



# Proposed New Construction

## SpringHill Suites + TownePlace Suites

Dual Branded Select Service Property in Arlington, Texas

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NOTICE: Statements in this presentation which are not statements of historical or current fact constitute "forward-looking statements". Such forward-looking statements may or may not involve known and unknown risks, uncertainties, and other factors which could cause the actual results of the project to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. In addition to statements which explicitly describe such risks and uncertainties, readers are urged to consider statements labeled with the terms "believes," "belief," "expects," "intends," "anticipates," "will," or "plans" to be uncertain and forward-looking. The forward-looking statements contained in the presentation are also generally subject to other risks and uncertainties that may be described from time to time by Q Hotels LLC.

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# About Q Hotels

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- Q Hotels was established based on a simple concept: **Quality**
- Originating from a 30 key motel with only 10 operational rooms over 40 years ago, Q Hotels is now a \$50 million total hospitality development & management company headquartered in Arlington, Texas.

**Our Mission:** To continually deliver exceptional experiences to each of our guests and clients, provide a productive and enjoyable workplace for our staff, and increase shareholder value with everything that we do.

# Proposed Hotel Overview

**\$55 Million Dual-Branded New Construction: 239 Guest Rooms**



Original Rendering - Subject to Changes and Updates



Two Brands. One Building.

Two Marriott Brands Under One Roof.

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# Project Goals

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- Penetration of **Multiple Market Segments** with a single structure
- **Value Engineered** for mass appeal as a luxurious building at an efficient cost
- Fill the gap in the marketplace for a **High End Full-Service Hotel** with conference/event space in South Arlington
- Appeal to transient customers, extended stay groups, families, sports fans, weddings, meetings and event venue seekers at an **Affordable Price Point**
- Provide a **Unique Experience** to each and every one of our guests



# Why Arlington, Texas?

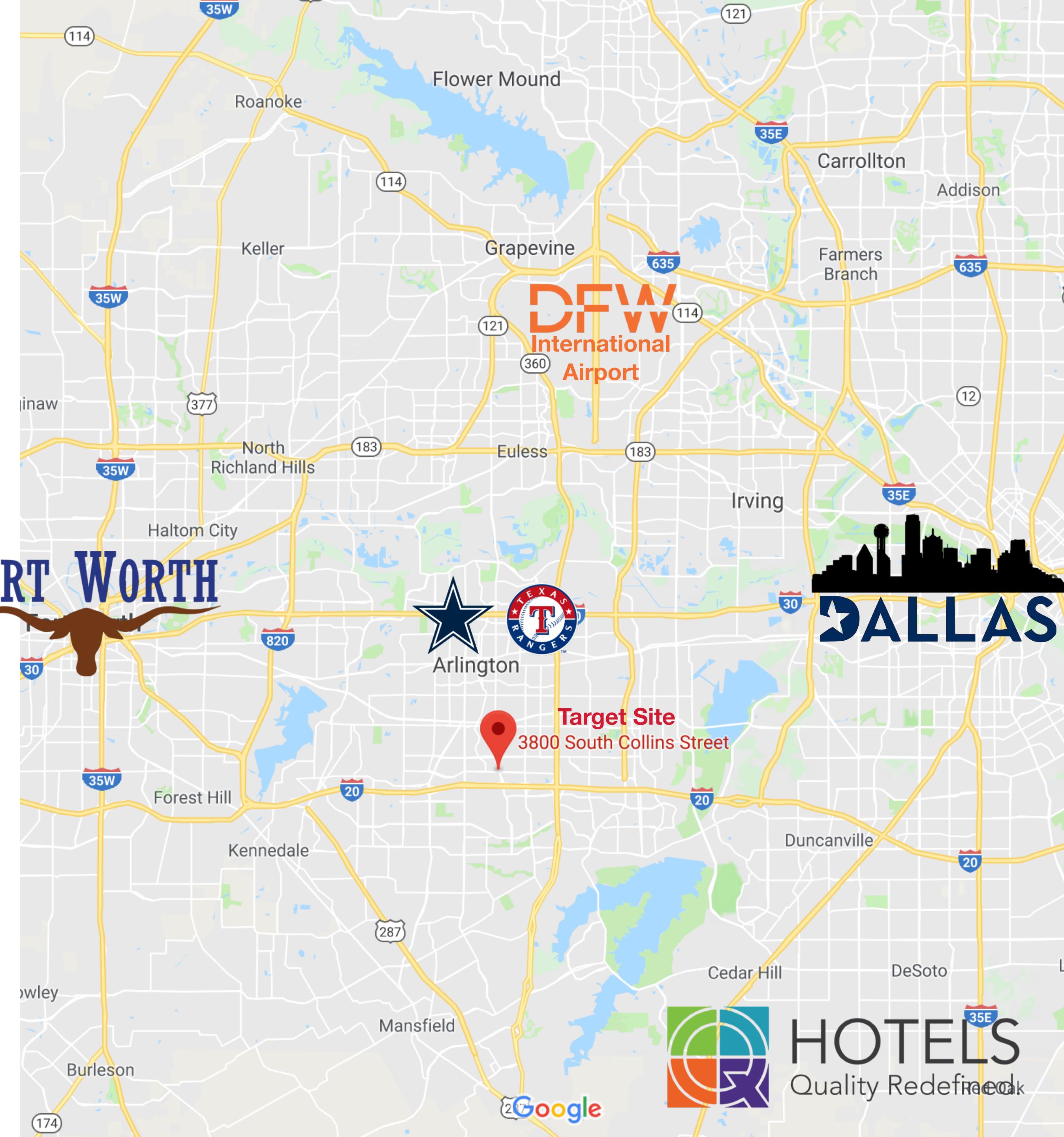


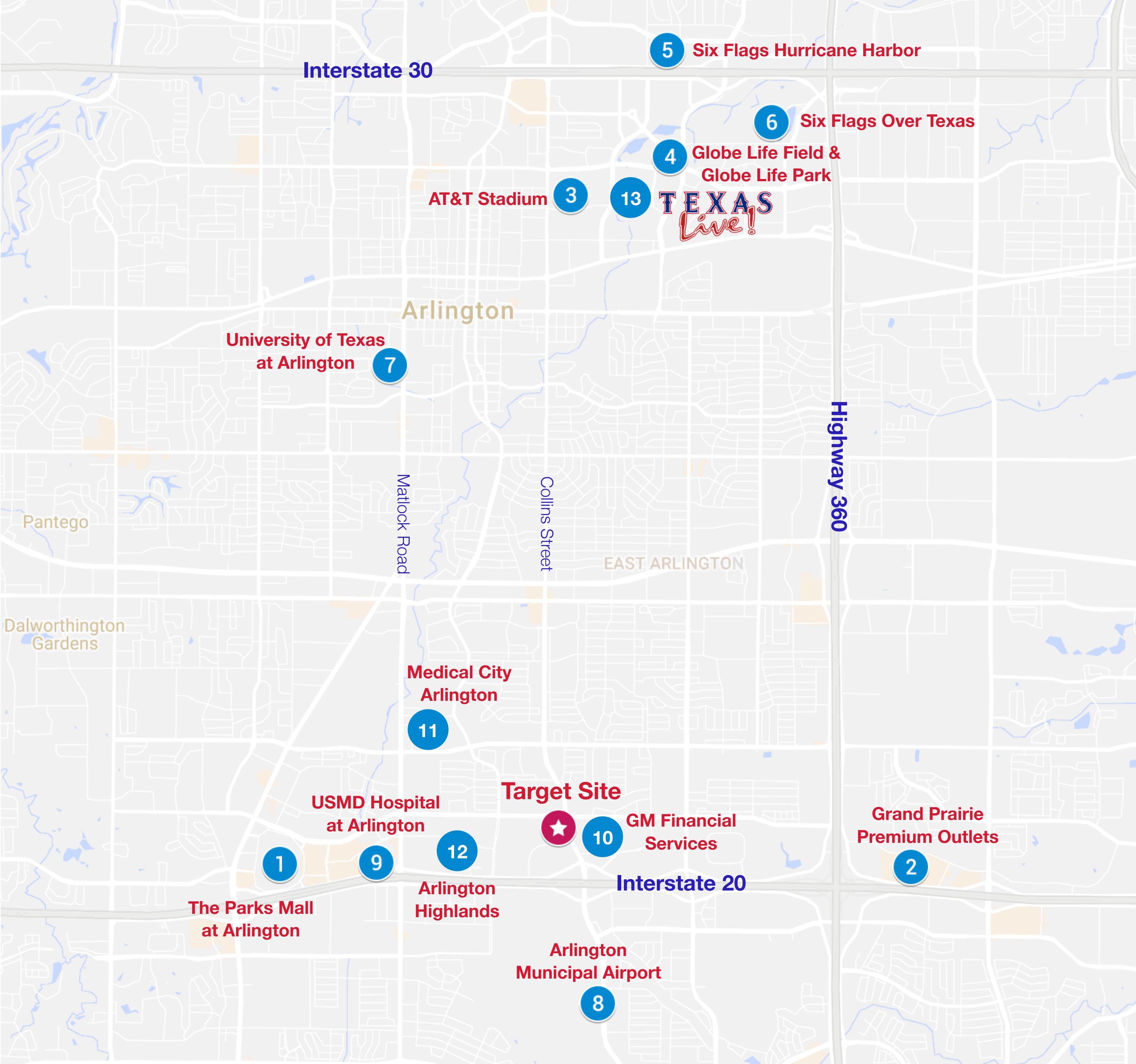
- Over **14 Million Visitors** to Arlington, Texas every year
- Prime, central location to DFW metroplex
- Pro-business environment with high growth potential
- Extensive track record for handling large-scale development projects
- Strong, educated, and diverse work force
- Easy major-airport access to DFW and Arlington municipal airports
- World-class entertainment center home to the **Dallas Cowboys and Texas Rangers**
- Large, dynamic college campus with over 34,000 students



# Market Overview

- Strategic, high-traffic location in the center of the DFW Metroplex
- Booming DFW submarket with a robust growth outlook
- 30 Minutes from Downtown Dallas  
20 Minutes from Downtown Fort Worth
- Eight miles from DFW International Airport, the third busiest airport in the world in terms of aircraft movement
- Arlington is the 3rd largest city in North Texas





# Demand Generators

- 1 The Parks Mall at Arlington
- 2 Grand Prairie Premium Outlets
- 3 **AT&T Stadium (Dallas Cowboys)**
- 4 **Globe Life Field and Park (Texas Rangers)**
- 5 Six Flags Hurricane Harbor
- 6 Six Flags Over Texas
- 7 The University of Texas at Arlington
- 8 Arlington Municipal Airport
- 9 USMD Hospital at Arlington
- 10 **GM Financial Services**
- 11 Medical City Arlington
- 12 Arlington Highlands
- 13 **Texas LIVE! and NEW Globe Life Field**

# Demand Generators

## AT&T Stadium



- AT&T Stadium is an entertainment mecca and is home to the Dallas Cowboys
- Seats 80,000 people; Maximum capacity of the stadium with standing room is 105,000
- Host to many large events such as NBA All Star Weekend, College Football Playoff and Bowl Games, Soccer and Wrestling Matches, Supercross, and over 25 concerts for some of the biggest names in the industry
- Home to FIFA World Cup 2026 Matches and Currently Bidding to bring Super Bowl back to Dallas
- Just 4.7 Miles from Project Target Site!



# Demand Generators

## Texas LIVE!



- Over 200,000 square feet of year-round entertainment, shopping, and dining options
- Features three major venues, including:
  - Live! Arena - host top musical acts and offer drinks and bites
  - Arlington Backyard - outdoor live music venue to enjoy Arlington's stellar year-round weather
  - Rangers Republic - the “ultimate fan clubhouse” will offer dining options, live entertainment, and Rangers memorabilia on display
- Located just 5.4 miles from Project Target Site!



# Demand Generators

## New Globe Life Field



- \$1.1 Billion new stadium for the Texas Rangers with a retractable roof and capacity for just over 40,000
- New ballpark keeps Rangers in Arlington at least until 2053
- Retractable roof allows for increased attendance during summer months
- Plays host to many concerts and events throughout the year on non-baseball event nights as well
- Located just 5.4 miles from Project Target Site!



HKS



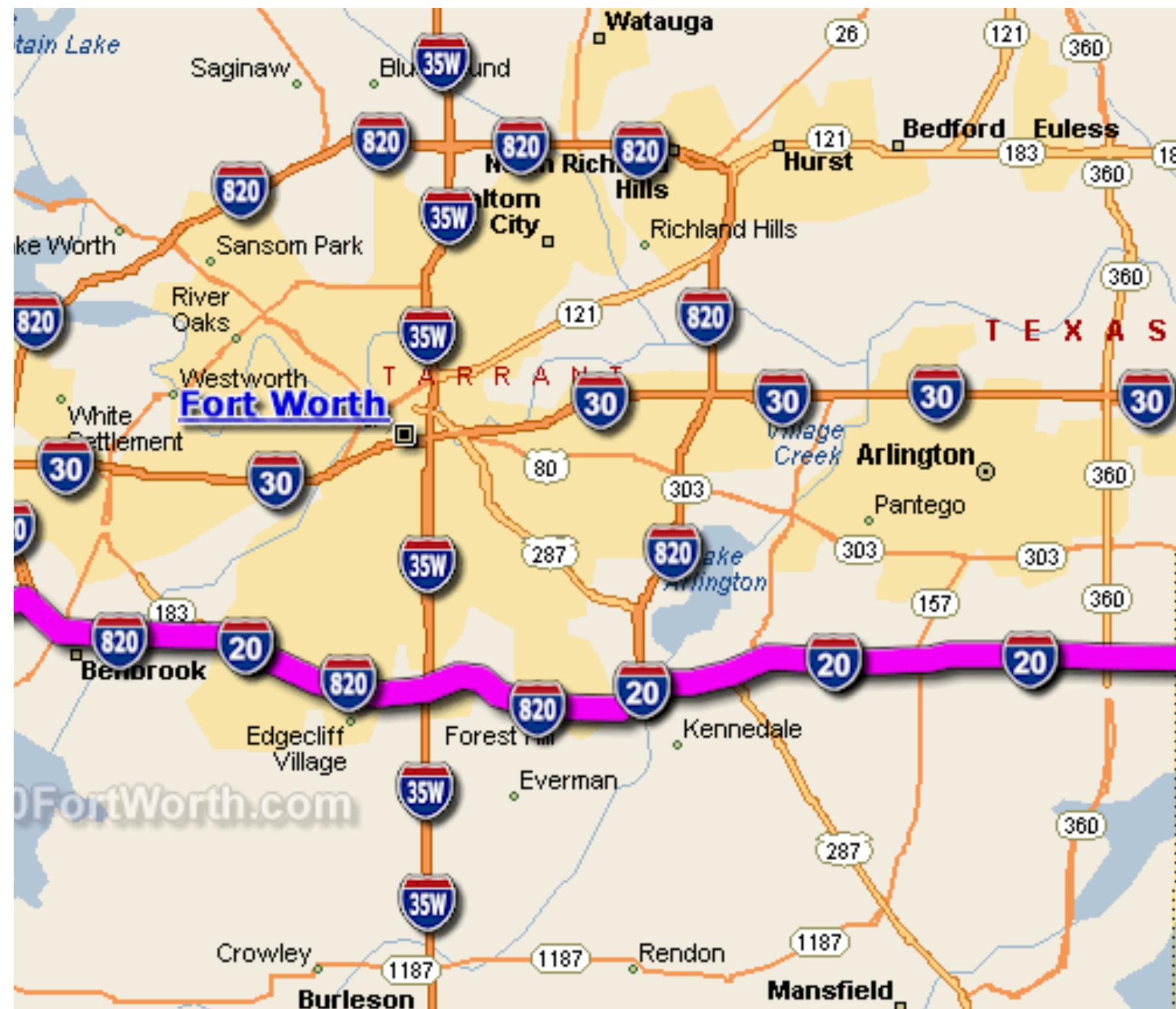
# Submarket Overview

The proposed hotel development will become another **Destination Magnet** in the vibrant I-20 Mixed Use District



# I-20 Commercial Corridor

## South Arlington



**Interstate 20 provides an east-west connection through the northern tier of the Deep South states.**

The **I-20 Commercial Corridor** is comprised of a diverse mix of industry clusters and economic activities all of which are either direct generators of hotel demand, or that provide amenities and services that hotel guests would find useful during their stay:

- Large hotel demand generator **within walking distance**:
  - GM Financial Services (3,000 employees)
- Manufacturing, service & educational hotel demand generators **within a short driving distance**:
  - Doskocil Manufacturing (dba Petmate) (1,000 employees)
  - Aetna (950 employees)
  - University of Texas at Arlington
  - Two Medical Centers, generating 144,000 annual patient visits (over 2,000 doctors and staff members)
- One of the largest power retail clusters in the Metroplex
  - Six million square feet of operating retail within one mile of the subject property (Parks Mall and Arlington Highlands)

# Project Site Overview

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## FULL-SELECT SERVICE HOTEL in a HIGH-TRAFFIC, MIXED USE DISTRICT

One of the Most Diverse, High-Density Mixed Use Submarkets in DFW Metroplex  
Manufacturing, Professional Services, Retail, Restaurant & Entertainment

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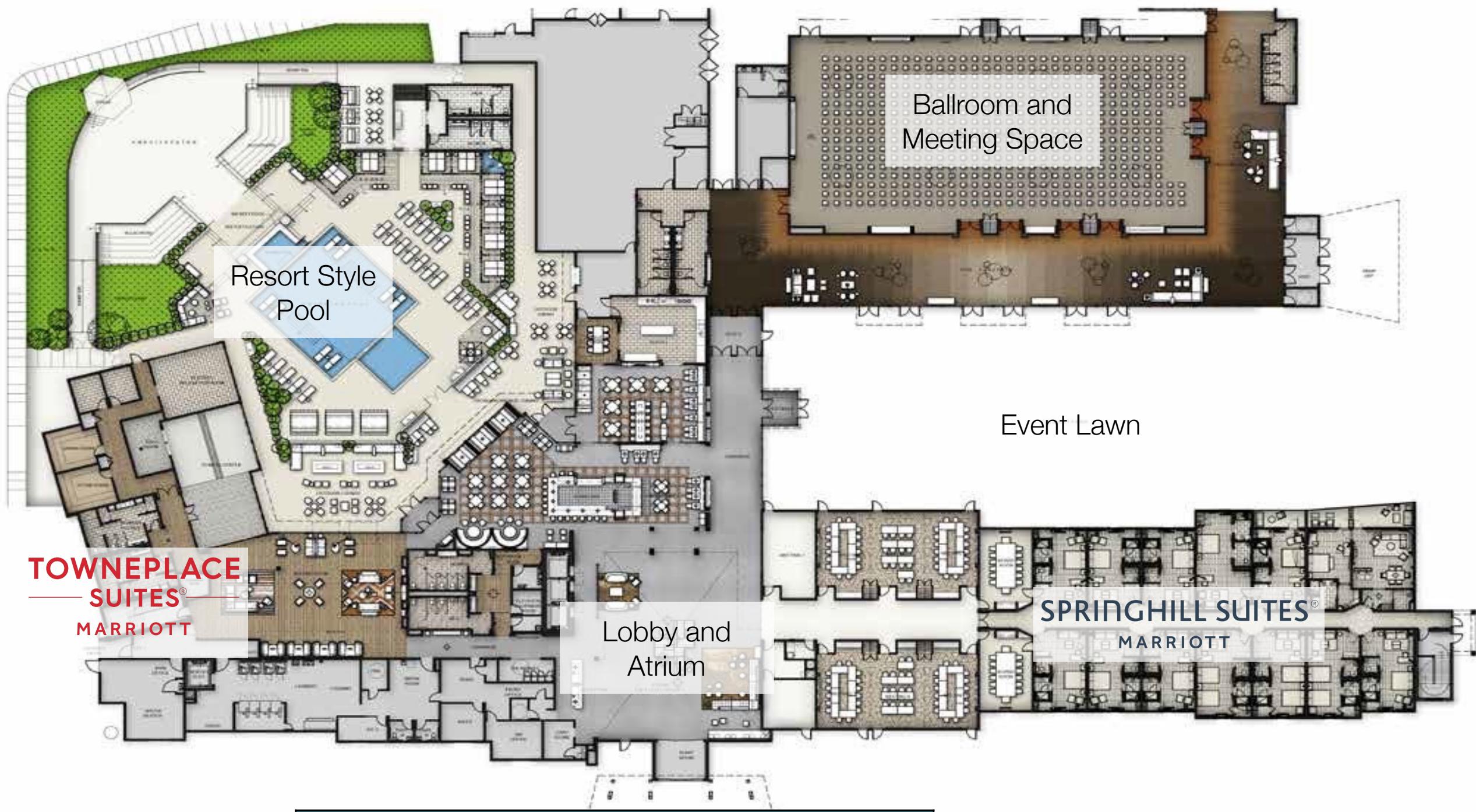
# Proposed Facility and Amenities

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## **239 ROOM DUAL BRAND HOTEL TO INCLUDE:**

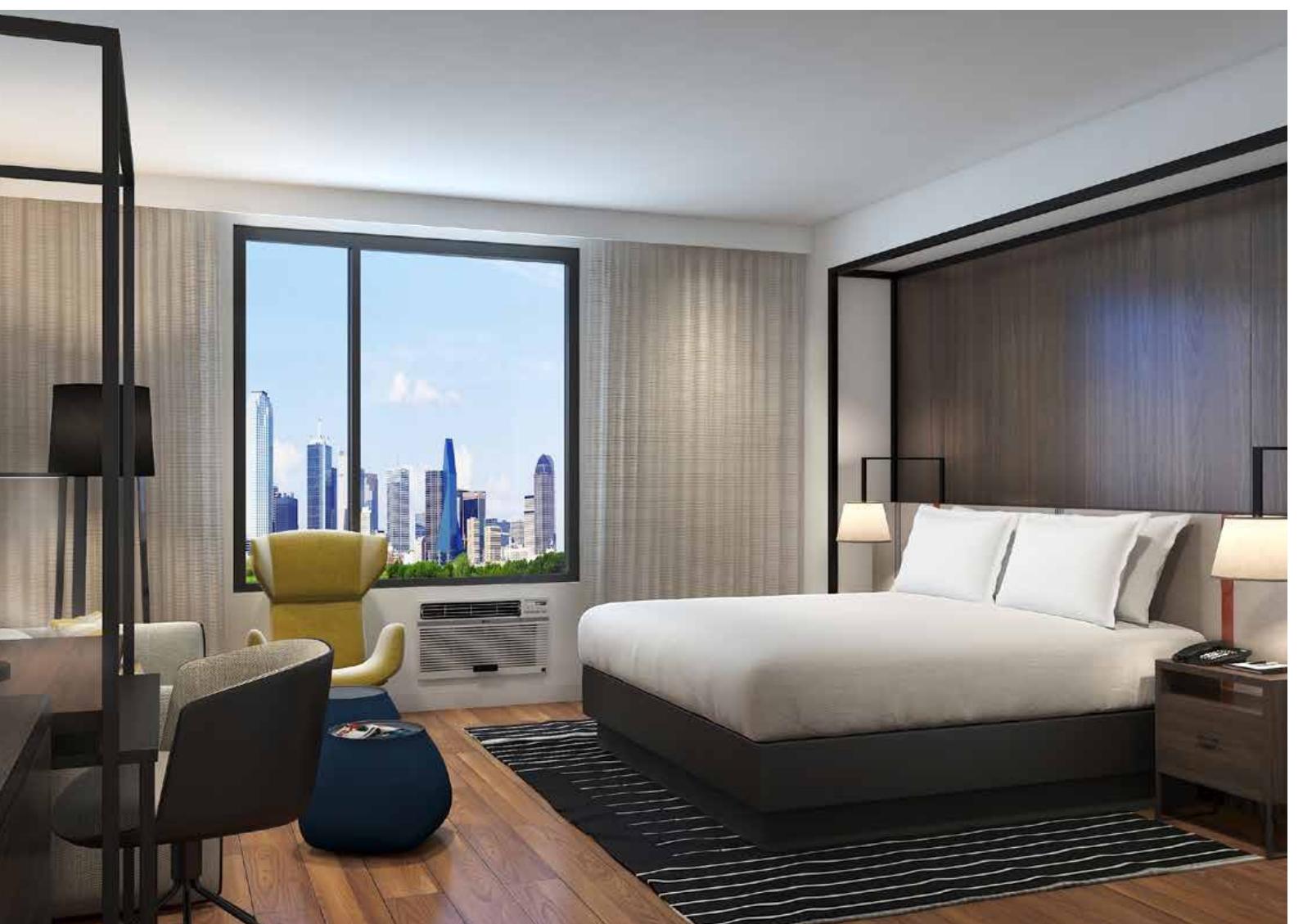
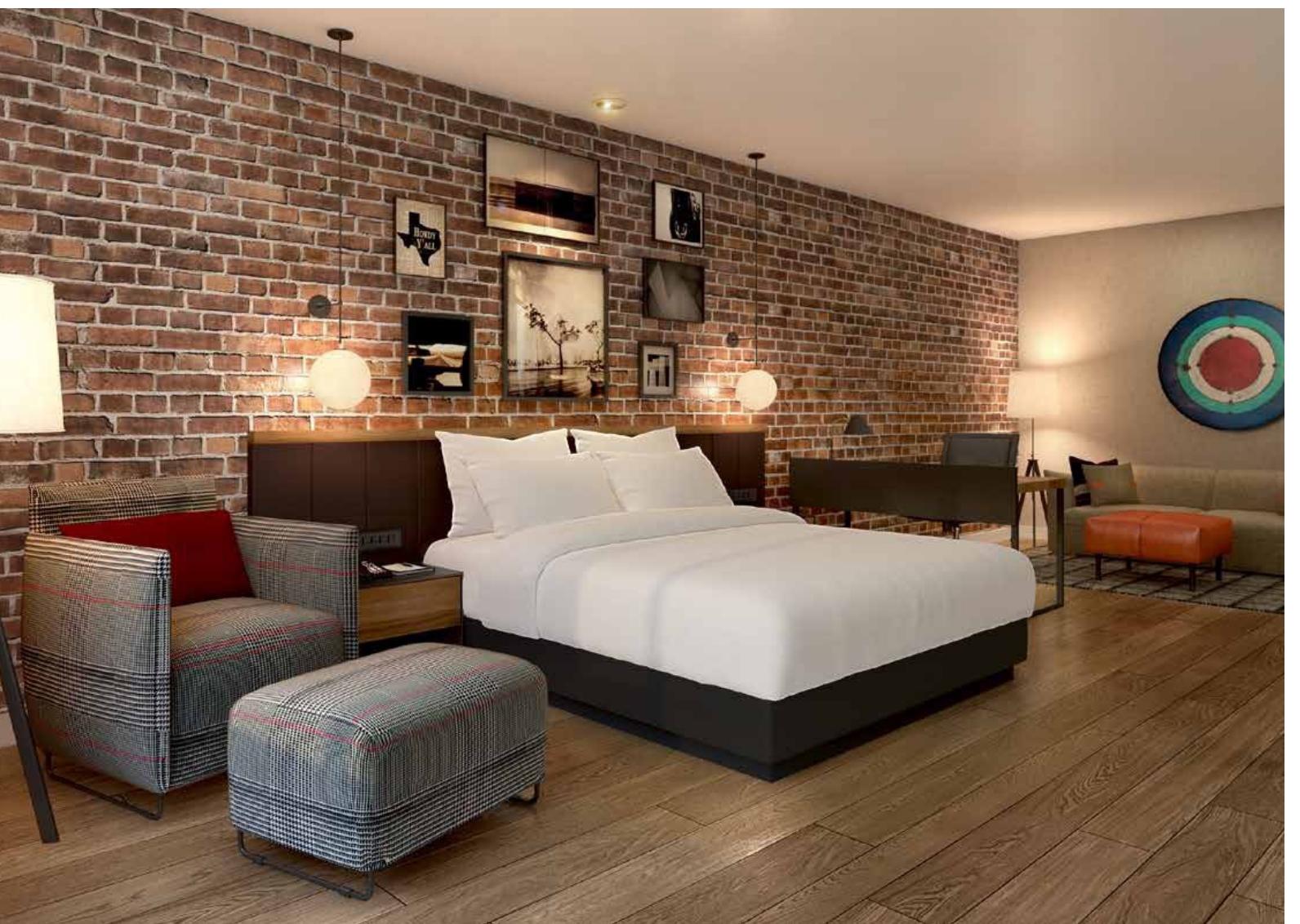
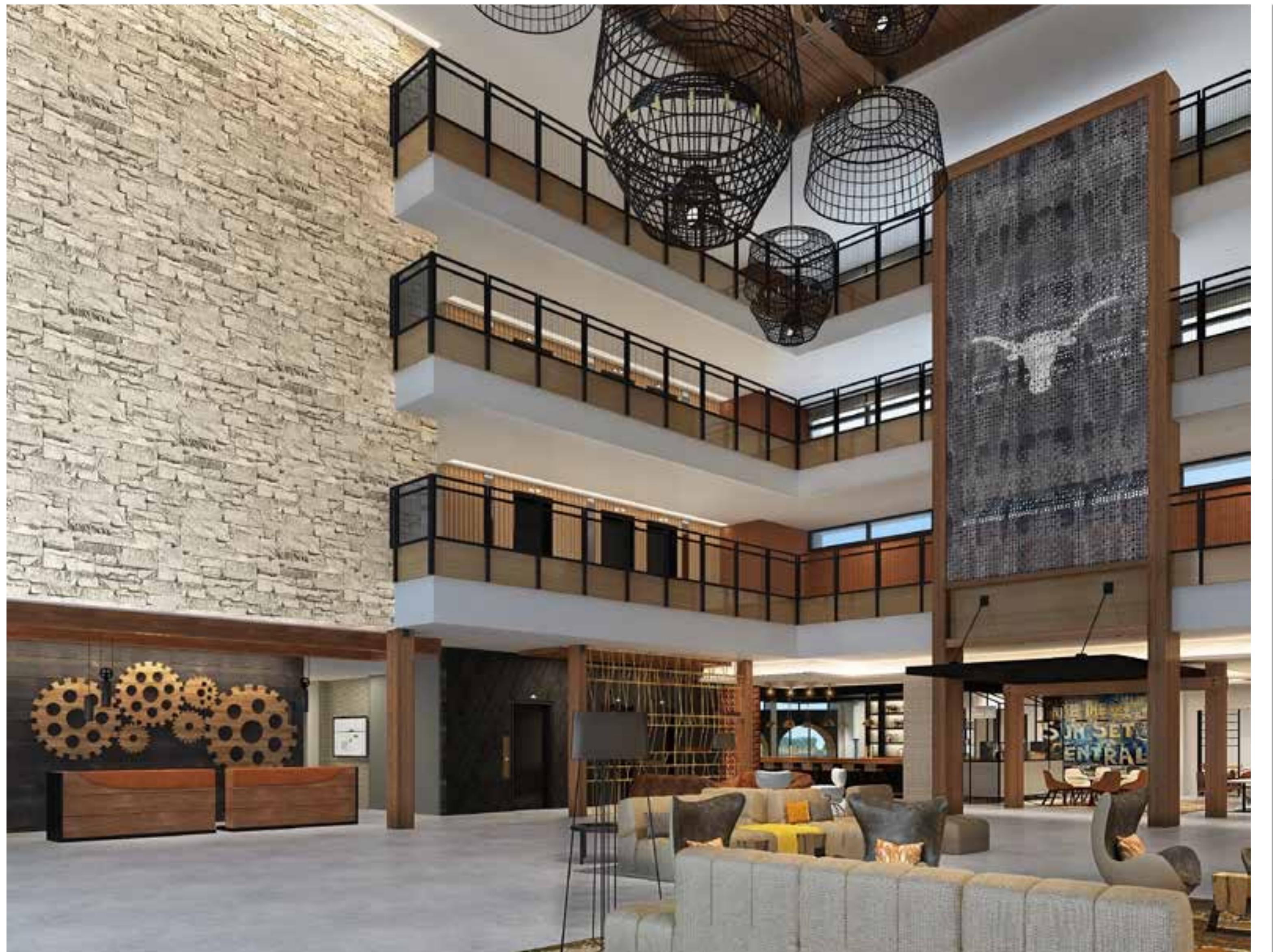
- FREE SPRINGHILL BREAKFAST FOR ALL GUESTS
- RESTAURANT & LOBBY BAR
- 18000 + SF FLEXIBLE INDOOR MEETING OR EVENT SPACE:
  - FULL CONVENTION STYLE BALLROOM
  - FLEXIBLE MEETING SPACE / BOARDROOMS
- BANQUET SERVICES
  - CONFERENCES, MEETINGS, PRIVATE EVENTS, WEDDINGS, ETC.
- OUTDOOR EVENT SPACE:
  - AMPHITHEATER, EVENT LAWN/ COURTYARD, POOL DECK & LOUNGE
- RESORT STYLE POOL, FITNESS CENTER
  - POOL CONCESSIONS, STEAM & SAUNA ROOMS, TRIPLE SIZED FITNESS ROOM
- AIRPORT AND LOCAL SPORTING EVENT TRANSPORTATION SERVICES
- SHARED BACK OF HOUSE SYSTEM FOR EFFICIENCY AND PRODUCTIVE WORK FLOW



Project Overview	
Keys	239
Meeting Space	18,000 SF+
AAA Rating	3+
# of Employees	125



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## Interior Design Package

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# General Contractor

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- Nanu Construction, Inc. is a related entity that has been a General Contractor in the Hotel Industry since 1989
- Proven track record with over 33 hotels in its portfolio
- **Construction Management Fee:** 4% with a \$1,500,000 cap
- Note: Typically General Contractors charge a 7-10% Fee



# Project Cost Summary

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<b>Land</b>	\$ 4,000,000.00
<b>Building</b>	\$ 38,535,000.00
<b>FF&amp;E</b>	\$ 8,365,000.00
<b>Soft Costs</b>	\$ 3,000,000.00
<b>Sponsor Fee 3%</b>	\$ 1,100,000.00
<b>Total Project Cost</b>	<b>\$ 55,000,000.00</b>



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# Project Cost Summary

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	SpringHill	TownePlace	Conf. Center	Total Project
<b>Total Keys</b>	131	108		239
<b>Meeting Space (Sq. Ft)</b>			18,000	
<b>Allocated Land Costs</b>	\$1,871,428	\$1,428,572	\$700,000	\$4,000,000
<b>Land Cost Per Key</b>	\$14,286	\$13,228	—	—
<b>Development Costs</b>	\$24,665,272	\$20,334,728	\$5,000,000	\$50,000,000
<b>Outdoor Resort Pool Area</b>			\$1,000,000	\$1,000,000
<b>Total Project Cost</b>	\$26,536,700	\$21,763,300	\$6,700,000	\$55,000,000
<b>Costs Per Key</b>	\$202,570	\$201,512	\$28,033	<b>\$230,126</b>



# Projected Revenue Breakdown

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	Net Operating Income				
	Year 1	Year 2	Year 3	Year 4	Year 5
Full Year of Operation	2027	2028	2029	2030	2031
<b>Occ%</b>	63%	71%	75%	75%	75%
<b>ADR</b>	\$174.25	\$181.00	\$188.25	\$196.00	\$203.75
<b>Room Revenue</b>	\$9,576,440	\$11,210,570	\$12,316,492	\$12,823,545	\$13,330,598
<b>F&amp;B + Other Income</b>	\$4,637,000	\$5,434,000	\$5,971,000	\$6,209,000	\$6,457,000
<b>Total</b>	\$14,213,440	\$16,644,570	\$18,287,492	\$19,032,545	\$19,787,598
<b>Total Expenses</b>	\$10,305,982	\$11,787,150	\$12,649,357	\$13,144,082	\$13,646,346
<b>Net Operating Income</b>	\$3,907,459	\$4,857,420	\$5,638,134	\$5,888,463	\$6,141,253
<b>FF&amp;E Reserve</b>	\$284,269	\$499,337	\$731,500	\$761,302	\$791,504
<b>NOI After Reserves</b>	\$3,623,190	\$4,358,083	\$4,906,634	\$5,127,161	\$5,349,749

Data based on market study prepared by DP Consulting and additional research by Q Hotels

# Forecasted Annual Group Room Revenue

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American Fence	\$421,000
Airbus Helicopters	\$350,000
Texas Rangers	\$342,000
Texas Health	\$270,000
Allied Pilots	\$265,000
Road Rebel	\$234,000
Advocate	\$233,000
Pro Bull Riding	\$223,000
Sound Imaging	\$214,000
International Bowling	\$201,000
Sports Plano	\$197,000
Manheim Auto	\$188,000
Sherwin Williams	\$176,000

Texas Municipal	\$166,000
Lockheed Martin	\$165,000
Church of God Winterfest	\$143,000
Federal Bureau of Investigation	\$143,000
Church of Christ	\$127,000
General Motors	\$115,000
Legends AT&T	\$109,000
American Concrete	\$88,000
Texas Girls Coaches	\$87,000
IBM	\$78,000
Bell Helicopter	\$77,000

Forecasted Year 1  
Group Room Revenue

**\$4,612,000**



# Projected 5 Year Performance



# Loan Assumptions

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## Loan Assumptions

<b>Senior Loan Amount:</b>	\$38,500,000	
<b>Interest Rate on Loan:</b>	7.25%	Int. Only 3 Years
<b>Loan Amortization:</b>	20 Years	
<b>Limited Partner's Investment:</b>	\$16,500,000	
<b>Annual LP Preferred Return:</b>	7%	
<b>Projected Sale Price:</b>	\$76,424,980	
<b>Sale Year:</b>	7	(Operating Year 5)
<b>Guarantor/General Partner:</b>	Jags Patel/ NSTAR Hotel ARL GP, LLC	



# Underwriting Analysis

<b>INCOME</b>		
Sales- Room	\$ 13,330,598	67.4%
Sales- F&B (Meetings & Banquets)	\$ 4,967,000	25.1%
Sales- Other Revenue	\$ 1,490,000	7.5%
<b>TOTAL INCOME</b>	<b>\$ 19,787,598</b>	<b>100.0%</b>
<b>DEPARTMENTAL EXPENSES</b>		
Rooms-TPS & SHS	\$ 3,332,650	16.8%
Banquet/ F&B	\$ 3,228,550	16.3%
Other Expenses	\$ 298,000	1.5%
<b>Total Departmental Expenses</b>	<b>\$ 6,859,200</b>	<b>34.7%</b>
<b>OPERATING PROFIT</b>		
<b>Admin &amp; Other EXPENSES</b>		
Admin & General	\$ 1,207,044	6.1%
Marketing and Franchise	\$ 2,176,636	11.0%
Property Ops & Maintenance	\$ 791,504	4.0%
Utility Cost	\$ 692,566	3.5%
Info and Telecom System	\$ 296,814	1.5%
Base Management Fee	\$ 593,628	3.0%
Property Taxes	\$ 732,141	3.7%
Insurance	\$ 296,814	1.5%
FF&E Reserves	\$ 791,504	4.0%
<b>TOTAL Admin &amp; Other Expenses</b>	<b>\$ 7,578,650</b>	<b>38.3%</b>
<b>NET OPERATING INCOME</b>	<b>\$ 5,349,749</b>	<b>27.0%</b>

<b>Rooms</b>	<b>239</b>	<b>Occupancy</b>	<b>75.5%</b>
<b>Year Built</b>	<b>2027</b>	<b>ADR</b>	<b>\$180.00</b>
<b>Stabilized NOI</b>	<b>\$6,127,388</b>	<b>REVPAR</b>	<b>\$135.90</b>

<b>Capitalization Rate</b>	<b>7%</b>
<b>Projected Sale Price</b>	<b>\$76,424,980</b>
<b>Projected Sale Year</b>	<b>Op. Year 5</b>

## Projected Annual Revenue, NOI, & Debt Service

	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
<b>Rev</b>	<b>\$14,213,440</b>	<b>\$16,644,570</b>	<b>\$18,287,492</b>	<b>\$19,032,545</b>	<b>\$19,787,598</b>
<b>NOI</b>	<b>\$3,623,190</b>	<b>\$4,358,083</b>	<b>\$4,906,634</b>	<b>\$5,127,161</b>	<b>\$5,349,749</b>
<b>Debt Service</b>	<b>\$3,065,309</b>	<b>\$3,339,368</b>	<b>\$3,339,368</b>	<b>\$3,339,368</b>	<b>\$3,339,368</b>
<b>DSCR</b>	<b>1.18</b>	<b>1.31</b>	<b>1.47</b>	<b>1.54</b>	<b>1.60</b>

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