



## SUMMARY OF FINDINGS

# Proposed Laguna Hills Hotel

LAGUNA HILLS MALL, CALLE DE LA LOUISA  
LAGUNA HILLS, CALIFORNIA



### SUBMITTED TO:

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### PREPARED BY:

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December 13, 2021

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Re: Proposed Laguna Hills Hotel  
Laguna Hills, California  
HVS Reference: 2021022179

Dear Mr. Logan:

Pursuant to your request, we herewith submit our summary of findings pertaining to the above-captioned property. We have inspected the real estate and analyzed the hotel market conditions in the Laguna Hills, California, area. We have studied the proposed project, and the summary results of our fieldwork and analysis are presented in this document.

The purpose of this study is to analyze and test the feasibility of two different scenarios for a proposed hotel in Laguna Hills. The first scenario explores the feasibility of a nationally branded “upscale” hotel, as categorized by Smith Travel Research (STR) Chain Scales. Chain scale segments are grouped primarily according to actual average room rates nationwide. Upscale hotels are typically select-service or full-service in nature. For the purpose of our first analysis we have assumed a select-service hotel. Select-service hotels offer F&B (e.g., a lobby bar and restaurant which may have a more limited menu or operating hours) and meeting facilities, but these are still limited when compared to full-service hotels.

The second purpose of this study was to evaluate the feasibility of a higher caliber hotel (above the upscale chain scale segment). As such, the second scenario analyzes the potential feasibility of a nationally branded upper-upscale hotel as categorized by STR. Upper-upscale hotels are typically full-service in nature with an F&B offering that typically comprises one or more full-service restaurants (typically with more expansive food and beverage offerings, operational hours, and in-room dining) as well as expanded meeting facilities in order to better cater to groups and events. Given the subsequent results of the upper-upscale full-service analysis, we did not test the feasibility of a hotel of higher caliber than the upper-upscale segment.

Our findings for both scenarios are further described in the subsequent chapters of this report.

**FEASIBILITY SUMMARY**

	<u>Upscale Scenario</u>	<u>Upper Upscale Scenario</u>
Net Present Value (NPV)	\$41,500,000	\$47,300,000
Estimated Replacement Cost	\$40,900,000	\$55,700,000
Difference Between NPV and Replacement Cost	1.5%	-15.1%
Feasibility Conclusion	Feasible	Not Feasible

Based on our analysis, which is further outlined in this report, there is sufficient support for an upscale, select-service hotel, while there is insufficient support for the upper upscale, full-service scenario. The difference between the Net Present Value (NPV), which is the anticipated value of the property upon completion, and the estimated Replacement Cost is a key indicator of the feasibility of a project. Investors expect to create additional value following the completion of a hotel; if the NPV is below the cost to construct the property, there is generally limited incentive to pursue the project. Given that the NPV for the upper upscale scenario is significantly below the estimated replacement cost, it is unlikely the project would be feasible in the next five to ten years based on the current scope and market performance.

We hereby certify that we have no undisclosed interest in the property, and our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

Sincerely,  
TS Worldwide, LLC



Luigi Major, MAI, Managing Director  
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# 1. Subject of The Study

## Subject of the Study

The subject of the study is an approximately 95,832-square-foot (2.20-acre) parcel to be improved with either an upscale select-service lodging facility or an upper upscale full-service hotel; the hotel is expected to be associated with a national upscale, select-service or upper upscale full-service hotel brand. The proposed subject property, which is expected to open on June 1, 2023<sup>1</sup>, will feature 150 rooms. The upscale scenario is expected to feature a lobby restaurant and bar, a fitness room, a lobby workstation or small business center, and leased ground-floor retail; the upper upscale scenario is expected to feature a restaurant and a café, a fitness center, a business center, a gift shop, and leased ground-floor retail. The hotel will also contain the appropriate parking capacity and all necessary back-of-the-house space.

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<sup>1</sup> The proposed opening date is for analysis purposes only, and does not account for the time necessary to obtain local implementing approvals (e.g., final map approval, a building permit or a certificate of occupancy) required to construct and then open the hotel.

**FIGURE 1-1 SUMMARY OF PLANNED FACILITIES (UPSCALE)**

<b>Anticipated Guestroom Configuration</b>	<b>Estimated Number of Units</b>
King	75
Queen/Queen	60
Suites	15
Total	150
<b>Anticipated Food &amp; Beverage Facilities</b>	<b>Estimated Seating Capacity</b>
Lobby Restaurant & Bar	100–150
<b>Anticipated Indoor Meeting &amp; Banquet Facilities</b>	<b>Square Footage</b>
Meeting Room(s)	TBD by brand
<b>Anticipated Amenities &amp; Services</b>	
Fitness Room	
Lobby Workstation or Business Center	
Ground-Floor Retail (Leased)	

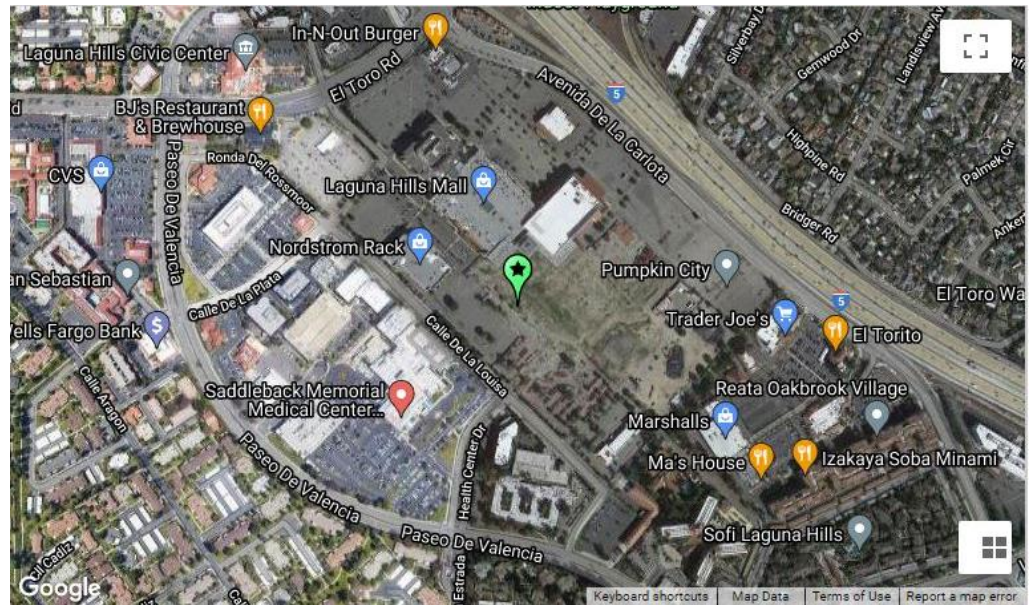
**FIGURE 1-2 SUMMARY OF PLANNED FACILITIES (UPPER UPSCALE)**

<b>Anticipated Guestroom Configuration</b>	<b>Estimated Number of Units</b>
King	75
Queen/Queen	60
Suites	15
Total	150
<b>Anticipated Food &amp; Beverage Facilities</b>	<b>Estimated Seating Capacity</b>
Restaurant & Bar	200–250
Café	25–50
<b>Anticipated Indoor Meeting &amp; Banquet Facilities</b>	<b>Square Footage</b>
Ballroom	TBD by brand
Meeting Room(s)	TBD by brand
<b>Anticipated Amenities &amp; Services</b>	
Fitness Center	Concierge
Business Center	Room Service
Ground-Floor Retail (Leased)	Gift Shop/Boutique



The subject site's location is the Laguna Hills Mall, Calle de la Louisa, Laguna Hills, California 92653.

### LOCATION MAP



### VIEW OF SUBJECT SITE



### Ownership, Franchise, and Management Assumptions

We assume that all utilities will be available to the site and that no hazards are present that will impede its development. We assume that the certificate of occupancy will be issued on or before the opening date for the entirety of the improvements.

The subject site was last sold in 2013. Merlone Geier Partners has owned the site since that time, having purchased it from Simon Property Group for an undisclosed price. At the time of purchase, the site encompassed an indoor shopping mall; the mall was permanently shuttered in late 2018, and most of the original structure has since been demolished. The greater 68-acre tract is expected to be divided into smaller parcels as part of the Village at Laguna Hills mixed-use development; the proposed subject hotel will be a part of this development. No transfers of the property have reportedly occurred since 2013.

Details pertaining to management terms were not yet determined at the time of this report; however, we assume that the proposed hotel will be managed by a professional hotel-operating company, with fees deducted at rates consistent with current market standards. Our projections reflect a management fee of 3.0% of total revenues in our study.

While a specific franchise has not been selected at the time of this report, we assume that the proposed subject hotel will operate as either an upscale, select-service or an upper upscale, full-service lodging facility. Our projections reflect the associated fees for each scenario. We have positioned the proposed hotel's projected franchise fees based on our review of several hotel brand's current franchise fees. Based on our review of national hotel brand franchise terms and fees are outlined in the table below. Reservations fees will also be due and are included in the rooms expense line item of our forecast.

**FIGURE 1-3 FRANCHISE FEES**

	<b>Royalty Fee (% of Rooms Revenue)</b>	<b>Marketing Fee (% of Rooms Revenue)</b>
<b>Upscale Scenario</b>	5.50%	3.15%
<b>Upper Upscale Scenario</b>	5.50%	4.00%



## 2. Overview of Local Area Economy

### Overview of Local Area Economy

Orange County comprises 34 incorporated cities with 42 miles of coastline. Orange County adjoins the greater Los Angeles area to the north and has been a direct beneficiary of the aggressive economic growth of the Los Angeles Basin. As the Los Angeles economy expanded in the 1980s, Orange County evolved into a self-sufficient, diverse urban center with mature industrial, commercial, and residential markets. It is known for its sunny beaches, including Laguna Beach, as well as Disneyland and Knott's Berry Farm. Its population was estimated by the U.S. Census to be nearly 3.2 million people in 2018. Orange County has a diverse economic base, with Santa Ana serving as the government seat of the county, Irvine as the financial center, and Anaheim/Garden Grove as the major tourism destination. The city of Laguna Hills, which was incorporated in 1991, along with nearby Lake Forest and Foothill Ranch, has become a hub for several corporate headquarters and offices including Marie Callender's, Panasonic, Oakley, Saddleback College, Loan Depot, Cox Communications, and Kawasaki. This area is also home to several hiking trails and lakes, which draw outdoor enthusiasts to the region.

Locally, the unemployment rate was 7.5% in 2020; for this same area in 2021, the most recent month's unemployment rate was registered at 4.2%, versus 7.8% for the same month in 2020.

The following bullet points highlight major demand generators for this market:

- The University of California - Irvine (UC Irvine) is the second-largest employer in Orange County. UC Irvine, whose name originated from the Irvine Company, was founded in 1965 as a public, co-educational research university. UC Irvine offers 68 undergraduate degree programs, 53 minors, 45 master's degree programs, and 43 doctoral programs. In 2010, UC Irvine opened the 100,000-square-foot Sue and Bill Gross Hall, the first stem-cell research center in Southern California. The facility is equipped with Orange County's only Level I trauma center and regional burn center, as well as a 45-bed neonatal intensive-care unit. Phase II of this hospital opened in early 2012. The project was touted to be the largest construction project in Orange County's history, at a total cost of \$556 million. In 2016, the \$92-million expansion of the Mesa Court student-housing complex opened, housing over 800 students. We note that classes and facilities were shut down beginning in March 2020 due to the

onset of the COVID-19 pandemic. Students were limited to remote learning, with few exceptions, in the 2020–21 academic year; however, students returned to in-person learning for the Fall 2021 semester.

- Companies representing the technology and automotive sectors have a large presence in Irvine, Lake Forest, Foothill Ranch, and Mission Viejo. Broadcom Corp. is one of the world's largest semiconductor companies and the largest technology company in Irvine; a new, 70-acre, 1.1-million-square-foot campus in Irvine's Great Park neighborhood was completed in 2018. Toshiba America Electronic Components Inc. is an independent operating company owned by Toshiba America Inc., a subsidiary of Toshiba Corporation, which employs approximately 8,000 people in the United States. Toshiba America Electronic Components Inc.'s headquarters are in Irvine, and the company continues to grow in the field of research and development. Quality Systems Inc.'s (QSI) national headquarters are also in Irvine; QSI and its NextGen Healthcare subsidiary provide prepackaged software for healthcare companies looking to digitize their medical records and connectivity services. Although numerous layoffs and furloughs were announced in March and April of 2020, many furloughs ended later in 2020, and many companies are now hiring. Many corporate entities are still encouraging remote working, or a combination of office and remote work. Laguna Hills and the surrounding communities benefit from the breadth of corporate demand generators in Irvine, considered Orange County's financial and technology center.
- MemorialCare Saddleback Medical Center is a major general medical and surgical hospital in Laguna Hills. The hospital is consistently ranked among the Top 100 hospitals in the United States by U.S. News & World Report across a variety of specialties. The hospital is major employer in the area, employing over 1,000 physicians, nurses, and administrative staff. In 2019, the Neuroscience Institute at Saddleback Medical Center was expanded, allowing the hospital to rank among the first three U.S. hospitals to receive Joint Commission Certification as an Advanced Thrombectomy-Capable Stroke Center in the United States. The recognition has made the area a destination for stroke treatment in Orange County and Southern California.

The greater Irvine area, inclusive of Laguna Hills, remains one of the desirable commercial centers in Orange County. The economic base is diverse in this market, with strong employers in the technology, consumer goods, healthcare, and financial sectors. Moreover, the former El Toro Marine Corps Air Station continues to be transformed into an urban park area known as Orange County Great Park, with facilities that include a waterpark, sports park, botanical gardens, and several arts and cultural centers. We also note that land prices have significantly increased in the past several years, but this has not deterred the development of mixed-use projects in the area. Finally, the defunct Laguna Hills Mall is being redeveloped

into a mixed-use development that will encompass 68 acres and include 250,000 square feet of retail, 465,000 square feet of office space, a hotel, and approximately 1,500 multi-family and townhome residential units. Although the COVID-19 pandemic continues to affect the local and regional economy to some degree, the lifting of most pandemic-related restrictions, coupled with the wide distribution of vaccinations, has aided in a recovery.

This area is served by John Wayne Airport, Long Beach International Airport, and the Los Angeles International Airport.

**FIGURE 2-4 AIRPORT STATISTICS**

Year	John Wayne Airport		Long Beach Airport		Los Angeles International Airport	
	Passenger Traffic	Percent Change	Passenger Traffic	Percent Change	Passenger Traffic	Percent Change
2011	8,609,008	—	3,115,433	—	61,862,052	—
2012	8,857,944	2.9 %	3,205,907	2.9 %	63,688,121	3.0 %
2013	9,232,789	4.2	2,942,873	(8.2)	66,665,726	4.7
2014	9,386,033	1.7	2,823,996	(4.0)	70,662,212	6.0
2015	10,038,466	7.0	2,523,686	(10.6)	74,956,305	6.1
2016	10,496,511	4.6	2,841,144	12.6	80,921,527	8.0
2017	10,423,578	(0.7)	3,783,775	33.2	84,558,776	4.5
2018	10,664,038	2.3	3,884,857	2.7	87,533,177	3.5
2019	10,656,986	(0.1)	3,584,203	(7.7)	88,068,013	0.6
2020	3,794,850	(64.4)	1,043,773	(70.9)	28,779,527	(67.3)
<i>Year-to-date, Aug</i>						
2020	2,704,119	—	827,903	—	22,676,679	—
2021	4,341,266	60.5 %	1,191,244	43.9 %	33,036,486	45.7 %

Sources: Respective Airport Authorities

Although the greater Irvine area itself offers limited tourist attractions, nearby cities such as Costa Mesa, Newport Beach, Laguna Beach, and Anaheim feature a variety of tourist and leisure attractions. The peak season for tourism in this area is typically from May to September. During other times of the year, weekend demand usually comprises travelers passing through en route to other destinations, people visiting friends or relatives, and other similar weekend demand generators. Primary attractions in the area include the following:

- The Irvine Spectrum Center is an outdoor shopping center featuring over 100 shops, the 21-screen Edwards movie theatre, and the 500-seat Irvine Improv Theatre. The shopping center also offers the "Giant Wheel," a Ferris wheel that projects lighting schemes via 52,000 LED lights, visible by passing motorists on

Interstate 5; other attractions include a carousal and a children's train. The nearby South Coast Plaza is also a major shopping attraction for residents and visitors, alike. We note that many of the shopping outlets and attractions at the Irvine Spectrum Center closed in March 2020 with the onset of the COVID-19 pandemic. However, most retail outlets and attractions have since reopened now that most pandemic-related restrictions have been rescinded.

- The Orange County Great Park is a non-aviation reuse of the defunct El Toro Marine Corps Air Station, encompassing over 450 acres, with plans to develop the park to over 1,300 acres. The park currently includes attractions such as the Great Park Balloon, the Great Park Ice Arena, a variety of sports fields, the Palm Court Arts Complex, a Farmer's Market, multiple miles of hiking trails, and a 2,500-seat soccer stadium, which is home to Orange County SC. Future planned projects include a 19-acre outdoor waterpark, slated to open in the summer 2022; a 10,000-seat amphitheater; an aviation museum; and multiple retail and dining outlets. The entire planned development includes a breadth of attractions, which should become a major tourism destination for the region over the coming years. We note that many of the existing attractions closed in March 2020 given the onset of the COVID-19 pandemic. However, most of these attractions have reopened, some with limited capacities per any applicable governmental restrictions.
- Orange County is home to a variety of coastal beaches and towns, which typically receive visitors from around the world. Popular destinations include Laguna Beach, Newport Beach, and Huntington Beach; the beaches are a major attraction for surfers, while Laguna Beach also has tide pools and the oceanfront Crystal Cove State Park. Moreover, the Pacific Coast Highway (State Highway 1), which follows the California coastline, is a famous attraction, with visitors beginning at one end and traveling the route along the coast to see the renowned vistas. The southernmost end of the highway begins at Dana Point, which is just south of the Lake Forest and Laguna Hills area. As a popular starting point for the journey, communities in the area benefit from travelers staying here before they begin the trip.

Prior to the onset of the COVID-19 pandemic and the corresponding economic crisis, the greater Irvine area, which includes Laguna Hills, was experiencing a period of economic strength and expansion, primarily led by the technology and finance industries and the healthcare sector. However, the COVID-19 pandemic continues to affect the local market to a moderate degree, resulting in decreased business activity, inclusive of the hospitality industry. Nevertheless, the wide distribution of vaccinations and the lifting of many pandemic-related restrictions has sparked a recovery in the second half of 2021; thus, while the near-term

**Overview of Local Area  
Lodging Market Trends**

outlook for the market is best described as one of caution at this time, the long-term outlook is more optimistic.

The subject site is located in the greater Orange County lodging market, which encompasses over 200 open and operating lodging facilities totaling roughly 25,000 guestrooms. Within this greater market, the direct submarket that will include the subject hotel is known as Laguna Hills; competitive hotels are also located in Lake Forest, Irvine, and Mission Viejo. Within this market, the proposed subject hotel will compete with a smaller set of hotels based on various factors, such as price point, product offering, and amenities, among other factors.

STR is an independent research firm that compiles and publishes data on the lodging industry, and this information is routinely used by typical hotel buyers. HVS has ordered and analyzed an STR Trend Report of historical supply and demand data for this competitive set.

**FIGURE 2-5 HISTORICAL SUPPLY AND DEMAND TRENDS (STR)**

Year	Average Daily Room Count	Available Room Nights	Change	Occupied Room Nights	Change	Occupancy	Average Rate	Change	RevPAR	Change
2011	1,304	475,960	—	345,566	—	72.6 %	\$118.69	—	\$86.17	—
2012	1,304	476,113	0.0 %	337,857	(2.2) %	71.0	125.09	5.4 %	88.77	3.0 %
2013	1,304	475,960	(0.0)	350,842	3.8	73.7	132.08	5.6	97.36	9.7
2014	1,410	514,600	8.1	394,816	12.5	76.7	139.20	5.4	106.79	9.7
2015	1,514	552,610	7.4	435,126	10.2	78.7	151.06	8.5	118.94	11.4
2016	1,632	595,696	7.8	462,779	6.4	77.7	155.62	3.0	120.90	1.6
2017	1,666	608,096	2.1	481,828	4.1	79.2	158.54	1.9	125.62	3.9
2018	1,914	698,610	14.9	530,126	10.0	75.9	167.89	5.9	127.40	1.4
2019	1,914	698,610	0.0	535,038	0.9	76.6	171.03	1.9	130.98	2.8
2020	2,062	752,668	7.7	302,387	(43.5)	40.2	132.26	(22.7)	53.13	(59.4)
<b>Year-to-Date Through September</b>										
2020	2,004	547,140	—	220,547	—	40.3 %	\$140.38	—	\$56.58	—
2021	2,314	631,710	15.5 %	366,687	66.3 %	58.0	146.95	4.7 %	85.30	50.8 %
Average Annual Compounded Change:										
2011 – 2019			4.9 %		5.6 %			4.7 %		5.4 %
2011 – 2020			5.2		(1.5)			1.2		(5.2)
2016 – 2019			5.5 %		5.0 %			3.2 %		2.7 %

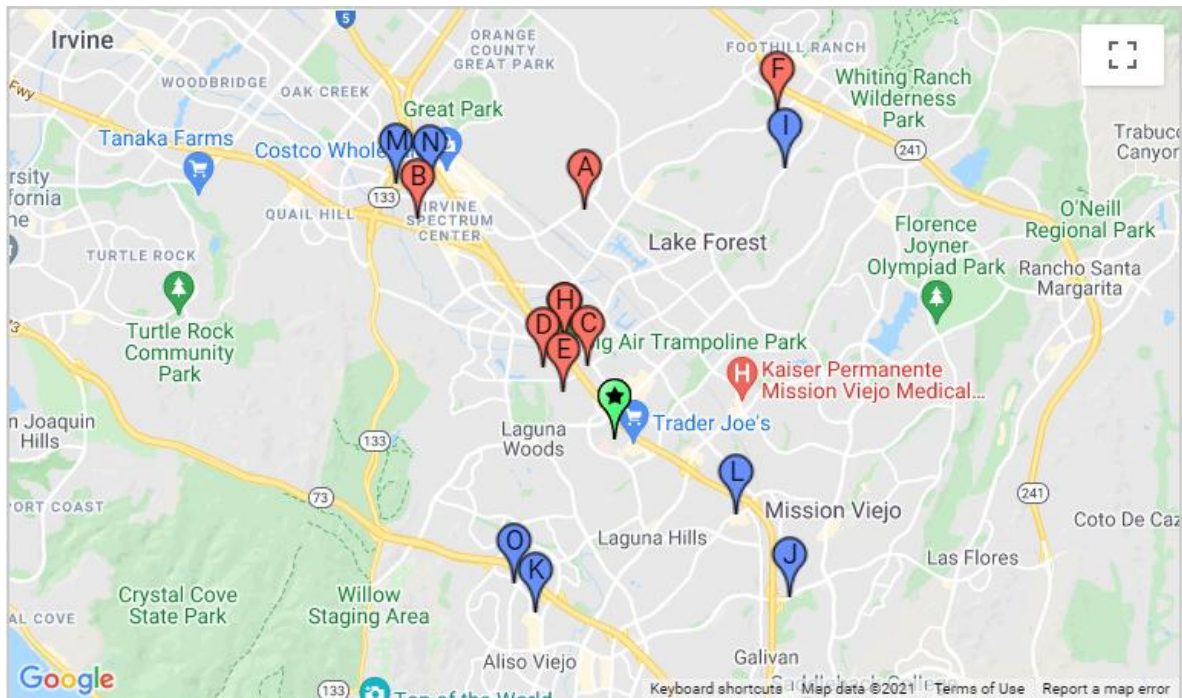
  

Hotels Included in Sample	Class	Competitive Status	Number of Rooms	Year Affiliated	Year Opened
Ascend Collection The Hills Hotel	Upscale Class	Secondary	148	Jun 2020	Jan 1977
Fairfield Inn Mission Viejo Orange County	Upper Midscale Class	Primary	146	Dec 1992	May 1987
Residence Inn Irvine Spectrum	Upscale Class	Primary	112	May 1989	May 1989
Sonesta Select Laguna Hills Irvine Spectrum Orange County	Upscale Class	Primary	136	Feb 2021	Jul 1990
DoubleTree by Hilton Hotel Irvine Spectrum	Upscale Class	Secondary	252	Jul 1999	Jul 1999
Holiday Inn Express & Suites Lake Forest - Irvine East	Upper Midscale Class	Primary	60	May 2019	Oct 2002
Staybridge Suites Irvine East/Lake Forest	Upscale Class	Primary	128	Mar 2006	Mar 2006
Renaissance ClubSport Aliso Viejo Laguna Beach Hotel	Upper Upscale Class	Secondary	174	Jun 2020	Jul 2008
Hilton Garden Inn Irvine Spectrum Lake Forest	Upscale Class	Primary	148	Oct 2019	Sep 2009
Courtyard Irvine Spectrum	Upscale Class	Primary	210	Jul 2014	Jul 2014
Homewood Suites by Hilton Aliso Viejo Laguna Beach	Upscale Class	Secondary	129	Feb 2016	Feb 2016
Marriott Irvine Spectrum	Upper Upscale Class	Secondary	271	Dec 2017	Dec 2017
Hampton by Hilton Inn Irvine Spectrum Lake Forest	Upper Midscale Class	Primary	92	Jun 2020	Jun 2020
Homewood Suites by Hilton Irvine Spectrum Lake Forest	Upscale Class	Primary	116	Jun 2020	Jun 2020
TownePlace Suites Irvine Lake Forest	Upper Midscale Class	Primary	112	Jun 2020	Jun 2020
SpringHill Suites Irvine Lake Forest	Upscale Class	Primary	102	Mar 2021	Mar 2021
<b>Total</b>			<b>2,336</b>		

Source: STR



## MAP OF COMPETITION



- |   |  |   |   |
|---|--|---|---|
|  | Proposed Laguna Hills Hotel                                |  | Homewood Suites by Hilton Irvine Spectrum Lake Forest (Primary) |
|  | Residence Inn by Marriott Irvine Spectrum (Primary)        |  | Holiday Inn Express & Suites Lake Forest (Secondary)            |
|  | Courtyard by Marriott Irvine Spectrum (Primary)            |  | Fairfield by Marriott Mission Viejo Orange County (Secondary)   |
|  | Hilton Garden Inn Lake Forest Irvine Spectrum (Primary)    |  | Homewood Suites by Hilton Aliso Viejo Laguna Beach (Secondary)  |
|  | Sonesta Select Laguna Hills Irvine Spectrum (Primary)      |  | Hills Hotel an Ascend Collection Hotel (Secondary)              |
|  | TownePlace Suites by Marriott Irvine Lake Forest (Primary) |  | DoubleTree by Hilton Irvine Spectrum (Secondary)                |
|  | Staybridge Suites Irvine East Lake Forest (Primary)        |  | Marriott Irvine Spectrum (Secondary)                            |
|  | Hampton Inn Irvine Spectrum Lake Forest (Primary)          |  | Renaissance ClubSport Aliso Viejo (Secondary)                   |

During the illustrated historical period, both occupancy and ADR generally followed a strengthening trend. A number of new hotels began to open within the market in 2014, a trend that continued through 2018, during which available room nights increased by 46%. Continued corporate expansions and developments in the Irvine and Lake Forest areas boosted demand levels, allowing the market to absorb the new supply until 2018, at which time available room nights increased by 15%; thus, occupancy contracted notably. However, ADR increased year-over-year during the same period. In 2016, occupancy declined moderately and ADR growth slowed following layoffs at Oakley. Corporate expansions and increased leisure demand aided in the growth over the past decade. In March 2020, the COVID-19 pandemic began to affect the local market, similar to the rest of the nation, resulting in decreased business activity, inclusive of the hospitality, tourism, and manufacturing industries; thus, all performance metrics declined significantly in 2020. Year-to-date 2021 data illustrate a notable improvement in occupancy and a roughly \$6 gain in ADR. The most recent performance metrics can be attributed to increased business activity and heightened leisure travel given the improving conditions. While the pandemic will continue to affect business to some degree in the near term, the overall outlook is optimistic given the dynamics of this market, the successful rollout of vaccines, the removal of many COVID-related restrictions, and the recent increase in travel.

The following table illustrates the historical occupancy and average rate (ADR) levels for selected hotels in the market.

**FIGURE 2-6 PRIMARY COMPETITORS – OPERATING PERFORMANCE**

Property	Est. Segmentation				Estimated 2018				Estimated 2019					
	Number of Rooms	Commercial	Leisure	Group	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Residence Inn by Marriott Irvine Spectrum	112	70 %	20 %	10 %	112	60 - 65 %	\$170 - \$180	\$105 - \$110	112	75 - 80 %	\$170 - \$180	\$140 - \$150	100 - 110 %	100 - 110 %
Courtyard by Marriott Irvine Spectrum	210	75	15	10	210	80 - 85	190 - 200	150 - 160	210	80 - 85	190 - 200	150 - 160	100 - 110	120 - 130
Hilton Garden Inn Lake Forest Irvine Spectrum	148	75	15	10	148	70 - 75	160 - 170	120 - 125	148	50 - 55	150 - 160	85 - 90	70 - 75	60 - 65
Sonesta Select Laguna Hills Irvine Spectrum	136	70	15	15	136	70 - 75	150 - 160	110 - 115	136	70 - 75	140 - 150	105 - 110	95 - 100	80 - 85
TownePlace Suites by Marriott Irvine Lake Forest	112	70	20	10					HOTEL OPENED IN 2020					
Staybridge Suites Irvine East Lake Forest	128	75	10	15	128	80 - 85	160 - 170	130 - 140	128	80 - 85	160 - 170	130 - 140	100 - 110	100 - 110
Hampton Inn Irvine Spectrum Lake Forest	92	70	15	15					HOTEL OPENED IN 2020					
Homewood Suites by Hilton Irvine Spectrum Lake Forest	116	70	15	15					HOTEL OPENED IN 2020					
<b>Sub-Totals/Averages</b>	<b>1,054</b>	<b>73 %</b>	<b>15 %</b>	<b>12 %</b>	<b>734</b>	<b>76.3 %</b>	<b>\$170.48</b>	<b>\$130.00</b>	<b>734</b>	<b>74.9 %</b>	<b>\$169.33</b>	<b>\$127</b>	<b>98 %</b>	<b>96.8 %</b>
Secondary Competitors	1,180	56 %	25 %	19 %	903	75.6 %	\$165.76	\$125.27	903	78.0 %	\$172.38	\$134	102 %	102.6 %
<b>Totals/Averages</b>	<b>2,234</b>	<b>64 %</b>	<b>21 %</b>	<b>16 %</b>	<b>1,637</b>	<b>75.9 %</b>	<b>\$167.89</b>	<b>\$127.39</b>	<b>1,637</b>	<b>76.6 %</b>	<b>\$171.04</b>	<b>\$131</b>	<b>100 %</b>	<b>100.0 %</b>

\* Specific occupancy and average rate data were utilized in our analysis, but are presented in ranges in the above table for the purposes of confidentiality.

**FIGURE 2-7 SECONDARY COMPETITORS – OPERATING PERFORMANCE**

Property	Number of Rooms	Est. Segmentation				Total Competitive Level	Weighted Annual Room Count	Estimated 2018			Weighted Annual Room Count	Estimated 2019		
		Commercial	Leisure	Group				Occ.	Average Rate	RevPAR		Occ.	Average Rate	RevPAR
Holiday Inn Express & Suites Lake Forest	146	65 %	20 %	15 %		85 %	124	70 - 75 %	\$120 - \$125	\$90 - \$95	124	70 - 75 %	\$125 - \$130	\$90 - \$95
Fairfield by Marriott Mission Viejo Orange County	60	65	20	15		85	51	75 - 80	120 - 125	90 - 95	51	70 - 75	120 - 125	90 - 95
Homewood Suites by Hilton Aliso Viejo Laguna Beach	129	65	20	15		80	103	80 - 85	160 - 170	130 - 140	103	80 - 85	160 - 170	125 - 130
Hills Hotel an Ascend Collection Hotel	148	45	30	25		75	111	70 - 75	125 - 130	85 - 90	111	65 - 70	125 - 130	85 - 90
DoubleTree by Hilton Irvine Spectrum	252	60	25	15		75	189	75 - 80	160 - 170	125 - 130	189	80 - 85	180 - 190	150 - 160
Marriott Irvine Spectrum	271	50	25	25		75	203	70 - 75	210 - 220	150 - 160	203	80 - 85	210 - 220	180 - 190
Renaissance ClubSport Aliso Viejo	174	50	35	15		70	122	70 - 75	190 - 200	140 - 150	122	70 - 75	180 - 190	130 - 140
<b>Totals/Averages</b>	<b>1,180</b>	<b>56 %</b>	<b>25 %</b>	<b>19 %</b>		<b>77 %</b>	<b>903</b>	<b>75.6 %</b>	<b>\$165.76</b>	<b>\$125.27</b>	<b>903</b>	<b>78.0 %</b>	<b>\$172.38</b>	<b>\$134.41</b>

\* Specific occupancy and average rate data was utilized in our analysis, but is presented in ranges in the above table for the purposes of confidentiality.

Our survey of the primarily competitive hotels in the local market shows a range of lodging types and facilities. Each primary competitor was inspected and evaluated.

According to the City of Laguna Hills Planning Office, and our research and inspection (as applicable), new supply expected to be competitive within the proposed subject hotel's competitive submarket is outlined in the following table.

**FIGURE 2-8 NEW SUPPLY**

<b>Proposed Property</b>	<b>Number of Rooms</b>	<b>Total Competitive Level</b>	<b>Weighted Room Count</b>	<b>Estimated Opening Date</b>	<b>Development Stage</b>
Proposed Subject Property	150	100 %	150	June 1, 2023	Early Development
Springhill Suites by Marriott Lake Forest	102	100	102	March 1, 2021	Recently Opened
<b>Totals/Averages</b>	<b>252</b>		<b>252</b>		

Market segmentation is a useful procedure because individual classifications often exhibit unique characteristics in terms of growth potential, seasonality of demand, average length of stay, double occupancy, facility requirements, price sensitivity, and so forth. By quantifying the room-night demand by market segment and analyzing the characteristics of each segment, the demand for transient accommodations can be projected.

**FIGURE 2-9 ACCOMMODATED-ROOM-NIGHT DEMAND**

<b>Market Segment</b>	<b>Marketwide</b>	
	<b>Accommodated Demand</b>	<b>Percentage of Total</b>
Commercial	291,401	64 %
Leisure	94,805	21
Group	71,495	16
<b>Total</b>	<b>457,701</b>	<b>100 %</b>

Various types of economic and demographic data were then evaluated to determine their propensity to reflect changes in hotel demand. Based on this procedure, we forecast the following average annual compounded market-segment growth rates.

**FIGURE 2-10 AVERAGE ANNUAL COMPOUNDED MARKET-SEGMENT GROWTH RATES**

Market Segment	Annual Growth Rate					
	2020	2021	2022	2023	2024	2025
Commercial	-45.0 %	64.0 %	28.0 %	15.0 %	7.0 %	1.0 %
Leisure	-33.0	75.0	10.0	6.0	3.0	1.0
Group	-45.0	50.0	15.0	12.0	10.0	5.0
<b>Base Demand Growth</b>	<b>-42.5 %</b>	<b>64.6 %</b>	<b>21.6 %</b>	<b>12.5 %</b>	<b>6.5 %</b>	<b>1.5 %</b>

The following table details our projection of lodging demand growth for the subject market, including the total number of occupied room nights and any residual unaccommodated demand in the market.



**FIGURE 2-11 FORECAST OF MARKET OCCUPANCY**

	2019	2020	2021	2022	2023	2024	2025	2026
<b>Commercial</b>								
Total Demand	291,401	160,271	262,844	336,440	386,906	413,989	418,129	418,129
Growth Rate		(45.0) %	64.0 %	28.0 %	15.0 %	7.0 %	1.0 %	0.0 %
<b>Leisure</b>								
Total Demand	94,805	63,519	111,159	122,274	129,611	133,499	134,834	134,834
Growth Rate		(33.0) %	75.0 %	10.0 %	6.0 %	3.0 %	1.0 %	0.0 %
<b>Group</b>								
Total Demand	71,495	39,322	58,984	67,831	75,971	83,568	87,746	87,746
Growth Rate		(45.0) %	50.0 %	15.0 %	12.0 %	10.0 %	5.0 %	0.0 %
<b>Totals</b>								
Base Demand	457,701	263,112	432,986	526,546	592,488	631,057	640,710	640,710
Total Demand	457,701	263,112	432,986	526,546	592,488	631,057	640,710	640,710
Overall Demand Growth	0.9 %	(42.5) %	64.6 %	21.6 %	12.5 %	6.2 %	1.3 %	0.0 %
<b>Market Mix</b>								
Commercial	63.7 %	60.9 %	60.7 %	63.9 %	65.3 %	65.6 %	65.3 %	65.3 %
Leisure	20.7 %	24.1 %	25.7 %	23.2 %	21.9 %	21.2 %	21.0 %	21.0 %
Group	15.6 %	14.9 %	13.6 %	12.9 %	12.8 %	13.2 %	13.7 %	13.7 %
<b>Existing Hotel Supply</b>	1,637	1,796	1,957	1,957	1,957	1,957	1,957	1,957
<b>Proposed Hotels</b>								
Proposed Subject Property	<sup>1</sup>				88	150	150	150
Springhill Suites by Marriott Lake Forest	<sup>2</sup>		86	102	102	102	102	102
Available Room Nights per Year	597,633	655,566	745,645	751,663	783,763	806,413	806,413	806,413
Nights per Year	365	365	365	365	365	365	365	365
<b>Total Supply</b>	1,637	1,796	2,043	2,059	2,147	2,209	2,209	2,209
Rooms Supply Growth	0.0 %	9.7 %	13.7 %	0.8 %	4.3 %	2.9 %	0.0 %	0.0 %
<b>Marketwide Occupancy</b>	76.6 %	40.1 %	58.1 %	70.1 %	75.6 %	78.0 %	79.0 %	79.0 %

<sup>1</sup> Opening in June 2023 of the 100% competitive, 150-room Proposed Subject Property

<sup>2</sup> Opening in March 2021 of the 100% competitive, 102-room Springhill Suites by Marriott Lake Forest

These room-night projections for the market area are used in determining the proposed subject hotel's expected occupancy levels based on penetration levels forecast by segment.

### 3. Upscale Analysis

In the first scenario, the proposed subject hotel is expected to be operated as an upscale, select-service lodging facility, to be affiliated with a national brand. Some brands that fall under this category include Aloft Hotels, AC Hotel by Marriott, Courtyard by Marriott, and Hilton Garden Inn. These hotels typically include a lobby restaurant and bar, which is generally more limited in scope than what is offered at a full-service hotel. Moreover, the proposed subject hotel is anticipated to feature ground-floor retail (leased), meeting space, a fitness room, and a business center or lobby workstation.

#### Forecast of the Proposed Subject Hotel's Occupancy

The proposed subject hotel's occupancy forecast is set forth as follows, with the adjusted projected penetration rates used as a basis for calculating the amount of captured market demand.

**FIGURE 3-12 FORECAST OF SUBJECT PROPERTY'S OCCUPANCY**

<b>Market Segment</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b>Commercial</b>				
Demand	386,906	412,733	415,737	415,737
Market Share	3.6 %	6.7 %	7.2 %	7.2 %
Capture	13,945	27,721	29,897	29,897
Penetration	88 %	99 %	106 %	106 %
<b>Leisure</b>				
Demand	129,611	133,094	134,063	134,063
Market Share	3.8 %	6.7 %	7.0 %	7.0 %
Capture	4,897	8,978	9,432	9,432
Penetration	92 %	99 %	104 %	104 %
<b>Group</b>				
Demand	75,971	83,314	87,244	87,244
Market Share	2.3 %	4.6 %	5.3 %	5.3 %
Capture	1,717	3,844	4,612	4,612
Penetration	55 %	68 %	78 %	78 %
<b>Total Room Nights Captured</b>	<b>20,559</b>	<b>40,542</b>	<b>43,941</b>	<b>43,941</b>
Available Room Nights	32,100	54,750	54,750	54,750
<b>Subject Occupancy</b>	<b>64 %</b>	<b>74 %</b>	<b>80 %</b>	<b>80 %</b>
Market-wide Available Room Nights	783,763	806,413	806,413	806,413
<b>Fair Share</b>	<b>4 %</b>	<b>7 %</b>	<b>7 %</b>	<b>7 %</b>
Market-wide Occupied Room Nights	592,488	629,141	637,044	637,044
<b>Market Share</b>	<b>3 %</b>	<b>6 %</b>	<b>7 %</b>	<b>7 %</b>
<b>Market-wide Occupancy</b>	<b>76 %</b>	<b>78 %</b>	<b>79 %</b>	<b>79 %</b>
<b>Total Penetration</b>	<b>85 %</b>	<b>95 %</b>	<b>102 %</b>	<b>102 %</b>

These positioned segment penetration rates result in the following market segmentation forecast.

**FIGURE 3-13 MARKET SEGMENTATION FORECAST – SUBJECT PROPERTY**

	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
Commercial	68 %	68 %	68 %	68 %
Leisure	24	22	21	21
Group	8	9	10	10
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

These projections reflect years beginning June 1, 2023, which correspond to the first projection year in the forecast of income and expense for the proposed subject hotel.

**Forecast of the  
Proposed Subject  
Hotel's Average Rate**

The defined primarily competitive market realized an overall average rate of \$144.17 in the 2020 base year, declining from the 2019 level of \$169.33. The Marriott Irvine Spectrum Center (a secondary competitor) achieved the highest estimated average rate in the local competitive market, by a significant margin, because of the hotel's upper-upscale product offering, popular brand affiliation, and location adjacent to primary commercial demand generators. Of the primary competitive set, the Courtyard by Marriott Irvine Spectrum achieved the highest estimated average rate because of similar aforementioned factors, although this hotel offers a select-service product. Other important rate aspects of this market include location near Interstate 5 and proximity to commercial demand generators. The selected rate position for the proposed subject hotel, in base-year dollars, takes into consideration expected factors such as its ground-floor retail space, select-service amenities, and upscale product offering. We have selected the rate position of \$175.00, in base-year dollars, for the proposed subject hotel. The final forecast reflects years beginning on June 1, 2023, and corresponds with our financial projections, as shown below.

**FIGURE 3-14 ADR FORECAST – MARKET AND PROPOSED SUBJECT HOTEL**

Calendar Year	Historical		2021	2022	2023	2024	2025	2026	2027	2028
	2019	2020								
Market ADR	\$171.04	\$132.27	\$149.46	\$167.40	\$175.77	\$181.04	\$186.47	\$192.07	\$197.83	\$203.76
Projected Market ADR Growth Rate	—	-22.7%	13.0%	12.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Proposed Subject Property ADR (As-If Stabilized)	<b>\$175.00</b>	\$135.33	\$152.92	\$171.27	\$179.83	\$185.23	\$190.79	\$196.51	\$202.41	\$208.48
ADR Growth Rate		-22.7%	13.0%	12.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Proposed Subject Stabilized ADR Penetration	102%	102%	102%	102%	102%	102%	102%	102%	102%	102.3%
Fiscal Year					2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Proposed Subject Property Average Rate					\$182.07	\$187.53	\$193.15	\$198.95	\$204.92	\$211.07
Opening Discount					3.0%	1.0%	0.0%	0.0%	0.0%	0.0%
Average Rate After Discount					<b>\$176.60</b>	<b>\$185.65</b>	<b>\$193.15</b>	<b>\$198.95</b>	<b>\$204.92</b>	<b>\$211.07</b>
Real Average Rate Growth					—	5.1%	4.0%	3.0%	3.0%	3.0%
Market ADR					\$177.95	\$183.29	\$188.79	\$194.45	\$200.29	\$206.29
Proposed Subject ADR Penetration (After Discount)					99%	101%	102%	102%	102%	102%
ADR Expressed in Base-Year Dollars Deflated @ Inflation Rate					\$160.02	\$163.32	\$164.97	\$164.97	\$164.97	\$164.97

Discounts of 3% and 1% have been applied to the stabilized room rates projected for the first two years of operation, as would be expected for a new property of this type as it builds its reputation and becomes established in the market.

**FIGURE 3-15 ADR AND OCCUPANCY FORECAST - CONCLUSION**

Year	Occupancy	Average Rate		Average Rate After Discount
		Before Discount	Discount	
2023/24	68 %	\$182.07	3.0 %	\$176.60
2024/25	77	187.53	1.0	185.65
2025/26	80	193.15	0.0	193.15

### Forecast of Income and Expense

The following table presents a detailed forecast through the fifth projection year, including amounts per available room (PAR) and per occupied room (POR). The second table illustrates our ten-year forecast of income and expense, presented with a lesser degree of detail. The forecasts pertain to years that begin on June 1, 2023, expressed in inflated dollars for each year.

**FIGURE 3-16 DETAILED FORECAST OF INCOME AND EXPENSE**

	2023/24 Begins June				2024/25				Stabilized				2026/27				2027/28			
Number of Rooms:	150				150				150				150				150			
Occupancy:	68%				77%				80%				80%				80%			
Average Rate:	\$176.60				\$185.65				\$193.15				\$198.95				\$204.92			
RevPAR:	\$120.09				\$142.95				\$154.52				\$159.16				\$163.93			
Days Open:	365				365				365				365				365			
Occupied Rooms:	37,230	%Gross	PAR	POR	42,158	%Gross	PAR	POR	43,800	%Gross	PAR	POR	43,800	%Gross	PAR	POR	43,800	%Gross	PAR	POR
<b>OPERATING REVENUE</b>																				
Rooms	\$6,575	89.9 %	\$43,833	\$176.60	\$7,827	90.5 %	\$52,180	\$185.66	\$8,460	90.7 %	\$56,400	\$193.15	\$8,714	90.7 %	\$58,093	\$198.95	\$8,975	90.7 %	\$59,833	\$204.91
Food & Beverage	608	8.3	4,054	16.33	686	7.9	4,572	16.27	727	7.8	4,846	16.60	749	7.8	4,991	17.09	771	7.8	5,141	17.61
Other Operated Departments	93	1.3	623	2.51	100	1.2	665	2.36	104	1.1	692	2.37	107	1.1	713	2.44	110	1.1	734	2.52
Miscellaneous Income	35	0.5	234	0.94	37	0.4	249	0.89	39	0.4	260	0.89	40	0.4	267	0.92	41	0.4	275	0.94
Total Operating Revenues	7,312	100.0	48,744	196.39	8,650	100.0	57,666	205.18	9,330	100.0	62,198	213.01	9,610	100.0	64,065	219.40	9,898	100.0	65,984	225.97
<b>DEPARTMENTAL EXPENSES *</b>																				
Rooms	1,537	23.4	10,245	41.28	1,659	21.2	11,057	39.34	1,734	20.5	11,562	39.60	1,786	20.5	11,909	40.78	1,840	20.5	12,266	42.01
Food & Beverage	585	96.3	3,903	15.72	627	91.4	4,181	14.88	654	90.0	4,361	14.94	674	90.0	4,492	15.38	694	90.0	4,627	15.85
Other Operated Departments	39	41.3	257	1.04	40	40.3	268	0.95	42	40.0	277	0.95	43	40.0	285	0.98	44	40.0	294	1.01
Total Expenses	2,161	29.6	14,405	58.04	2,326	26.9	15,506	55.17	2,430	26.0	16,200	55.48	2,503	26.0	16,686	57.15	2,578	26.0	17,187	58.86
DEPARTMENTAL INCOME	5,151	70.4	34,339	138.35	6,324	73.1	42,160	150.01	6,900	74.0	45,997	157.53	7,107	74.0	47,379	162.26	7,320	74.0	48,797	167.11
<b>UNDISTRIBUTED OPERATING EXPENSES</b>																				
Administrative & General	812	11.1	5,415	21.82	824	9.5	5,496	19.56	818	8.8	5,453	18.67	842	8.8	5,616	19.23	868	8.8	5,785	19.81
Info & Telecom Systems	48	0.7	321	1.29	51	0.6	341	1.21	53	0.6	356	1.22	55	0.6	366	1.25	57	0.6	377	1.29
Marketing	477	6.5	3,179	12.81	484	5.6	3,226	11.48	480	5.1	3,201	10.96	494	5.1	3,297	11.29	509	5.1	3,395	11.63
Franchise Fee	569	7.8	3,792	15.28	677	7.8	4,514	16.06	732	7.8	4,879	16.71	754	7.8	5,025	17.21	776	7.8	5,176	17.72
Prop. Operations & Maint.	244	3.3	1,627	6.55	292	3.4	1,946	6.92	338	3.6	2,252	7.71	348	3.6	2,320	7.94	358	3.6	2,389	8.18
Utilities	257	3.5	1,712	6.90	273	3.2	1,821	6.48	284	3.0	1,897	6.50	293	3.0	1,954	6.69	302	3.0	2,012	6.89
Total Expenses	2,407	32.9	16,046	64.65	2,601	30.1	17,343	61.71	2,705	28.9	18,036	61.77	2,787	28.9	18,577	63.62	2,870	28.9	19,134	65.53
GROSS OPERATING PROFIT	2,744	37.5	18,293	73.70	3,723	43.0	24,817	88.30	4,194	45.1	27,961	95.76	4,320	45.1	28,801	98.63	4,449	45.1	29,663	101.58
Management Fee	219	3.0	1,462	5.89	259	3.0	1,730	6.16	280	3.0	1,866	6.39	288	3.0	1,922	6.58	297	3.0	1,980	6.78
INCOME BEFORE NON-OPR. INC. & EXP.	2,525	34.5	16,831	67.81	3,463	40.0	23,087	82.15	3,914	42.1	26,095	89.37	4,032	42.1	26,879	92.05	4,152	42.1	27,683	94.81
<b>NON-OPERATING INCOME &amp; EXPENSE</b>																				
Property Taxes	425	5.8	2,834	11.42	434	5.0	2,891	10.29	442	4.7	2,948	10.10	451	4.7	3,007	10.30	460	4.6	3,068	10.51
Insurance	101	1.4	670	2.70	104	1.2	691	2.46	107	1.1	711	2.44	110	1.1	733	2.51	113	1.1	755	2.58
Retail Income	(310)	(4.2)	(2,068)	(8.33)	(320)	(3.7)	(2,130)	(7.58)	(329)	(3.5)	(2,194)	(7.51)	(339)	(3.5)	(2,260)	(7.74)	(349)	(3.5)	(2,328)	(7.97)
Total Expenses	215	3.0	1,436	5.79	218	2.5	1,451	5.16	220	2.3	1,466	5.02	222	2.3	1,480	5.07	224	2.2	1,495	5.12
EBITDA	2,309	31.5	15,395	62.03	3,245	37.5	21,636	76.98	3,694	39.8	24,629	84.35	3,810	39.8	25,399	86.98	3,928	39.9	26,189	89.69
Reserve for Replacement	146	2.0	975	3.93	259	3.0	1,730	6.16	373	4.0	2,488	8.52	384	4.0	2,563	8.78	396	4.0	2,639	9.04
EBITDA LESS RESERVE	\$2,163	29.5 %	\$14,420	\$58.10	\$2,986	34.5 %	\$19,906	\$70.83	\$3,321	35.8 %	\$22,142	\$75.83	\$3,425	35.8 %	\$22,836	\$78.21	\$3,532	35.9 %	\$23,549	\$80.65

\*Departmental expenses are expressed as a percentage of departmental revenues.



**FIGURE 3-17 TEN-YEAR FORECAST OF INCOME AND EXPENSE**

	2023/24		2024/25		2025/26		2026/27		2027/28		2028/29		2029/30		2030/31		2031/32		2032/33	
Number of Rooms:	150		150		150		150		150		150		150		150		150		150	
Occupied Rooms:	37,230		42,158		43,800		43,800		43,800		43,800		43,800		43,800		43,800		43,800	
Occupancy:	68%		77%		80%		80%		80%		80%		80%		80%		80%		80%	
Average Rate:	\$176.60	% of	\$185.65	% of	\$193.15	% of	\$198.95	% of	\$204.92	% of	\$211.07	% of	\$217.40	% of	\$223.92	% of	\$230.64	% of	\$237.56	% of
RevPAR:	\$120.09	Gross	\$142.95	Gross	\$154.52	Gross	\$159.16	Gross	\$163.93	Gross	\$168.85	Gross	\$173.92	Gross	\$179.14	Gross	\$184.51	Gross	\$190.04	Gross
<b>OPERATING REVENUE</b>																				
Rooms	\$6,575	89.9 %	\$7,827	90.5 %	\$8,460	90.7 %	\$8,714	90.7 %	\$8,975	90.7 %	\$9,245	90.7 %	\$9,522	90.7 %	\$9,808	90.7 %	\$10,102	90.7 %	\$10,405	90.7 %
Food & Beverage	608	8.3	686	7.9	727	7.8	749	7.8	771	7.8	794	7.8	818	7.8	843	7.8	868	7.8	894	7.8
Other Operated Departments	93	1.3	100	1.2	104	1.1	107	1.1	110	1.1	113	1.1	117	1.1	120	1.1	124	1.1	128	1.1
Miscellaneous Income	35	0.5	37	0.4	39	0.4	40	0.4	41	0.4	43	0.4	44	0.4	45	0.4	46	0.4	48	0.4
Total Operating Revenues	7,312	100.0	8,650	100.0	9,330	100.0	9,610	100.0	9,898	100.0	10,195	100.0	10,501	100.0	10,816	100.0	11,140	100.0	11,475	100.0
<b>DEPARTMENTAL EXPENSES *</b>																				
Rooms	1,537	23.4	1,659	21.2	1,734	20.5	1,786	20.5	1,840	20.5	1,895	20.5	1,952	20.5	2,011	20.5	2,071	20.5	2,133	20.5
Food & Beverage	585	96.3	627	91.4	654	90.0	674	90.0	694	90.0	715	90.0	736	90.0	758	90.0	781	90.0	805	90.0
Other Operated Departments	39	41.3	40	40.3	42	40.0	43	40.0	44	40.0	45	40.0	47	40.0	48	40.0	50	40.0	51	40.0
Total Expenses	2,161	29.6	2,326	26.9	2,430	26.0	2,503	26.0	2,578	26.0	2,655	26.0	2,735	26.0	2,817	26.0	2,902	26.0	2,989	26.0
<b>DEPARTMENTAL INCOME</b>	5,151	70.4	6,324	73.1	6,900	74.0	7,107	74.0	7,320	74.0	7,540	74.0	7,766	74.0	7,999	74.0	8,239	74.0	8,486	74.0
<b>UNDISTRIBUTED OPERATING EXPENSES</b>																				
Administrative & General	812	11.1	824	9.5	818	8.8	842	8.8	868	8.8	894	8.8	921	8.8	948	8.8	977	8.8	1,006	8.8
Info & Telecom Systems	48	0.7	51	0.6	53	0.6	55	0.6	57	0.6	58	0.6	60	0.6	62	0.6	64	0.6	66	0.6
Marketing	477	6.5	484	5.6	480	5.1	494	5.1	509	5.1	525	5.1	540	5.1	557	5.1	573	5.1	590	5.1
Franchise Fee	569	7.8	677	7.8	732	7.8	754	7.8	776	7.8	800	7.8	824	7.8	848	7.8	874	7.8	900	7.8
Prop. Operations & Maint.	244	3.3	292	3.4	338	3.6	348	3.6	358	3.6	369	3.6	380	3.6	392	3.6	403	3.6	415	3.6
Utilities	257	3.5	273	3.2	284	3.0	293	3.0	302	3.0	311	3.0	320	3.0	330	3.0	340	3.0	350	3.0
Total Expenses	2,407	32.9	2,601	30.1	2,705	28.9	2,787	28.9	2,870	28.9	2,956	28.9	3,045	28.9	3,136	28.9	3,230	28.9	3,327	28.9
<b>GROSS OPERATING PROFIT</b>	2,744	37.5	3,723	43.0	4,194	45.1	4,320	45.1	4,449	45.1	4,584	45.1	4,721	45.1	4,863	45.1	5,008	45.1	5,159	45.1
Management Fee	219	3.0	259	3.0	280	3.0	288	3.0	297	3.0	306	3.0	315	3.0	324	3.0	334	3.0	344	3.0
<b>INCOME BEFORE NON-OPR. INC. &amp; EXP.</b>	2,525	34.5	3,463	40.0	3,914	42.1	4,032	42.1	4,152	42.1	4,278	42.1	4,406	42.1	4,538	42.1	4,674	42.1	4,814	42.1
<b>NON-OPERATING INCOME &amp; EXPENSE</b>																				
Property Taxes	425	5.8	434	5.0	442	4.7	451	4.7	460	4.6	469	4.6	479	4.6	488	4.5	498	4.5	508	4.4
Insurance	101	1.4	104	1.2	107	1.1	110	1.1	113	1.1	117	1.1	120	1.1	124	1.1	127	1.1	131	1.1
Retail Income	(310)	(4.2)	(320)	(3.7)	(329)	(3.5)	(339)	(3.5)	(349)	(3.5)	(360)	(3.5)	(370)	(3.5)	(382)	(3.5)	(393)	(3.5)	(405)	(3.5)
Total Expenses	215	3.0	218	2.5	220	2.3	222	2.3	224	2.2	226	2.2	228	2.2	230	2.1	232	2.1	234	2.0
<b>EBITDA</b>	2,309	31.5	3,245	37.5	3,694	39.8	3,810	39.8	3,928	39.9	4,051	39.9	4,177	39.9	4,308	40.0	4,442	40.0	4,580	40.1
Reserve for Replacement	146	2.0	259	3.0	373	4.0	384	4.0	396	4.0	408	4.0	420	4.0	433	4.0	446	4.0	459	4.0
<b>EBITDA LESS RESERVE</b>	\$2,163	29.5 %	\$2,986	34.5 %	\$3,321	35.8 %	\$3,425	35.8 %	\$3,532	35.9 %	\$3,644	35.9 %	\$3,757	35.9 %	\$3,875	36.0 %	\$3,996	36.0 %	\$4,121	36.1 %

Our positioning of each revenue and expense level is supported by comparable operations or trends specific to this market.

**FIGURE 3-18 COMPARABLE OPERATING STATEMENTS: RATIO TO SALES**

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
						Stabilized \$
Year:	2019	2018	2018	2018	2017	2019
Edition:	11	11	11	11	11	11
Number of Rooms:	150 to 200	80 to 100	100 to 130	190 to 240	170 to 220	150
Days Open:	365	365	365	365	365	365
Occupancy:	80%	80%	80%	76%	81%	80%
Average Rate:	\$159	\$164	\$163	\$172	\$172	\$163
RevPAR:	\$127	\$131	\$130	\$131	\$138	\$130
<b>REVENUE</b>						
Rooms	82.3 %	93.7 %	93.1 %	92.8 %	84.6 %	90.7 %
Food & Beverage	9.1	4.5	5.4	5.1	13.3	7.8
Other Operated Departments	7.0	1.1	1.0	0.3	1.3	1.1
Miscellaneous Income	1.6	0.7	0.5	1.8	0.9	0.4
Total	100.0	100.0	100.0	100.0	100.0	100.0
<b>DEPARTMENTAL EXPENSES*</b>						
Rooms	21.7	18.8	16.2	20.2	21.7	20.5
Food & Beverage	86.7	131.3	96.7	45.3	85.4	90.0
Other Operated Departments	10.1	36.2	52.8	69.8	15.0	40.0
Total	26.4	23.9	20.8	21.3	29.9	26.0
<b>DEPARTMENTAL INCOME</b>	73.6	76.1	79.2	78.7	70.1	74.0
<b>UNDISTRIBUTED OPERATING EXPENSES</b>						
Administrative & General	7.0	10.0	7.6	8.7	11.3	8.8
Info. and Telecom. Systems	0.6	1.0	0.4	1.1	1.1	0.6
Marketing	4.9	6.6	3.6	8.1	7.0	5.1
Franchise Fee	6.2	5.1	6.4	4.4	7.3	7.8
Property Operations & Maintenance	3.6	3.5	3.2	4.2	4.1	3.6
Utilities	3.1	3.3	2.5	2.8	3.6	3.0
Total	25.4	29.5	23.8	29.4	34.3	29.0
<b>GROSS OPERATING PROFIT</b>	48.2	46.6	55.4	49.3	35.8	45.0
Management Fee	2.9	3.5	4.0	4.7	2.0	3.0
<b>INCOME BEFORE NON-OPER. INC. &amp; EXP.</b>	45.3	43.1	51.4	44.6	33.8	42.0
<b>EBITDA LESS RESERVE</b>	36.2 %	35.6 %	47.7 %	36.9 %	29.7 %	35.6 %

\* Departmental expense ratios are expressed as a percentage of departmental revenues

**FIGURE 3-19 COMPARABLE OPERATING STATEMENTS: AMOUNTS PER AVAILABLE ROOM**

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
						Stabilized \$
Year:	2019	2018	2018	2018	2017	2019
Edition:	11	11	11	11	11	11
Number of Rooms:	150 to 200	80 to 100	100 to 130	190 to 240	170 to 220	150
Days Open:	365	365	365	365	365	365
Occupancy:	80%	80%	80%	76%	81%	80%
Average Rate:	\$159	\$164	\$163	\$172	\$172	\$163
RevPAR:	\$127	\$131	\$130	\$131	\$138	\$130
<b>REVENUE</b>						
Rooms	\$46,403	\$47,761	\$47,444	\$47,890	\$50,525	\$47,581
Food & Beverage	5,103	2,310	2,731	2,648	7,930	4,088
Other Operated Departments	3,964	536	498	143	753	584
Miscellaneous Income	903	380	278	925	513	219
Total	56,374	50,987	50,951	51,606	59,721	52,472
<b>DEPARTMENTAL EXPENSES</b>						
Rooms	10,048	8,977	7,704	9,675	10,979	9,754
Food & Beverage	4,426	3,034	2,641	1,200	6,771	3,679
Other Operated Departments	399	194	263	100	113	234
Total	14,873	12,205	10,608	10,975	17,863	13,667
<b>DEPARTMENTAL INCOME</b>	41,500	38,782	40,343	40,630	41,857	38,805
<b>UNDISTRIBUTED OPERATING EXPENSES</b>						
Administrative & General	3,964	5,095	3,880	4,505	6,754	4,600
Info. and Telecom. Systems	352	507	202	572	628	300
Marketing	2,737	3,347	1,841	4,192	4,166	2,700
Franchise Fee	3,515	2,620	3,275	2,274	4,356	4,116
Property Operations & Maintenance	2,024	1,790	1,646	2,159	2,449	1,900
Utilities	1,740	1,657	1,295	1,458	2,123	1,600
Total	14,333	15,017	12,138	15,160	20,477	15,216
<b>GROSS OPERATING PROFIT</b>	27,167	23,765	28,205	25,470	21,380	23,589
Management Fee	1,635	1,785	2,038	2,436	1,194	1,574
<b>INCOME BEFORE NON-OPER. INC. &amp; EXP.</b>	25,533	21,980	26,167	23,034	20,186	22,015
<b>EBITDA LESS RESERVE</b>	\$20,409	\$18,119	\$24,299	\$19,070	\$17,777	\$18,680

**FIGURE 3-20 COMPARABLE OPERATING STATEMENTS: AMOUNTS PER OCCUPIED ROOM**

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
						Stabilized \$
Year:	2019	2018	2018	2018	2017	2019
Edition:	11	11	11	11	11	11
Number of Rooms:	150 to 200	80 to 100	100 to 130	190 to 240	170 to 220	150
Days Open:	365	365	365	365	365	365
Occupancy:	80%	80%	80%	76%	81%	80%
Average Rate:	\$159	\$164	\$163	\$172	\$172	\$163
RevPAR:	\$127	\$131	\$130	\$131	\$138	\$130
<b>REVENUE</b>						
Rooms	\$158.72	\$163.87	\$163.33	\$172.19	\$171.53	\$162.95
Food & Beverage	17.45	7.93	9.40	9.52	26.92	14.00
Other Operated Departments	13.56	1.84	1.72	0.51	2.56	2.00
Miscellaneous Income	3.09	1.30	0.96	3.33	1.74	0.75
Total	192.82	174.93	175.40	185.55	202.75	179.70
<b>DEPARTMENTAL EXPENSES</b>						
Rooms	34.37	30.80	26.52	34.79	37.27	33.40
Food & Beverage	15.14	10.41	9.09	4.32	22.99	12.60
Other Operated Departments	1.36	0.67	0.91	0.36	0.38	0.80
Total	50.87	41.88	36.52	39.46	60.65	46.80
<b>DEPARTMENTAL INCOME</b>	141.95	133.06	138.89	146.09	142.10	132.89
<b>UNDISTRIBUTED OPERATING EXPENSES</b>						
Administrative & General	13.56	17.48	13.36	16.20	22.93	15.75
Info. and Telecom. Systems	1.20	1.74	0.69	2.06	2.13	1.03
Marketing	9.36	11.48	6.34	15.07	14.14	9.25
Franchise Fee	12.02	8.99	11.27	8.18	14.79	14.09
Property Operations & Maintenance	6.92	6.14	5.67	7.76	8.31	6.51
Utilities	5.95	5.69	4.46	5.24	7.21	5.48
Total	49.02	51.52	41.79	54.51	69.52	52.11
<b>GROSS OPERATING PROFIT</b>	92.92	81.53	97.10	91.58	72.59	80.79
Management Fee	5.59	6.12	7.02	8.76	4.05	5.39
<b>INCOME BEFORE NON-OPER. INC. &amp; EXP.</b>	87.33	75.41	90.08	82.82	68.53	75.39
<b>EBITDA LESS RESERVE</b>	\$69.80	\$62.16	\$83.65	\$68.57	\$60.35	\$63.97

In conclusion, our analysis reflects a profitable operation, with net income expected to total 35.9% of total revenue by the stabilized year. The stabilized total revenue comprises primarily rooms revenue, with a secondary portion derived from other income sources. On the cost side, departmental expenses total 26.0% of

revenue by the stabilized year, while undistributed operating expenses total 28.9% of total revenues; this assumes that the proposed subject property will be operated competently by a well-known hotel operator. After a 3.0% of total revenues management fee, a net income ratio of 40.3% is forecast by the stabilized year.

## Feasibility Analysis

**FIGURE 3-21 DISCOUNTED CASH FLOW FOR FEASIBILITY CALCULATION**

Stabilized Year	3				
Discount Rate	10.0 %				
Loaded Terminal Cap	8.5				
Transaction Costs	3.0				

Year	Net Income, Before Taxes	Property Taxes	Net Income, After Taxes	Discount Factor @ 10%	Discounted Cash Flow
2023/24	\$2,588,056	\$425,583	\$2,162,474	0.90909	\$1,965,885
2024/25	3,419,517	434,094	2,985,423	0.82645	2,467,291
2025/26	3,763,494	442,776	3,320,718	0.75131	2,494,904
2026/27	3,876,557	451,632	3,424,925	0.68301	2,339,270
2027/28	3,992,521	460,664	3,531,857	0.62092	2,193,005
2028/29	4,112,890	469,877	3,643,013	0.56447	2,056,386
2029/30	4,236,277	479,275	3,757,002	0.51316	1,927,936
2030/31	4,363,365	488,861	3,874,504	0.46651	1,807,485
2031/32	4,494,266	498,638	3,995,628	0.42410	1,694,536
2032/33	4,629,094	508,610	58,368,654 *	0.38554	22,503,643

<b>Estimated Market Value</b>	\$41,450,342
(SAY)	\$41,500,000
Per Room	280,000

<b>Reversion Analysis</b>	
11th Year's EBITDA Less Reserves (not including taxes)	\$4,767,967
Capitalization Rate (loaded with tax rate)	8.5%
Total Sales Proceeds	\$55,925,949
Less: Transaction Costs @ 3.0%	1,677,778
Net Sales Proceeds (Say)	54,248,170

*\*10th year NOI after taxes, plus the reversionary value.*

Our discounted cash flow analysis indicates a net present value for the proposed subject property of \$41,500,000 or \$280,000 per room.

Based on our review of investor surveys, sales transactions, and interviewing market participants, we have selected a discount rate of 10.0% and a terminal cap rate of 8.5% in our analysis. Due to the subject property's California location and the higher property tax implications upon the sale at the end of the hold, the terminal capitalization rate is loaded with the tax rate and is applied to the NOI estimate prior to property taxes.

The below cost estimates are derived from the *2020 HVS Development Cost Survey*, as well as our market and industry knowledge.

**FIGURE 3-22 COST COMPARABLES**

Item	Comp #1		Comp #2		Comp #3		Comp #4	
	Secondary, CA Select-Service		Secondary, CA Extended Stay Midscale		Secondary, CA Select-Service		Secondary, CA Extended Stay Upscale	
	Approx. 180 Rooms		Approx. 110 Rooms		Approx. 180 Rooms		Approx. 190 Rooms	
	Per Room	% of Total	Per Room	% of Total	Per Room	% of Total	Per Room	% of Total
Building	\$197,137	82.6 %	\$194,444	73.9 %	\$197,137	82.6 %	\$201,222	75.7 %
Soft Costs	20,144	8.4	36,343	13.8	20,144	8.4	38,690	14.6
Furniture, Fixtures, & Equipment	20,000	8.4	27,778	10.6	20,000	8.4	18,613	7.0
Pre-Opening Costs & Working Capital	1,429	0.6	0	0.0	1,429	0.6	7,320	2.8
Developer Fee (if Applicable)	0	0.0	4,630	1.8	0	0.0	0	0.0
Total (Excluding Site Cost)	\$238,709	94.3 %	\$263,194	86.6 %	\$238,709	94.3 %	\$265,845	88.0 %
Site Cost	\$14,457	5.7 %	\$40,741	13.4 %	\$14,457	5.7 %	\$36,082	12.0 %
<b>Total (Including Site Cost)</b>	<b>\$253,167</b>	<b>100.0 %</b>	<b>\$303,935</b>	<b>100.0 %</b>	<b>\$253,167</b>	<b>100.0 %</b>	<b>\$301,927</b>	<b>100.0 %</b>

**FIGURE 3-23 HVS DEVELOPMENT COST POSITIONING - UPSCALE**

Item	Minimum		Maximum		Average		Subject Property	
	Per Room	% of Total	Per Room	% of Total	Per Room	% of Total	Per Room	% of Total
Building	\$194,444	73.9 %	\$201,222	82.6 %	\$197,485	78.7 %	\$180,000	66.1 %
Soft Costs	20,144	8.4	38,690	14.6	28,830	11.3	28,000	10.3
Furniture, Fixtures, & Equipment	18,613	7.0	27,778	10.6	21,598	8.6	25,000	9.2
Pre-Opening Costs & Working Capital	0	0.0	7,320	2.8	2,544	1.0	5,000	1.8
Developer Fee (if Applicable)	0	0.0	4,630	1.8	1,157	0.6	5,000	1.8
Total (Excluding Site Cost)	\$238,709		\$265,845		\$251,615		\$243,000	89.2 %
Site Cost	\$14,457	5.7 %	\$40,741	13.4 %	26,434	9.2 %	\$29,333	10.8 %
<b>Total (Including Site Cost)</b>	<b>\$253,167</b>		<b>\$306,586</b>		<b>\$278,049</b>		<b>\$272,333</b>	<b>100.0 %</b>



**FIGURE 3-24 HVS DEVELOPMENT COST ESTIMATE - UPSCALE**

<b>Item</b>	<b>Cost per Room</b>	<b>Cost</b>
Building	\$180,000	\$27,000,000
Soft Costs	28,000	4,200,000
Furniture, Fixtures, & Equipment	25,000	3,750,000
Pre-Opening Costs & Working Capital	5,000	750,000
Developer Fee (if Applicable)	5,000	750,000
Land	29,333	4,400,000
<b>Total Cost New Before Incentive</b>	<b>\$273,000</b>	<b>\$40,900,000</b>

The derived net present value of \$41,500,000 is 1.5% higher than the estimated replacement cost of \$40,900,000.

Based on our market analysis, there is sufficient market support for the proposed, upscale, select-service hotel. It is important to note that the retail component is an important aspect in our analysis and the project's feasibility is based on the inclusion of this component. Our assumption of replacement cost was developed utilizing development costs from comparable select-service properties in California, derived from the 2020 HVS Development Cost Survey. We have utilized a discounted cash flow (DCF) analysis to come to our conclusion of value upon completion of the project. The when-complete value is above the assumed replacement cost, deeming the project feasible.

## 4. Upper-Upscale Analysis

In the second scenario, the proposed subject hotel is expected to be operated as an upper-upscale, full-service lodging facility, to be affiliated with a national brand. Some brands that fall under this category include Embassy Suites by Hilton, Omni, Sheraton, and the full-service flagship Marriott and Hilton hotels. These hotels typically include a lobby restaurant and bar, which is more complex in scope than what is offered at a select-service hotel; moreover, other food and beverage (F&B) outlets are often provided, such as a fine-dining establishment with elevated offerings and a more robust menu, a café, or a grab-and-go type of outlet. Other services typically present in a full-service hotel include a concierge and room service. Moreover, the proposed subject hotel is anticipated to feature ground-floor retail (leased), meeting space, a fitness center, and a business center, as well as a gift shop.

### Forecast of the Proposed Subject Hotel's Occupancy

The proposed subject hotel's occupancy forecast is set forth as follows, with the adjusted projected penetration rates used as a basis for calculating the amount of captured market demand.

**FIGURE 4-25 FORECAST OF SUBJECT PROPERTY'S OCCUPANCY**

<b>Market Segment</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b>Commercial</b>				
Demand	386,906	412,733	415,737	415,737
Market Share	3.6 %	6.7 %	7.1 %	7.1 %
Capture	13,800	27,474	29,651	29,651
Penetration	87 %	98 %	105 %	105 %
<b>Leisure</b>				
Demand	129,611	133,094	134,063	134,063
Market Share	3.8 %	6.7 %	7.0 %	7.0 %
Capture	4,897	8,978	9,432	9,432
Penetration	92 %	99 %	104 %	104 %
<b>Group</b>				
Demand	75,971	83,314	87,244	87,244
Market Share	2.3 %	4.7 %	5.4 %	5.4 %
Capture	1,780	3,957	4,728	4,728
Penetration	57 %	70 %	80 %	80 %
<b>Total Room Nights Captured</b>	<b>20,477</b>	<b>40,409</b>	<b>43,812</b>	<b>43,812</b>
Available Room Nights	32,100	54,750	54,750	54,750
<b>Subject Occupancy</b>	<b>64 %</b>	<b>74 %</b>	<b>80 %</b>	<b>80 %</b>
Market-wide Available Room Nights	783,763	806,413	806,413	806,413
<b>Fair Share</b>	<b>4 %</b>	<b>7 %</b>	<b>7 %</b>	<b>7 %</b>
Market-wide Occupied Room Nights	592,488	629,141	637,044	637,044
<b>Market Share</b>	<b>3 %</b>	<b>6 %</b>	<b>7 %</b>	<b>7 %</b>
<b>Market-wide Occupancy</b>	<b>76 %</b>	<b>78 %</b>	<b>79 %</b>	<b>79 %</b>
<b>Total Penetration</b>	<b>84 %</b>	<b>95 %</b>	<b>101 %</b>	<b>101 %</b>

These positioned segment penetration rates result in the following market segmentation forecast.

**FIGURE 4-26 MARKET SEGMENTATION FORECAST – SUBJECT PROPERTY**

	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
Commercial	67 %	68 %	68 %	68 %
Leisure	24	22	22	22
Group	9	10	11	11
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

**Forecast of the  
Proposed Subject  
Hotel's Average Rate**

The defined primarily competitive market realized an overall average rate of \$144.17 in the 2020 base year, declining from the 2019 level of \$169.33. The Marriott Irvine Spectrum Center (a secondary competitor) achieved the highest estimated average rate in the local competitive market, by a significant margin, because of the hotel's upper-upscale product offering, popular brand affiliation, and location adjacent to primary commercial demand generators. Of the primary competitive set, the Courtyard by Marriott Irvine Spectrum achieved the highest estimated average rate because of similar aforementioned factors, although this hotel offers a select-service product. Other important rate aspects of this market include location near Interstate 5 and proximity to commercial demand generators. The selected rate position for the proposed subject hotel, in base-year dollars, takes into consideration expected factors such as its ground-floor retail space, full-service amenities, and upper-upscale product offering. We have selected the rate position of \$205.00, in base-year dollars, for the proposed subject hotel. The final forecast reflects years beginning on June 1, 2023, and corresponds with our financial projections, as shown below.

**FIGURE 4-27 ADR FORECAST – MARKET AND PROPOSED SUBJECT HOTEL**

Calendar Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Market ADR	\$171.04	\$132.27	\$149.46	\$167.40	\$175.77	\$181.04	\$186.47	\$192.07	\$197.83	\$203.76
Projected Market ADR Growth Rate	—	-22.7%	13.0%	12.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Proposed Subject Property ADR (As-If Stabilized)	<b>\$205.00</b>	\$158.53	\$179.14	\$200.63	\$210.66	\$216.98	\$223.49	\$230.20	\$237.10	\$244.22
ADR Growth Rate		-22.7%	13.0%	12.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Proposed Subject Stabilized ADR Penetration	120%	120%	120%	120%	120%	120%	120%	120%	120%	119.9%
Fiscal Year										
					2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Proposed Subject Property Average Rate					\$213.28	\$219.68	\$226.27	\$233.05	\$240.05	\$247.25
Opening Discount					3.0%	1.0%	0.0%	0.0%	0.0%	0.0%
<b>Average Rate After Discount</b>					<b>\$206.88</b>	<b>\$217.48</b>	<b>\$226.27</b>	<b>\$233.05</b>	<b>\$240.05</b>	<b>\$247.25</b>
Real Average Rate Growth					—	5.1%	4.0%	3.0%	3.0%	3.0%
Market ADR					\$177.95	\$183.29	\$188.79	\$194.45	\$200.29	\$206.29
Proposed Subject ADR Penetration (After Discount)					116%	119%	120%	120%	120%	120%
ADR Expressed in Base-Year Dollars Deflated @ Inflation Rate					\$187.45	\$191.31	\$193.25	\$193.25	\$193.25	\$193.25

Discounts of 3% and 1% have been applied to the stabilized room rates projected for the first two years of operation, as would be expected for a new property of this type as it builds its reputation and becomes established in the market.

**FIGURE 4-28 ADR AND OCCUPANCY FORECAST - CONCLUSION**

Year	Occupancy	Average Rate Before Discount	Discount	Average Rate After Discount
2023/24	68 %	\$213.28	3.0 %	\$206.88
2024/25	76	219.68	1.0	217.48
2025/26	80	226.27	0.0	226.27

### Forecast of Income and Expense

The following table presents a detailed forecast through the fifth projection year, including amounts per available room (PAR) and per occupied room (POR). The second table illustrates our ten-year forecast of income and expense, presented with a lesser degree of detail. The forecasts pertain to years that begin on June 1, 2023, expressed in inflated dollars for each year.

**FIGURE 4-29 DETAILED FORECAST OF INCOME AND EXPENSE**

	2023/24 Begins June				2024/25				Stabilized				2026/27				2027/28			
Number of Rooms:	150				150				150				150				150			
Occupancy:	68%				76%				80%				80%				80%			
Average Rate:	\$206.88				\$217.48				\$226.27				\$233.05				\$240.05			
RevPAR:	\$140.68				\$165.28				\$181.01				\$186.44				\$192.04			
Days Open:	365				365				365				365				365			
Occupied Rooms:	37,230	%Gross	PAR	POR	41,610	%Gross	PAR	POR	43,800	%Gross	PAR	POR	43,800	%Gross	PAR	POR	43,800	%Gross	PAR	POR
<b>OPERATING REVENUE</b>																				
Rooms	\$7,702	79.8	% \$51,347	\$206.88	\$9,049	79.2	% \$60,327	\$217.47	\$9,910	79.6	% \$66,067	\$226.26	\$10,208	79.6	% \$68,053	\$233.06	\$10,514	79.6	% \$70,093	\$240.05
Food & Beverage	1,759	18.2	11,727	47.25	2,183	19.1	14,555	52.47	2,336	18.8	15,576	53.34	2,406	18.8	16,043	54.94	2,479	18.8	16,524	56.59
Other Operated Departments	140	1.5	935	3.77	149	1.3	993	3.58	156	1.3	1,038	3.56	160	1.3	1,070	3.66	165	1.3	1,102	3.77
Miscellaneous Income	47	0.5	312	1.26	50	0.4	331	1.19	52	0.4	346	1.19	53	0.4	357	1.22	55	0.4	367	1.26
Total Operating Revenues	9,648	100.0	64,320	259.15	11,431	100.0	76,206	274.71	12,454	100.0	83,027	284.34	12,828	100.0	85,523	292.89	13,213	100.0	88,087	301.67
<b>DEPARTMENTAL EXPENSES *</b>																				
Rooms	2,020	26.2	13,464	54.25	2,169	24.0	14,458	52.12	2,279	23.0	15,196	52.04	2,348	23.0	15,652	53.60	2,418	23.0	16,122	55.21
Food & Beverage	1,602	91.1	10,682	43.04	1,784	81.7	11,894	42.88	1,869	80.0	12,461	42.67	1,925	80.0	12,834	43.95	1,983	80.0	13,220	45.27
Other Operated Departments	72	51.6	483	1.95	75	50.5	502	1.81	78	50.0	519	1.78	80	50.0	535	1.83	83	50.0	551	1.89
Total Expenses	3,694	38.3	24,629	99.23	4,028	35.2	26,854	96.81	4,226	33.9	28,176	96.49	4,353	33.9	29,021	99.39	4,484	33.9	29,892	102.37
DEPARTMENTAL INCOME	5,954	61.7	39,691	159.92	7,403	64.8	49,352	177.91	8,228	66.1	54,851	187.85	8,475	66.1	56,501	193.50	8,729	66.1	58,195	199.30
<b>UNDISTRIBUTED OPERATING EXPENSES</b>																				
Administrative & General	846	8.8	5,637	22.71	858	7.5	5,721	20.62	853	6.9	5,690	19.49	879	6.9	5,861	20.07	905	6.9	6,036	20.67
Info & Telecom Systems	80	0.8	534	2.15	85	0.7	568	2.05	89	0.7	593	2.03	92	0.7	610	2.09	94	0.7	629	2.15
Marketing	722	7.5	4,815	19.40	733	6.4	4,887	17.62	729	5.9	4,860	16.64	751	5.9	5,006	17.14	773	5.9	5,156	17.66
Franchise Fee	732	7.6	4,878	19.65	860	7.5	5,731	20.66	941	7.6	6,276	21.49	970	7.6	6,465	22.14	999	7.6	6,659	22.80
Prop. Operations & Maint.	231	2.4	1,537	6.19	276	2.4	1,839	6.63	320	2.6	2,134	7.31	330	2.6	2,198	7.53	340	2.6	2,264	7.75
Utilities	296	3.1	1,975	7.96	315	2.8	2,100	7.57	329	2.6	2,193	7.51	339	2.6	2,259	7.74	349	2.6	2,326	7.97
Total Expenses	2,906	30.2	19,375	78.06	3,127	27.3	20,845	75.15	3,262	26.3	21,745	74.47	3,360	26.3	22,398	76.71	3,461	26.3	23,070	79.01
GROSS OPERATING PROFIT	3,047	31.5	20,316	81.85	4,276	37.5	28,507	102.76	4,966	39.8	33,106	113.38	5,115	39.8	34,103	116.79	5,269	39.8	35,125	120.29
Management Fee	289	3.0	1,930	7.77	343	3.0	2,286	8.24	374	3.0	2,491	8.53	385	3.0	2,566	8.79	396	3.0	2,643	9.05
INCOME BEFORE NON-OPR. INC. & EXP.	2,758	28.5	18,386	74.08	3,933	34.5	26,221	94.52	4,592	36.8	30,615	104.85	4,731	36.8	31,537	108.00	4,872	36.8	32,482	111.24
<b>NON-OPERATING INCOME &amp; EXPENSE</b>																				
Property Taxes	485	5.0	3,233	13.03	495	4.3	3,298	11.89	505	4.1	3,364	11.52	515	4.0	3,431	11.75	525	4.0	3,500	11.99
Insurance	101	1.0	670	2.70	104	0.9	691	2.49	107	0.9	711	2.44	110	0.9	733	2.51	113	0.9	755	2.58
Retail Income	(310)	(3.2)	(2,068)	(8.33)	(320)	(2.8)	(2,130)	(7.68)	(329)	(2.6)	(2,194)	(7.51)	(339)	(2.6)	(2,260)	(7.74)	(349)	(2.6)	(2,328)	(7.97)
Total Expenses	275	2.8	1,836	7.40	279	2.4	1,858	6.70	282	2.4	1,881	6.44	286	2.3	1,904	6.52	289	2.3	1,927	6.60
EBITDA	2,483	25.7	16,551	66.68	3,654	32.1	24,362	87.82	4,310	34.4	28,734	98.40	4,445	34.5	29,633	101.48	4,583	34.5	30,555	104.64
Reserve for Replacement	193	2.0	1,286	5.18	343	3.0	2,286	8.24	498	4.0	3,321	11.37	513	4.0	3,421	11.72	529	4.0	3,523	12.07
EBITDA LESS RESERVE	\$2,290	23.7	% \$15,264	\$61.50	\$3,311	29.1	% \$22,076	\$79.58	\$3,812	30.4	% \$25,413	\$87.03	\$3,932	30.5	% \$26,213	\$89.77	\$4,055	30.5	% \$27,032	\$92.58
*Departmental expenses are expressed as a percentage of departmental revenues.																				

**FIGURE 4-30 TEN-YEAR FORECAST OF INCOME AND EXPENSE**

	2023/24		2024/25		2025/26		2026/27		2027/28		2028/29		2029/30		2030/31		2031/32		2032/33	
Number of Rooms:	150		150		150		150		150		150		150		150		150		150	
Occupied Rooms:	37,230		41,610		43,800		43,800		43,800		43,800		43,800		43,800		43,800		43,800	
Occupancy:	68%		76%		80%		80%		80%		80%		80%		80%		80%		80%	
Average Rate:	\$206.88	% of	\$217.48	% of	\$226.27	% of	\$233.05	% of	\$240.05	% of	\$247.25	% of	\$254.67	% of	\$262.31	% of	\$270.17	% of	\$278.28	% of
RevPAR:	\$140.68	Gross	\$165.28	Gross	\$181.01	Gross	\$186.44	Gross	\$192.04	Gross	\$197.80	Gross	\$203.73	Gross	\$209.84	Gross	\$216.14	Gross	\$222.62	Gross
<b>OPERATING REVENUE</b>																				
Rooms	\$7,702	79.8 %	\$9,049	79.2 %	\$9,910	79.6 %	\$10,208	79.6 %	\$10,514	79.6 %	\$10,829	79.6 %	\$11,154	79.6 %	\$11,489	79.6 %	\$11,834	79.6 %	\$12,189	79.6 %
Food & Beverage	1,759	18.2	2,183	19.1	2,336	18.8	2,406	18.8	2,479	18.8	2,553	18.8	2,630	18.8	2,709	18.8	2,790	18.8	2,873	18.8
Other Operated Departments	140	1.5	149	1.3	156	1.3	160	1.3	165	1.3	170	1.3	175	1.3	181	1.3	186	1.3	192	1.3
Miscellaneous Income	47	0.5	50	0.4	52	0.4	53	0.4	55	0.4	57	0.4	58	0.4	60	0.4	62	0.4	64	0.4
Total Operating Revenues	9,648	100.0	11,431	100.0	12,454	100.0	12,828	100.0	13,213	100.0	13,609	100.0	14,017	100.0	14,438	100.0	14,872	100.0	15,318	100.0
<b>DEPARTMENTAL EXPENSES *</b>																				
Rooms	2,020	26.2	2,169	24.0	2,279	23.0	2,348	23.0	2,418	23.0	2,491	23.0	2,565	23.0	2,642	23.0	2,722	23.0	2,803	23.0
Food & Beverage	1,602	91.1	1,784	81.7	1,869	80.0	1,925	80.0	1,983	80.0	2,042	80.0	2,104	80.0	2,167	80.0	2,232	80.0	2,299	80.0
Other Operated Departments	72	51.6	75	50.5	78	50.0	80	50.0	83	50.0	85	50.0	88	50.0	90	50.0	93	50.0	96	50.0
Total Expenses	3,694	38.3	4,028	35.2	4,226	33.9	4,353	33.9	4,484	33.9	4,618	33.9	4,757	33.9	4,900	33.9	5,047	33.9	5,198	33.9
<b>DEPARTMENTAL INCOME</b>	5,954	61.7	7,403	64.8	8,228	66.1	8,475	66.1	8,729	66.1	8,991	66.1	9,261	66.1	9,539	66.1	9,825	66.1	10,120	66.1
<b>UNDISTRIBUTED OPERATING EXPENSES</b>																				
Administrative & General	846	8.8	858	7.5	853	6.9	879	6.9	905	6.9	933	6.9	961	6.9	989	6.9	1,019	6.9	1,050	6.9
Info & Telecom Systems	80	0.8	85	0.7	89	0.7	92	0.7	94	0.7	97	0.7	100	0.7	103	0.7	106	0.7	109	0.7
Marketing	722	7.5	733	6.4	729	5.9	751	5.9	773	5.9	797	5.9	820	5.9	845	5.9	870	5.9	897	5.9
Franchise Fee	732	7.6	860	7.5	941	7.6	970	7.6	999	7.6	1,029	7.6	1,060	7.6	1,091	7.6	1,124	7.6	1,158	7.6
Prop. Operations & Maint.	231	2.4	276	2.4	320	2.6	330	2.6	340	2.6	350	2.6	360	2.6	371	2.6	382	2.6	394	2.6
Utilities	296	3.1	315	2.8	329	2.6	339	2.6	349	2.6	359	2.6	370	2.6	381	2.6	393	2.6	405	2.6
Total Expenses	2,906	30.2	3,127	27.3	3,262	26.3	3,360	26.3	3,461	26.3	3,564	26.3	3,671	26.3	3,781	26.3	3,895	26.3	4,012	26.3
<b>GROSS OPERATING PROFIT</b>	3,047	31.5	4,276	37.5	4,966	39.8	5,115	39.8	5,269	39.8	5,426	39.8	5,589	39.8	5,757	39.8	5,930	39.8	6,108	39.8
Management Fee	289	3.0	343	3.0	374	3.0	385	3.0	396	3.0	408	3.0	421	3.0	433	3.0	446	3.0	460	3.0
<b>INCOME BEFORE NON-OPR. INC. &amp; EXP.</b>	2,758	28.5	3,933	34.5	4,592	36.8	4,731	36.8	4,872	36.8	5,018	36.8	5,169	36.8	5,324	36.8	5,484	36.8	5,649	36.8
<b>NON-OPERATING INCOME &amp; EXPENSE</b>																				
Property Taxes	485	5.0	495	4.3	505	4.1	515	4.0	525	4.0	535	3.9	546	3.9	557	3.9	568	3.8	580	3.8
Insurance	101	1.0	104	0.9	107	0.9	110	0.9	113	0.9	117	0.9	120	0.9	124	0.9	127	0.9	131	0.9
Retail Income	(310)	(3.2)	(320)	(2.8)	(329)	(2.6)	(339)	(2.6)	(349)	(2.6)	(360)	(2.6)	(370)	(2.6)	(382)	(2.6)	(393)	(2.6)	(405)	(2.6)
Total Expenses	275	2.8	279	2.4	282	2.4	286	2.3	289	2.3	292	2.2	296	2.2	299	2.2	303	2.1	306	2.1
<b>EBITDA</b>	2,483	25.7	3,654	32.1	4,310	34.4	4,445	34.5	4,583	34.5	4,726	34.6	4,873	34.6	5,025	34.6	5,181	34.7	5,343	34.7
Reserve for Replacement	193	2.0	343	3.0	498	4.0	513	4.0	529	4.0	544	4.0	561	4.0	578	4.0	595	4.0	613	4.0
<b>EBITDA LESS RESERVE</b>	\$2,290	23.7 %	\$3,311	29.1 %	\$3,812	30.4 %	\$3,932	30.5 %	\$4,055	30.5 %	\$4,181	30.6 %	\$4,312	30.6 %	\$4,447	30.6 %	\$4,587	30.7 %	\$4,730	30.7 %

Our positioning of each revenue and expense level is supported by comparable operations or trends specific to this market.

**FIGURE 4-31 COMPARABLE OPERATING STATEMENTS: RATIO TO SALES**

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
						Stabilized \$
Year:	2019	2017/18	2017	2017	2016	2019
Edition:	11	11	11	11	11	11
Number of Rooms:	200 to 260	160 to 200	210 to 260	250 to 320	120 to 160	150
Days Open:	365	365	365	365	365	365
Occupancy:	88%	81%	85%	81%	75%	80%
Average Rate:	\$178	\$185	\$178	\$180	\$201	\$191
RevPAR:	\$156	\$150	\$152	\$145	\$151	\$153
<b>REVENUE</b>						
Rooms	82.1 %	83.7 %	81.5 %	66.4 %	79.8 %	79.6 %
Food & Beverage	16.1	15.1	17.3	27.7	17.3	18.8
Other Operated Departments	1.3	0.3	0.8	4.9	0.1	1.3
Miscellaneous Income	0.5	0.9	0.4	1.0	2.8	0.4
Total	100.0	100.0	100.0	100.0	100.0	100.0
<b>DEPARTMENTAL EXPENSES*</b>						
Rooms	20.7	20.1	26.7	23.5	23.0	23.0
Food & Beverage	63.4	75.8	81.9	62.6	89.5	80.0
Other Operated Departments	41.4	218.6	40.0	29.2	74.3	50.0
Total	27.7	29.0	36.2	34.4	33.9	33.9
<b>DEPARTMENTAL INCOME</b>	72.3	71.0	63.8	65.6	66.1	66.1
<b>UNDISTRIBUTED OPERATING EXPENSES</b>						
Administrative & General	7.0	8.1	7.8	7.5	8.3	6.9
Info. and Telecom. Systems	0.1	0.9	1.0	0.0	1.6	0.7
Marketing	6.3	7.1	7.1	7.8	5.9	5.9
Franchise Fee	7.8	6.5	3.0	5.5	0.0	7.6
Property Operations & Maintenance	3.1	2.5	4.9	3.4	3.8	2.6
Utilities	3.0	3.8	4.0	3.9	2.7	2.6
Total	27.3	29.0	27.8	28.1	22.2	26.2
<b>GROSS OPERATING PROFIT</b>	45.0	42.0	36.0	37.5	43.9	39.9
Management Fee	3.0	2.5	5.0	3.0	3.0	3.0
<b>INCOME BEFORE NON-OPER. INC. &amp; EXP.</b>	42.0	39.6	31.0	34.5	40.8	36.9
<b>EBITDA LESS RESERVE</b>	31.1 %	35.9 %	25.7 %	25.0 %	32.9 %	30.6 %

\* Departmental expense ratios are expressed as a percentage of departmental revenues



**FIGURE 4-32 COMPARABLE OPERATING STATEMENTS: AMOUNTS PER AVAILABLE ROOM**

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
						Stabilized \$
Year:	2019	2017/18	2017	2017	2016	2019
Edition:	11	11	11	11	11	11
Number of Rooms:	200 to 260	160 to 200	210 to 260	250 to 320	120 to 160	150
Days Open:	365	365	365	365	365	365
Occupancy:	88%	81%	85%	81%	75%	80%
Average Rate:	\$178	\$185	\$178	\$180	\$201	\$191
RevPAR:	\$156	\$150	\$152	\$145	\$151	\$153
<b>REVENUE</b>						
Rooms	\$57,028	\$54,806	\$55,610	\$52,969	\$55,184	\$55,737
Food & Beverage	11,165	9,874	11,796	22,084	11,975	13,140
Other Operated Departments	925	227	540	3,911	42	876
Miscellaneous Income	337	601	259	808	1,918	292
Total	69,455	65,509	68,205	79,772	69,119	70,045
<b>DEPARTMENTAL EXPENSES</b>						
Rooms	11,783	11,023	14,840	12,428	12,696	12,820
Food & Beverage	7,076	7,483	9,665	13,835	10,712	10,512
Other Operated Departments	383	497	216	1,143	31	438
Total	19,242	19,003	24,720	27,406	23,440	23,770
<b>DEPARTMENTAL INCOME</b>	50,213	46,506	43,485	52,367	45,680	46,276
<b>UNDISTRIBUTED OPERATING EXPENSES</b>						
Administrative & General	4,859	5,300	5,313	6,016	5,706	4,800
Info. and Telecom. Systems	47	584	656	25	1,108	500
Marketing	4,406	4,662	4,863	6,187	4,103	4,100
Franchise Fee	5,446	4,262	2,030	4,386	0	5,295
Property Operations & Maintenance	2,155	1,641	3,362	2,679	2,622	1,800
Utilities	2,051	2,521	2,739	3,126	1,838	1,850
Total	18,963	18,970	18,963	22,420	15,378	18,345
<b>GROSS OPERATING PROFIT</b>	31,250	27,536	24,522	29,947	30,302	27,931
Management Fee	2,084	1,620	3,390	2,393	2,073	2,101
<b>INCOME BEFORE NON-OPER. INC. &amp; EXP.</b>	29,167	25,915	21,132	27,554	28,229	25,830
<b>EBITDA LESS RESERVE</b>	\$21,622	\$23,465	\$17,501	\$19,969	\$22,786	\$21,441

**FIGURE 4-33 COMPARABLE OPERATING STATEMENTS: AMOUNTS PER OCCUPIED ROOM**

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
						Stabilized \$
Year:	2019	2017/18	2017	2017	2016	2019
Edition:	11	11	11	11	11	11
Number of Rooms:	200 to 260	160 to 200	210 to 260	250 to 320	120 to 160	150
Days Open:	365	365	365	365	365	365
Occupancy:	88%	81%	85%	81%	75%	80%
Average Rate:	\$178	\$185	\$178	\$180	\$201	\$191
RevPAR:	\$156	\$150	\$152	\$145	\$151	\$153
<b>REVENUE</b>						
Rooms	\$178.21	\$184.78	\$178.35	\$179.61	\$200.77	\$190.88
Food & Beverage	34.89	33.29	37.83	74.88	43.57	45.00
Other Operated Departments	2.89	0.77	1.73	13.26	0.15	3.00
Miscellaneous Income	1.05	2.03	0.83	2.74	6.98	1.00
Total	217.05	220.87	218.74	270.49	251.46	239.88
<b>DEPARTMENTAL EXPENSES</b>						
Rooms	36.82	37.16	47.59	42.14	46.19	43.90
Food & Beverage	22.11	25.23	31.00	46.91	38.97	36.00
Other Operated Departments	1.20	1.67	0.69	3.88	0.11	1.50
Total	60.13	64.07	79.28	92.93	85.28	81.40
<b>DEPARTMENTAL INCOME</b>	156.92	156.80	139.46	177.56	166.19	158.48
<b>UNDISTRIBUTED OPERATING EXPENSES</b>						
Administrative & General	15.19	17.87	17.04	20.40	20.76	16.44
Info. and Telecom. Systems	0.15	1.97	2.10	0.09	4.03	1.71
Marketing	13.77	15.72	15.60	20.98	14.93	14.04
Franchise Fee	17.02	14.37	6.51	14.87	0.00	18.13
Property Operations & Maintenance	6.73	5.53	10.78	9.08	9.54	6.16
Utilities	6.41	8.50	8.78	10.60	6.69	6.34
Total	59.26	63.96	60.82	76.02	55.95	62.82
<b>GROSS OPERATING PROFIT</b>	97.66	92.84	78.64	101.54	110.24	95.65
Management Fee	6.51	5.46	10.87	8.11	7.54	7.20
<b>INCOME BEFORE NON-OPER. INC. &amp; EXP.</b>	91.15	87.37	67.77	93.43	102.70	88.46
<b>EBITDA LESS RESERVE</b>	\$67.57	\$79.11	\$56.13	\$67.71	\$82.90	\$73.43

In conclusion, our analysis reflects a profitable operation, with net income expected to total 30.5% of total revenue by the stabilized year. The stabilized total revenue comprises primarily rooms revenue, with a secondary portion derived from other income sources. On the cost side, departmental expenses total 33.9% of revenue by the stabilized year, while undistributed operating expenses total 26.3% of total revenues; this assumes that the proposed subject property will be operated competently by a well-known hotel operator. After a 3.0% of total revenues management fee, a net income ratio of 34.7% is forecast by the stabilized year.

## Feasibility Analysis

**FIGURE 4-34 DISCOUNTED CASH FLOW FOR FEASIBILITY CALCULATION**

Stabilized Year	3				
Discount Rate	10.0 %				
Loaded Terminal Cap	8.5				
Transaction Costs	3.0				
Year	Net Income, Before Taxes	Property Taxes	Net Income, After Taxes	Discount Factor @ 10%	Discounted Cash Flow
2023/24	\$2,774,603	\$485,062	\$2,289,542	0.90909	\$2,081,402
2024/25	3,806,092	494,763	3,311,330	0.82645	2,736,636
2025/26	4,316,484	504,658	3,811,826	0.75131	2,863,881
2026/27	4,446,530	514,751	3,931,779	0.68301	2,685,458
2027/28	4,579,737	525,046	4,054,690	0.62092	2,517,644
2028/29	4,716,798	535,547	4,181,251	0.56447	2,360,207
2029/30	4,858,302	546,258	4,312,044	0.51316	2,212,760
2030/31	5,004,051	557,183	4,446,867	0.46651	2,074,496
2031/32	5,154,172	568,327	4,585,845	0.42410	1,944,846
2032/33	5,308,797	579,693	66,942,691 *	0.38554	25,809,305
<b>Estimated Market Value</b>					\$47,286,635
(SAY)					\$47,300,000
Per Room					320,000
<b>Reversion Analysis</b>					
11th Year's EBITDA Less Reserves (not					\$5,468,061
Capitalization Rate (loaded with tax rate)					8.5%
Total Sales Proceeds					\$64,137,719
Less: Transaction Costs @ 3.0%					1,924,132
Net Sales Proceeds (Say)					62,213,587

\*10th year NOI after taxes, plus the reversionary value.

Our discounted cash flow analysis indicates a net present value for the proposed subject property of \$47,300,000 or \$320,000 per room.

Based on our review of investor surveys, sales transactions, and interviewing market participants, we have selected a discount rate of 10.0% and a terminal cap rate of 8.5% in our analysis. Due to the subject property's California location and the higher property tax implications upon the sale at the end of the hold, the terminal capitalization rate is loaded with the tax rate and is applied to the NOI estimate prior to property taxes.

The below cost estimates are derived from the *2020 HVS Development Cost Survey*, as well as our market and industry knowledge.

**FIGURE 4-35 COST COMPARABLES**

Item	Comp #1		Comp #2		Comp #3		Comp #4	
	Primary, CA		Secondary, CA		Secondary, CA		Primary, CA	
	Full-Service		Full-Service		Full-Service		Full-Service	
	Approx. 180 Rooms		Approx. 140 Rooms		Approx. 150 Rooms		Approx. 130 Rooms	
	Per Room	% of Total	Per Room	% of Total	Per Room	% of Total	Per Room	% of Total
Building	\$287,295	72.4 %	\$238,879	75.3 %	\$267,715	73.5 %	\$206,118	81.1 %
Soft Costs	47,666	12.0	46,300	14.6	30,298	8.3	31,986	12.6
Furniture, Fixtures, & Equipment	32,116	8.1	17,857	5.6	44,371	12.2	16,000	6.3
Pre-Opening Costs & Working Capital	24,450	6.2	14,286	4.5	11,921	3.3	0	0.0
Developer Fee (if Applicable)	5,503	1.4	0	0.0	9,934	2.7	0	0.0
Total (Excluding Site Cost)	\$397,030	93.4 %	\$317,321	91.9 %	\$364,238	92.8 %	\$254,104	100.0 %
Site Cost	\$28,090	6.6 %	\$27,939	8.1 %	\$28,146	7.2 %	\$0	0.0 %
<b>Total (Including Site Cost)</b>	<b>\$425,120</b>	<b>100.0 %</b>	<b>\$345,261</b>	<b>100.0 %</b>	<b>\$392,384</b>	<b>100.0 %</b>	<b>\$254,104</b>	<b>100.0 %</b>

**FIGURE 4-36 HVS DEVELOPMENT COST POSITIONING – UPPER UPSCALE**

Item	Minimum		Maximum		Average		Subject Property	
	Per Room	% of Total	Per Room	% of Total	Per Room	% of Total	Per Room	% of Total
Building	\$206,118	72.4 %	\$287,295	81.1 %	\$250,002	75.6 %	\$250,000	67.3 %
Soft Costs	30,298	8.3	47,666	14.6	39,063	11.9	40,000	10.8
Furniture, Fixtures, & Equipment	16,000	5.6	44,371	12.2	27,586	8.0	35,000	9.4
Pre-Opening Costs & Working Capital	0	0.0	24,450	6.2	12,664	3.5	12,000	3.2
Developer Fee (if Applicable)	0	0.0	9,934	2.7	3,859	1.4	5,000	1.3
Total (Excluding Site Cost)	\$254,104		\$397,030		\$333,174		\$342,000	92.1 %
Site Cost	\$0	0.0 %	\$28,146	8.1 %	21,044	7.3 %	\$29,333	7.9 %
<b>Total (Including Site Cost)</b>	<b>\$254,104</b>		<b>\$425,176</b>		<b>\$354,217</b>		<b>\$371,333</b>	<b>100.0 %</b>

**FIGURE 4-37 HVS DEVELOPMENT COST ESTIMATE – UPPER UPSCALE**

<b>Item</b>	<b>Cost per Room</b>	<b>Cost</b>
Building	\$250,000	\$37,500,000
Soft Costs	40,000	6,000,000
Furniture, Fixtures, & Equipment	35,000	5,250,000
Pre-Opening Costs & Working Capital	12,000	1,800,000
Developer Fee (if Applicable)	5,000	750,000
Land	29,333	4,400,000
<b>Total Cost New Before Incentive</b>	<b>\$371,000</b>	<b>\$55,700,000</b>

The derived net present value of \$47,300,000 is -15.1% below the estimated replacement cost of \$55,700,000.

Based on our market analysis, there is insufficient market support for the proposed, upper-upscale, full-service hotel scenario. Our assumption of replacement cost was developed utilizing development costs from comparable full-service properties in California, derived from the 2020 HVS Development Cost Survey. We have utilized a discounted cash flow (DCF) analysis to come to our conclusion of value upon completion of the project. The when-complete value is notably below the assumed replacement cost, deeming the project not feasible.

This analysis indicates that a hotel development of this caliber or higher is not feasible at this time in this market.

## 5. Method of Study & Statement of Assumptions and Limiting Conditions

### Method of Study

The methodology used to develop this study is based on the market research and valuation techniques set forth in the textbooks authored by HVS for the American Institute of Real Estate Appraisers and the Appraisal Institute, entitled *The Valuation of Hotels and Motels*,<sup>2</sup> *Hotels, Motels and Restaurants: Valuations and Market Studies*,<sup>3</sup> *The Computerized Income Approach to Hotel/Motel Market Studies and Valuations*,<sup>4</sup> and *Hotels and Motels: A Guide to Market Analysis, Investment Analysis, and Valuations*.<sup>5</sup>

1. The subject site has been evaluated from the viewpoint of its physical utility for the future operation of a hotel, as well as access, visibility, and other relevant location factors.
2. The surrounding economic environment, on both an area and neighborhood level, has been reviewed to identify specific hostelry-related economic and demographic trends that may have an impact on future demand for hotels.
3. Dividing the market for transient accommodations into individual segments defines specific market characteristics for the types of travelers expected to utilize the area's hotels. The factors investigated include purpose of visit, average length of stay, required facilities and amenities, seasonality, daily demand fluctuations, and price sensitivity.
4. An analysis of existing and proposed competition provides an indication of the current accommodated demand, along with market penetration and the degree of competitiveness.

<sup>2</sup> Stephen Rushmore, *The Valuation of Hotels and Motels*. (Chicago: American Institute of Real Estate Appraisers, 1978).

<sup>3</sup> Stephen Rushmore, *Hotels, Motels and Restaurants: Valuations and Market Studies*. (Chicago: American Institute of Real Estate Appraisers, 1983).

<sup>4</sup> Stephen Rushmore, *The Computerized Income Approach to Hotel/Motel Market Studies and Valuations*. (Chicago: American Institute of Real Estate Appraisers, 1990).

<sup>5</sup> Stephen Rushmore, *Hotels and Motels: A Guide to Market Analysis, Investment Analysis, and Valuations*. (Chicago: Appraisal Institute, 1992).

5. The subject property's proposed improvements have been evaluated or recommended for optimal capture of demand in this market and at the subject site's location.
6. Documentation for an occupancy and average rate projection is derived utilizing the build-up approach based on an analysis of lodging activity.
7. A detailed projection of income and expense made in accordance with the Uniform System of Accounts for the Lodging Industry sets forth the anticipated economic benefits of the subject property.

#### **Date of Inspection**

The subject property was inspected by Marc Greeley on November 9, 2021

#### **Statement of Assumptions and Limiting Conditions**

1. This report is set forth as a summary of findings only for a market study of the proposed subject hotel; this is not an appraisal report.
2. This report is to be used in whole and not in part.
3. No responsibility is assumed for matters of a legal nature, nor do we render any opinion as to title, which is assumed marketable and free of any deed restrictions and easements. The property is evaluated as though free and clear unless otherwise stated.
4. We assume that there are no hidden or unapparent conditions of the sub-soil or structures, such as underground storage tanks, that would affect the property's development potential. No responsibility is assumed for these conditions or for any engineering that may be required to discover them.
5. We have not considered the presence of potentially hazardous materials or any form of toxic waste on the project site. We are not qualified to detect hazardous substances and urge the client to retain an expert in this field if desired.
6. The Americans with Disabilities Act (ADA) became effective on January 26, 1992. We have assumed the proposed hotel would be designed and constructed to be in full compliance with the ADA.
7. We have made no survey of the site, and we assume no responsibility in connection with such matters. Sketches, photographs, maps, and other exhibits are included to assist the reader in visualizing the property. It is assumed that the use of the described real estate will be within the boundaries of the property described, and that no encroachment will exist.
8. All information, financial operating statements, estimates, and opinions obtained from parties not employed by TS Worldwide, LLC are assumed true and correct. We can assume no liability resulting from misinformation.

9. Unless noted, we assume that there are no encroachments, zoning violations, or building violations encumbering the subject site.
10. The property is assumed to be in full compliance with all applicable federal, state, local, and private codes, laws, consents, licenses, and regulations (including the appropriate liquor license if applicable), and that all licenses, permits, certificates, franchises, and so forth can be freely renewed or transferred to a purchaser.
11. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless specified otherwise.
12. None of this material may be reproduced in any form without our written permission, and the report cannot be disseminated to the public through advertising, public relations, news, sales, or other media.
13. We are not required to give testimony or attendance in court because of this analysis without previous arrangements and shall do so only when our standard per-diem fees and travel costs have been paid prior to the appearance.
14. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material presented in this report, it is recommended that the reader contact us.
15. We take no responsibility for any events or circumstances that take place subsequent to the date of our field inspection.
16. The quality of a lodging facility's onsite management has a direct effect on a property's economic viability. The financial forecasts presented in this analysis assume responsible ownership and competent management. Any departure from this assumption may have a significant impact on the projected operating results.
17. The estimated operating results presented in this report are based on an evaluation of the overall economy, and neither consider nor make provision for the effect of any sharp rise or decline in local or national economic conditions. To the extent that wages and other operating expenses may advance during the economic life of the property, we expect that the prices of rooms, food, beverages, and services will be adjusted to at least offset those advances. We do not warrant that the estimates will be attained, but they have been prepared based upon information obtained during the course of this study and are intended to reflect the expectations of a typical hotel investor.
18. This analysis assumes continuation of all provisions of the Internal Revenue Code of 1986, as amended to date.



19. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity, most numbers have been rounded to the nearest tenth of a percent. Thus, these figures may be subject to small rounding errors.
20. It is agreed that our liability to the client is limited to the amount of the fee paid as liquidated damages. Our responsibility is limited to the client; the use of this report by third parties shall be solely at the risk of the client and/or third parties. The use of this report is also subject to the terms and conditions set forth in our engagement letter with the client.
21. Evaluating and comprising financial forecasts for hotels is both a science and an art. Although this analysis employs various mathematical calculations to provide value indications, the final forecasts are subjective and may be influenced by our experience and other factors not specifically set forth in this report.
22. This study was prepared by TS Worldwide, LLC. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of TS Worldwide, LLC as employees, rather than as individuals.

# Luigi Major, MAI

## EMPLOYMENT

2007 to present

HVS CONSULTING AND VALUATION SERVICES  
Los Angeles, California

## EDUCATION AND OTHER TRAINING

BS – Hotel & Restaurant Management, University of Houston

*Other Specialized Training Classes Completed:*

Uniform Standards of Professional Appraisal Practice – 15 hours

Basic Appraisal Procedures – 30 hours

Basic Appraisal Principles – 30 hours

General Appraiser Income Approach (Parts I and II) – 60 hours

General Appraiser Sales Comparison Approach – 30 hours

General Appraiser Market Analysis and HBU – 30 hours

General Appraiser Site Valuation and Cost Approach – 30 hours

General Appraiser Report Writing and Case Studies – 30 hours

Business Practices and Ethics – 7 hours

Statistics, Modeling and Finance – 15 hours

Advanced Income Capitalization – 40 hours

Advanced Sales Comparison & Cost Approach – 40 hours

Report Writing and Valuation Analysis – 40 hours

Advanced Applications – 40 hours

Fundamentals of Separating Real, Personal Property, and Intangible Business Assets – 15 hours

General Demonstration Report Writing

The Appraiser as an Expert Witness: Preparation and Testimony – 16 hours

California Law – 4 hours

Mortgage Fraud – Protect Yourself – 7 hours

Supervisor Trainee Course for Texas – 7 hours

Appraisal of Land Subject to Ground Lease – 7 hours

Basic Hotel Appraising – 7 hours

Advanced Hotel Appraising – 7 hours

Appraisal of Land Subject to Ground Lease – 7 hours

CA Supervisor/Trainee – 4 hours

The Dirty Dozen – 3 hours

**EDUCATION  
(CONTINUED)**

Income Approach – 7 hours  
 Small Hotel/Motel Valuation – 7 hours  
 NV Law – 3 hours  
 Basics of Expert Witness – 7 hours  
 Appraisal of Owner-Occupied Commercial Properties – 7 hours  
 CA Law – 4 hours  
 Biennial USPAP Updates

**STATE CERTIFICATIONS**

Arizona, California, Hawaii, Nevada, Texas

**PROFESSIONAL  
AFFILIATIONS**

Appraisal Institute – Designated Member (MAI)

**PUBLISHED ARTICLES**

<i>HVS Journal</i>	"COVID-19's Impact on the Los Angeles Hotel Market," April 2021
<i>HVS Journal</i>	"U.S. Hotel Development Cost Survey 2020," October 2020
<i>HVS Journal</i>	"Impact of COVID-19 on the Tucson Hotel Market," July 2020
<i>HVS Journal</i>	"Impact of COVID-19 on Los Angeles & Southern California Hotel Markets," April 2020
<i>HVS Journal</i>	"U.S. Hotel Development Cost Survey 2018/19," September 2019
<i>HVS Journal</i>	"Market Pulse: Los Angeles, CA," March 2019
<i>HVS Journal</i>	"HVS Hotel Development Cost Survey 2017/18," November 2018
<i>HVS Journal</i>	"Blurred Lines between Hotels and Airbnb," September 2018
<i>HVS Journal</i>	"Market Pulse: Palm Springs & Desert Cities," February 2018
<i>HVS Journal</i>	"Top 6 Hotel Success Factors," August 2017
<i>HVS Journal</i>	"In Focus: Houston, Texas," February 2016
<i>HVS Journal</i>	"Four Key Takeaways: Meet the Money 2015," co-authored with Li Chen and Susan Furbay, May 2015
<i>HVS Journal</i>	"In Focus: Houston, Texas," co-authored with Yimei Tang, July 2014
<i>HVS Journal</i>	"Effects of Major Renovations on Hotel Market Penetration and Net Present Value," February 2014
<i>HVS Journal</i>	"HVS Market Intelligence Report 2013: Houston," June 2013

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<i>HVS Journal</i>	"HVS Market Intelligence Report: Houston Hotels in 2012," April 2012
<i>HVS Journal</i>	"HVS Report: Foreign Direct Investment, Commercial Real Estate, and Hotel Development in Mexico City." Co-authored by Raul Duarte and Richard Katzman, February 2011
<i>HVS Journal</i>	"San Miguel de Allende – A Beacon for the Tourism Potential of Colonial Towns and Villages," January 2009
<i>HVS Journal</i>	"Mexico's Growing Trend: Master-Planned Resort-Residential Communities," November 2008
<i>HVS Journal</i>	"Guadalajara – Preparing for the Future," May 2008
<i>HVS Journal</i>	"HVS Market Intelligence Report: San Juan, Puerto Rico," November 2007
<i>HVS Journal</i>	"HVS Market Intelligence Report: Liberia, Costa Rica," September 2007

## EXAMPLES OF PROPERTIES APPRAISED OR EVALUATED

### PORTFOLIO ANALYSIS

Portfolio of 6 Embassy Suites Hotels, Various Locations  
 Portfolio of 5 Proposed Hotels, Colombia  
 Ladder Capital Portfolio of 6 Hotels, Colorado and Texas  
 Ladder Capital Package of 4 Hotels, Texas  
 Portfolio of 8 Embassy Suites Hotels, Various Locations  
 Lone Star Portfolio of 38 Hyatt Hotels, Various Locations  
 Portfolio of 13 Hotels for JPMorgan Chase, Texas and New Mexico  
 Portfolio of 5 Extended-Stay Hotels throughout the South  
 Portfolio of 3 Hotels, San Diego  
 Portfolio of 2 Full-Service Hotels, Houston  
 Portfolio of 8 Marriott or Embassy Suites Hotels, California and Nevada  
 Portfolio of 2 Proposed Hotels, Mesa, Arizona  
 Portfolio of 2 Ayres Hotels, Southern California  
 Portfolio of 2 Hotels, Beverly Hills

### ALABAMA

Hampton Inn, Birmingham  
 City Lodge, Florence  
 Holiday Inn, Hoover  
 Hampton Inn, Pell City

### ARIZONA

Proposed EVEN Hotel Avondale, Avondale  
 Proposed Home2 Suites by Hilton, Avondale  
 Proposed Hotel, Campe Verde  
 Holiday Inn, Casa Grande  
 Proposed Limited-Service Hotel at the Promenade, Casa Grande

Proposed Hotel near Gilbert Heritage District, Gilbert  
 Proposed SpringHill Suites by Marriott, Lake Havasu  
 Proposed Hotel near Harrah's Ak-Chin Casino, Maricopa  
 Proposed La Quinta Maricopa, Maricopa  
 Proposed Hotel, Mesa  
 Proposed Hotel near Phoenix Mesa Gateway Airport, Mesa  
 Proposed Resort Page, Page  
 Courtyard Phoenix Airport, Phoenix  
 Four Points by Sheraton Phoenix North, Phoenix  
 Proposed Dual-Brand AC/Element, Phoenix  
 Proposed Hampton Inn at Metro Center, Phoenix  
 Proposed Holiday Inn Express & Suites - Phoenix Airport North, Phoenix  
 Proposed Home2 Suites by Hilton Phoenix Airport North, Phoenix  
 Proposed Hotel at Park Central Mall, Phoenix  
 Proposed Hotel Central Station, Phoenix  
 Proposed Hyatt Place Downtown Phoenix, Phoenix  
 Proposed La Quinta - Banner-University Medical Center, Phoenix  
 Proposed La Quinta Inn & Suites McDowell Road, Phoenix  
 Proposed Marriott Tribute, Phoenix  
 Proposed Midtown Hotel, Phoenix  
 Proposed WoodSpring Suites Happy Valley, Phoenix  
 Ramada, Phoenix  
 Red Roof Inn Phoenix Bell Road, Phoenix  
 Residence Inn by Marriott at Mayo Clinic, Phoenix  
 Proposed Quartzsite Limited-Service Hotel, Quartzsite  
 Proposed Hotel, Queen Creek  
 Proposed Hotel, Rancho Sahuarita

Navajoland Inn & Suites / Saint Michaels Arizona, Saint Michaels  
 Proposed Ceasars Hotel at Scottsdale Fashion Square, Scottsdale  
 Proposed Hilton Hotel at Cavasson, Scottsdale  
 Proposed Holiday Inn, Scottsdale  
 Proposed Hyatt Place and Hyatt House Dual-Branded Hotel, Scottsdale  
 Talking Stick Resort, Scottsdale  
 Las Posadas of Sedona, Sedona  
 Aloft, Tempe  
 Comfort Suites Airport, Tempe  
 MOXY Phoenix Tempe/ASU Area, Tempe  
 Proposed Full-Service Hotel, Tempe  
 Proposed Residence Inn by Marriott, Tempe  
 Proposed Westin Tempe, Tempe  
 Proposed Best Western, Topock  
 Four Points by Sheraton Tucson Airport, Tucson  
 Proposed Graduate Hotel Tucson, Tucson  
 Proposed Hotels at the Marketplace, Tucson  
 Radisson Suites, Tucson  
 Westin La Paloma Resort & Spa, Tucson  
 Proposed Grand Canyon Resort, Tusayan  
 Grand Canyon Railway Hotel, Williams

### ARKANSAS

Proposed Hotel, Fairfield Bay  
 Proposed Hotel, Hot Springs  
 La Quinta Inn & Suites, Russellville

### CALIFORNIA

Proposed Hotel Adelanto, Adelanto  
 Proposed Holiday Inn Express Alameda, Alameda  
 Alhambra Inn & Suites, Alhambra  
 Fremont Inn, Alhambra

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Proposed Hotel American Canyon, American Canyon	Proposed Candlewood Suites, Elk Grove	Proposed Found Santa Monica, Los Angeles
Candlewood Suites Anaheim - Resort Area, Anaheim	Hyatt Place, Emeryville	Proposed Hampton Inn & Suites Koreatown, Los Angeles
Four Points by Sheraton, Anaheim	Proposed Home2 Suites by Hilton, Fairfield	Proposed Hotel Koreatown, Los Angeles
Gaia Hotel & Spa, Anderson	La Quinta Inn & Suites, Fresno	Proposed Hyatt Place Olive Street, Los Angeles
Apple Valley Lodge, Apple Valley	San Joaquin Hotel, Fresno	Proposed Spring Street Hotel, Los Angeles
Best Western, Bakersfield	Proposed Tapestry Collection by Hilton Fullerton, Fullerton	Proposed SpringHill Suites by Marriott, Marina
Proposed Best Western Bakersfield, Bakersfield	Hampton Inn, Goleta	Proposed Staybridge Suites Los Angeles, Los Angeles
Proposed Staybridge Suites, Bakersfield	Holiday Inn Express, Grover Beach	Proposed Unscripted Hotel, Los Angeles
Holiday Inn Express Hotel & Suites Barstow Outlet Center, Barstow	Home2 Suites by Hilton Hanford Lemoore, Hanford	Proposed Wellness Hotel Malibu, Malibu
Proposed Dual-Branded Marriott, Barstow	Proposed Home2 Suites, Hanford	Proposed Hotel Mammoth Village, Mammoth Lakes
Hampton Inn & Suites Buellton/Santa Ynez Valley, Buellton	Proposed Dual-Branded Hotel, Hawthorne	Proposed Resort Mammoth Lakes, Mammoth Lakes
Proposed Aloft Buena Park, Buena Park	TownePlace Suites by Marriott Los Angeles LAX Hawthorne, Hawthorne	Proposed Hampton Inn & Suites, Marina
Proposed Stanford Hotel, Buena Park	Proposed Hotel, Hermosa Beach	Best Western, Merced
The Hotel at the Source, Buena Park	Proposed Kokoro Wellness Resort, Howard Springs	Mountain Home Inn, Mill Valley
Quality Inn Burbank, Burbank	Paséa Hotel & Spa, Huntington Beach	Proposed Montebello Hotel, Montebello
Proposed Cabazon Glamping Recreation Center, Cabazon	Miramonte Indian Wells Resort & Spa	Comfort Inn & Suites Temecula Wine Country, Murrieta
DoubleTree by Hilton Golf Resort Palm Springs Area, Cathedral City	Curio Collection by Hilton, Indian Wells	Best Western Elm House Inn, Napa
Staybridge Suites Cathedral City Golf Resort, Cathedral City	Irvine Marriott, Irvine	Hampton by Hilton Napa, Napa
Proposed Gaylord Pacific Resort & Convention Center, Chula Vista	Holiday Inn San Diego La Mesa, La Mesa	Aloft Silicon Valley, Newark
Motel 6 Coalinga East, Coalinga	Best Western Laguna Brisas Spa Hotel, Laguna Beach	TownePlace Suites by Marriott, Newark
Proposed Everhome Suites Corona, Corona	Coast Inn, Laguna Beach	Proposed Hotel North Hollywood, North Hollywood
Proposed Boutique Hotel, Diablo Grande	Pacific Edge Hotel, Laguna Beach	Proposed Select-Service Hotel, Northridge
Proposed Hampton Inn, Diamond Bar	Seaside Laguna Inn & Suites, Laguna Beach	Proposed Homage Oakland, Oakland
Proposed Select Service Hotel Downey, Downey	Hilton Garden Inn, Lompoc	Courtyard by Marriott Oceanside, Oceanside
Proposed Home 2 Suites by Hilton, El Centro	Hampton Inn Long Beach Airport, Long Beach	Proposed Cambria Hotel Ontario, Ontario
Proposed Residence Inn El Centro, El Centro	Proposed Breakers Hotel Long Beach, Long Beach	Proposed Dual-Branded Homewood Suites by Hilton and Hampton by Hilton Ontario, Ontario
Proposed Hotel El Dorado Hills, El Dorado Hills	Dixie Hollywood Hotel, Los Angeles	
Holiday Inn Express, Elk Grove	hClub, Los Angeles	
	InterContinental Los Angeles Downtown, Los Angeles	
	Loews Hollywood, Los Angeles	
	Mr C Beverly Hills, Los Angeles	

Proposed Element by Westin Ontario, Ontario	DoubleTree by Hilton San Diego Del Mar, San Diego	Travelodge Yucca Valley, Twentynine Palms
Proposed Dual-Branded Residence Inn & Courtyard by Marriott Orange, Orange	Fairmont Grand Del Mar, San Diego	Embassy Suites by Hilton, Valencia
Hampton Inn Channel Islands Harbor, Oxnard	Holiday Inn Express Hotel & Suites Otay Mesa, San Diego	Hotel Erwin, Venice Beach
Proposed Tru, Oxnard	Holiday Inn Express & Suites San Diego Mission Valley, San Diego	Four Points by Sheraton Ventura Harbor Resort, Ventura
Ivy Palm Resort & Spa, Palm Springs	Lafayette Hotel Swim Club & Bungalows, San Diego	Proposed Avid Hotel Victorville, Victorville
Proposed Andaz Palm Springs, Palm Springs	Marriott San Diego Del Mar, San Diego	Marriott, Walnut Creek
Proposed BODE: Palm Springs, Palm Springs	The Monsaraz Inn, Tapestry Collection by Hilton, San Diego	Proposed Hyatt Place Walnut Creek, Walnut Creek
Riviera Palm Springs, a Tribute Portfolio Resort, Palm Springs	Proposed Fairfield Inn, San Diego	Proposed Residence Inn Walnut Creek, Walnut Creek
Tova Hotel & Beach Club, Palm Springs	Proposed Hotel, San Diego	Proposed Home2 Suites by Hilton Watsonville, Watsonville
Travelodge Palm Springs, Palm Springs	San Diego Marriott Del Mar, San Diego	Hampton Inn, West Covina
Holiday Inn Palmdale Lancaster, Palmdale	SpringHill Suites by Marriott San Diego Mission Valley, San Diego	Holiday Inn West Covina, West Covina
Motel 6 Paso Robles, Paso Robles	US Grant, San Diego	The Charlie Hotel, West Hollywood
Proposed Hotel Ava, Paso Robles	Proposed Boutique Hotel San Dimas, San Dimas	London West Hollywood at Beverly Hills, West Hollywood
Proposed Patterson Hotel, Patterson	Holiday Inn Fisherman's Wharf San Francisco, San Francisco	DoubleTree by Hilton Whittier Los Angeles, Whittier
Proposed Hotel Perris, Perris	Proposed Fairfield Inn & Suites by Marriott South San Francisco, South San Francisco	Comfort Suites Woodland, Woodland
Sheraton Sonoma County Petaluma, Petaluma	San Jacinto Inn, San Jacinto	Marriott Warner Center, Woodland Hills
Motel 6, Pittsburg	Proposed Hyatt Place, San Jose	Proposed Staybridge Suites Woodland, Woodland
Comfort Inn Near Fairplex Pomona, Pomona	Proposed Dual-Brand Hotel San Marcos, San Marcos	
Comfort Inn & Suites, Rancho Cordova	Proposed La Quinta Inn & Suites, San Pablo	<b>COLORADO</b>
Proposed Hampton Inn, Rancho Cucamonga	Proposed AC Hotel by Marriott San Rafael, San Rafael	Proposed Gaylord Rockies Hotel & Convention Center, Aurora
Proposed Hotel at The River Mall, Rancho Mirage	Proposed Homewood Suites, Santa Clarita	Hyatt Summerfield Suites, Broomfield
Proposed Home2 Suites, Ridgecrest	Hampton Inn, Santa Cruz	Best Western Academy Hotel, Colorado Springs
Proposed Roseville Hotel, Roseville	Proposed Hampton by Hilton Santa Cruz, Santa Cruz	Proposed EVEN Hotel Victory Ridge, Colorado Springs
Courtyard by Marriott Cal Expo, Sacramento	Holiday Inn & Suites, Santa Maria	
DoubleTree by Hilton, Sacramento	Proper Hotel, Santa Monica	<b>DISTRICT OF COLUMBIA</b>
Fairfield Inn Cal Expo, Sacramento	Hotel Santa Rosa, Santa Rosa	Georgetown Suites Land Valuation
La Quinta Inn by Wyndham Sacramento North, Sacramento	Proposed Hotel, Sonora	Proposed Maison Kesh Hotel
Quality Inn & Suites, Sacramento	Sonora Inn, Sonora	
DoubleTree by Hilton Golf Resort, San Diego	Proposed Galway House, Temecula	<b>FLORIDA</b>
	Proposed Hampton Inn Three Rivers, Three Rivers	Marriott, Boca Raton
		Proposed Dual-Branded Residence Inn/SpringHill Suites by Marriott, Clearwater Beach
		Mayfair Hotel & Spa, Coconut Grove

Hyatt Place, Delray Beach  
 Hyatt Place at Coconut Point, Estero  
 Hyatt Place, Fort Lauderdale  
 Hilton Garden Inn, Fort Myers  
 Four Points, Ft. Walton Beach  
 Holiday Inn, Houston  
 Proposed Courtyard, Jacksonville  
 Wyndham Riverwalk, Jacksonville  
 Terrace Hotel, Lakeland  
 Proposed Holiday Inn & Suites, Miami  
 Proposed Hotel, Miami  
 Proposed Le Meridien, Miami  
 Proposed Meininger Hotel, Miami Beach  
 Proposed Hilton, Miami Beach  
 The Raleigh Hotel, Miami Beach  
 Proposed SpringHill Suites by Marriott, Navarre  
 Embassy Suites Orlando Lake Buena Vista, Orlando  
 Holiday Inn Express Hotel & Suites Orlando International Airport, Orlando  
 Proposed WoodSpring Suites, Orlando  
 Proposed Comfort Inn & Suites Panama City Beach, Panama City Beach  
 Sheraton Suites Fort Lauderdale Plantation, Plantation  
 Proposed Hotel, St. Augustine  
 SpringHill Suites by Marriott, Sarasota  
 Sawgrass Grand Hotel & Suites, Sunrise  
 Hampton Inn, Tallahassee  
 Hampton Inn Veterans Expressway, Tampa

#### **GEORGIA**

Proposed Curio - A Collection by Hilton, Alpharetta  
 Courtyard by Marriott, Atlanta  
 Holiday Inn Atlanta Perimeter Dunwoody, Atlanta  
 Proposed Radisson, College Park  
 Country Inn & Suites, Hiram  
 Candlewood Suites, Lithia Springs

Proposed Full-Service Tribute Hotel, Macon  
 Holiday Inn Express, St. Simons Island  
 Island Inn, St. Simons Island

#### **HAWAII**

Sheraton Keauhou Bay Resort & Spa, Kailua  
 Proposed Kona Village, a Rosewood Resort, Kailua-Kona  
 Four Seasons Resort O'ahu at Ko Olina, Kapolei

#### **IDAHO**

Proposed Hotel Boise Airport, Boise  
 Proposed Economy Extended Stay, Coeur D'Alene

#### **ILLINOIS**

Proposed Extended-Stay Hotel, Bolingbrook  
 Proposed Hampton Inn, Burr Ridge  
 SpringHill Suites by Marriott, Burr Ridge  
 Renaissance Chicago O'Hare Suites, Chicago  
 SpringHill Suites by Marriott, Elmhurst

#### **INDIANA**

Proposed Aloft, Indianapolis

#### **IOWA**

Proposed Waterpark Hotel, Davenport  
 Proposed University of Iowa Hotel, Iowa City

#### **KANSAS**

Crowne Plaza Kansas City Overland Park, Lenexa

#### **LOUISIANA**

Proposed Residence Inn by Marriott, Bossier City  
 Hampton Inn, Houma  
 Hotel Acadiana, Lafayette

Wyndham Garden, Lafayette  
 Proposed Candlewood Suites, Leesville  
 Astor Crowne Plaza, New Orleans  
 Hilton Garden Inn French Quarter, New Orleans  
 Hyatt Regency, New Orleans  
 Proposed Hotel Alessandra, New Orleans  
 Troubadour Hotel New Orleans, Tapestry Collection by Hilton, New Orleans  
 Wyndham Chateau Bourbon, New Orleans  
 Holiday Inn, Ruston  
 Holiday Inn Express Hotel & Suites, Ruston  
 Proposed La Quinta Inn & Suites, Ruston  
 Nottoway Plantation Resort, White Castle

#### **MARYLAND**

Proposed Hilton Garden Inn, Baltimore  
 Sheraton Washington North, Beltsville  
 Country Inn & Suites by Carlson, Frederick  
 Proposed Hotel Sorella, Rockville

#### **MINNESOTA**

Loews, Minneapolis  
 Westin, Minneapolis

#### **MISSISSIPPI**

Four Points, Biloxi  
 Proposed SpringHill Suites, Biloxi  
 South Beach Biloxi Hotel, Biloxi  
 Hampton Inn, Brookhaven  
 Magnuson Hotel Hattiesburg, North Hattiesburg

#### **MISSOURI**

Hilton Kansas City Airport, Kansas City

#### **MONTANA**



Proposed Hotel, Big Sky  
 Proposed Hotel Gardiner, Gardiner  
 Proposed Best Western, Shelby  
 Holiday Inn Express, Sidney

#### NEVADA

Hampton Inn, Las Vegas  
 Proposed Delta Las Vegas, Las Vegas  
 Proposed Fairfield Inn & TownePlace  
 Suites Dual-Branded Hotel, Las  
 Vegas  
 Proposed Hotel Raiders Stadium, Las  
 Vegas  
 Proposed Limited/Select-Service  
 Hotel, Las Vegas  
 Vegas Vacant Land, Spring Valley

#### NEW JERSEY

Proposed Holiday Inn, Bayonne  
 TownePlace Suites by Marriott, Mount  
 Laurel  
 Holiday Inn, Princeton

#### NEW MEXICO

Proposed Home2 by Hilton  
 Alamogordo, Alamogordo  
 Proposed Downtown Hotel,  
 Albuquerque  
 Proposed TownePlace Suites  
 Albuquerque, Albuquerque  
 Sleep Inn & Suites, Hobbs  
 Proposed La Quinta Inn, Los Lunas  
 Holiday Inn Express, Portales  
 Proposed Hotel, Ruidoso  
 Hotel Santa Fe, Santa Fe  
 Inn at Loretto, Santa Fe  
 Proposed Boutique Hotel, Santa Fe  
 Hampton Inn, Santa Rosa  
 Holiday Inn Express, Santa Rosa  
 La Quinta Inn, Santa Rosa  
 Sagebrush Inn, Taos

#### NEW YORK

Marriott, Buffalo  
 Proposed Hampton Inn, Dewitt  
 Courtyard by Marriott New York  
 LaGuardia Airport, East Elmhurst

Proposed Tryp by Wyndham Long  
 Island City, Long Island City  
 Residence Inn, White Plains  
 Proposed Selina Woodstock,  
 Woodstock

#### NORTH CAROLINA

Proposed Fairfield Inn by Marriott,  
 Maggie Valley  
 Courtyard by Marriott, Raleigh

#### OHIO

Proposed Hilton, Chippewa Lake  
 Proposed Baldwin Hotel, Cincinnati  
 Holiday Inn, West Chester  
 Proposed Holiday Inn & Conference  
 Center, West Chester  
 Radisson Hotel at the University of  
 Toledo, Toledo

#### OKLAHOMA

Hilton Skirvin, Oklahoma City

#### OREGON

Hilton, Eugene

#### PENNSYLVANIA

DoubleTree by Hilton Pittsburgh  
 Garden Tree, Pittsburgh

#### SOUTH CAROLINA

Proposed 5-Star Hotel, Charleston  
 Proposed Marion Square Hotel,  
 Charleston  
 3 Palms Hotel, Myrtle Beach

#### TENNESSEE

Holiday Inn, Chattanooga  
 Proposed Select-Service Hotel,  
 Knoxville  
 Holiday Inn Memphis Downtown  
 Beale Street, Memphis  
 Proposed Dual-Brand Tru & Hampton  
 Inn, Nashville

#### TEXAS

Holiday Inn Express, Allen

Proposed 21c Hotel, Austin  
 Proposed Hotel Granduca, Austin  
 Proposed SpringHill Suites, Baytown  
 Value Place, Beaumont  
 Homewood Suites by Hilton, Bedford  
 Proposed Hotel Texas A&M  
 University, College Station  
 Proposed Tryp by Wyndham, College  
 Station  
 Proposed Staybridge Suites, The  
 Colony  
 Fairfield Inn & Suites Houston Conroe,  
 Conroe  
 Candlewood Suites, Corpus Christi  
 Comfort Suites Calallen, Corpus  
 Christi  
 Embassy Suites, Corpus Christi  
 Holiday Inn Airport, Corpus Christi  
 Holiday Inn Downtown, Corpus  
 Christi  
 Holiday Inn Express, Corpus Christi  
 La Quinta Inn & Suites, Corpus Christi  
 Proposed Schlitterbahn Resort,  
 Corpus Christi  
 Staybridge Suites, Corpus Christi  
 Proposed Hotel, Cypress  
 Le Méridien The Stoneleigh, Dallas  
 Proposed Aloft/Element Dual-  
 Branded Hotel, Dallas  
 Proposed Autograph Collection  
 Trinity Groves, Dallas  
 Proposed Residence Inn by Marriott,  
 Dallas  
 Proposed Residence Inn and AC by  
 Marriott Dual-Branded Hotel, Dallas  
 Proposed Saint Elm Hotel, Dallas  
 Hilton Garden Inn Denison Sherman  
 at Texoma Event Center, Denison  
 Proposed Hotel, Edinburg  
 Proposed Hyatt Place, Edinburg  
 Proposed Artisan Hotel Conversion, El  
 Paso  
 Sheraton Fort Worth Downtown  
 Hotel, Fort Worth  
 Proposed Hilton Garden Inn, Frisco  
 Westin Stonebriar, Frisco

Sheraton Fort Worth Downtown Hotel, Fort Worth  
 SpringHill Suites by Marriott Fort Worth University, Fort Worth  
 Proposed Full-Service Hotel Baybrook Mall, Friendswood  
 Courtyard by Marriott, Galveston  
 Proposed Beachfront Hotel, Galveston  
 Proposed Beachtown Grand Hotel, Galveston  
 Proposed Courtyard by Marriott, Galveston  
 Proposed Downtown Hotel, Galveston  
 Proposed TownePlace Suites, Galveston  
 TownePlace Suites by Marriott, Galveston  
 Proposed Hotel, Georgetown  
 Best Western Fountainview, Houston  
 Crowne Plaza, Houston  
 Crowne Plaza Suites, Houston  
 DoubleTree Suites by Hilton Houston Galleria, Houston  
 DoubleTree IAH, Houston  
 Four Seasons, Houston  
 Hampton Inn Houston Interstate 10 West, Houston  
 Hampton Inn & Suites Houston Medical Center, Houston  
 Hilton Garden Inn Houston Bush Intercontinental Airport, Houston  
 Hilton Garden Inn Houston Northwest, Houston  
 Hilton Houston North, Houston  
 Hilton Houston Westchase, Houston  
 Holiday Inn Southwest, Houston  
 Holiday Inn Westchase, Houston  
 Homewood Suites by Hilton, Houston  
 Hotel Icon, Houston  
 Hyatt Regency, Houston  
 Intercontinental Houston Medical Center, Houston  
 Magnolia Hotel, Houston  
 Marriott Houston North Greenspoint, Houston  
 Proposed 314 Hotel, Houston

Proposed AC Hotel Houston Downtown, Houston  
 Proposed Aloft, Houston  
 Proposed Embassy Suites, Houston  
 Proposed Hampton Inn/Homewood Suites Downtown, Houston  
 Proposed Heights Hotel, Houston  
 Proposed Holiday Inn & Conference Center Willowbrook, Houston  
 Proposed Holiday Inn Downtown, Houston  
 Proposed Homewood Suites by Hilton, Houston  
 Proposed Hotel Alessandra, Houston  
 Proposed Hotel Galleria, Houston  
 Proposed Hotel Zaza & Apartments, Houston  
 Proposed Hyatt Place and Hyatt House Dual-Brand Hotel, Houston  
 Proposed Hyatt Place, Houston  
 Proposed InterContinental Hotel, Houston  
 Proposed JW Marriott, Houston  
 Proposed Le Méridien, Houston  
 Proposed Lifestyle Hotel, Houston  
 Proposed Luxury Hotel Houston Galleria, Houston  
 Proposed Marriott Marquis, Houston  
 Proposed Montrose Hotel, Houston  
 Proposed Select-Service Hotel, Houston  
 Proposed SpringHill Suites, Houston  
 Proposed Triple-Branded Hotel Houston Downtown, Houston  
 Sam Houston Hotel (Curio Conversion), Houston  
 Sheraton Houston North, Houston  
 Sheraton Houston West, Houston  
 Staybridge Suites, Houston  
 Staybridge Suites Houston IAH Beltway 8, Houston  
 Staybridge Suites Houston West Energy Corridor, Houston  
 Staybridge Suites Houston Willowbrook, Houston  
 Westin Galleria, Houston  
 Westin Oaks, Houston

Wingate by Wyndham Houston Bush Intercontinental, Houston  
 Proposed Hotel & Conference Center, Huntsville  
 Studio 6, Ingleside  
 Proposed Westin, Irving  
 Wingate Las Colinas, Irving  
 Sleep Inn & Suites, Jourdan  
 Super 8, Karnes City  
 Homewood Suites by Hilton Houston/Katy Mills Mall, Katy  
 Proposed Homewood Suites by Hilton, Katy  
 South Shore Harbour Resort & Spa, League City  
 Best Western, Luling  
 Renaissance, McAllen  
 Proposed Home2 Suites by Hilton, McKinney  
 Proposed SpringHill Suites by Marriott, McKinney  
 Proposed Westin, McKinney  
 Proposed Limited-Service Hotel, Melissa  
 Proposed Extended-Stay Hotel, Midland  
 Candlewood Suites, Monahan  
 La Toretta del Lago Resort & Spa, Montgomery  
 Candlewood Suites, Odessa  
 Proposed Home2 Suites by Hilton, Pasadena  
 Courtyard by Marriott Houston Pearland, Pearland  
 Proposed Pearland Hotel, Pearland  
 Proposed Fairfield Inn by Marriott, Pecos  
 TownePlace Suites by Marriott Plano, Plano  
 Holiday Inn Express Hotel & Suites, Port Aransas  
 Holiday Inn Express, Port Arthur  
 Proposed Hilton Garden Inn Porter, Porter  
 Holiday Inn Express, Rockport  
 Microtel Inn & Suites, Round Rock

Proposed Holiday Inn (land), San Angelo  
 Hilton San Antonio Airport, San Antonio  
 Homewood Suites by Marriott, San Antonio  
 Marriott Plaza, San Antonio  
 Microtel Inn & Suites Airport, San Antonio  
 Microtel Inn & Suites SeaWorld, San Antonio  
 Proposed Thompson Hotel, San Antonio  
 Baymont Inn & Suites, Snyder  
 Proposed Fairfield Inn by Marriott, Snyder  
 Schlitterbahn Resort, South Padre Island  
 Proposed Home2 Suites, Stafford  
 Marriott Hotel and Conference Center, Sugar Land  
 Proposed Red Lion Inn & Suites, Texas City  
 Baymont Inn & Suites, Victoria  
 Proposed Hotel, Webster  
 Proposed Hotel & Conference Center, Webster  
 Proposed Extended-Stay Hotel, The Woodlands  
 Woodlands Resort & Conference Center, The Woodlands

#### **UTAH**

Peery Hotel, Salt Lake City  
 Proposed Inn at St. George, St. George

#### **VIRGINIA**

Wingate Inn Dulles Airport, Chantilly  
 Proposed Staybridge Suites, Charlottesville  
 Delta Hotels, Chesapeake  
 Westin Tysons Corner, Falls Church  
 Proposed Hampton Inn, Gordonsville  
 Holiday Inn, Lynchburg  
 Magnuson Hotel & Convention Center at Oyster Point, Newport News  
 Proposed Hotel Norfolk, Norfolk

Holiday Inn Express & Suites Petersburg Fort Lee, Petersburg  
 TownePlace Suites by Marriott, Stafford

#### **WASHINGTON**

Proposed AC Hotel, Bellevue  
 Holiday Inn Express, Marysville  
 Proposed Homewood Suites, Richland  
 Proposed 4/C Tower Hotel, Seattle  
 Holiday Inn Express, Sumner

#### **WISCONSIN**

Holiday Inn, Milwaukee

#### **INTERNATIONAL**

##### **Colombia**

Proposed Hyatt Place, Bogota  
 Conrad, Cartagena  
 Proposed City Express Hotel, Cartagena  
 Proposed Luxe Resort by The Charlee, Guatapé  
 Proposed City Express Hotel, Medellín  
 Proposed Courtyard by Marriott, Medellín  
 Proposed Marriott, Medellín  
 Proposed Hilton Garden Inn, Rionegro  
 Proposed Airport Hotel, Rionegro

##### **Costa Rica**

Proposed Andaz, Guanacaste  
 Proposed Boutique Resort, Guanacaste  
 Proposed Paradisus Papagayo Bay Resort & Luxury Villas, Guanacaste  
 Proposed Resort, Guanacaste  
 Punta Cacique Proposed Resort, Guanacaste  
 Proposed Boutique Resort, Guanacaste  
 Proposed Limited-Service Hotel, Liberia  
 Proposed Wellness Boutique Hotel, Matapalo  
 Marriott Los Suenos, Playa Herradura

Proposed Extended-Stay, San Jose  
 Proposed Hyatt Place Pinares, San Jose  
 Proposed Select-Service Hotel, San Jose  
 Marriott Costa Rica, San Jose  
 Proposed Hyatt Place, San Jose  
 Proposed Lifestyle Hotel & Club, San Jose  
 Proposed Luxury Hotel, San Jose

#### **Dominican Republic**

Proposed Auberge Resort, El Seibo  
 Proposed Four Seasons, El Seibo

#### **El Salvador**

Proposed Full-Service Hotel, San Salvador  
 Proposed Select-Service Hotel, San Salvador

#### **Guatemala**

Proposed Four Seasons, Antigua  
 Proposed Hotel, Guatemala City

#### **Honduras**

Proposed Hotel, San Pedro Sula

#### **Mexico**

Fairmont Acapulco Princess, Acapulco  
 Fairmont Pierre Marques, Acapulco  
 Proposed Hotel, Acapulco  
 Bacalar Land Parcels, Bacalar  
 Proposed Bacalar Hotel, Bacalar  
 Cabo de Cortes Fairmont/Raffles Development, Cabo San Lucas  
 Cabo San Cristobal, Cabo San Lucas  
 Proposed Luxury Hotel & Villa Project, Campeche  
 Proposed Master-Planned Development (2), Campeche  
 Dreams Resort, Cancun  
 Elan Resort & Spa, Cancun  
 El Pueblito, Cancun  
 Fiesta Americana Condesa Cancun, Cancun  
 Le Meridien, Cancun

Yalmakan Resort, Cancun  
 Westin Soberano, Chihuahua  
 Proposed Quinta Real Hotel Development, Culiacán  
 Proposed Banyan Tree, Ensenada  
 Proposed Boutique Hotel Project, Guadalajara  
 Proposed Fiesta Inn del Tapatio, Guadalajara  
 Proposed Hotel Project, Guadalajara  
 Proposed Mixed-Use Development, Guadalajara  
 Proposed Vi Hotel, Guadalajara  
 Hotel Condesa, Leon, Guanajuato  
 Tesoro, Ixtapa  
 Proposed Hotel & Residential Development, Ixtapan de la Sal  
 Proposed Park Hyatt, Kanai  
 Proposed St. Regis, Kanai  
 Proposed W Hotel, Kanai  
 Desire Resort, Los Cabos  
 Esperanza Resort, Los Cabos  
 Proposed Thompson Hotel, Los Veneros  
 Tesoro Manzanillo, Manzanillo  
 Embassy Suites, Mexico City  
 Le Méridien, Mexico City  
 Proposed City Express Hotel, Mexico City  
 Proposed Limited-Service Hotel, Mexico City  
 Proposed Hotel & Condo, Monterrey  
 Proposed Hotel, Monterrey  
 Proposed Limited-Service Hotel, Playa del Carmen  
 Proposed Resort, Playa del Carmen  
 Ceiba del Mar, Puerto Morelos  
 Paraiso de la Bonita, Puerto Morelos  
 Proposed Puerto Telchac Hotel & Residential Project, Puerto Progreso  
 Presidente InterContinental, Puerto Vallarta  
 Proposed City Express Hotel, Queretaro  
 Proposed Capella Punta Maroma, River Maya  
 Proposed Grand Hyatt, Riviera Maya

El Dorado Ranch Hotel & Excess Land, San Felipe  
 Proposed Hotel, San Miguel de Allende  
 Proposed Quinta Real Hotel & Residential, San Miguel de Allende  
 Dreams Resort, Tulum  
 Secrets Capri Resort, Tulum

#### **Panama**

Proposed Boutique Hotel, Panama City  
 Proposed Full-Service Hotel, Panama City  
 Proposed Limited-Service Hotel, Panama City

#### **Peru**

Proposed Hyatt Place, Lima

#### **Puerto Rico**

Hilton, Caribe  
 Embassy Suites San Juan Hotel & Casino, Carolina  
 Proposed Boutique Hotel, Ponce  
 Proposed El Vigía Hotel and Residences, a Tribute Portfolio Resort, Ponce  
 Courtyard by Marriott (Expansion), San Juan  
 Proposed 1,000-Room Hotel & Casino San Juan, San Juan

#### **Saint Lucia**

Proposed Master Planned Development

#### **Spain**

Villaitana Wellness Golf & Business Sun Resort, Benidorm