

HOTEL TEXAS ANNEX



PURCHASE & MULTI-FAMILY REDEVELOPMENT
OPPORTUNITY WITH PARKING GARAGE

815 COMMERCE STREET | FORT WORTH, TEXAS

Proposed rendering subject to change.

 **TRANSWESTERN®**

DISCLAIMER

This Offering Memorandum was prepared by Transwestern (“Broker”) solely for the use of prospective buyers (each a “Buyer”) of the real property commonly known as Hotel Texas Annex, (the “Property”). Neither Broker nor the owner of the Property (“Owner”) makes any representation or warranty, express or implied, as to the completeness or the accuracy of the material contained in the Offering Memorandum.

Prospective Buyers of the Property are advised (i) that changes may have occurred in the physical or financial condition of the Property since the time this Offering Memorandum or any financial statement therein was prepared and (ii) that no projections were made herein. Other than historical revenue and operating expense figures for the Property, Owner has not provided, and shall not provide, Broker or any prospective Buyer with any income and expense figures, budgets or projections regarding the Property. Prospective Buyers of the Property are advised and encouraged to conduct their own comprehensive review and analysis of the Property.

The Offering Memorandum is a solicitation of interest only and is not an offer to sell the Property. Owner expressly reserves the right, in its sole and absolute discretion, to reject any or all expressions of interest or offers to purchase the Property and expressly reserves the right, in its sole and absolute discretion, to terminate discussions with any potential Buyer at any time with or without notice. Owner shall have no legal commitment or obligation to any party reviewing the Offering Memorandum or making an offer to purchase the Property unless and until a written real estate purchase and sale agreement is executed by Owner and Buyer.

All renderings contained in the Offering Memorandum are conceptual and for illustration purposes only. The renderings do not necessarily represent the Owner’s final plans and specifications nor do they represent what the City of Fort Worth and the Downtown Design Review Board have or may approve.

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BILL BEHR

Principal – Fort Worth & Central Region
Director – National Net Lease | Sale Leaseback Group
817.259.3519
bill.behr@transwestern.com

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EXECUTIVE SUMMARY

INVESTMENT OVERVIEW

On behalf of the Owner, Transwestern Commercial Services Fort Worth, LLC is pleased to present for sale the Hotel Texas Annex, a 234,160 square foot proposed multi-family re-development opportunity to be known as The Commerce at 815 Commerce Street, Fort Worth, Texas ("Property"). The Property, located at the southeast corner of 7th and Commerce Streets in downtown Fort Worth and covering one-half city block, consists of a thirteen-story building, plus a basement with eight floors of former hotel rooms and a valet parking garage encompassing the lower five floors and basement.

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The Property, located across Commerce Street from the Hilton Hotel (and connected via a leased skybridge), is in the heart of downtown Fort Worth, one of the most diverse and successful urban corporate, residential, retail and entertainment districts in the country. The Property is just two blocks northwest of the Fort Worth Transportation Center which offers rail service to downtown Dallas, DFW International Airport and more. Just one block north of the Fort Worth Convention Center, the Property is currently vacant with demolition of existing conditions on the upper eight floors and a complete asbestos abatement having been completed within the past several months. In addition, current ownership has completed a design, including full construction plans, for a re-development of the property to include 150 residential rental units on the upper eight floors in conjunction with an operating valet parking garage that can accommodate approximately 175-200 vehicles onsite. Amenities incorporated into the design include the residential lobby and ground floor retail space, outdoor swimming pool and sixth floor deck, fitness center, theatre, meeting rooms, lounges and more. While the Property can be re-developed into other uses including office space or live/work units, should the purchaser desire to pursue the contemplated multi-family development, the Purchaser can be provided copies of the nearly complete permit set of construction documents and all due diligence materials the owner has completed toward the multi-family re-development. Please note the Property is deed restricted preventing future



use as a hotel.

To aid in the financial benefits of the re-development, the Property has been listed on the National Register of Historic Places providing significant re-development federal and state tax credits. In addition, the Property had previously secured an agreement with the downtown Fort Worth Tax Increment Financing District #8 for more than \$4.7 million in funding. A purchaser that re-applies may also be successful in obtaining a larger amount.

The Hotel Texas Annex offering provides a purchaser the opportunity to acquire an exceptionally well-located and significant historical, in-place mixed use structure with an existing valet parking garage at far below shell replacement



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cost with reduced net development costs by utilizing the historic tax credits and potential TIF funding.



Address	815 Commerce Street Fort Worth, Texas 76102
Ownership Interest:	Fee Simple
Location:	Southeast corner of 7th & Commerce Streets Fort Worth Central Business District
Year Built/Remodeled:	1928, 1968, 1979, 1981, 1989
Parking Garage Portion:	Basement: +19,720 gross square feet* Floors 1 – 5: +19,720 gross square feet* Approx. Total: +118,320 gross square feet* The garage is designed as valet only. An elevator stop exists on the 2nd floor which provides access to the skybridge across Commerce Street to the second floor of the Hilton Hotel. When exiting the 2nd floor elevator, there are several steps up to the third floor of the parking garage (not ADA compliant). Floors 2, 4 and 5 of the parking garage are not served by existing elevators.

Proposed Residential Tower Portion:	Floors 6 – 13: +14,480 square feet each* Approx. Total: +115,840 square feet*
Approximate Total Gross Building Area:	+234,160 square feet* *All the above square footage estimates are per Merriman Associates plans dated 12/2016. Basement appears to be closer to 23,500 SF based on approximate measured plan dimensions
Total Land Area:	Approximately 20,000 square feet
Skybridge Access:	Leased skybridge provides access to Hilton Hotel and to 777 Main Street office tower via the Hilton/777 skybridge. The lease payment for the skybridge is \$36,000 annually.
Deed Restriction:	The Property is deed restricted against use as a hotel.
TAD Account Number:	00005649
Legal Description:	Fort Worth Original Town, Block 111, Lots 2 & 3
Zoning:	“H” Central Business District.



BUILDING DESCRIPTION

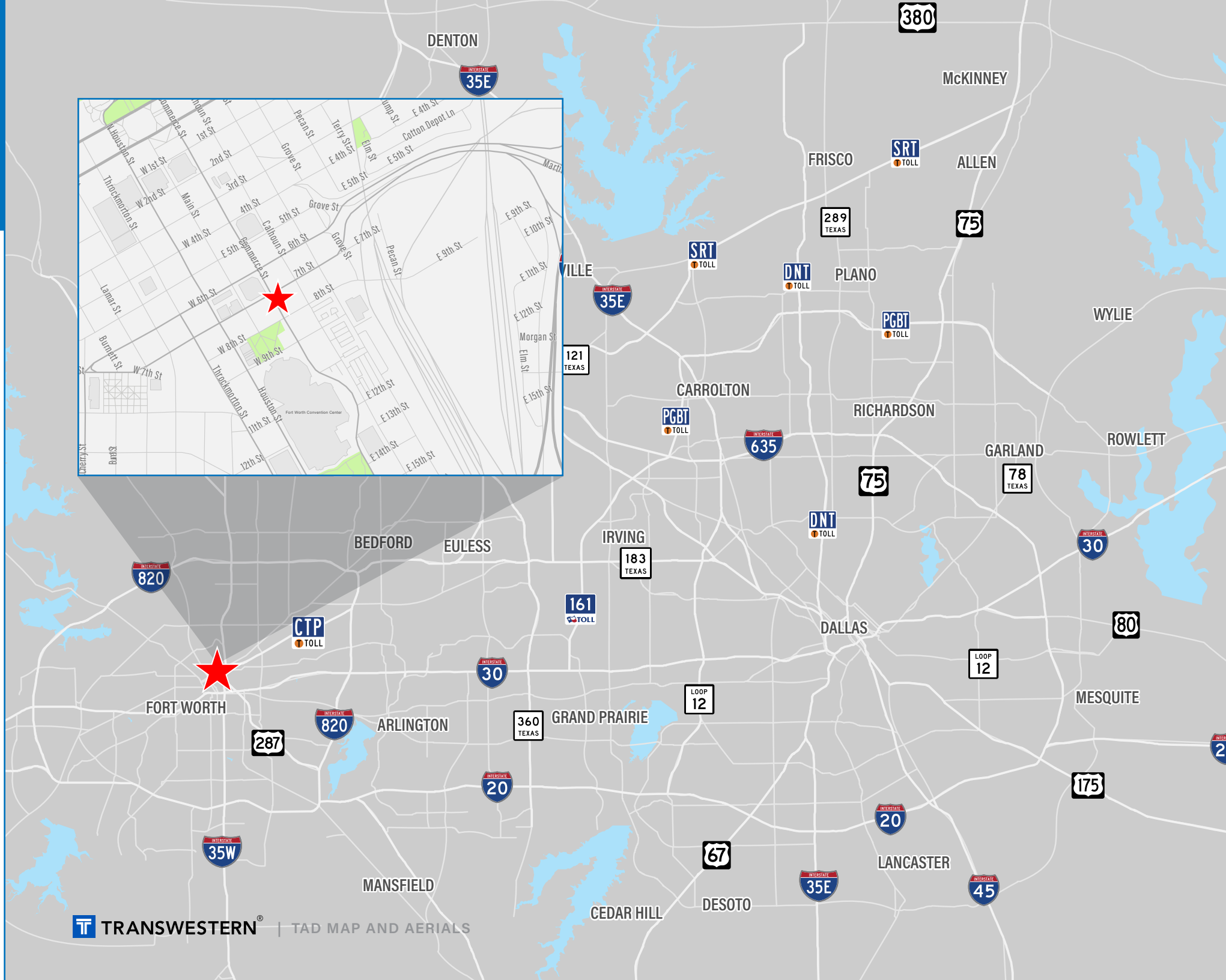
The parking garage portion of the property was constructed in 1928 and up until 1968 was known as the Biltmore Garage. The upper eight floors for hotel rooms were added in 1968 at a cost of \$3.15 million. In addition, a major cosmetic update was completed in 1979 and 1989. The Hotel Texas Annex ceased operations as a hotel in 2006.

The basement and lower five floors occupy the entire 20,000 square foot footprint. The upper eight floors consist of approximately 14,480 square feet designed as “U” shape surrounding the sixth-floor outdoor swimming pool and deck. The primary façade on the west elevation spans the 200-foot length of Commerce Street between 7th and 8th Streets. Visually, it reads as a tan cast concrete “U” set upon a gray one-story, slightly recessed granite base. The base is largely a gray granite wall. At the center of the elevation are four equal sized entrances for vehicles. At the south corner, are two recessed pedestrian entrances which each consist of glass in aluminum frame, organized in a stepped fashion and supported by a granite-clad column. The cast concrete “U” set atop the base is divided into three elements, with identical north and south legs of the “U”, which are 75 feet across and 160 feet tall. The facade reads as a blank cast concrete wall, which is scored to create a rectilinear pattern of six horizontal blocks framed by concrete corner pilasters. Set into the façade at the south is the pedestrian bridge. At the center, the base of the “U” is roughly 50 feet across and is also a blank wall of cast concrete, but here the cast concrete is organized in a vertical fashion with five pilaster-like columns each capped with a rectilinear cast concrete-clad hood (which contained exterior light fixtures). These pilasters divide the façade below the plaza into four equal size bays.

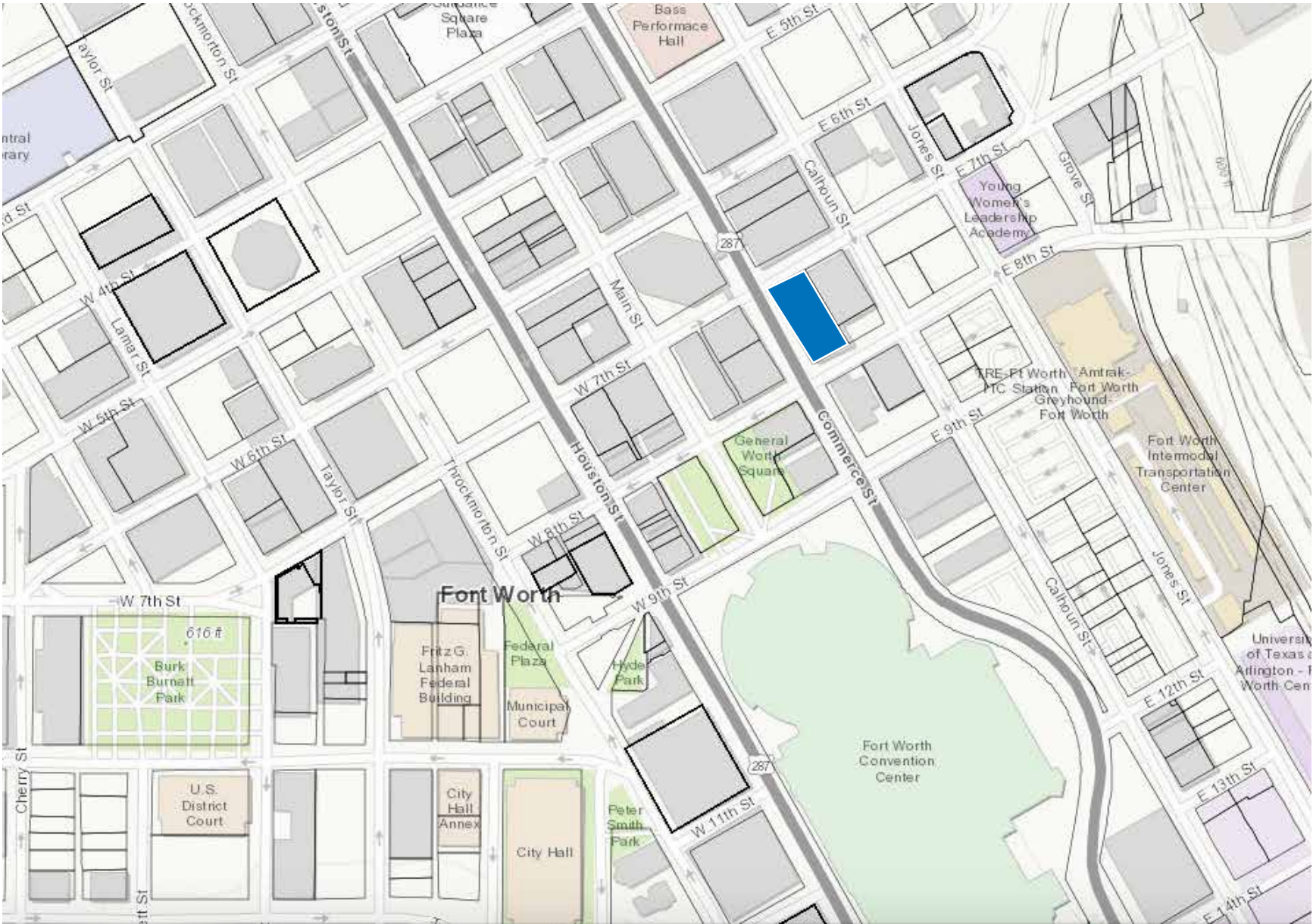
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TAD MAP AND AERIALS



TAD MAP





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REDEVELOPMENT OPPORTUNITY



REDEVELOPMENT OPPORTUNITY SUMMARY

HOTEL RE-DEVELOPMENT OPPORTUNITY

While the Property has been deed restricted since 2008 prohibiting use as a hotel, the previous seller has now indicated a willingness to modify the hotel deed restriction provided the following conditions are met by a purchaser who desires to re-develop the Property back to hotel use. These requirements include, but may not be limited to the following:

Waiver: Grantor will grant a one-time partial waiver of the Deed Restriction to the extent the Deed Restriction prohibits use of the Property as a “hotel” or “motel” (the “Waiver”). All other provisions of the Restriction will remain in full force and effect in accordance with their terms.

Conditions to Waiver: The execution and deliver of the Waiver will be conditioned upon the following:

The purchaser/developer (“Owner”) will enter into a long-term franchise license agreement with a hotel brand that is approved in writing by Grantor, in its sole and absolute discretion (the “Brand”). Owner shall not change the Brand without the prior written consent of Grantor, in its sole and absolute discretion.

Owner will enter into a long-term hotel management agreement (the “Management Agreement”) with Remington Lodging & Hospitality LLC (“Remington”).

Owner will enter into a project management agreement (the “PM Agreement”) with Premier Project Management, LLC (“Premier”) in which Onwer will engage Premier to provide project management services for the redevelopment of the Property as a hotel and the renovation / conversion of the Property in accordance with Brand standards and PIP requirements, which services will include,

architectural design, construction management, interior design and FF&E procurement.

Owner will enter into a long-term services agreement (the “A/V Agreement”) with Presentation Technologies (“JSAV”) whereby JSAV will be the exclusive provider of audio and video services to the hotel and its guests.

Termination of Waiver: The Waiver will become effective upon both the Property opening as a hotel and the foregoing conditions being satisfied. The Waiver will terminate if (a) Owner ceases to operate the Property as a hotel for any reason, (b) there shall occur any bankruptcy or bankruptcy-related event with respect to Owner, or (c) Owner terminates the Management Agreement, the PM Agreement or the A/V Agreement in violation of their respective terms, unless applicable contractual or liquidated damages are paid in full.

Definitive Agreement: Grantor will have no obligation to execute and deliver the Waiver unless and until a definitive written agreement between Grantor and Owner is entered into setting forth the terms and conditions upon which the Waiver will be granted (the “Definitive Agreement”), which Definitive Agreement will have attached thereto as exhibits, among other things, the fully negotiated and agreed-upon forms of the Waiver, the Management Agreement, the Project Management Agreement, and the A/V Agreement. Owner acknowledges that Grantor will have no authority to enter into a Definitive Agreement prior to the board of directors of Ashford Hospitality Trust, Inc. to the terms of the Definitive Agreement and Waiver, (b) the approval of Remington to the terms of the Management Agreement, (c) the approval of Premier to the terms of the PM Agreement, and (d) the approval of JSAV to the terms of the A/V Agreement, each in their sole and absolute discretion.

Confidentiality: Upon execution of the final documentation, all terms shall remain confidential.

The Property ceased operations as a hotel in 2006 at which time there were 213 hotel rooms on the upper eight floors. In order to qualify for the Federal and State historic tax credits, the corridor and locations of hotel room doors will have to be recreated as they existed in 2006. The plans included in this Offering Memorandum were designed for multi-family use with that corridor configuration. As a hotel, this corridor will also have to be recreated.

With the recent and future planned expansions to the Fort Worth Convention Center, there is a continual demand for more hotel rooms. For further information on the downtown Fort Worth hotel market, please see the Market Overview section herein.

Multi-family Redevelopment Opportunity



The north and south facades, facing onto 8th and 7th Streets respectively, are mirror images. Both facades are 100 feet across and 160 feet tall. They are organized in a slightly rectilinear fashion. As with the west elevation, these facades consist of a slightly recessed base supporting a highly rectilinear element above. As with the west elevation, on the north and south facades, the base is a blank wall of gray granite block. At the westernmost bay on the south facade, the base is further recessed and features stepped aluminum framed



storefront glass. To emphasize the transition from the base is a smooth cast concrete belt course which in turn supports eight equally spaced smooth cast concrete pilasters then framed by a similar sized cornice. The seven bays then are uniform. At the lower floors, where the garage is located, the bays are open with each opening having eight slightly protruding concrete fins darker in color and separated by concrete spandrel of matching color. The eight floors above, where the hotel rooms are located, are similarly uniform with tripartite aluminum-framed, full-height windows each with a small hopper-style window at the bottom. These are separated by a narrower concrete spandrel, matching in color the concrete on the lower floors. The rear party wall at the east is reminiscent of the west elevation. It is a blank cast concrete wall scored horizontally into six horizontal blocks.

The building features a “U”-shaped west facing floor plate for floors eight

and above. Each floor has windows facing north and south for both the outer and inner bays of the “U”-shaped floor plate. The north and south facades are mirror images, four bays across with the easternmost bay truncated. The west elevation is six bays across with the north and southernmost bays truncated.

The plaza deck and swimming pool are located at the sixth floor of the “U”-shaped hotel addition with views overlooking the Hilton Hotel across the street to the west.



REDEVELOPMENT OPPORTUNITY SUMMARY

Current ownership has completed a redevelopment plan to convert the Property to multi-family apartment rental units. This plan includes:

Unit amenities will include quartz stone countertops, stainless steel appliances including microwave ovens, lighting in kitchen cabinets, stacked washer/dryer appliances in the one and two-bedroom units, porcelain and high-grade vinyl flooring, nine-foot open ceilings, built-in entertainment center, bookshelves and storage and recessed can lighting. Cable TV/Internet service will be included in the base rent. Tenants will pay a small reimbursement for water/sewer/trash. There will be an onsite, common laundry facility for use by residents of the efficiency and studio units.

The development will achieve Platinum LEED Certification. Features will include water saving devices, enhanced insulation, energy efficient doors and windows, energy efficient HVAC and water heaters, Energy Star rated appliances, Bluetooth and phone control of door locks and lights and motion sensor-controlled lighting.



COMPARISON OF FEDERAL AND STATE HISTORIC TAX CREDIT PROGRAMS

	Federal Historic Preservation Tax Incentives Program	Texas Historic Preservation Tax Credit Program
Credit applies to:	Federal Income Tax	Texas Franchise Tax or Texas Insurance Premium Tax
Percent credit offered:	20% of qualified expenditures	25% of qualified expenditures*
Credit recipient:	Current owner(s)	Current owner(s) May transfer whole or partial credit to others
Eligible applicants:	Individuals, companies, partnerships	Individuals, companies, partnerships and nonprofits
Eligible building uses:	Income-producing only	Income-producing, nonprofit, or public university systems
Required historic designation:	National Register (individual or district)	National Register (individual or district), Recorded Texas Historic Landmark, or State Antiquities Landmark Required when credit is claimed
Minimum project:	\$5,000/value of building (whichever is greater)	\$5,000
Application structure:	3-part Federal application (1, 2, 3)	3-part application that mirrors Federal (A, B, C)
Recapture period:	5 years	No recapture period
Time limit for use of credits:	20 years	5 years
Architectural oversight:	National Park Service (NPS) certifies with THC's recommendation	Texas Historical Commission (THC) certifies projects NPS reviews first if applying for Federal and State
Financial oversight:	Credit managed by IRS	Credit managed by Texas Comptroller
Application deadline:	Must apply before project completion	Projects completed between September 1, 2013 and January 1, 2015 may apply after project completion; all others must apply before project completion

*Federal and State programs use the same definition for Qualified Rehabilitation Expenditures.

TEXAS HISTORICAL COMMISSION
real places telling real stories

www.thc.state.tx.us



ONE BEDROOM



UPDATED RESIDENT LOBBY



EFFICIENCY BEDROOM



SUN DECK



UPDATED RESIDENT LOBBY



FITNESS CENTER

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LOWER LEVEL RETAIL

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PROPERTY HISTORY

FLOOR-BY-FLOOR DEVELOPMENT SUMMARY

BASEMENT	Housekeeping, laundry, employee lounge and parking
FIRST FLOOR:	Residential entry and lobby, elevator lobby for access to three passenger elevators, lobby lounge, meeting room, breakroom, restrooms, valet office, package room, leasing office, trash recycling room and resident vehicle valet pick-up and drop-off. In addition, the northern portion of the first floor is a 5,047 square foot proposed retail area on the north side of the building with several new proposed north facing windows.
SECOND FLOOR:	Generator room and parking.
THIRD FLOOR:	Resident lounge, two, fifteen-person meeting rooms separated by according doors, catering area, private dining room, theatre, restrooms, residential laundry and storage, storage room and parking.
FOURTH FLOOR:	Fitness center consisting of 1,859 square feet and yoga room and parking.
FIFTH FLOOR:	Pool equipment room and parking.
SIXTH FLOOR:	21 apartment units, resident lounge and outdoor swimming pool and deck facing Commerce Street.
SEVENTH FLOOR:	21 apartment units.
EIGHTH THROUGH THIRTEENTH FLOORS:	18 apartment units per floor.



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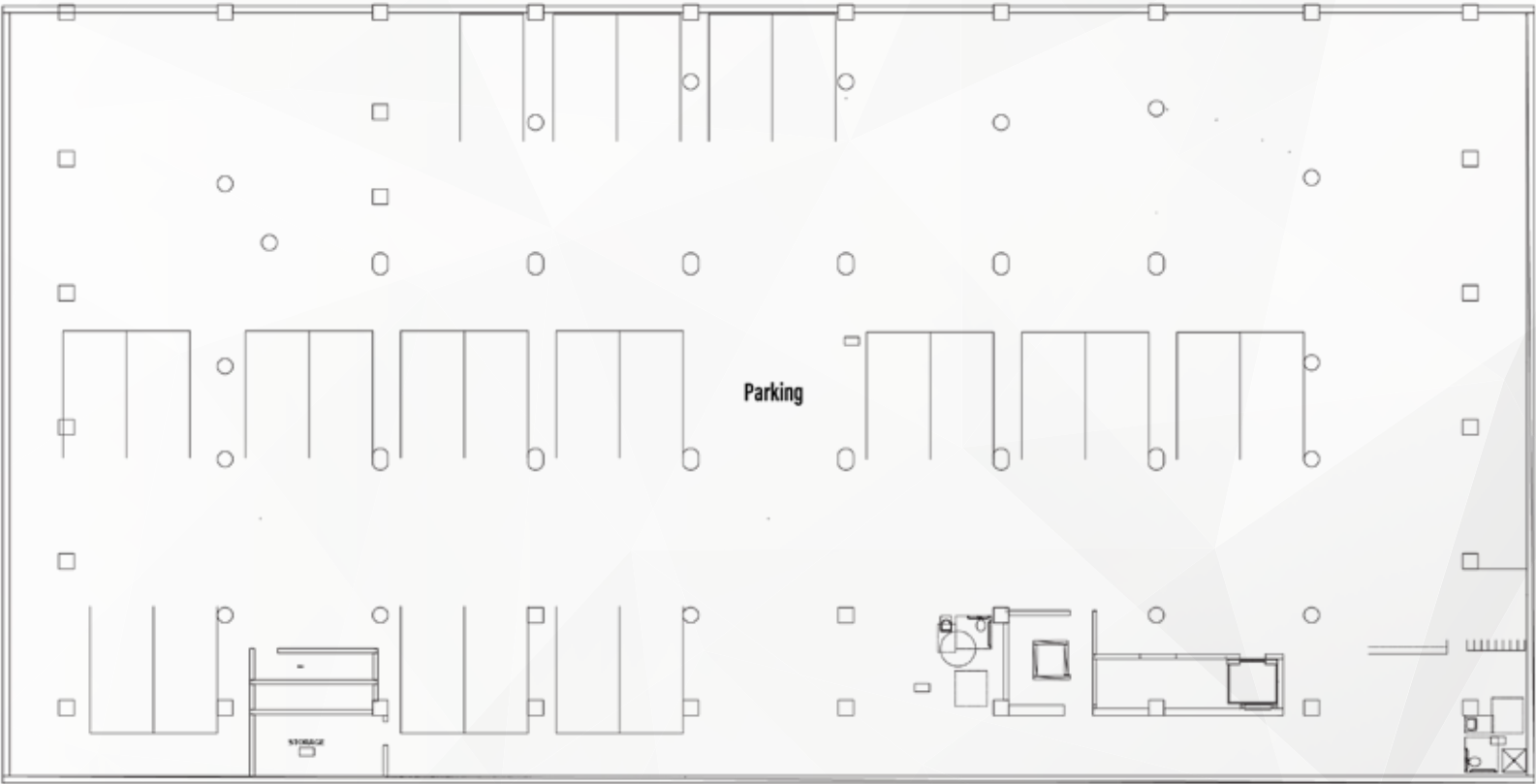
ARCHITECTURAL PLANS

NATIONAL REGISTER OF HISTORIC PLACES TAX CREDITS

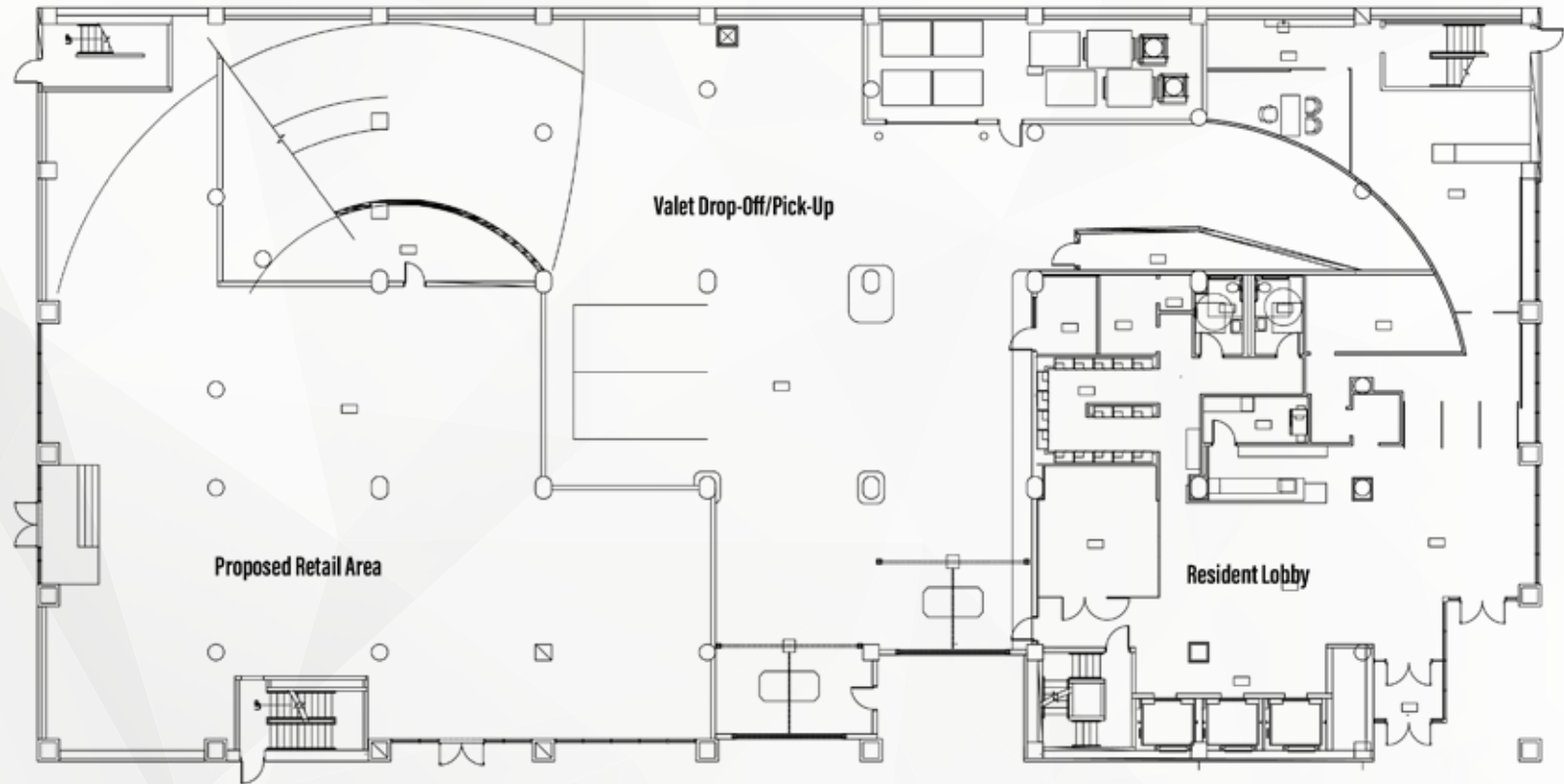
The Property is listed on the National Register of Historic Places qualifying the Property for redevelopment tax credits under the Federal Historic Preservation Tax Incentives Program and Texas Historic Preservation Tax Credit Program. Under the Federal program taxes credit can be achieved of 20% of qualified expenditures and under the Texas program 25% of qualified expenditures can be achieved in tax credits. Under the Federal program, tax credit applies to federal income tax obligations and under the Texas program, the credit applies to Texas franchise taxes or Texas insurance premium taxes. As outlined on the following summary, tax credits may be utilized by the owner under the Federal program but the credits under the Texas program may be transferred in whole or in part to others.



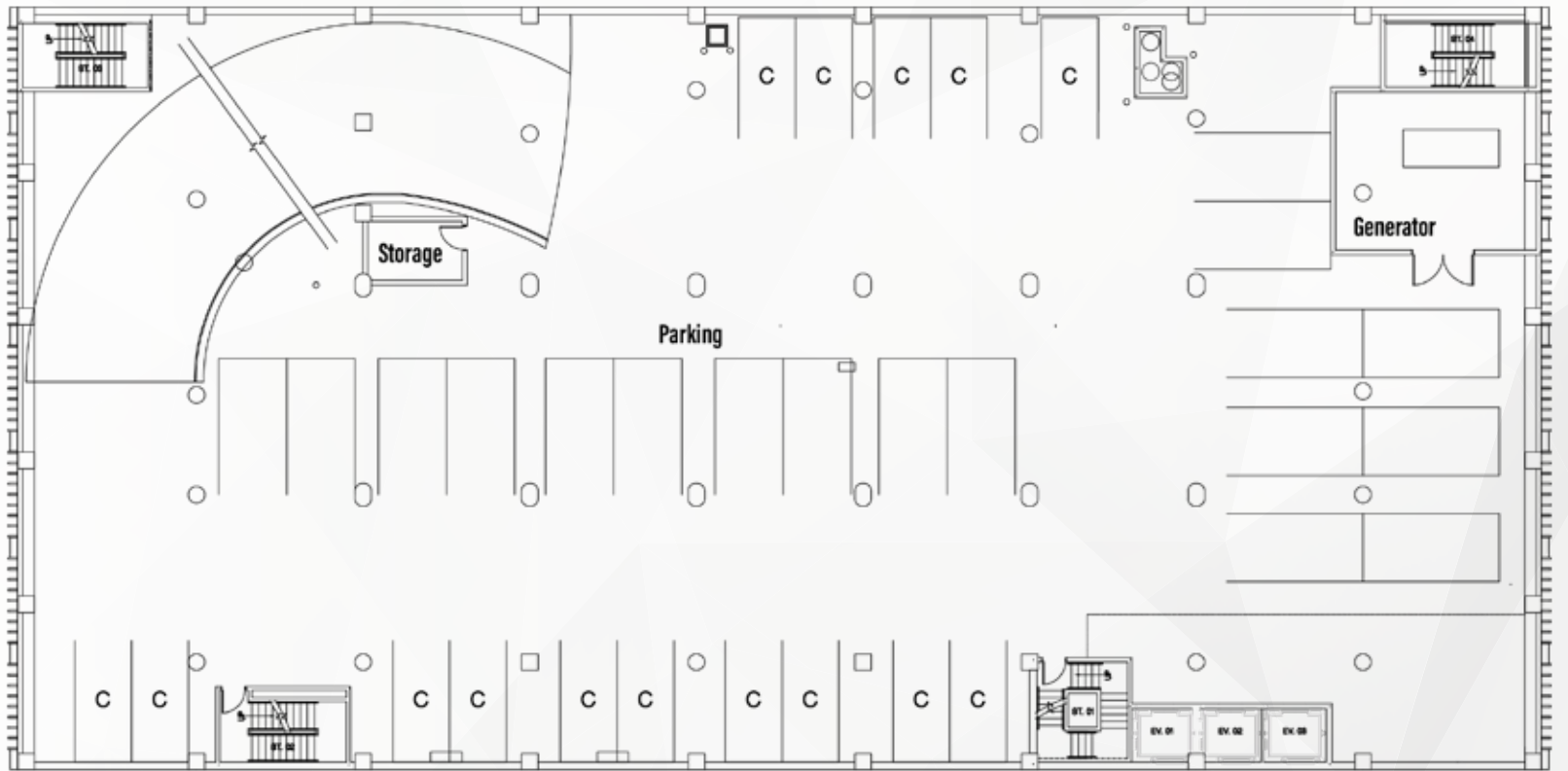
BASEMENT PLAN



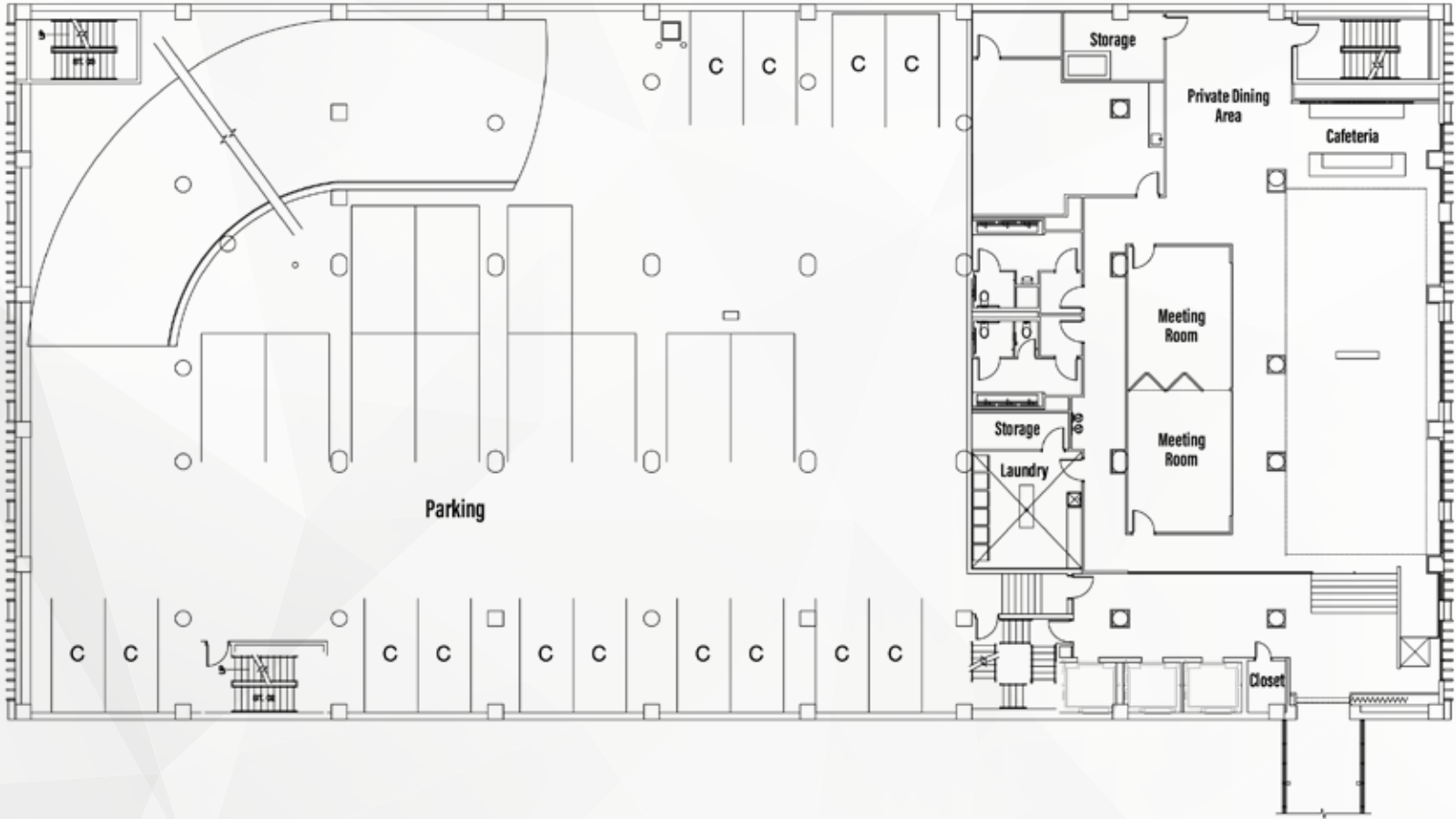
FIRST FLOOR



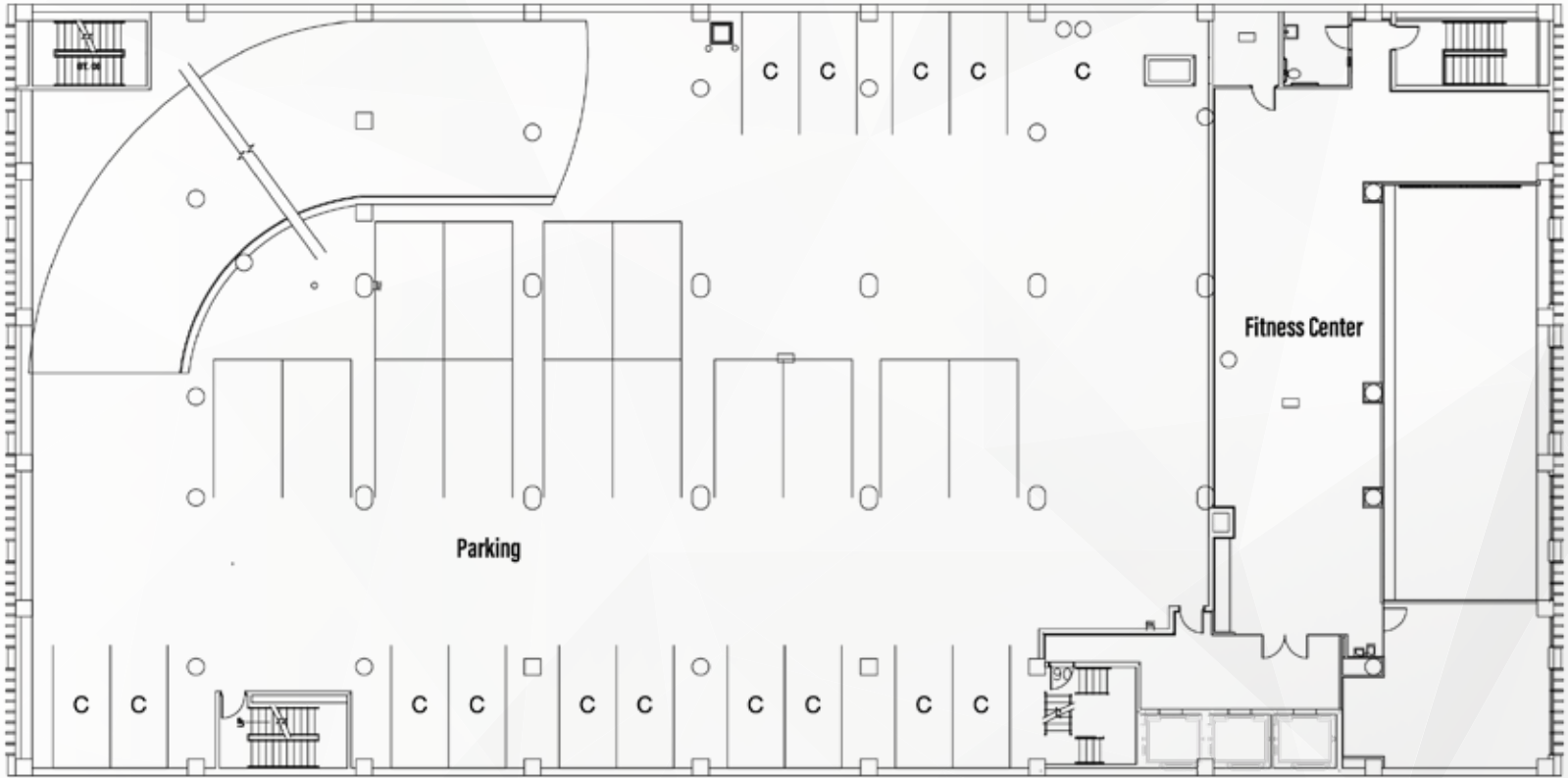
SECOND FLOOR



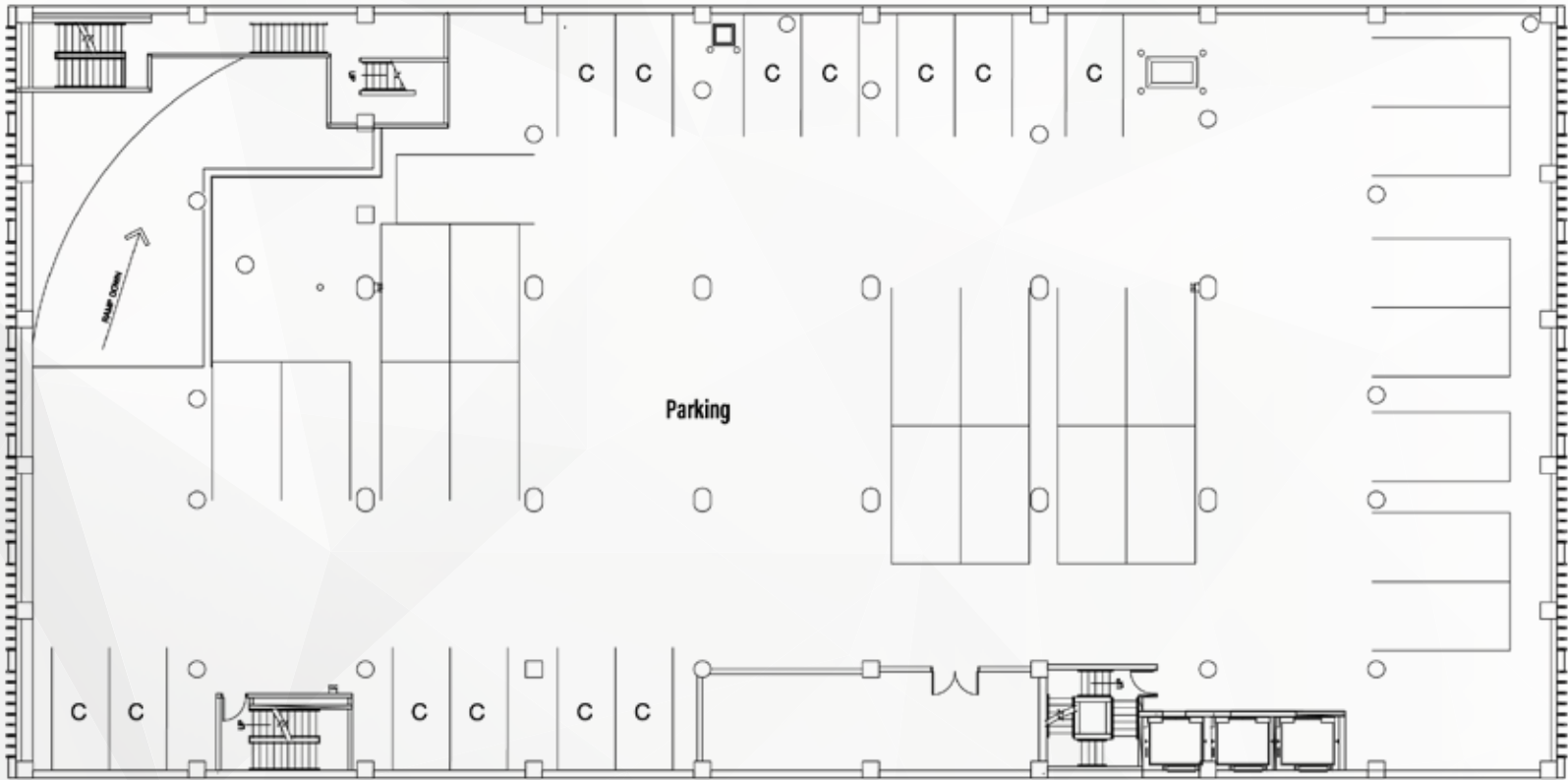
THIRD FLOOR



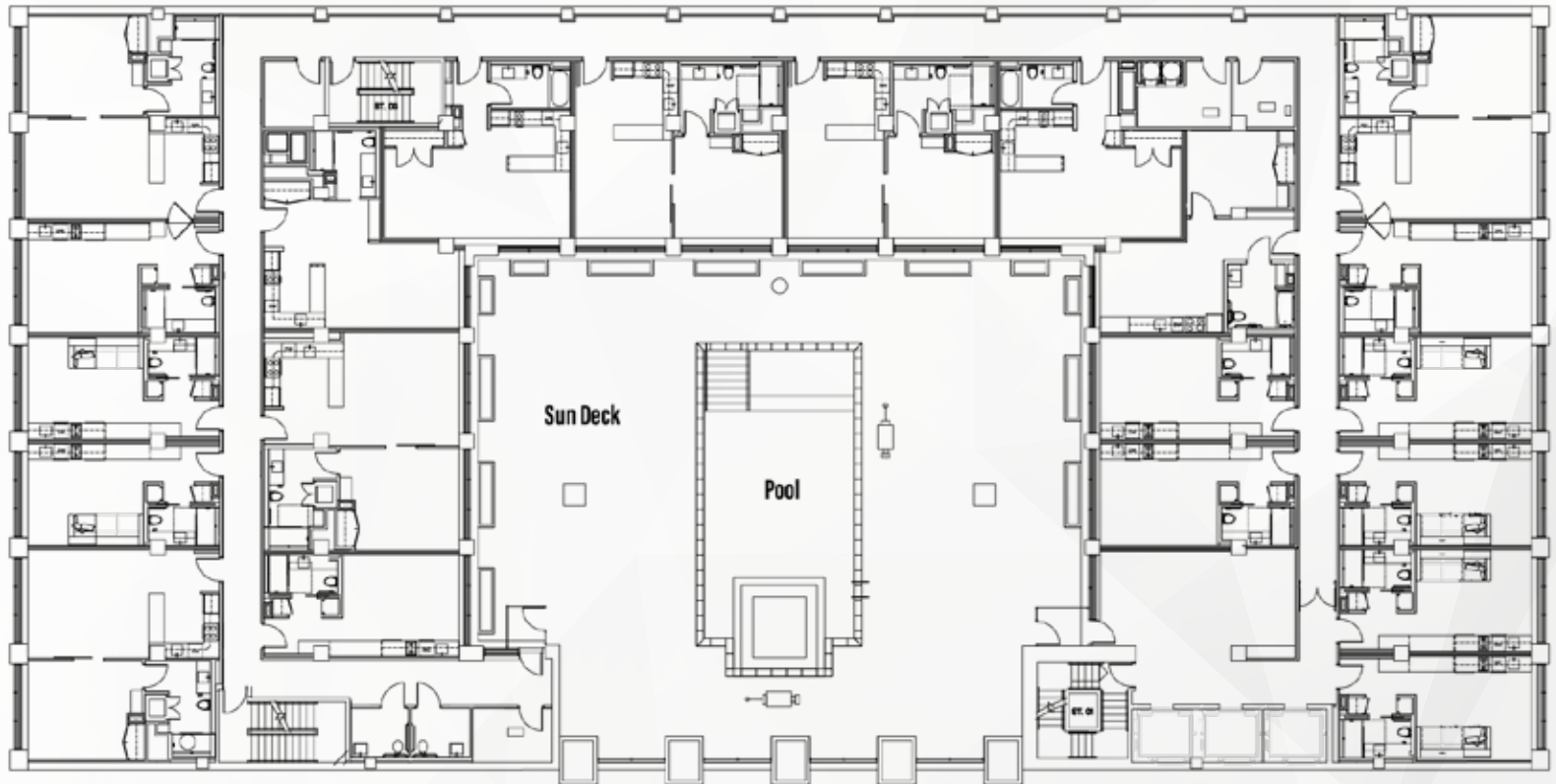
FOURTH FLOOR



FIFTH FLOOR



SIXTH FLOOR



SEVENTH FLOOR



EIGHTH - THIRTEENTH FLOORS

Typical Plan



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MARKET OVERVIEW

TAX INCREMENT FINANCING DISTRICT FUNDING

The Hotel Texas Annex at 815 Commerce Street was approved to become part of Tax Increment Financing District #8 ("TIF"). The purpose of the TIF, managed by Downtown Fort Worth Inc. in their own words, is to "make strategic investments in parking, infrastructure, historic preservation and residential development" through collaboration with the city, county Tarrant Regional Water District, and other organizations. As of the end of 2018, the TIF has obligated around \$59 million, leveraged \$836 million in private capital and incentivized \$52.25 million in public investment, according to DFWI.

Although the current TIF agreement has expired and the purchaser will need to re-apply, on September 26, 2016, the Board of Directors of the Tax Increment Reinvestment Zone Number Eight, City of Fort Worth, Texas approved a Tax Increment



13.8 MILLION

SQUARE FEET OF
OFFICE SPACE



1,571

DOWNTOWN
BUSINESSES



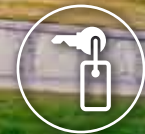
45,245

DOWNTOWN
EMPLOYEES



3,051

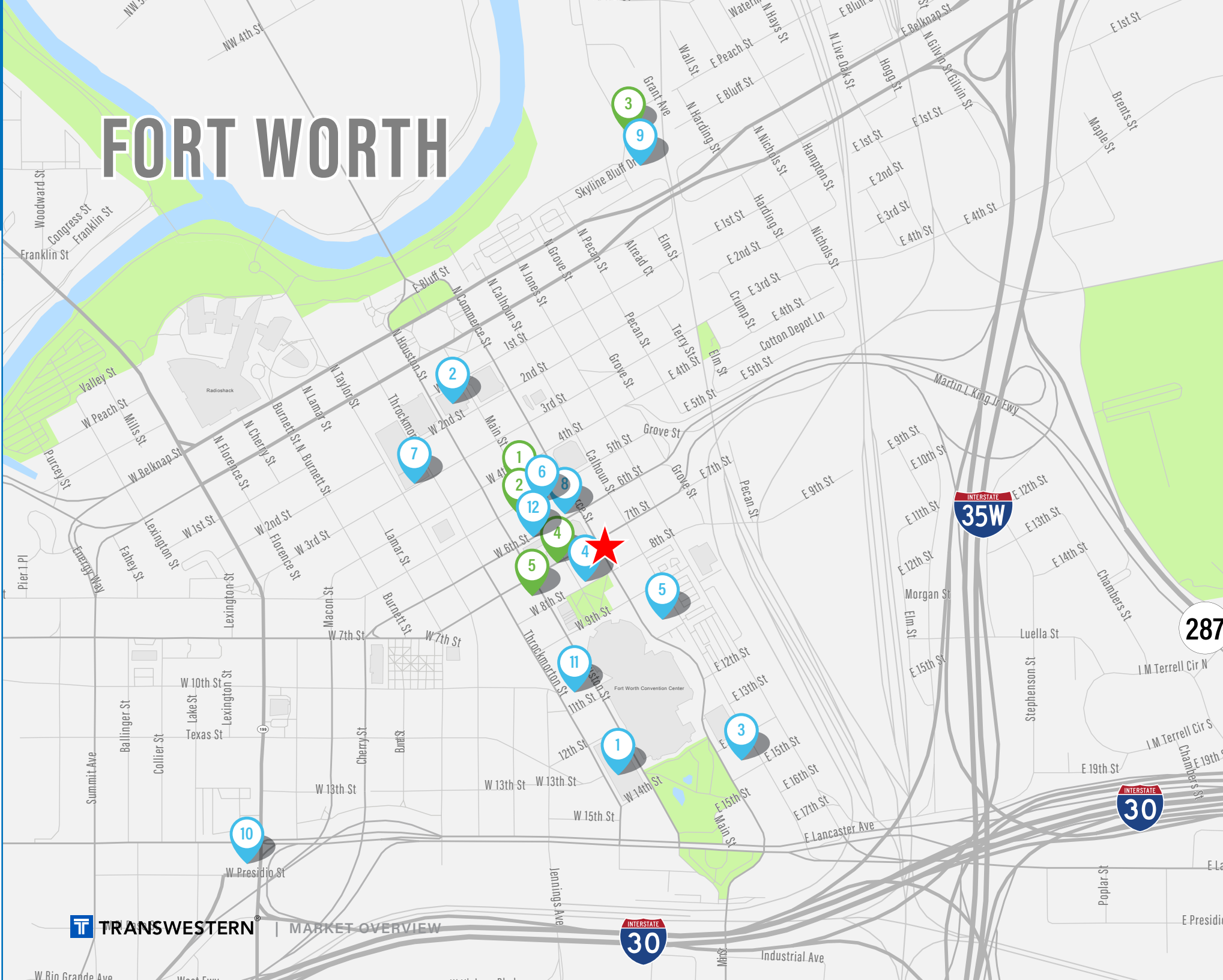
HOTEL ROOMS



9,684

PEOPLE LIVE DOWNTOWN AND ITS ADJACENT
DISTRICTS IN 4,923 RESIDENTIAL UNITS

Source: Downtown Fort Worth, Inc.



June 1970, the combined hotel provided 569 guest rooms and 26,000 square feet of convention space.

The hotel and Annex operated as a Sheraton until 1979 when the property was sold to Dallas-based Woodbine Development Company who closed the hotel and undertook a \$32 million renovation which included room modernization and conversion of the south section of the second floor of the garage into hotel executive offices. The property later reopened as the Hyatt Regency Fort Worth. Woodbine later sold the property in 1991 and became a Radisson Hotel, under new ownership. It remained a Radisson until 2006 when the hotel rooms in the annex were permanently closed. The Property sold in 2008 at which time a deed restriction was placed on the Property prohibiting future use as a hotel or lodging offering stays of less than 30 days. This deed restriction remains in place for the duration of time in which the original hotel is operating.

AVERAGE 2018 REVENUE PER AVAILABLE ROOM

\$42,630	\$19,962	\$21,287	\$28,612	\$25,390	\$52,458
DOWNTOWN FORT WORTH	FORT WORTH WITHOUT DOWNTOWN	ARLINGTON	DALLAS	PLANO	GRAPEVINE

CURRENT HOTEL ROOM INVENTORY (ROOMS) — 3,051 SF TOTAL

- | | | |
|----------------------------------|-------------------------------------|--|
| 1. Omni Fort Worth — 614 | 5. Hampton Inn & Suites — 245 | 9. Marriott TownePlace Suites — 140 |
| 2. Worthington Renaissance — 504 | 6. Courtyard-Blackstone Hotel — 203 | 10. Holiday Inn Express Hotel & Suites — 132 |
| 3. Sheraton Fort Worth — 430 | 7. Aloft — 180 | 11. Fairfield Inn and Suites — 114 |
| 4. Hilton Fort Worth — 294 | 8. Embassy Suites — 156 | 12. The Ashton — 39 |

PLANNED/UNDER CONSTRUCTION HOTEL INVENTORY — 949 ROOMS TOTAL

- | | | |
|--|----------------------------------|---|
| 1. Marriott Autograph (Under Construction) — 164 | 3. Avid Hotel (Planned) — 107 | 5. WT Waggoner Building (Planned) — 200 |
| 2. AC Hotel (Under Construction) — 246 | 4. Kimpton Hotel (Planned) — 232 | |

Financing Chapter 380 Agreement with the current ownership for the redevelopment of the Hotel Texas Annex. The agreement provided a Program Cap of all Program Grants paid by the TIF District pursuant to the Agreement in an amount not to exceed \$4,766,667.00. As part of the program, payment would be \$1,833,333 for Program Year 1 and \$586,667 for Program years 2-6. To comply with the terms of the Agreement, the developer must have expended at least \$33,000,000 in construction costs for the Project by the Completion Deadline. The Agreement also included the requirement, from the Completion Deadline through the end of the Term, that the Project to include a minimum of 20% of the units designed as Affordable Housing Units as defined in the Agreement. There may be an opportunity when reapplying to seek a larger grant than the amount previously approved by the Board of Directors.



38.8%

OF RESIDENTS ARE UNDER 40 YEARS OLD



62.1%

OF APARTMENT RENTERS ARE UNDER 40 YEARS OLD



54.5%

OF RESIDENTS HAVE INCOME GREATER THAN \$100,000
(MEDIAN HOUSEHOLD INCOME IN DOWNTOWN IS \$113,000)



52.2%

OF RESIDENTS ARE UNMARRIED



94.5%

OF RESIDENTS WITHOUT CHILDREN

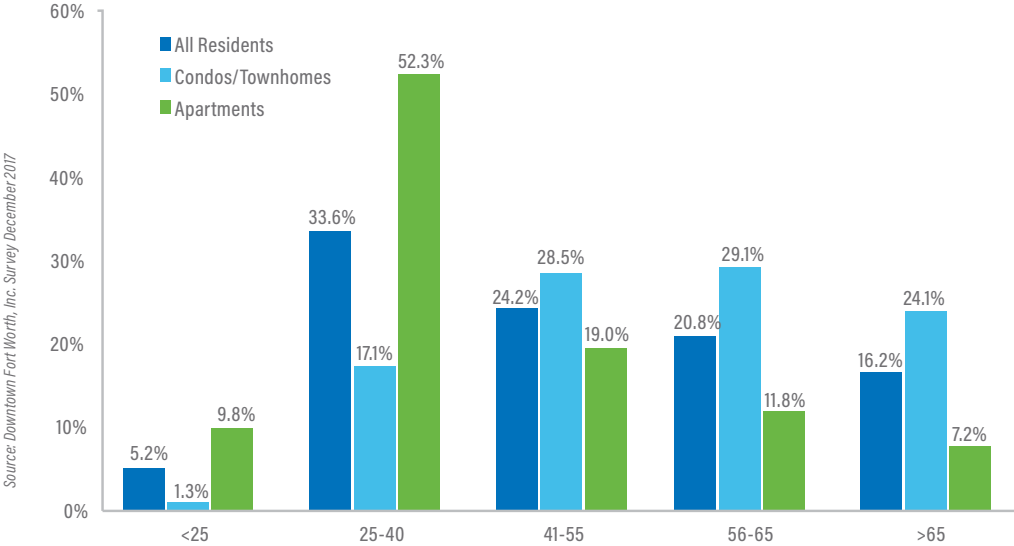
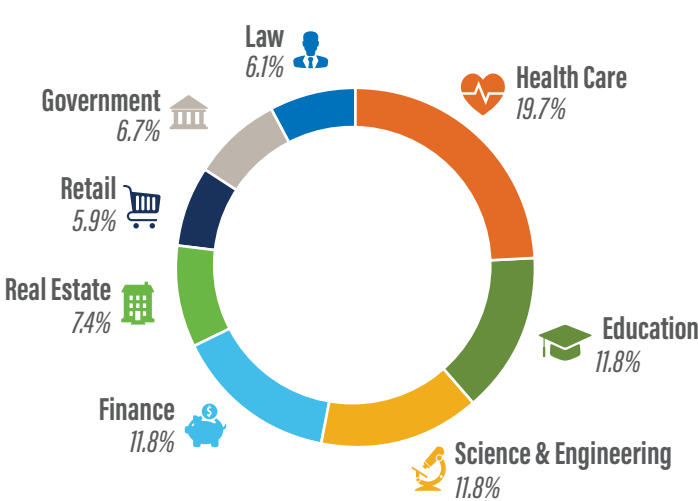


44%

OF RESIDENTS HAVE A BACHELOR'S DEGREE. 25.2% HAVE A MASTER'S DEGREE
12.9% HAVE A DOCTORAL DEGREE (INCLUDING JDS)

AGE DISTRIBUTION

DOWNTOWN FORT WORTH RESIDENTS



PROPERTY HISTORY

The Hotel Texas Annex was originally constructed in 1928 as a four-story (plus rooftop) and basement parking garage structure known as the Biltmore Ramp Garage. To meet increased demand for hotel rooms driven by the September 1968 completion of the Fort Worth Convention Center, the Hotel Texas managed by Sheraton announced plans in November 1968 to add an eight-story “U” shaped addition to the Biltmore Garage to accommodate 230 new hotel rooms. Preston M. Geren Architects and Engineers designed the eight-story addition which included a sixth-floor outdoor swimming pool and deck with the construction contract awarded to McCord-Condron and McDonald, Inc. at a cost of \$3.15 million.

The addition included the construction of a mezzanine level in the Hotel Texas and a pedestrian Sky Bridge to connect the two properties. At the time, the collective property was Sheraton’s largest hotel in Texas and was the largest hotel in the southwest. Upon completion in

 CURRENT APARTMENT PROJECTS

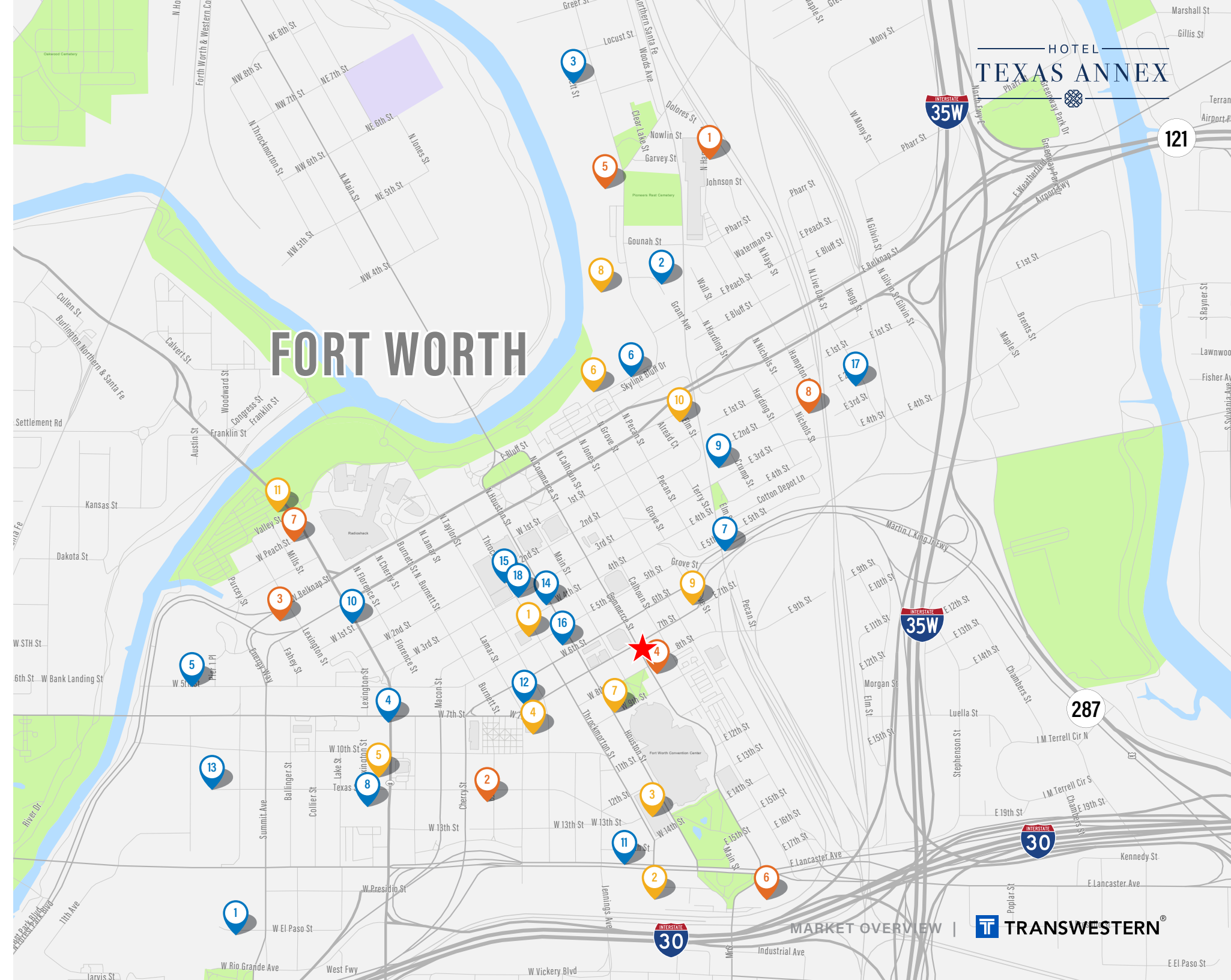
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|---|--|--|
| 1. Alexan Summit — 380 units | 7. The Depot Apartments — 210 units | 15. Sundance West — 39 units |
| 2. Lincoln Park at Trinity Bluff — 370 — 70 are townhomes | 8. The Henderson — 194 units | 16. Kress Building Lofts — 24 units |
| 3. Kelley at Samuels Avenue — 353 units | 9. Hillside Apartments — 172 units | 17. Knights at Pythias Lofts — 18 units |
| 4. Firestone Apartments — 350 units | 10. Hunter Plaza — 164 units | 18. The Cassidy — 6 units |
| 5. Broadstone — 345 units | 11. Parker House — 130 units | |
| 6. Trinity Bluff and District Urban Apartments — 304 units | 12. Electric Building — 106 units | |
| | 13. Trinity Terrace — 79 units | |
| | 14. Sanger Lofts — 59 units | |

 CURRENT DOWNTOWN CONDOMINIUM PROJECTS

- | | | |
|---|--|--|
| 1. The Tower — 298 units | 5. Westview Condominiums — 51 units | 9. Le Bijou — 14 units |
| 2. Texas and Pacific Lofts — 254 units | 6. The Palisades — 40 units | 10. Pecan Place Townhomes — 9 units |
| 3. Omni Residences — 89 units | 7. Houston Place Lofts — 30 units | 11. The Versailles — 6 units |
| 4. The Neil P — 56 units | 8. Villa de Leon — 23 units | |

 DOWNTOWN APARTMENT/CONDOMINIUM PROJECTS UNDER CONSTRUCTION

- | | | |
|---|---|---|
| 1. The Hampton — 350 units — 2020 | 4. 901 Commerce — 274 units — 2020 | 7. The Worth — 138 units — 2020 (condominiums) |
| 2. Burnett Lofts — 330 units — 2020 | 5. Rocklyn Apartments — 274 units — 2020 | 8. 311 Nichols — 56 units — 2019 |
| 3. 1000 Weatherford — 310 units — 2020 | 6. Kent Lofts — 201 units — 2020 | |





The Annex was acquired in September 2014 by a prominent local investor and developer with plans to utilize the parking garage for the purchaser’s other downtown properties and a re-development of the upper eight floors into 150 multi-family rental apartment units. On November 26, 2014, the Annex was entered in the National Register of Historic Places providing Federal and State tax credits of 20% and 25% respectively following the requirements for a redevelopment of the Property. In September 2016, an agreement was reached with



253,226

SQUARE FEET OF
TOTAL EXHIBIT AREA

58,849 SF

OF FLEXIBLE MEETING SPACE, WITH SIZES
RANGING FROM 523 TO 6,670 SQUARE FEET



38

BREAKOUT ROOMS



13,500-SEAT

MULTI-FUNCTIONAL ARENA

55,000 SF

EVENTS PLAZA THAT CONNECTS TO THE ONE-
OF-A-KIND FORT WORTH WATER GARDENS



28,160 SF

MAGNIFICENT BALLROOM

TRANSWESTERN® | MARKET OVERVIEW

HOTEL
TEXAS ANNEX

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MARKET OVERVIEW | TRANSWESTERN®



the downtown Fort Worth Tax Increment Financing District to provide a grant of up to \$4,766,667. Although the purchaser will need to re-apply, a larger grant may be possible.

Current ownership have fulfilled their future parking requirements for their other downtown properties and therefore have decided to re-deploy their equity and sell the Hotel Texas Annex.

Del Frisco's
DOUBLE EAGLE STEAKHOUSE

THE
CAPITAL
GRILLE

RUTH'S
CRISP
STEAK HOUSE

TEXAS de BRAZIL
CHURRASCARIA STEAKHOUSE

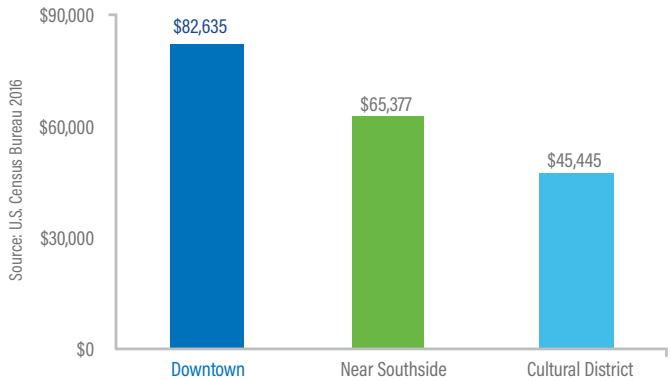
The
Cheesecake Factory

ARCHITECTURAL PLANS

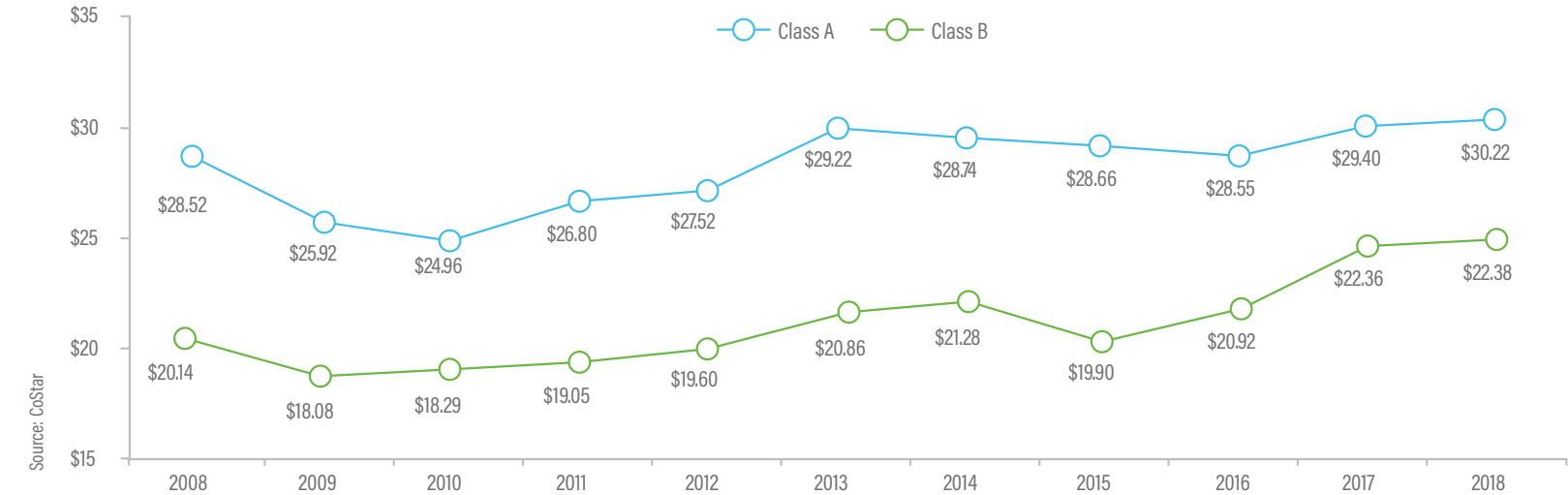
The proposed re-development to 150 multi-family rental apartment units provides maximum efficiency of the Hotel Texas Annex existing structure, floor configuration and vast quantity of exterior facing windows. Units include efficiencies, studios, one-bedroom and two-bedroom units on the upper eight floors. The basement, second, third, fourth and fifth floors provide valet-served parking garage spaces.

Average Payroll Per Employee in Private Sector

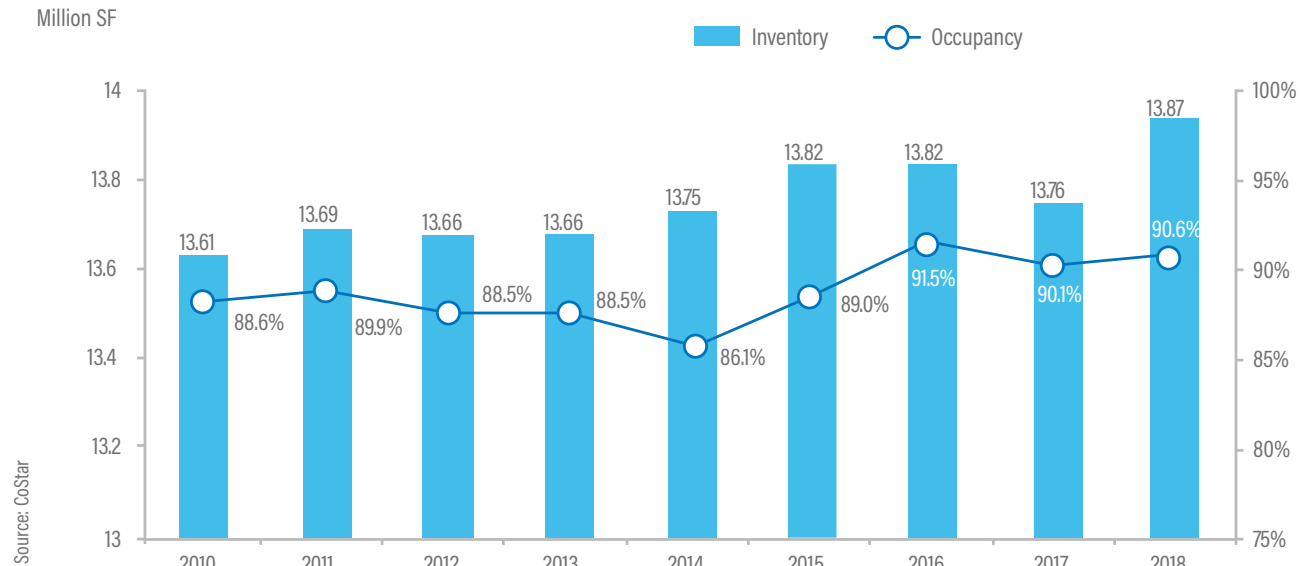
ZIP CODE (SUBMARKET)	PRIVATE-SECTOR	EMPLOYEES PAYROLL	PAYROLL PER EMPLOYEE
76102 (Downtown)	36,397	\$3,007,652,000	\$82,635
76104 (Near Southside)	29,822	\$1,949,685,000	\$65,377
76107 (West Side)	26,657	\$1,211,430,000	\$45,445



Average Office Rental Rates — Downtown Fort Worth



Office Inventory and Occupancy Rate — Downtown Fort Worth





OVERVIEW



DOWNTOWN HIGHER EDUCATION ENROLLMENT HAS
GROWN BY 1,136% IN 15 YEARS



DOWNTOWN HIGHER EDUCATION ENROLLMENT HAS
**8,588 HIGHER EDUCATION STUDENTS
DOWNTOWN IN 2018**



7,338 STUDENTS



838 STUDENTS



412 STUDENTS



DFW INTERNATIONAL AIRPORT

- + Only 17 miles from Downtown
- + Over 69 million passengers in 2018
- + Servicing nearly 250 destinations through 23 airlines
- + Every major city in the continental US accessible within four flight hours
- + Meacham International Airport is located only 5 miles from Downtown



HOUSING MARKET

DEMOGRAPHICS OF DOWNTOWN FORT WORTH RESIDENTIAL POPULATION

With the addition of more apartments, the Downtown Fort Worth residential population is becoming wealthier and better educated and has grown at an annual rate of 7.1% since 2007. Currently, 9,684 people live in Downtown. Downtown Fort Worth Inc. has conducted five surveys of residents since 2007 to monitor trends in the changing demographics of the Downtown population. The latest survey was conducted in December 2017. The one-page survey was delivered to 3,128 households in Downtown using first-class postage. The response rate was 11.1%, providing a margin of error of +/- .5% at a 95% confidence level. A summary of the survey and trends are presented here.

The full report is available by contacting the listing brokers or by downloading it from the DFWI web site: www.dfw.org.

— HOTEL —
TEXAS ANNEX



FORT WORTH, TEXAS OVERVIEW

WHY LIVE DOWNTOWN?

Thirty-seven percent of residents indicated Lifestyle was their reason for living downtown with 31.1% indicated location and 14.9% indicated work as their primary reason.

IS DOWNTOWN CLEAN AND SAFE?

More than 96% of residents believe Downtown is clean or very clean and 95.4% of residents believe Downtown is safe. Further 86.2% believe Downtown is either safe or very safe after dark. Female perception of Downtown safety (safe/very safe) walking after dark is 81.% with 98.9% for daytime walking.

Source: Downtown Fort Worth Inc. Resident Survey December 2017





TRANSWESTERN[®]

BILL BEHR

Principal – Fort Worth & Central Region

Director – National Net Lease | Sale Leaseback Group

817.259.3519

bill.behr@transwestern.com



Information About Brokerage Services

Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any coincidental information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Transwestern Commercial Services Fort Worth LLC	9000246		(817)877-4433
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Paul Wittorf	479373	paul.wittorf@transwestern.com	(214)446-4512
Designated Broker of Firm	License No.	Email	Phone
Leland Alvinus Prowse IV	450719	leland.prowse@transwestern.com	(817)877-4433
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
William Guy Behr	351049	bill.behr@transwestern.com	(817)877-4433
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

Regulated by the Texas Real Estate Commission

Information available at www.trec.texas.gov
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