of the comparable properties on a POR basis. The projections are within the range of the comparable properties and HOST averages on a ratio basis.

Expense Analysis: Food & Beverage Expense						
	Occ %	ADR	$ 1000's	% of Department Revenue	$ per Available Room	$ per Occupied Room
Industry Averages						
Full Service	67.1%	171.19	NA	73.3%	21,690	84.69
Chain-Affiliated	69.8%	142.03	NA	73.2%	13,773	50.71
West South Central	66.5%	113.12	NA	61.8%	11,589	44.71
Urban	68.7%	166.88	NA	74.6%	16,550	63.77
Upper Upscale	67.3%	155.38	NA	69.2%	18,184	71.03
Comparable Hotels						
Comp Hotel 1	67.9%	223.11	4,401	94.6%	21,575	86.85
Comp Hotel 2	68.0%	279.99	3,665	68.0%	22,766	91.78
Comp Hotel 3	71.6%	291.40	8,693	57.2%	20,310	77.69
Comp Hotel 4	66.9%	306.17	5,911	84.6%	32,302	131.91
Comp Hotel 5	70.5%	242.36	5,907	63.8%	23,817	92.32
Projections						
DCF Year 1	70.0%	232.62	6,629	75.8%	33,143	129.36
DCF Stabilized	80.0%	262.29	6,610	71.0%	33,051	113.19
DCF Stabilized (Deflated)	*80.0%*	*247.24*	*6,231*	*71.0%*	*31,153*	*106.69*

Food & Beverage Expense Projections

Considering the comparables reviewed, and our knowledge of typical food and beverage operations, we compiled expenses projections going forward. We factored in the nature of the subject outlets, and the corresponding labor needs and profit margins of the offerings. For example, a fine dining restaurant is typically a less efficient operation than that of a beverage-focused bar/lounge, given the profit margins and staffing requirements. Furthermore, meetings and events typically achieve higher profit margins than dining outlets given the efficiencies gained from staffing levels, inventory control, and volume.

Our projections are shown below:

Total Revenue				**$8,746,970**	**$9,027,095**	**$9,314,786**	**$9,597,364**	**$9,887,008**
Operating Expenses - Percent of Revenue								
	Yr. 1	**Yr. 2**	**Yr. 3**					
Restaurant	**80.0%**	**75.0%**	**75.0%**	$3,278,400	$3,165,750	$3,260,700	$3,358,575	$3,459,375
Rooftop Bar & Lounge	**75.0%**	**70.0%**	**70.0%**	$1,229,400	$1,181,880	$1,217,335	$1,253,840	$1,291,465
Meeting/Event Space	**70.0%**	**65.0%**	**65.0%**	$1,911,000	$1,826,500	$1,878,500	$1,937,000	$1,995,500
Total Operating Expenses				**$6,628,628**	**$6,404,901**	**$6,610,137**	**$6,810,463**	**$7,016,009**
				75.8%	*71.0%*	*71.0%*	*71.0%*	*71.0%*
Net Operating Income				**$2,118,343**	**$2,622,194**	**$2,704,649**	**$2,786,901**	**$2,871,000**

Food & Beverage Expense Comparables

We considered several food and beverage comparables in preparing our projections. These comparables are shown below:

Food & Beverage Outlet Expenses - Comparable Analysis

Restaurant

Comparable	Category	Revenue	Expense	Expense Ratio	Expense POR
Comparable 1	Restaurant	**$1,397,881**	**$1,085,385**	**78%**	$17.70
Comparable 2	Restaurant	**$3,512,434**	**$2,539,490**	**72%**	$11.15
Comparable 3	Restaurant	**$2,032,157**	**$1,434,643**	**71%**	$25.89
Comparable 4	Restaurant	**$533,993**	**$384,475**	**72%**	$7.21
Comparable 5	Restaurant	**$1,123,665**	**$740,781**	**66%**	$3.55
Comparable 6	Restaurant	**$1,843,238**	**$1,703,480**	**92%**	$49.28
Comparable 7	Restaurant	**$2,012,087**	**$1,704,811**	**85%**	$23.23
Subject Projections					
Year One		**$4,098,000**	**$3,278,400**	**80.0%**	$63.98
Year Two		**$4,221,000**	**$3,165,750**	**75.0%**	$57.82
Stabilized (Year 3)		**$4,347,600**	**$3,260,700**	**75.0%**	$55.83
Stabilized Year Deflated to Base Year		*$3,749,974*	*$2,812,481*	*75.0%*	*$48.16*

Food & Beverage Outlet Expenses - Comparable Analysis

Rooftop Bar & Lounge

Comparable	Category	Revenue	Expense	Expense Ratio	Expense POR
Comparable 1	Bar/Lounge	**$497,009**	**$363,798**	**73%**	$7.99
Comparable 2	Bar/Lounge	**$306,036**	**$236,674**	**77%**	$2.16
Comparable 3	Bar/Lounge	**$265,505**	**$192,358**	**72%**	$0.88
Comparable 4	Bar/Lounge	**$649,862**	**$441,433**	**68%**	$7.50
Comparable 5	Bar/Lounge	**$2,717,556**	**$1,712,008**	**63%**	$24.44
Comparable 6	Bar/Lounge	**$2,502,451**	**$1,551,386**	**62%**	$32.04
Subject Projections					
Year One		**$1,639,200**	**$1,229,400**	**75.0%**	$23.99
Year Two		**$1,688,400**	**$1,181,880**	**70.0%**	$21.59
Stabilized (Year 3)		**$1,739,050**	**$1,217,335**	**70.0%**	$20.84
Stabilized Year Deflated to Base Year		*$1,499,998*	*$1,049,999*	*70.0%*	*$17.98*

Food & Beverage Outlet Expenses - Comparable Analysis					
In-Room Dining					
Comparable	**Category**	**Revenue**	**Expense**	**Expense Ratio**	Expense POR
Comparable 1	In-Room Dining	**$373,110**	**$310,154**	**83%**	$6.13
Comparable 2	In-Room Dining	**$297,864**	**$201,202**	**68%**	$2.74
Comparable 3	In-Room Dining	**$387,072**	**$302,053**	**78%**	$6.62
Comparable 4	In-Room Dining	**$317,050**	**$272,804**	**86%**	$6.47
Comparable 5	In-Room Dining	**$26,636**	**$21,113**	**79%**	$0.29
Comparable 6	In-Room Dining	**$560,345**	**$438,569**	**78%**	$3.46
Comparable 7	In-Room Dining	**$379,119**	**$278,564**	**73%**	$4.95
Comparable 8	In-Room Dining	**$541,066**	**$334,943**	**62%**	$6.28
Subject Projections					
Year One		**$279,770**	**$209,828**	**75.0%**	$4.10
Year Two		**$307,695**	**$230,771**	**75.0%**	$4.22
Stabilized (Year 3)		**$338,136**	**$253,602**	**75.0%**	$4.34
Stabilized Year Deflated to Base Year		*$291,655*	*$218,742*	*75.0%*	*$3.75*

Meeting/Event Expense Comparables

Meeting & Event Space Expenses - Comparable Analysis					
Meeting/Event Space					
Comparable	**Category**	**Revenue**	**Expense**	**Expense Ratio**	Expense POR
Comparable 1	Meeting & Event Space	**$1,351,186**	**$1,015,843**	**75%**	$21.86
Comparable 2	Meeting & Event Space	**$1,704,141**	**$1,087,461**	**64%**	$22.46
Comparable 3	Meeting & Event Space	**$4,601,284**	**$3,177,935**	**69%**	$51.83
Comparable 4	Meeting & Event Space	**$3,292,512**	**$1,937,513**	**59%**	$43.93
Comparable 5	Meeting & Event Space	**$2,069,633**	**$1,076,209**	**52%**	$22.05
Comparable 6	Meeting & Event Space	**$2,285,920**	**$1,327,788**	**58%**	$16.78
Comparable 7	Meeting & Event Space	**$2,453,816**	**$1,235,232**	**50%**	$18.01
Subject Projections					
Year One		**$2,730,000**	**$1,911,000**	**70.0%**	$37.30
Year Two		**$2,810,000**	**$1,826,500**	**65.0%**	$33.36
Stabilized (Year 3)		**$2,890,000**	**$1,878,500**	**65.0%**	$32.17
Stabilized Year Deflated to Base Year		*$2,492,738*	*$1,620,279*	*65.0%*	*$27.74*

Other Operated Departments Expense includes expenses associated with the provision of miscellaneous departments, including sundry shop, telecommunications, and laundry/valet service. We estimated these expenses to be 35.0% of Other Operated Departments Revenue or $2.79 per occupied room (POR) in the stabilized year deflated to year one. The projections are below the HOST averages, but within the range of the comparable properties on a POR basis. The projections are below the HOST averages, but within the range of the comparable properties on a ratio basis.

Expense Analysis: Other Operated Departments Expense						
	Occ %	ADR	$ 1000's	% of Department Revenue	$ per Available Room	$ per Occupied Room
<u>Industry Averages</u>						
Full Service	67.1%	171.19	NA	62.5%	3,266	12.75
Chain-Affiliated	69.8%	142.03	NA	59.8%	2,116	7.79
West South Central	66.5%	113.12	NA	56.6%	1,892	7.30
Urban	68.7%	166.88	NA	57.0%	1,616	6.23
Upper Upscale	67.3%	155.38	NA	60.8%	2,319	9.06
<u>Comparable Hotels</u>						
Comp Hotel 1	67.9%	223.11	1	0.6%	5	0.02
Comp Hotel 2	68.0%	279.99	491	51.0%	3,052	12.30
Comp Hotel 4	66.9%	306.17	17	7.9%	91	0.37
Comp Hotel 5	70.5%	242.36	65	15.3%	261	1.01
<u>Projections</u>						
DCF Year 1	70.0%	232.62	158	36.2%	790	3.08
DCF Stabilized	80.0%	262.29	173	35.0%	863	2.95
DCF Stabilized (Deflated)	*80.0%*	*247.24*	*163*	*35.0%*	*813*	*2.79*

Parking Expense includes expenses associated with the cost of providing parking. We estimated these expenses to be 65.0% of Parking Revenue or $10.65 per occupied room (POR) in the stabilized year deflated to year one. The projections are above the HOST averages, but within the range of the comparable properties on a ratio basis.

Expense Analysis: Parking Expense						
	Occ %	ADR	$ 1000's	% of Department Revenue	$ per Available Room	$ per Occupied Room
Comparable Hotels						
Comp Hotel 1	67.9%	223.11	218	28.7%	1,070	4.31
Comp Hotel 3	71.6%	291.40	813	52.0%	1,900	7.27
Comp Hotel 4	66.9%	306.17	562	90.5%	3,071	12.54
Comp Hotel 5	70.5%	242.36	669	84.3%	2,698	10.46
Projections						
DCF Year 1	70.0%	232.62	546	65.0%	2,729	10.65
DCF Stabilized	80.0%	262.29	660	65.0%	3,300	11.30
DCF Stabilized (Deflated)	*80.0%*	*247.24*	*622*	*65.0%*	*3,110*	*10.65*

Parking Expense Comparables

We considered several parking comparables in preparing our projections. These comparables are shown below:

Parking Expense Comparables			
Comparable	**Expenses**	Expense Ratio	Expense POR
Comparable 1	**$351,843**	66.1%	$0.66
Comparable 2	**$493,827**	65.4%	$0.65
Comparable 3	**$282,098**	63.9%	$0.64
Comparable 4	**$695,236**	61.7%	$0.62
Comparable 5	**$323,036**	73.8%	$0.74
Comparable 6	**$355,755**	74.7%	$0.75
Comparable 7	**$77,955**	57.9%	$0.58
Comparable 8	**$534,807**	52.2%	$0.52
	$3,608,384	***65%***	***$9.02***

Parking Expense Projections

Our projections below are based on a primary driver, which then fluctuates with both inflation and revenue production. The full projections are shown below:

Parking Expenses - *Year Ending*		12/31/2025	12/31/2028	12/31/2029	12/31/2030	12/31/2031	12/31/2032	12/31/2033	12/31/2034	12/31/2035	12/31/2036	12/31/2037
Valet Parking Expense		**$0**	**$545,885**	**$600,717**	**$659,935**	**$679,674**	**$701,900**	**$721,050**	**$742,687**	**$764,894**	**$790,018**	**$811,585**
Expense Driver:	***Percent of Revenue***	**65%**	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
Percent of Revenue	*Per Occupied Room*		*$10.65*	*$10.97*	*$11.30*	*$11.64*	*$11.99*	*$12.35*	*$12.72*	*$13.10*	*$13.49*	*$13.90*
Valet Parking Expense			**$545,885**	**$600,717**	**$659,935**	**$679,674**	**$701,900**	**$721,050**	**$742,687**	**$764,894**	**$790,018**	**$811,585**
Net Income of Parking Program			**$293,938**	**$323,463**	**$355,349**	**$365,978**	**$377,946**	**$388,258**	**$399,909**	**$411,866**	**$425,394**	**$437,007**

Undistributed Operating Expenses

Administrative & General represent payroll costs and other expenses for management and administrative staff, including the manager's office, accounting office and personnel department, legal fees, credit card commissions, printing, stationery, and postage costs. We estimated these expenses to be 7.0% of Total Revenue or $8,606 per available room (PAR) in the stabilized year deflated to year one. The projections are above the HOST averages, but within the range of the comparable properties on a PAR basis.

Expense Analysis: Administrative & General						
	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
Industry Averages						
Full Service	67.1%	171.19	NA	8.2%	8,599	33.58
Chain-Affiliated	69.8%	142.03	NA	8.5%	6,821	25.11
West South Central	66.5%	113.12	NA	8.4%	5,799	22.37
Urban	68.7%	166.88	NA	8.5%	7,791	30.02
Upper Upscale	67.3%	155.38	NA	8.1%	7,572	29.58
Comparable Hotels						
Comp Hotel 1	67.9%	223.11	1,506	8.5%	7,384	29.72
Comp Hotel 2	68.0%	279.99	1,682	9.6%	10,449	42.13
Comp Hotel 3	71.6%	291.40	3,650	7.2%	8,528	32.62
Comp Hotel 4	66.9%	306.17	2,277	10.6%	12,445	50.82
Comp Hotel 5	70.5%	242.36	2,007	7.7%	8,095	31.38
Projections						
DCF Year 1	70.0%	232.62	1,664	7.6%	8,320	32.47
DCF Stabilized	80.0%	262.29	1,826	7.0%	9,130	31.27
DCF Stabilized (Deflated)	*80.0%*	*247.24*	*1,721*	*7.0%*	*8,606*	*29.47*

Information & Telecommunications Systems includes expenses associated with information system and technology costs, including internet, administrative-related telecom, and computer systems. We estimated these expenses to be 1.4% of Total Revenue or $1,690 per available room (PAR) in the stabilized year deflated to year one. The projections are above the HOST averages, but within the range of the comparable properties on a PAR basis. The projections are below the HOST averages, but within the range of the comparable properties on a ratio basis.

Expense Analysis: Information & Telecommunications Systems						
	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
Industry Averages						
Full Service	67.1%	171.19	NA	1.5%	1,557	6.08
Chain-Affiliated	69.8%	142.03	NA	1.5%	1,191	4.38
West South Central	66.5%	113.12	NA	1.6%	1,080	4.17
Urban	68.7%	166.88	NA	1.5%	1,418	5.47
Upper Upscale	67.3%	155.38	NA	1.4%	1,344	5.25
Comparable Hotels						
Comp Hotel 1	67.9%	223.11	322	1.8%	1,578	6.35
Comp Hotel 2	68.0%	279.99	404	2.3%	2,510	10.12
Comp Hotel 3	71.6%	291.40	728	1.4%	1,701	6.51
Comp Hotel 4	66.9%	306.17	350	1.6%	1,914	7.82
Comp Hotel 5	70.5%	242.36	336	1.3%	1,354	5.25
Projections						
DCF Year 1	70.0%	232.62	331	1.5%	1,657	6.47
DCF Stabilized	80.0%	262.29	359	1.4%	1,793	6.14
DCF Stabilized (Deflated)	*80.0%*	*247.24*	*338*	*1.4%*	*1,690*	*5.79*

Sales & Marketing includes sales and marketing payroll, direct advertising costs, cooperative advertising, dues and subscriptions, entertainment, trade shows and travel. We estimated these expenses to be 5.0% of Total Revenue or $6,202 per available room (PAR) in the stabilized year deflated to year one. The projections are within the range of the comparable properties and HOST averages on a PAR basis. The projections are below the HOST averages, but within the range of the comparable properties on a ratio basis.

Please note that we have also analyzed Sales & Marketing and Franchise Fee expense categories on a combined basis.

Expense Analysis: Sales & Marketing						
	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
Industry Averages						
Full Service	67.1%	171.19	NA	7.0%	7,337	28.65
Chain-Affiliated	69.8%	142.03	NA	6.9%	5,575	20.53
West South Central	66.5%	113.12	NA	7.0%	4,820	18.60
Urban	68.7%	166.88	NA	7.3%	6,649	25.62
Upper Upscale	67.3%	155.38	NA	7.1%	6,615	25.84
Comparable Hotels						
Comp Hotel 1	67.9%	223.11	1,472	8.3%	7,214	29.04
Comp Hotel 2	68.0%	279.99	1,677	9.6%	10,416	41.99
Comp Hotel 3	71.6%	291.40	2,218	4.4%	5,182	19.82
Comp Hotel 4	66.9%	306.17	2,055	9.5%	11,228	45.85
Comp Hotel 5	70.5%	242.36	1,997	7.7%	8,053	31.22
Projections						
DCF Year 1	70.0%	232.62	1,191	5.4%	5,957	23.25
DCF Stabilized	80.0%	262.29	1,316	5.0%	6,580	22.53
DCF Stabilized (Deflated)	*80.0%*	*247.24*	*1,240*	*5.0%*	*6,202*	*21.24*

Franchise Fees typically range from 6.00% to 10.00% of gross rooms revenues. We assume the subject property will continue to operate as a branded full-service hotel of equal quality and recognition. For the purpose of this analysis and projections, we have utilized the Franchise Disclosure Document for Kimpton Hotels which reflects a combined 9.00% Franchise Fee comprised of a 6.00% Royalty on Gross Rooms Revenue and a 3.00% Marketing/Program Fee.

Expense Analysis: Franchise Fees						
	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
Industry Averages						
Full Service	67.1%	171.19	NA	1.4%	1,472	5.75
Chain-Affiliated	69.8%	142.03	NA	2.0%	1,610	5.93
West South Central	66.5%	113.12	NA	2.1%	1,467	5.66
Urban	68.7%	166.88	NA	1.5%	1,403	5.40
Upper Upscale	67.3%	155.38	NA	1.6%	1,486	5.80
Comparable Hotels						
Comp Hotel 1	67.9%	223.11	798	4.5%	3,914	15.75
Comp Hotel 2	68.0%	279.99	627	3.6%	3,896	15.71
Comp Hotel 4	66.9%	306.17	1,061	4.9%	5,798	23.68
Projections						
DCF Year 1	70.0%	232.62	1,073	4.9%	5,364	20.94
DCF Stabilized	80.0%	262.29	1,379	5.3%	6,893	23.61
DCF Stabilized (Deflated)	*80.0%*	*247.24*	*1,299*	*5.3%*	*6,497*	*22.25*

A detailed calculation of franchise fees is shown below:

Franchise Fee Projections										
Projection Year:	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
Fiscal Year Ending December 31:	*2028*	*2029*	*2030*	*2031*	*2032*	*2033*	*2034*	*2035*	*2036*	*2037*
Based on:										
Rooms Revenue	$11,919,295	$13,942,307	$15,317,970	$15,777,519	$16,295,374	$16,738,374	$17,240,498	$17,757,746	$18,340,582	$18,839,198
Percentage of:										
Rooms Revenue	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Total Franchise Fees	**$1,072,737**	**$1,254,808**	**$1,378,617**	**$1,419,977**	**$1,466,584**	**$1,506,454**	**$1,551,645**	**$1,598,197**	**$1,650,652**	**$1,695,528**

Utility Costs includes the cost of fuel, electricity, chilled water and other utilities. We estimated these expenses to be 2.2% of Total Revenue or $2,762 per available room (PAR) in the stabilized year deflated to year one. The projections are within the range of the comparable properties and HOST averages on a PAR basis. The projections are below the HOST averages, but within the range of the comparable properties on a ratio basis.

Expense Analysis: Utility Costs						
	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
Industry Averages						
Full Service	67.1%	171.19	NA	3.1%	3,233	12.63
Chain-Affiliated	69.8%	142.03	NA	3.3%	2,652	9.76
West South Central	66.5%	113.12	NA	3.2%	2,171	8.38
Urban	68.7%	166.88	NA	3.1%	2,854	11.00
Upper Upscale	67.3%	155.38	NA	3.2%	2,991	11.69
Comparable Hotels						
Comp Hotel 1	67.9%	223.11	606	3.4%	2,969	11.95
Comp Hotel 2	68.0%	279.99	274	1.6%	1,703	6.87
Comp Hotel 3	71.6%	291.40	949	1.9%	2,218	8.48
Comp Hotel 4	66.9%	306.17	623	2.9%	3,407	13.91
Comp Hotel 5	70.5%	242.36	584	2.2%	2,355	9.13
Projections						
DCF Year 1	70.0%	232.62	546	2.5%	2,728	10.65
DCF Stabilized	80.0%	262.29	586	2.2%	2,931	10.04
DCF Stabilized (Deflated)	*80.0%*	*247.24*	*552*	*2.2%*	*2,762*	*9.46*

Property Operation & Maintenance includes the payroll costs of the maintenance and engineering staffs, elevator maintenance, waste removal, supplies and maintenance contracts. We estimated these expenses to be 3.0% of Total Revenue or $3,644 per available room (PAR) in the stabilized year deflated to year one. The projections are within the range of the comparable properties and HOST averages on a PAR basis. The projections are below the HOST averages, but within the range of the comparable properties on a ratio basis.

Expense Analysis: Property Operation & Maintenance						
	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
Industry Averages						
Full Service	67.1%	171.19	NA	4.4%	4,567	17.83
Chain-Affiliated	69.8%	142.03	NA	4.6%	3,674	13.53
West South Central	66.5%	113.12	NA	4.5%	3,126	12.06
Urban	68.7%	166.88	NA	4.5%	4,100	15.80
Upper Upscale	67.3%	155.38	NA	4.4%	4,145	16.19
Comparable Hotels						
Comp Hotel 1	67.9%	223.11	779	4.4%	3,817	15.37
Comp Hotel 2	68.0%	279.99	470	2.7%	2,922	11.78
Comp Hotel 3	71.6%	291.40	1,496	2.9%	3,495	13.37
Comp Hotel 4	66.9%	306.17	743	3.5%	4,062	16.59
Comp Hotel 5	70.5%	242.36	910	3.5%	3,668	14.22
Projections						
DCF Year 1	70.0%	232.62	695	3.2%	3,477	13.57
DCF Stabilized	80.0%	262.29	773	3.0%	3,866	13.24
DCF Stabilized (Deflated)	*80.0%*	*247.24*	*729*	*3.0%*	*3,644*	*12.48*

Gross Operating Profit (GOP) is the income after departmental and undistributed operating expenses. We estimated Gross Operating Profit (GOP) to be 34.3% of Total Revenue or $42,302 per available room (PAR) in the stabilized year deflated to year one. The projections are above the HOST averages, but within the range of the comparable properties on a PAR basis. The projections are within the range of the comparable properties and HOST averages on a ratio basis.

Income Analysis: Gross Operating Profit (GOP)						
	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
Industry Averages						
Full Service	67.1%	171.19	NA	33.5%	34,923	136.36
Chain-Affiliated	69.8%	142.03	NA	35.3%	28,429	104.66
West South Central	66.5%	113.12	NA	38.4%	26,396	101.84
Urban	68.7%	166.88	NA	33.7%	30,819	118.76
Upper Upscale	67.3%	155.38	NA	34.8%	32,507	126.98
Comparable Hotels						
Comp Hotel 1	67.9%	223.11	5,003	28.1%	24,523	98.71
Comp Hotel 2	68.0%	279.99	6,211	35.4%	38,578	155.53
Comp Hotel 3	71.6%	291.40	24,191	47.7%	56,520	216.19
Comp Hotel 4	66.9%	306.17	3,937	18.3%	21,516	87.87
Comp Hotel 5	70.5%	242.36	8,683	33.4%	35,013	135.72
Projections						
DCF Year 1	70.0%	232.62	6,068	27.7%	30,340	118.42
DCF Stabilized	80.0%	262.29	8,976	34.3%	44,878	153.69
DCF Stabilized (Deflated)	*80.0%*	*247.24*	*8,460*	*34.3%*	*42,302*	*144.87*

Fixed Expenses

Management Fees are calculated based on market-oriented hotel management agreement percentages, when, combined with incentive management fees, range from 3.00% to 5.00% of Total Revenue. The projection of income and expense assumes competent management by a professional management company. We have projected typical management fees of 3.0% of Total Revenue throughout the projection period.

Expense Analysis: Management Fee						
	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
Industry Averages						
Full Service	67.1%	171.19	NA	3.4%	3,516	13.73
Chain-Affiliated	69.8%	142.03	NA	3.3%	2,628	9.68
West South Central	66.5%	113.12	NA	3.3%	2,276	8.78
Urban	68.7%	166.88	NA	3.3%	2,985	11.50
Upper Upscale	67.3%	155.38	NA	3.5%	3,224	12.59
Comparable Hotels						
Comp Hotel 1	67.9%	223.11	457	2.6%	2,239	9.01
Comp Hotel 2	68.0%	279.99	523	3.0%	3,246	13.09
Comp Hotel 3	71.6%	291.40	1,586	3.1%	3,707	14.18
Comp Hotel 4	66.9%	306.17	440	2.0%	2,406	9.83
Comp Hotel 5	70.5%	242.36	995	3.8%	4,012	15.55
Projections						
DCF Year 1	70.0%	232.62	658	3.0%	3,291	12.85
DCF Stabilized	80.0%	262.29	784	3.0%	3,921	13.43
DCF Stabilized (Deflated)	*80.0%*	*247.24*	*739*	*3.0%*	*3,696*	*12.66*

Property Taxes have been calculated based on our analysis in the preceding Assessment and Real Estate Taxes section. Please see the Assessment and Real Estate Taxes section for greater detail on this projection.

Expense Analysis: Property Taxes						
	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
Industry Averages						
Full Service	67.1%	171.19	NA	3.2%	3,365	13.14
Chain-Affiliated	69.8%	142.03	NA	3.5%	2,788	10.27
West South Central	66.5%	113.12	NA	2.8%	1,896	7.31
Urban	68.7%	166.88	NA	4.2%	3,812	14.69
Upper Upscale	67.3%	155.38	NA	3.2%	2,994	11.69
Comparable Hotels						
Comp Hotel 1	67.9%	223.11	994	5.6%	4,872	19.61
Comp Hotel 2	68.0%	279.99	465	2.7%	2,889	11.65
Comp Hotel 3	71.6%	291.40	2,491	4.9%	5,821	22.27
Comp Hotel 4	66.9%	306.17	894	4.2%	4,886	19.95
Comp Hotel 5	70.5%	242.36	709	2.7%	2,859	11.08
Projections						
DCF Year 1	70.0%	232.62	535	2.4%	2,677	10.45
DCF Stabilized	80.0%	262.29	568	2.2%	2,842	9.73
DCF Stabilized (Deflated)	*80.0%*	*247.24*	*536*	*2.2%*	*2,678*	*9.17*

Insurance consists of the cost of insuring the property and its contents against damage or destruction. We estimated these expenses to be 1.1% of Total Revenue or $1,326 per available room (PAR) in the stabilized year deflated to year one. The projections are within the range of the comparable properties and HOST averages on a PAR basis. The projections are below the HOST averages, but within the range of the comparable properties on a ratio basis.

Expense Analysis: Insurance						
	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
Industry Averages						
Full Service	67.1%	171.19	NA	1.6%	1,718	6.71
Chain-Affiliated	69.8%	142.03	NA	1.7%	1,402	5.16
West South Central	66.5%	113.12	NA	1.8%	1,219	4.70
Urban	68.7%	166.88	NA	1.5%	1,352	5.21
Upper Upscale	67.3%	155.38	NA	1.7%	1,541	6.02
Comparable Hotels						
Comp Hotel 1	67.9%	223.11	151	0.9%	742	2.99
Comp Hotel 2	68.0%	279.99	97	0.6%	600	2.42
Comp Hotel 3	71.6%	291.40	456	0.9%	1,065	4.07
Comp Hotel 4	66.9%	306.17	425	2.0%	2,322	9.48
Comp Hotel 5	70.5%	242.36	410	1.6%	1,653	6.41
Projections						
DCF Year 1	70.0%	232.62	266	1.2%	1,330	5.19
DCF Stabilized	80.0%	262.29	281	1.1%	1,407	4.82
DCF Stabilized (Deflated)	*80.0%*	*247.24*	*265*	*1.1%*	*1,326*	*4.54*

Reserve for Replacement is typically 3.00% to 5.00% of total revenue to provide for the timely replacement of furniture, fixtures and equipment. We have assumed a ramp-up in reserves for replacement typical for a newly constructed hotel consisting of 2.00% of total revenue in Year 1, 3.00% of total revenue in Year 2, and 4.00% of total revenue for the remainder of the projection period. Going forward, we anticipate reserves for replacement to cover all future capital expenditures.

Expense Analysis: Reserve for Replacement	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
Industry Averages						
Full Service	67.1%	171.19	NA	1.9%	1,941	7.58
Chain-Affiliated	69.8%	142.03	NA	1.8%	1,422	5.23
West South Central	66.5%	113.12	NA	1.4%	939	3.62
Urban	68.7%	166.88	NA	1.9%	1,694	6.53
Upper Upscale	67.3%	155.38	NA	1.9%	1,786	6.98
Comparable Hotels						
Comp Hotel 2	68.0%	279.99	466	2.7%	2,892	11.66
Comp Hotel 3	71.6%	291.40	2,121	4.2%	4,955	18.95
Comp Hotel 5	70.5%	242.36	882	3.4%	3,556	13.78
Projections						
DCF Year 1	70.0%	232.62	439	2.0%	2,194	8.56
DCF Stabilized	80.0%	262.29	1,046	4.0%	5,228	17.90
DCF Stabilized (Deflated)	*80.0%*	*247.24*	*986*	*4.0%*	*4,928*	*16.88*

A detailed calculation of reserves for replacement is shown below:

Reserves for Replacement										
Projection Year:	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
Fiscal Year Ending December 31:	*2028*	*2029*	*2030*	*2031*	*2032*	*2033*	*2034*	*2035*	*2036*	*2037*
Based on:										
Total Revenue	$21,942,428	$24,357,313	$26,141,092	$26,928,379	$27,786,023	$28,566,791	$29,418,960	$30,304,252	$31,268,180	$32,145,987
Total Revenue	2.00%	3.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Total Reserves	**$438,849**	**$730,719**	**$1,045,644**	**$1,077,135**	**$1,111,441**	**$1,142,672**	**$1,176,758**	**$1,212,170**	**$1,250,727**	**$1,285,839**
Total Reserve for Replacement	**$438,849**	**$730,719**	**$1,045,644**	**$1,077,135**	**$1,111,441**	**$1,142,672**	**$1,176,758**	**$1,212,170**	**$1,250,727**	**$1,285,839**

5-Year Detailed Projections of Income and Expense

Downtown Amarillo Hotel Market Study
Cash Flow Detail

	DCF Year 1				DCF Year 2				DCF Year 3				DCF Year 4				DCF Year 5			
Projected Fiscal Year Ending December 31:	2028				2029				2030				2031				2032			
Number of Days in Year:	366				365				365				365				366			
Number of Rooms:	200				200				200				200				200			
Annual Available Rooms:	73,200				73,000				73,000				73,000				73,200			
Occupied Rooms:	51,240				54,750				58,400				58,400				58,560			
Annual Occupancy:	70.00%				75.00%				80.00%				80.00%				80.00%			
Average Rate:	232.62				254.65				262.29				270.16				278.27			
RevPAR:	162.83				190.99				209.84				216.13				222.61			
Revenue	**Amount**	**Gross %**	**PAR**	**POR**	**Amount**	**Gross %**	**PAR**	**POR**	**Amount**	**Gross %**	**PAR**	**POR**	**Amount**	**Gross %**	**PAR**	**POR**	**Amount**	**Gross %**	**PAR**	**POR**
Rooms Revenue	11,919,295	54.3%	59,596	232.62	13,942,307	57.2%	69,712	254.65	15,317,970	58.6%	76,590	262.29	15,777,519	58.6%	78,888	270.16	16,295,374	58.6%	81,477	278.27
Food & Beverage Revenue	8,746,970	39.9%	43,735	170.71	9,027,095	37.1%	45,135	164.88	9,314,786	35.6%	46,574	159.50	9,597,364	35.6%	47,987	164.34	9,887,008	35.6%	49,435	168.84
Other Operated Departments Revenue	436,339	2.0%	2,182	8.52	463,731	1.9%	2,319	8.47	493,052	1.9%	2,465	8.44	507,843	1.9%	2,539	8.70	523,794	1.9%	2,619	8.94
Parking Revenue	839,824	3.8%	4,199	16.39	924,180	3.8%	4,621	16.88	1,015,284	3.9%	5,076	17.39	1,045,652	3.9%	5,228	17.91	1,079,846	3.9%	5,399	18.44
Total Revenue	**21,942,428**	**100.0%**	**109,712**	**428.23**	**24,357,313**	**100.0%**	**121,787**	**444.88**	**26,141,092**	**100.0%**	**130,705**	**447.62**	**26,928,379**	**100.0%**	**134,642**	**461.10**	**27,786,023**	**100.0%**	**138,930**	**474.49**
Departmental Expenses																				
Rooms Expense	3,041,512	25.5%	15,208	59.36	3,255,891	23.4%	16,279	59.47	3,484,236	22.7%	17,421	59.66	3,588,761	22.7%	17,944	61.45	3,700,463	22.7%	18,502	63.19
Food & Beverage Expense	6,628,628	75.8%	33,143	129.36	6,404,901	71.0%	32,025	116.98	6,610,137	71.0%	33,051	113.19	6,810,463	71.0%	34,052	116.62	7,016,009	71.0%	35,080	119.81
Other Operated Departments Expense	157,913	36.2%	790	3.08	164,924	35.6%	825	3.01	172,568	35.0%	863	2.95	177,745	35.0%	889	3.04	183,453	35.0%	917	3.13
Parking Expense	545,885	65.0%	2,729	10.65	600,717	65.0%	3,004	10.97	659,935	65.0%	3,300	11.30	679,674	65.0%	3,398	11.64	701,900	65.0%	3,510	11.99
Total Departmental Expenses	**10,373,938**	**47.3%**	**51,870**	**202.46**	**10,426,433**	**42.8%**	**52,132**	**190.44**	**10,926,876**	**41.8%**	**54,634**	**187.10**	**11,256,643**	**41.8%**	**56,283**	**192.75**	**11,601,825**	**41.8%**	**58,009**	**198.12**
Departmental Income (Loss)	**11,568,490**	**52.7%**	**57,842**	**225.77**	**13,930,879**	**57.2%**	**69,654**	**254.45**	**15,214,216**	**58.2%**	**76,071**	**260.52**	**15,671,736**	**58.2%**	**78,359**	**268.35**	**16,184,198**	**58.2%**	**80,921**	**276.37**
Undistributed Operating Expenses																				
Administrative & General	1,663,945	7.6%	8,320	32.47	1,749,858	7.2%	8,749	31.96	1,825,917	7.0%	9,130	31.27	1,880,762	7.0%	9,404	32.20	1,941,902	7.0%	9,710	33.16
Information & Telecommunications Systems	331,426	1.5%	1,657	6.47	345,416	1.4%	1,727	6.31	358,664	1.4%	1,793	6.14	369,433	1.4%	1,847	6.33	381,485	1.4%	1,907	6.51
Sales & Marketing	1,191,348	5.4%	5,957	23.25	1,258,271	5.2%	6,291	22.98	1,316,023	5.0%	6,580	22.53	1,355,561	5.0%	6,778	23.21	1,399,552	5.0%	6,998	23.90
Franchise Fees	1,072,737	4.9%	5,364	20.94	1,254,808	5.2%	6,274	22.92	1,378,617	5.3%	6,893	23.61	1,419,977	5.3%	7,100	24.31	1,466,584	5.3%	7,333	25.04
Utility Costs	545,581	2.5%	2,728	10.65	565,946	2.3%	2,830	10.34	586,131	2.2%	2,931	10.04	603,724	2.2%	3,019	10.34	623,458	2.2%	3,117	10.65
Property Operation & Maintenance	695,471	3.2%	3,477	13.57	737,623	3.0%	3,688	13.47	773,215	3.0%	3,866	13.24	796,451	3.0%	3,982	13.64	822,255	3.0%	4,111	14.04
Total Undistributed Operating Expenses	**5,500,507**	**25.1%**	**27,503**	**107.35**	**5,911,921**	**24.3%**	**29,560**	**107.98**	**6,238,567**	**23.9%**	**31,193**	**106.82**	**6,425,906**	**23.9%**	**32,130**	**110.03**	**6,635,236**	**23.9%**	**33,176**	**113.31**
Gross Operating Profit (GOP)	**6,067,983**	**27.7%**	**30,340**	**118.42**	**8,018,958**	**32.9%**	**40,095**	**146.46**	**8,975,649**	**34.3%**	**44,878**	**153.69**	**9,245,830**	**34.3%**	**46,229**	**158.32**	**9,548,962**	**34.4%**	**47,745**	**163.06**
Fixed Charges																				
Management Fee	658,273	3.0%	3,291	12.85	730,719	3.0%	3,654	13.35	784,233	3.0%	3,921	13.43	807,851	3.0%	4,039	13.83	833,581	3.0%	4,168	14.23
Property Taxes	535,477	2.4%	2,677	10.45	551,648	2.3%	2,758	10.08	568,308	2.2%	2,842	9.73	585,357	2.2%	2,927	10.02	602,918	2.2%	3,015	10.30
Insurance	265,995	1.2%	1,330	5.19	273,225	1.1%	1,366	4.99	281,423	1.1%	1,407	4.82	289,865	1.1%	1,449	4.96	299,378	1.1%	1,497	5.11
Reserve for Replacement	438,849	2.0%	2,194	8.56	730,719	3.0%	3,654	13.35	1,045,644	4.0%	5,228	17.90	1,077,135	4.0%	5,386	18.44	1,111,441	4.0%	5,557	18.98
Total Fixed Charges	**1,898,593**	**8.7%**	**9,493**	**37.05**	**2,286,312**	**9.4%**	**11,432**	**41.76**	**2,679,607**	**10.3%**	**13,398**	**45.88**	**2,760,208**	**10.3%**	**13,801**	**47.26**	**2,847,317**	**10.2%**	**14,237**	**48.62**
Hotel Cash Flow	**4,169,390**	**19.0%**	**20,847**	**81.37**	**5,732,647**	**23.5%**	**28,663**	**104.71**	**6,296,042**	**24.1%**	**31,480**	**107.81**	**6,485,621**	**24.1%**	**32,428**	**111.06**	**6,701,645**	**24.1%**	**33,508**	**114.44**
NOI Adjusted for 3.00% Management & 4.00% Reserves	**3,730,542**	**17.0%**	**18,653**	**72.81**	**5,489,073**	**22.5%**	**27,445**	**100.26**												

Sensitivity Analysis - RevPAR

OPTIMISTIC SCENARIO: Occupancy, ADR, RevPAR and Rooms Revenue Conclusions			
Projection Year:	1	2	3
Fiscal Year Ending December 31:	2028	2029	2030
Number of Days in Year:	366	365	365
Number of Rooms:	200	200	200
Annual Available Rooms:	73,200	73,000	73,000
Occupied Rooms:	53,802	57,488	61,320
Annual Occupancy:	**73.50%**	**78.75%**	**84.00%**
Average Rate:	**$244.25**	**$267.39**	**$275.41**
RevPAR:	$179.52	$210.57	$231.34
Rooms Revenue	$13,141,023	$15,371,393	$16,888,061

BASE SCENARIO: Occupancy, ADR, RevPAR and Rooms Revenue Conclusions			
Projection Year:	1	2	3
Fiscal Year Ending December 31:	2028	2029	2030
Number of Days in Year:	366	365	365
Number of Rooms:	200	200	200
Annual Available Rooms:	73,200	73,000	73,000
Occupied Rooms:	51,240	54,750	58,400
Annual Occupancy:	**70.00%**	**75.00%**	**80.00%**
Average Rate:	**$232.62**	**$254.65**	**$262.29**
RevPAR:	$162.83	$190.99	$209.84
Rooms Revenue	$11,919,295	$13,942,307	$15,317,970

PESSIMISTIC SCENARIO: Occupancy, ADR, RevPAR and Rooms Revenue Conclusions			
Projection Year:	1	2	3
Fiscal Year Ending December 31:	2028	2029	2030
Number of Days in Year:	366	365	365
Number of Rooms:	200	200	200
Annual Available Rooms:	73,200	73,000	73,000
Occupied Rooms:	48,678	52,013	55,480
Annual Occupancy:	**66.50%**	**71.25%**	**76.00%**
Average Rate:	**$220.99**	**$241.92**	**$249.18**
RevPAR:	$146.96	$172.37	$189.38
Rooms Revenue	$10,757,164	$12,582,932	$13,824,468

We believe the base scenario (as presented throughout this report) to be the most realistic scenario. The Pessimistic and Optimistic scenarios shown above are simply based on a 5.0 percent decrease and percent increase, respectively, to both occupancy and average daily rate (from the base scenario).

There are a multitude of factors, controllable and uncontrollable, that could contribute to a shift in either scenario. For example, a negative scenario in relation to the subject could be unexpected relevant new supply in the region, or severe damage to key roadways. Events like this are typically unforeseen and/or rare. Our base projections do account for some level of expectation that future events could impact the subject projections, and therefore the stabilized cash flows do not reflect peak performance, but rather an estimate of the average performance considered reasonable over the remainder of the projection period.

Conclusion

Based on our findings from the analysis presented above, we have concluded that the Downtown Amarillo Market would be capable of absorbing additional hotel room supply in the immediate future. The hypothetical 200-key property was able to successfully penetrate the current market in all operating metrics upon stabilization, while simultaneously achieving a stabilized Net Operating Income that lands within the range of comparable properties on a % of Revenue, PAR, and POR basis, respectively. Thus, under our projections the Downtown Amarillo market exhibits sufficient demand depth and ADR/Occupancy capacity to absorb additional hotel keys.

Based on the lack of currently available Upper Upscale supply in the market, we recommend the consideration of a full-service, branded hotel property inclusive of amenities that are typical for an Upper Upscale and/or Luxury chain affiliated product type.

Addendum

Assumptions & Limiting Conditions

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties analyzed is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. LW Hospitality Advisors® (LWHA®) is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. LWHA®, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. LWHA® professionals are not engineers and are not competent to judge matters of an engineering nature. LWHA® has not retained independent structural, mechanical, electrical, or civil engineers in connection with this market study and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of LWHA® by ownership or management; LWHA® inspected less than 100 percent of the entire interior and exterior portions of the improvements; and LWHA® was not furnished any engineering studies by the owners or by the party requesting this market study. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported. Accordingly, if negative findings are reported by engineering consultants, LWHA® reserves the right to amend the conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the consultant(s). LWHA® has no knowledge of the existence of such materials on or in the property. LWHA®, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

   Our inspections of land are conducted thoroughly as possible by observation; however, it is impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the report.
4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a skillful manner according to standard practices based upon the information submitted to LWHA®. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. The opinion is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in this report. Unless otherwise specifically noted in this report, LWHA® has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, LWHA® reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant

calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify LWHA® of any questions or errors.

6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This analysis is based on market conditions existing as of the date of this report. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the market study. However, LWHA® will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. LWHA® assumes no private deed restrictions, limiting the use of the subject in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this market study, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. LWHA® is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of opinion, which may be defined within the body of this report, is subject to change with market fluctuations over time. The opinion is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. LWHA® does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of LWHA®.
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of LWHA® to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is analyzed assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
14. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
15. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or market study and are invalid if so used.
16. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
17. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate consultant(s). Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to LWHA® unless otherwise stated within the body of this report. If LWHA® has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. LWHA® assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

18. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the consultant(s) nor LWHA® assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate market study /consulting profession if so desired.
19. LWHA® assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
20. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in this report.
21. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
22. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, LWHA® has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since LWHA® has no specific information relating to this issue, nor is LWHA® qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.
23. Client shall not indemnify consultant(s) or hold consultant(s) harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate results to others, which acts of the Client approximately result in damage to consultant(s). Notwithstanding the foregoing, consultant(s) shall have no obligation under this Section with respect to any loss that is caused solely by the active negligence or willful misconduct of a Client and is not contributed to by any act or omission (including any failure to perform any duty imposed by law) by consultant(s). Client shall indemnify and hold consultant(s) harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of this report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover, from the other, reasonable attorney fees and costs.
24. The report is for the sole use of the client; however, client may provide only complete, final copies of this report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. consultant(s) is not required to explain or testify as to results other than to respond to the client for routine and customary questions. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.