



12/12/2021

LETTER OF INTENT

RE: Letter of Intent for the Development of three adjoining parcels owned on Hwy 78:

2787 Stone Mountain Hwy, Snellville, GA

2785 Stone Mountain Hwy, Snellville, GA

2791 Stone Mountain Hwy, Snellville, GA

This letter of Intent is hereby being submitted to set forth the development plan of Balark LLC and highlights the key elements of the developer's Intent.

THE PROJECT:

The developer has initiated the brand application with IHG Hotels- a leading global brand with 6,000 destinations. We have chosen AVID as the brand since it is the newest approach to a comfortable stay.

"avid™ hotels is a fresh, midscale brand that has been designed for guests and owners. Our insights, expertise, and scale have been applied to deliver an experience that is 'just right' at an excellent value. From the inviting lobby to best-in class sleep experience, the interiors create unique, welcoming spaces that are practical and distinctive. The brand's design and operating model was developed in partnership with owners, ensuring that avid hotels are simple to build, operate, and maintain. With 14 million potential customers, avid hotels represent a significant growth opportunity for you and IHG®."

<https://ihg.showpad.com/share/nNWateWtieFAllojPNImN>

While we chose to work with IHG hotels "the brand", the brand also follows a rigorous process to ensure that they want to approve us for their brand. They look at our application, our credibility and the star reports to make sure there is a target market available.

The brand already has our application and has approved us on their end, but we are still waiting to sign the final agreement, as our franchise fee is nonrefundable and finalizing it depends on the City of Snellville's approval of the SUP. Once we enter into the franchise agreement and go through the construction phase, we will sign our brand agreement, which will be for 15 years with an option to renew.

Concerns have been raised by the City of Snellville regarding past applicants flipping their property or allowing their hotel to fall into disrepair. We want to be clear that we have no intention of flipping the

property. Our agreement with IHG hotels will be for 15 years, and we plan on renewing our contract after the 15 years. Additionally, through the course of the agreement, we will have to update to the brand's standards through the course of the contract and that will include design changes and periodic upgrades. Therefore, the property will remain up to date and will meet brand standards at all times.

Concerning the physical property, the hotel will sit on our middle parcel, which is approx. 2.15 acres and will be fenced in creating a physical barrier between the hotel and the Towne Centre Office Park. We are facilitating the access to the hotel by using our front parcel, which is approx. 1.35 acres to build a driveway. This will ensure that the main road to the current offices will remain uninterrupted by the thru traffic.

Once the construction is completed, the hotel will be managed by IPD hospitality, which is a leading national hotel management company, based in Suwanee, GA.

After the driveway is constructed, the additional space in the front parcel will be used to build a single tenant use retail space. Our goal is to bring in a national brand restaurant or a coffee house that would serve the community and bring in more foot traffic for the neighboring businesses.

At our meeting with Mayor Bender and Councilwoman Schulz, they addressed concerns regarding the residential community on Nob Hill. We want to ensure the City of Snellville that it is not our intent to disrupt the residents of Nob Hill. There is a distance of almost 4+ acres in our third parcel between the back of the hotel and that community. With that amount of acreage, it is unlikely that the residential community will be able to view the hotel from their neighborhood. Additionally, our plan on the third parcel is to build more office suites within the Towne Centre Office Park. The design of the new office space will be consistent with the current design since they are at capacity. The additional offices will also be willing to be a part of the existing office HOA. GW Associates and the Towne Center Condo Association are appreciative of this proposition and are very interested in the addition of more office space.

ECONOMIC IMPACT:

The 5-year market projections for the hotel have been submitted with the application. The development will generate taxes to the City of Snellville as well as Gwinnett County. Also, there will be approx. 20+ employees of the hotel and the front retail establishment. The tenants in the additional offices and their willingness to join the HOA will also be an added benefit. This entire development will increase foot traffic to the area and will increase revenues for local businesses and constituents. One of our target customer bases is travelling nurses, so the neighboring medical facilities will also benefit.

Our goal with the development is to build assets for our family, but also contribute and partner with the local community and City of Snellville. As previously mentioned, our business model does not include flipping properties. We have been residents of Gwinnett County for over 10 years and own other properties and businesses in Gwinnett County, which we have attached.

We request the City Council to kindly consider our SUP for approval.

PROPERTIES OWNED In Gwinnett County:

1. Stone Mountain Skates- 5400 Bermuda Rd, Stone Mountain, GA 30087
2. Quality INN- 4200 Atlanta Hwy, Loganville, GA 30045
3. Rivercliff Plaza- 4975 Stone Mountain Hwy, Snellville, GA
4. Pearl Leading Edge LLC- 2693 Loganville Hwy, Grayson GA
5. Rising Star 14 LLC- 630 Atlanta Hwy, Loganville, GA
6. Stone Mountain Hwy Parcels- 2787 Stone Mountain Hwy, Snellville Ga
2785 Stone Mountain Hwy, Snellville, GA
2791 Stone Mountain Hwy, Snellville, GA
7. Residence: 1085 Old Tucker Rd, Stone Mountain, GA 30087