



CONFIDENTIAL INVESTMENT SUMMARY
REGULATION CROWDFUNDING OFFERING

2

SELECT-SERVICE HOTELS

GOODEGG GROWTH FUND II

DEEP DIVE DECK

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2 SELECT-SERVICE HOTELS

We are pleased to announce that we will be acquiring not just one but **two hotels in Radcliff, Kentucky, just outside of Fort Knox**, via Goodegg Growth Fund II:

- **Candlewood Suites** – 83 rooms, built in 2010
- **Holiday Inn Express** – 63 rooms, built in 2007

The hotels are in an ideal location, just **5 minutes from Fort Knox** – one of the largest military bases in the country.

This allows us to capture consistent year-round hotel demand from **government contractors, military personnel, and other business travelers**.

Further, **Ford** just broke ground in late 2022 on a **\$5.8B factory** nearby, which will eventually bring **5,000+ jobs** to the area.



WHY INVEST IN HOTELS

Click above or scan to see why we love hotel investments



HOTELS AT A GLANCE



76.2%

CANDLEWOOD SUITES
T-12 OCCUPANCY

2.57x

CANDLEWOOD SUITES
DSCR (DEBT SERVICE COVERAGE RATIO)

2010

CANDLEWOOD SUITES
YEAR BUILT

74.4%

HOLIDAY INN EXPRESS
T-12 OCCUPANCY

2.63x

HOLIDAY INN EXPRESS
DSCR

2007

HOLIDAY INN EXPRESS
YEAR BUILT

A PROVEN PARTNERSHIP

We are pleased to continue our **already-proven partnership with GHC (General Hotels Corporation)**, whom we have successfully worked with on all of our other hotel investments.

GHC will continue to **maintain the day-to-day operations** of the hotel, thus decreasing the risk of switching to new management, and they will retain **25% of the equity**, thus ensuring an **alignment of interests** to further protect your investment.

As a time-tested hotel management company with **over 60 years of hotel management experience**, GHC has earned a well-respected reputation throughout the Midwest for operating and developing full-service, select-service and extended stay properties.

Their **award-winning hotels** are distinctive and independently recognized, with a focus on friendly service, thoughtfully appointed rooms, and unparalleled facilities.



11.3%

ACTUAL 2022 CASH-ON-CASH
RETURNS FOR GOODEGG HOTEL
ASSETS (MANAGED BY GHC)

OPERATIONAL BUSINESS PLAN

EFFECTIVE MANAGEMENT

Successfully owning and operating a select-service hotel requires **careful planning, effective management, and a focus on customer satisfaction.**

First, it is crucial to establish a clear vision and target market for the hotel. We conduct **market research** to understand the demand, competition, and customer preferences in the area.

This helps determine the **hotel's amenities, pricing strategy, and overall positioning** in the market.

With the joint venture partnership and long-term ownership of our partner, **GHC** (General Hotels Corporation), this has already been implemented and is in place, and we plan on continuing the in-place success.



OPERATIONAL BUSINESS PLAN

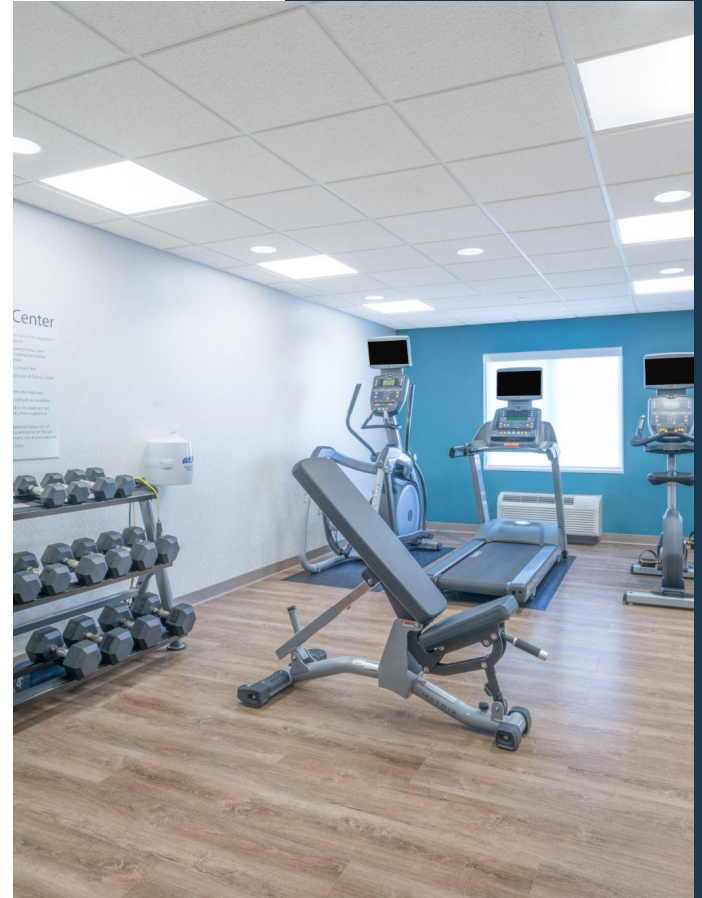
CUSTOMER SERVICE

Efficient operations and **excellent customer service** are key to running a successful select-service hotel.

GHC has already invested in **well-trained staff** who are knowledgeable, friendly, and attentive to guest needs. They have also implemented **streamlined processes** for check-in, check-out, and housekeeping to ensure smooth operations.

Further, regular assessments are done to improve each hotel's **infrastructure and facilities**, including technology upgrades, cleanliness, and maintenance, to provide a pleasant and comfortable experience for guests.

This has resulted in **strong guest ratings** for both properties, and we will continue this high level of service.



OPERATIONAL BUSINESS PLAN

MARKETING & BRANDING

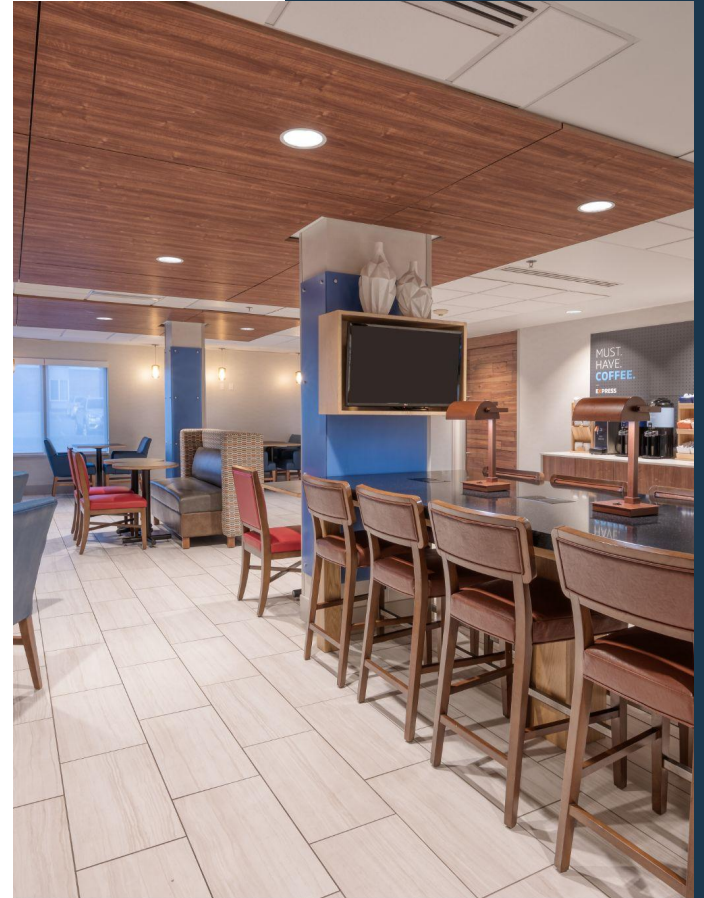
A strong **marketing and branding strategy** is essential for attracting guests and building a loyal customer base.

GHC currently utilizes online and offline channels to promote each hotel, including **user-friendly websites, franchise rewards programs, and partnerships with local businesses.**

Competitive rates, packages, and loyalty programs are offered to incentivize repeat bookings.

Both hotels regularly receive positive online reviews and word-of-mouth recommendations, which significantly **elevates each hotel's reputation** and impacts long-term value as well.

This has resulted in strong guest satisfaction for both properties, and we will continue this **high standard of service.**



SOURCES & USES



| Sources | Amount | % |
|----------------------|---------------------|---------------|
| Senior Debt | \$13,450,000 | 48.3% |
| Current Liabilities | \$909,469 | 3.3% |
| Equity* | \$13,490,070 | 48.4% |
| Total Sources | \$27,849,539 | 100.0% |

* Note: 75% is Goodegg Equity, 25% is GHC Equity

| Uses | Amount | % |
|-------------------------------------|---------------------|---------------|
| Property Acquisition | \$26,437,000 | 94.9% |
| Assets | \$602,539 | 2.2% |
| Legal, Due Diligence, Closing Costs | \$310,000 | 1.1% |
| Acquisition Fee | \$350,000 | 1.3% |
| Working Capital | \$150,000 | 0.5% |
| Total Uses | \$27,849,539 | 100.0% |



HIGHLY ATTRACTIVE FINANCING

ASSUMABLE BELOW MARKET FIXED RATE DEBT

We plan on **assuming the in-place debt**, which features a current LTV of 50.87%, a fixed interest rate of 5.19%, and 9 years of term left on the loan.

This fixed interest rate is very much **below market** in the current economic climate and **limits our risk** of further interest rate increases, which have negatively affected many commercial real estate properties in recent months.

| | |
|-----------------------------|--------------|
| Purchase Price | \$26,437,000 |
| Loan Proceeds | \$13,450,000 |
| Loan To Value | 50.87% |
| Interest Rate | 5.19% Fixed |
| Interest Only Period | N/A |
| Amortization | 25 Years |

CANDLEWOOD SUITES

PRO FORMA - INCOME

| | 2023 | 2024 | 2025 | 2026 | 2027 |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Occupancy | 79.9% | 80.7% | 81.5% | 82.3% | 83.1% |
| Room Revenue | \$3,243,200 | \$3,340,900 | \$3,441,100 | \$3,545,500 | \$3,652,700 |
| Other Revenue | \$15,500 | \$18,500 | \$18,900 | \$19,300 | \$19,700 |
| Room Expenses | (\$449,200) | (\$465,700) | (\$482,700) | (\$500,600) | (\$519,200) |
| Other Revenue Costs | (\$7,000) | (\$8,300) | (\$8,500) | (\$8,700) | (\$8,900) |
| Gross Operating Income | \$2,802,500 | \$2,885,400 | \$2,968,800 | \$3,055,500 | \$3,144,300 |

CANDLEWOOD SUITES

PRO FORMA - EXPENSES

| | 2023 | 2024 | 2025 | 2026 | 2027 |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Administration | \$303,500 | \$316,600 | \$327,200 | \$338,200 | \$349,500 |
| Sales & Marketing | \$7,300 | \$7,600 | \$7,600 | \$7,700 | \$7,800 |
| Repair & Maintenance | \$96,700 | \$103,000 | \$105,800 | \$108,600 | \$111,500 |
| Utilities | \$96,800 | \$97,800 | \$101,700 | \$102,800 | \$103,800 |
| Franchise Fees | \$332,900 | \$342,900 | \$353,300 | \$364,000 | \$374,900 |
| Management Fees | \$162,900 | \$168,000 | \$173,000 | \$178,200 | \$183,600 |
| Property Insurance | \$49,200 | \$51,700 | \$54,300 | \$57,000 | \$59,800 |
| Property Taxes | \$77,700 | \$80,000 | \$82,400 | \$84,900 | \$87,400 |
| Net Operating Income (NOI) | \$1,675,500 | \$1,717,800 | \$1,763,500 | \$1,814,400 | \$1,866,000 |

HOLIDAY INN EXPRESS

PRO FORMA - INCOME

| | 2023 | 2024 | 2025 | 2026 | 2027 |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Occupancy | 78.0% | 78.8% | 79.6% | 80.4% | 81.2% |
| Room Revenue | \$2,723,500 | \$2,805,800 | \$2,890,400 | \$2,977,200 | \$3,066,300 |
| Other Revenue | \$13,000 | \$13,300 | \$13,500 | \$13,800 | \$14,100 |
| Room Expenses | (\$557,000) | (\$576,600) | (\$595,600) | (\$615,300) | (\$635,700) |
| Other Revenue Costs | (\$3,900) | (\$4,000) | (\$4,100) | (\$4,100) | (\$4,200) |
| Gross Operating Income | \$2,175,600 | \$2,238,500 | \$2,304,200 | \$2,371,600 | \$2,440,500 |

HOLIDAY INN EXPRESS

PRO FORMA - EXPENSES

| | 2023 | 2024 | 2025 | 2026 | 2027 |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Administration | \$222,000 | \$232,100 | \$237,500 | \$243,100 | \$248,700 |
| Sales & Marketing | \$67,200 | \$69,400 | \$71,800 | \$74,400 | \$77,100 |
| Repair & Maintenance | \$65,100 | \$67,500 | \$68,700 | \$69,900 | \$71,200 |
| Utilities | \$75,300 | \$78,400 | \$79,200 | \$79,900 | \$80,700 |
| Franchise Fees | \$361,900 | \$372,800 | \$384,100 | \$395,600 | \$407,400 |
| Management Fees | \$136,800 | \$141,000 | \$145,200 | \$149,500 | \$154,000 |
| Property Insurance | \$37,700 | \$38,800 | \$40,000 | \$41,200 | \$42,400 |
| Property Taxes | \$66,396 | \$68,400 | \$70,400 | \$72,600 | \$74,700 |
| Net Operating Income (NOI) | \$1,143,204 | \$1,170,100 | \$1,207,300 | \$1,245,400 | \$1,284,300 |



CANDLEWOOD SUITES & HOLIDAY INN EXPRESS

PRO FORMA - NET CASH FLOW - COMBINED

| | 2023 | 2024 | 2025 | 2026 | 2027 |
|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Combined NOI | \$2,818,704 | \$2,887,900 | \$2,970,800 | \$3,059,500 | \$3,150,300 |
| Combined Reserves | (\$299,760) | (\$308,925) | (\$318,195) | (\$327,790) | \$1,254,670 |
| Combined Debt Service | (\$1,088,300) | (\$1,088,300) | (\$1,088,300) | (\$1,088,300) | (\$1,088,300) |
| Net Cash Flow* | \$1,430,644 | \$1,490,675 | \$1,564,305 | \$1,643,410 | \$3,316,670 |

* Note: This is at the deal level, which includes GHC's 25%.



HISTORICAL OPERATIONS

CANDLEWOOD SUITES

This Candlewood Suites has performed exceptionally well since the height of the COVID-19 pandemic in 2020 when it generated an NOI (net operating income) of \$958,131, to the most recent T-12 **2023 NOI of \$1,587,790**.

That **65% increase in NOI** shows the strength of the asset and the demand of the market for this type of product.

During 2020, ADR (average daily rate) averaged \$93.59, whereas the 2023 T-12 **ADR has grown to \$130.06**.

This is due to **increased activity around Fort Knox** and the government increasing their allowable hotel charge limit. This **strong revenue growth** has positioned the property to be even more successful in the future.



HISTORICAL OPERATIONS

HOLIDAY INN EXPRESS

Because of the COVID-19 pandemic, this Holiday Inn Express was **shut down for three months in 2020** (May, June, and July) in order to reduce operating costs.

That year, the performance reached a historic low, with an NOI (net operating income) of just **\$4,246**.

However, since reopening, performance has rebounded tremendously, with the most recent **2023 T-12 NOI of \$994,161**.

This signifies an impressive comeback with the property averaging **74.4% occupancy** and a **\$147.39 ADR** (average daily rate) on the most recent 2023 T12.

This highlights the strength of the asset and the **strong market demand** for this type of product.



PROPERTY IMPROVEMENT PROJECT

CANDLEWOOD SUITES

The Candlewood Suites property is currently undergoing a franchise required **Property Improvement Project (PIP)**.

The renovation will **upgrade the exterior signage and paint, interior common areas, and unit interiors.**

The unit interiors will benefit from:

- New bedding
- New flooring
- New appliances
- Repainted cabinets
- Modernized color scheme
- Renovated bathrooms

This **\$2.5M** renovation project will be **completed before we close** on the property, so there is no construction risk.

GLOWING GUEST REVIEWS

TOP-NOTCH SERVICE

In the world of hospitality, **reviews matter**. Both of these hotel properties have stellar reviews, maintaining an average **4.5 rating on Tripadvisor** across hundreds of reviews.

This is due in large part to the strong culture and values instilled by GHC in both of these hotels. Whereas employee turnover in the hotel industry overall is typically very high, **employee turnover in GHC-managed hotels is under 5%**.

What this means is that employees are happy, and they in turn provide **stellar service to hotel guests**, who have excellent hotel stays and experiences and thus return again and again.



EXCELLENT CUSTOMER SERVICE HANDS DOWN

I slept so good every nite the pillows were so soft and the linen was clean. This is the best nites rest I've ever in a hotel. The staff made this trip so memorable the best customer service EVER!!!!!!

Date of stay: March 2023

Trip type: Traveled on business



CANDLEWOOD
SUITES

4.5 Excellent  137 reviews



4.5 Excellent  173 reviews

GOODEGG GROWTH FUND II

INVEST IN 3 EASY STEPS



STEP 1

CLICK INVEST NOW

In the investor portal, click Invest Now, then enter your investment amount.



STEP 2

SUBMIT YOUR INFO

Submit your personal and financial info via the steps in the portal.



STEP 3

SEND YOUR FUNDS

Send in your funds to secure your spot in the deal, and then you're done!

QUESTIONS?



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