



## INDEX DEVELOPMENT, LTD.

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Index has a narrowly focused business model which capitalizes on our extensive hands-on experience in hotel development and project management - We co-develop hotels with premier management companies.

Currently, we are developing six hotels with one of Marriott's award-winning franchisees, Concord Hospitality Enterprises ([www.concordhotels.com](http://www.concordhotels.com)). Index singularly concentrates on development while our partner brings the operations expertise needed for planning and managing highly profitable hotels. Our combined expertise enable us to be directly responsive to escalating construction, land and hotel acquisition cost, while identifying an exit strategy that fits the hotel, the lender and the investors. A comparable relationship is now being structured with Interstate Hotels & Resorts ([www.ihrco.com](http://www.ihrco.com)), America's second largest hotel management company.

The knowledge, technical skills, execution and extensive relationships between Index and our co-developers/management companies result in the acquisition and development of best-of-class Marriott, Hilton, Starwood, Hyatt, IHG and other premium branded hotels in prime locations and dynamic markets.

Our goal is to generate optimum, risk-adjusted returns. We are well positioned to achieve this objective by leveraging our experience, vision and abilities.

## **The Company**



Index Development, Ltd. was founded in February, 2006 as an affiliate of Langston Construction.

Early achievements in Index's evolution include structuring a joint venture with Concord Hospitality Enterprise to co-develop six projects. Index has an additional sites and one hotel under contract. Currently, the company is finalizing an additional co-development relationship with America's second largest hotel management company.

Index's co-founders, Don Langston and Lance McFaddin, established Index with a shared commitment to integrity and excellence. Their objective is to apply their synergistic skill sets and backgrounds to reach their shared business goals for the company.

Don Langston founded Langston Construction in 1989. Over its 18-year history, the company has prospered, evolved and diversified as a general contractor and developer. The diverse projects built by the company as a general contractor and developer include educational facilities, medical buildings, churches, detention centers, banks, hotels, restaurants, grocery stores, shopping centers, governmental facilities, and multi-family communities. Mr. Langston provides strategic day-to-day leadership and exceptional development /project management to the Index team.

As a founder and/or CEO of several companies, Mr. McFaddin has had primary responsibility for the acquisition, development and management of 70 plus hotels, five Class A office buildings, seven retail centers, 44 night clubs, 35 award-winning restaurants and four collegiate apartment communities.

Index Development and its development partners are proficiently responding to the extraordinary opportunities and diverse demands of today's hospitality marketplace.

## **Principals**

### **Don Langston**



Mr. Langston organized Don Langston Construction, Inc. in 1989, where he has led the construction and development of a wide range of projects, including educational and health-

care facilities, office buildings, banks, churches, hotels, restaurants, grocery stores, shopping centers, governmental buildings, multi-family developments.

Previously in his career, Mr. Langston served as VP–Operations for a large East Texas developer/builder, R. H. Duncan Construction. Mr. Langston’s responsibilities include the planning, development and construction of over 600 Design/Build projects.

Don Langston brings exceptional strategic planning skills, construction leadership and financial/administrative management to the Index team.

### **Lance McFaddin,**



Lance McFaddin entered the hotel business managing a 60-unit motel and restaurant. As General Manager, he opened a

highly profitable Holiday Inn. This success enabled him to attract a financial partner to acquire five Holiday Inns. Two years later, Lufkin Properties was merged into a publicly-owned hotel company, now Lodgian. McFaddin was CEO of the company. He then co-founded Vista Host, Horizons Hospitality, Hospitality Affiliates, Hankamer McFaddin, and McFaddin Kendrick. Later, Mr. McFaddin and his step-sons launched Student Housing USA.

Lance McFaddin has the day-to-day responsibility for securing prime sites and optimum franchises, coordinating architectural and interior design concepts, and interacting with lenders, investors and partners.

## Developments in Progress

Index Development is co-developing, with Concord Hospitality Enterprises, the following six properties:

Franchise/Size	Location	Projected Opening Date	Co-Developer
1. <b>Springhill Suites</b> -- 150 suites	JFK and Greens Road (Bush Internat'l Airport)	Oct 2008	Concord
2. <b>(franchise pending)</b> -- 125 rooms	Houston, TX.	Feb 2009	
3. <b>SpringHill Suites</b> -- 121 suites,	I-45 at NASA Pkwy Bypass (Clear Lake/Houston) Webster, Texas	Oct 2008	Concord
4. <b>Springhill Suites</b> -- 121 suites	I-35 South and Hwy 6 (The Legends) Waco, TX.	Nov 2008	Concord
5. <b>Courtyard by Marriott</b> -- 120 rooms	I-10W/Loop 1604 and La Canterra Pkwy	Jan 2009	Concord
6. <b>Residence Inn</b> -- 140 suites	(The Rim) San Antonio, TX.	Jan 2009	

In addition, Index, in partnership with Interstate Hotels and Resorts, has executed purchase contracts for the following sites and acquisitions which are currently in the pre-development phase:

Franchise/Size	Location	Projected Opening Date	Co-Developer
1. <b>Hilton Garden Inn</b> <b>/Homewood Suites</b>  -- 180 rooms /120 suites	(Savoy Hotel) 1616 Main, Houston TX		Interstate
2. <b>Hampton Inn &amp; Suites</b> -- 120 rooms/suites	Hwy 114 & Trophy Wood Blvd Trophy Club TX (DFW Metroplex)		Interstate

## **Strategy**

### **Factors Defining Strategy**

- Demographic shifts
- Increases in hotel rates and occupancies
- Demand for guest-centric lodging/services
- Obsolescence of previously competitive hotels
- Design sensitivity of Gen-X and Gen-Y
- Technological needs of today's business travelers,
- Macro trends favoring high quality, select-service hotels,
- Strong and enduring market demand for best-of-class hotel brands
- Major franchise brands with reconfigured exteriors, public spaces and guest rooms that often disqualify existing hotels for franchise transfers or renewals
- Availability of prime sites for new generations of Marriott, Hilton, Starwood and Hyatt brands.
- Re-invented brands provide a unique opportunity to add significant value to early generations of major brands.

### **Strategy and Tactics**

- Focus on core competencies of development, renovation and construction,
- Secure sites in prime locations and dynamic sub-markets currently dominated by aging, premier-branded hotels,
- Target markets with sound economic prospects and strong demand generators,
- Adherence to predefined site and hotel acquisition criteria,
- Concentrate development on Marriott, Hilton, Starwood, Hyatt and IHG branded hotels,
- Develop transient and extended stay hotels in or adjacent to lifestyle centers, universities, medical centers, and Class-A office parks,
- Maximize value of each hotel through intense asset management.

## **Developments and Acquisitions**

### **Submission Process**

Brokers with properties satisfying the following criteria should email information to:

[HotelAcquisitions@IndexDevelopment.net](mailto:HotelAcquisitions@IndexDevelopment.net)

[SiteAcquisitions@IndexDevelopment.net](mailto:SiteAcquisitions@IndexDevelopment.net)

Submission Packages should include:

- Property photos
- Aerial photos
- YTD and previous 2 years financials
- Current year proforma and budget
- STR reports (hotels)
- Site and floor plans (including guest and commercial areas)
- Franchise agreement abstract (hotels)
- PIP

Additional correspondence should be sent to:

Index Development, Ltd.

PO Box 150512, Lufkin TX 75901

1000 S Medford Dr., Lufkin TX 75915

936/632-9818 bus / 936/632-9801 fax

### **Market and Site Criteria**

- Sub-markets with positive supply/demand ratio of hotel rooms built and in the pipeline
- Located near successful older Marriott, Hilton, Starwood and IHG branded hotels in prime locations
- Metro or second tier cities with high growth rates
- Center city or suburban locations
- Dynamic Sunbelt, Midwestern, Southeastern and West Coast communities in the path of growth or redevelopment that will support lodging.
- Profitable branded hotels 10-20 years old in surrounding area
- Areas with high average per capita income
- Submarkets with high daytime population and high occupancy Class-A office parks
- Interstate or destination locations
- Multiple demand generators\*

\*Lifestyle retail centers, mixed-use projects, Capital or university cities, Class A office parks, tech and medical centers.

## **Criteria for Value-Added Acquisitions**

### Cosmetic Renovations/Repositioning

- Corresponding supply/demand ratio of hotel rooms, built and in pipeline
- Extensive cosmetic renovation required.
- Full or select service,
- Markets with successful older Marriott and Hilton branded hotels
- After PIP, qualified to maintain existing or upstream franchise,
- Positive performance for 3 trailing years,
- 120 – 200 rooms,
- Four or more stories,
- 5 - 15 years old,
- Priced to reflect lack of institutional investor interest.

### **Major Renovations/Rebranding**

- Suitable for upstream re-branding,
- Full or select service,
- 150 – 300 rooms
- Four or more stories
- 10 – 20 years old
- Current occupancy of 50% or more,
- Comprehensive interior and exterior renovation required,
- Priced to reflect lack of institutional investor interest.

**Pre-committed debt and equity funding  
enable us to quickly close transactions**

## **Langston Construction**

Don Langston founded Langston Construction in 1989. Over its 18-year history, the company has prospered, evolved and diversified as a general contractor and developer. The diverse projects built by the company as a general contractor and developer include educational facilities, medical buildings, churches, detention facilities, banks, hotels, restaurants, grocery stores, shopping centers, governmental facilities, and multi-family communities.

Langston Construction's hotel division is staffed with a team of associates that specializes in construction management services with guaranteed maximum prices. Langston's preferred service is design/build to ensure clients receive the optimum value and hotel to meet franchise requirements and market demands. Its services include the following:

- Definition of client objectives
- Market and financial evaluation
- Concept stage estimating
- Preliminary design
- Value analysis
- Permitting
- Final design
- Assured budget and schedule
- Quality control
- Risk management
- Regulatory compliance
- Contract compliance

The full resources of Langston Construction ([www.langstonconstruction.biz](http://www.langstonconstruction.biz)) are available to Index under the specific direction of Index co-owner, Don Langston. The development and operations experience of Index management members allow for collaborative planning which results in comprehensive design/build solutions that are responsive to the demands of today's marketplace.

## Corporate

### **Resources**

#### **Strategic Partnerships**

Concord Hospitality Enterprises  
[www.concordhotels.com](http://www.concordhotels.com)

Interstate Hotels & Resorts  
[www.ihrc.com](http://www.ihrc.com)

#### **Consulting Services**

PKF—Pannell, Kerr, Forster  
[www.pkfc.com/](http://www.pkfc.com/)

HVS International  
[www.hvs-intl.com](http://www.hvs-intl.com)

#### **Industry Associations**

American Hotel & Lodging Association  
[www.ahla.com](http://www.ahla.com)

Tenant-in-Common Association  
[www.ticassoc.org](http://www.ticassoc.org)

#### **Legal Counsel**

##### **- Transactions**

Zeleskey Law Firm, Lufkin, Texas  
[www.zeleskey.com](http://www.zeleskey.com)

##### **- Index 1031**

Kevin Thomason, Partner  
Thompson & Knight, LLP

#### **Lodging Real Estate Consulting**

Lodging Econometrics  
[www.lodging-econometrics.com](http://www.lodging-econometrics.com)

#### **Travel Research**

Journal of Travel Research

### **Financial References**

Available upon request

### **Contacts**

#### **Lance McFaddin**

Index Development  
936/671-9818  
[lmcfaddin@indexdevelopment.net](mailto:lmcfaddin@indexdevelopment.net)  
[www.indexdevelopment.net](http://www.indexdevelopment.net)

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#### **To Submit Property Information:**

[HotelAcquisition@indexdevelopment.net](mailto:HotelAcquisition@indexdevelopment.net)

#### **Operations**

[Operations@indexdevelopment.net](mailto:Operations@indexdevelopment.net)

#### **Sales**

[Sales@indexdevelopment.net](mailto:Sales@indexdevelopment.net)

#### **Human Resources**

[HR@indexdevelopment.net](mailto:HR@indexdevelopment.net)

#### **Accounting**

[Accounting@indexdevelopment.net](mailto:Accounting@indexdevelopment.net)

#### **Web Site Questions**

[Web@indexdevelopment.net](mailto:Web@indexdevelopment.net)

#### **Partnerships and Alliances**

[Partners@indexdevelopment.net](mailto:Partners@indexdevelopment.net)

#### **Press Relations**

[Press@indexdevelopment.net](mailto:Press@indexdevelopment.net)