

COLORADO SPRINGS URBAN RENEWAL AUTHORITY

APPLICATION FOR:

**DOWNTOWN MARRIOTT HOTEL DEVELOPMENT
SPRINGHILL SUITES BY MARRIOTT & ELEMENT BY WESTIN**

February 2018



Applicant Information

Application/Presentation Date:	February 28, 2018
Project Description:	Downtown Marriott Hotel Dual-Branded SpringHill Suites & Element
Property Address:	402, 408, 410-412, 414 South Tejon Street
Project Applicant:	JVK Holdings, LLC, a Colorado limited liability company
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Project Narrative

Proposal

This Application has been prepared for the Colorado Springs Urban Renewal Authority's ("CSURA") consideration and approval of a URA District to assist in the development of an eight-story, dual-branded Marriott hotel located on the southwest corner of South Tejon and Costilla Streets in downtown Colorado Springs (the "Project"). Due to the high cost urban construction and the lack of available parking in the south end of downtown, the Applicant is requesting that CSURA approve the Project and recommend the maximum tax increment funding ("TIF") available to finance eligible costs and construct public improvements to include public parking facilities. In addition to 100% of the property tax increment, the Applicant is requesting 2% of the City sales tax increment, and 1% of El Paso County sales tax increment for 25 years. The requested tax increments will secure the Project's feasibility. This Application will demonstrate that bonding this project through CSURA is the optimal path toward project success.

The Project promotes public and economic benefits for downtown Colorado Springs through redevelopment of a portion of a blighted block. In addition to offering a modern and sustainable urban destination with high-end amenities for visitors, residents and the downtown business community, the Project expands both the City and County's property/sales tax base and creates new opportunities for the collection of Lodgers and Automobile Rental Tax (LART) dollars. It is anticipated the Project will create over \$200,000 in LART tax annually and 150 permanent jobs, while offering a unique backdrop for residents and travelers to embrace downtown Colorado Springs through new lodging choices, meeting spaces, culinary options, and a coffee shop, while embracing the community's art culture.

Project Summary

Need for Project

The Applicant is privileged to partner with Marriott Hotels to bring the first urban-centric, Marriott-flagged property to downtown Colorado Springs in the city's history, increasing awareness of a downtown resurgence. Marriott is the world's leading hotel company, boasting 30+ brands after the recent Starwood acquisition. This Project will be Marriott's newest hotel in El Paso County since 2008.¹ Marriott anticipates customers will bring business to downtown Colorado Springs based on traveler trends and preferences for urban locations.

Site Selection

The Applicant, along with Marriott's Franchise Services Group, selected this site from several potential locations in the downtown area. Both the Applicant and Marriott believe this location serves as a primary link between the City Center business district and the New South End, capitalizing on the current Tejon Street and Cascade Avenue redevelopment projects to include the Winfield Scott Stratton redevelopment, as well as the planned, Casa Mundi and Cascade Urban apartments. The Project provides connectivity from the New South End to our City's most significant development in recent history, the U.S. Olympic Museum, which is anticipated to increase demand on downtown's hotel inventory and meeting room space. After careful consideration, Marriott selected this location to the synergy of both the existing and planned surrounding uses, including pedestrian access and walkability to parks, retail, restaurants and entertainment.

Project Description

The proposed dual-branded Marriott consists of 252 hotel rooms, 126 of which will be branded as 'Springhill Suites' by Marriott, with the remaining 126 rooms branded 'Element' by Westin. The eight-story, 300,000± square foot, mixed-use structure has been designed to align with the vision and priorities set in the City of

¹ In 2009, this Applicant delivered a Marriott ~ Fairfield Inn on Baptist Road. That same year, Marriott delivered to market Springhill and Towneplace Suites at the intersection of Powers and Fountain Boulevard.

Project Narrative

Colorado Springs Comprehensive Plan, Experience Downtown Master Plan and all applicable Form-Based zoning codes and design guidelines.

Downtown Marriott Hotel Development		
Floor	Description	Rooms/SF
P1	Underground Parking	108 spaces
P2	Underground Parking	116 spaces
1	Street Level - Lobby & Hotel Services	
	Springhill Suites lobby (Tejon entrance)	
	Element lobby (Costilla entrance)	
	Restaurant + Coffee Shop	4,345 SF
	Outdoor courtyards	2 courtyards
	Indoor swimming pool	
2	Hotel Rooms & Amenities	37 rooms
	Fitness Center	3,990 SF
	Outdoor patios	2 patios
3 - 7	Hotel Rooms & Amenities	215 rooms
8	Hotel Amenities, Conference Facilities & Apartments	
	Rooftop restaurant & bar	5,890 SF
	Outdoor patio (restaurant)	2,035 SF
	Conference Facilities	1,685 SF
	Apartments	TBD

Development Objectives

Location & Proposed Land Use

The site consists of four parcels within the Form-Based Zone/Central Business District, commonly known as 402, 408, 410-412 and 414 South Tejon Street, totaling 38,000± square feet. The site currently contains a vacant auto repair shop, a vacant lot, a vacant two-story building and a one-story office building occupied by the McKinney Law firm. The Applicant completed Environmental Site Assessments for all four parcels, as well as a Phase 2 Environmental Study for the Al De Mark Auto Facility. No adverse environmental conditions exist. The existing buildings are in disrepair and will be demolished and replaced with a higher-density, architecturally appealing, modern structure that contains public parking, hotel rooms and amenities, public meeting spaces, restaurants, a coffee shop and conference facilities.

Development is slated to commence in Q4 2018, with an ~22-month construction schedule. Over 40% of the facility will be accessible to non-hotel guests to provide public engagement. It is anticipated 400± linear feet of new streetscape will be constructed along Tejon and Costilla Streets. A detailed proposed use of the facility is summarized as follows:

Downtown Marriott Hotel Development		
Facility Use	SF	% of Project
Hotel (252 rooms) & Amenities	160,960	54%
Parking (224 spaces)	91,060	30%
Lobby Areas/Amenities/Support Services (Street Level)	22,425	7%
Restaurant & Outdoor Seating (Street Level)	4,265	1%
Restaurant & Outdoor Patio (8th Floor - Rooftop)	7,925	3%
Conference Facilities (8th Floor)	1,685	1%
Apartments and/or Suites (TBD)	12,125	4%
Total Gross Building Area	300,445	100%

Project Narrative

Parking & Streetscape

The New South End² lacks a public parking solution for both businesses and residents, which has hindered redevelopment of the area. The lack of public and/or private parking has been one of the major barriers to Marriott’s entry into the Colorado Springs Central Business District, as Marriott will not authorize new, urban hotel construction unless adequate parking is provided. Although El Paso County owns a parking garage across from the subject, a recent and anticipated ramp-up of County services in the downtown area, security issues and a 6 p.m. close seriously limit the public’s ability to utilize this garage.

The Project offers two floors of underground parking to provide ~224 public-accessible parking spaces, as well as charging stations for electric vehicles. Customers will access the parking structure via Tejon Street. The Applicant, in conjunction with guidance from Marriott, estimates an urban hotel utilizes a parking ratio of <0.7 parking spaces per occupied room; including employees. Because the majority of hotel demand will occur after 5 p.m., the Applicant anticipates availability of public parking will occur pursuant to the following table:

Downtown Marriott Hotel Development		
Description	Hotel Use	Public Access
Sold-out hotel nights	180	46
Average occupancy 76%	136	90
Daytime use (estimated)	100	126

In addition, the hotel will commit to participate in the following initiatives:

- Downtown and/or airport shuttle service to enhance downtown mobility.
- Downtown Partnership’s Bike Share initiative; i.e. ‘Element’ requires onsite bicycles as a guest amenity.
- Public art on the street; i.e. the Project’s streetscape includes densely landscaped areas, public art, outdoor patio seating and vibrant lobby entrances that invite pedestrian interest and use. (See **Section 5 – Pictorial Presentation of Project.**)

Hotel Branding & Architecture

The Project partners of JVK Holdings, LLC (the “Applicant”), its hotel consultant and Marriott Hotels, collaborated for over 18 months to identify the most logical brand(s) for the Project, with the goal of creating a unique, urban experience. The decision to select ‘Element’ and ‘Springhill Suites’ came from discussions with Marriott-corporate professionals, the Applicant’s operations and financial partner, Hotel Equities, as well as the Applicant’s hotel consultant, Robert Benton and Associates. A copy of Mr. Benton’s *Hotel Feasibility Study* is included in **Appendix A** to this Application.

The Project will be built to Marriott design standards and guidelines. Energy efficiency and sustainability were key criteria in developing the architectural feel and design of the hotel. Although the Project is expected to meet or exceed LEED certification standards, the Applicant has not determined whether the Project will apply for LEED Certification due to the additional cost and time delay the process entails.

The ‘Element’ extended-stay brand, a new product type to the City Center, was selected due to its appeal to and focus on today’s active and millennial traveler, which will attract and catalyze both a professional and younger demographic of hotel patron. Stylish and sustainable, Element hotels are built to be ‘green from the ground up’. Nature-inspired design philosophy is a great fit for the traveler coming to Colorado.

² Experience Downtown Master Plan, Downtown Partnership, November 2016

Project Narrative

More information regarding ‘Element’ can be found at:

<https://hotel-development.marriott.com/brands/element/>

The ‘SpringHill Suites’ brand was selected because the brand is committed to inspiring guests to explore the local art community, with a focus on art through architectural engagement. Style and design are basic foundations of Springhill Suites, and Springhill embraces and brings all forms of art into the hotel through interactive experiences, such as:

- Visual Art that excites the eye such as photography, sculpture, painting, and film
- Craftsmanship that fosters innovation such as glassblowing, cigar rolling, pottery, etc.,
- Performing artists that thrill with dance, comedy, poetry and live plays
- Musical acts that express ideas and emotion through music
- Culinary creations that stimulate the palate

More information regarding ‘Springhill Suites’ can be found at:

<https://hotel-development.marriott.com/brands/springhill-suites/>

Embracing the Local Art Culture

The Project will introduce public art through use of sculpture(s) and streetscape improvements. One of the criteria for selecting the Springhill brand specifically is Marriott’s requirement to engage in the local arts community. Marriott is passionate about engaging in high-quality arts and arts programming. To help elevate the local art culture, the hotel will employ a full-time Associate who is immersed in the local art scene. This local expert will curate and plan ‘Art of Local’ events showcasing local artisan talents and bring the town’s culture into the hotel. Art of Local programming is focused on bringing a city’s artisans into hotel lobbies to showcase their talents, allowing guests to immerse in local culture. This emphasis on local arts aligns with and enhances Downtown’s status as a state-certified Creative District.

Economic Impact Analysis

The hotel will provide significant public and economic benefit to the New South End, as well as the City of Colorado Springs, El Paso County and the State of Colorado. An *Economic Impact Study* was prepared by Tatiana Bailey, Ph.D., which evaluated the benefits to El Paso County. There are three components to comprehensively measuring economic impact:

- **Direct Effect:** Direct inputs of a business (“Company A”) into the economy including industry sales/revenue, labor wages and benefits, capital expenditures and federal/state/local taxes.
- **Indirect Effect:** The associated business-to-business activity that creates revenue and jobs for those businesses that do business with Company A (e.g. food suppliers to a hotel).
- **Induced Effect:** The additional economic activity generated within a region that stems from the employees of Company A as well as the employees of indirect companies that have benefitted from the presence of Company A in a community. This benefit emanates from the wages/salaries that all employees use to buy durable goods in the local economy.

The total economic impact encapsulates all three effects and is in essence, all of the direct inputs plus the multiplier, or “ripple effect” within the local economy. The table below summarizes the total economic impact for El Paso County for the construction year, 2019.

Project Narrative

Downtown Marriott Hotel Development				
Total Economic Impact - Construction Year, 2019				
<i>Impact Type</i>	<i>Employment (Heacount)</i>	<i>Labor Income (\$)</i>	<i>Value Added (\$)</i>	<i>Output (\$)</i>
Direct Effect	228	\$ 12,816,253	\$ 20,114,883	\$ 74,724,330
Indirect Effect	231	\$ 9,322,146	\$ 13,771,254	\$ 26,047,499
Induced Effect	113	\$ 4,434,738	\$ 8,033,691	\$ 14,110,323
Total Impact	572	\$ 26,573,137	\$ 41,919,828	\$ 114,882,152

Because a local firm (Colarelli Construction) will construct the hotel, the total economic impact is significant. There will be a total of 572 jobs including the direct construction jobs, the additional jobs at businesses that indirectly feed into the construction project, and the additional consumer activity that stems from these local jobs. The associated labor income for these 572 jobs will be \$26.6 million. The total revenue generated in the community from the original construction cost of \$74.7 million will be \$115 million. The total economic impact within El Paso County is sizable because a local firm and local workers will reap the financial benefits of the hotel construction.

Once construction is completed, there is no ongoing economic impact from the construction since it is a one-time event. However, hotel operations will generate an ongoing impact each year after construction completed. While incremental growth is anticipated each year for at least 10 years post-construction, this analysis uses 2023 as a conservative estimate of the “stabilized year”.

The table below shows total jobs generated, including direct hotel employment, indirect business-to-business jobs and local jobs from the associated consumer impacts will be 237. The associated labor income for these 237 jobs is \$9.6 million. In aggregate, when we incorporate the direct, indirect (business-to-business) and induced (consumer) impacts, the total economic impact into the El Paso County economy is \$27.0 million per year.

Downtown Marriott Hotel Development				
Total Economic Impact - Hotel Operations, 2023				
<i>Impact Type</i>	<i>Employment (Heacount)</i>	<i>Labor Income (\$)</i>	<i>Value Added (\$)</i>	<i>Output (\$)</i>
Direct Effect	163	\$ 6,483,178	\$ 10,016,199	\$ 17,334,956
Indirect Effect	35	\$ 1,550,572	\$ 2,499,811	\$ 4,730,207
Induced Effect	39	\$ 1,532,323	\$ 2,823,896	\$ 4,957,879
Total Impact	237	\$ 9,566,073	\$ 15,339,906	\$ 27,023,042

Conclusion

The Project meets CSURA’s mission to promote projects that supply public benefits, provide quality sustainable places, create jobs, promote public art and raise the standard of development in Colorado Springs. The Project also meets a majority of CSURA’s redevelopment objectives, to include:

- Eliminates conditions of slum and blight
- Replaces low-density blighted buildings with a high-density, urban architecture project
- Significantly increases direct employment at this location, 8 current employees to upward of 150+
- Provides economic development and economic impact for the community
- Public benefits including parking, pedestrian-oriented streetscape and cyclist-friendly amenities
- Participation in the arts community and downtown mobility
- Green initiatives (LEED certification or similar)
- Expands sales and property tax base for the downtown area, City and County

Project Financials

Financial Assumptions & Cost Overview

The financial analysis presented herein is based on the following inputs (as of 2/18/2018), assumptions and costs detailed in **Appendix B**, with an overview outlined as follows:

1. Estimated Total Project Costs³
2. Qualified Reimbursable Expenses
3. Tax Increment Financing Analysis
4. Equity/Debt Requirements & Marriott Financial Incentives
5. Gap Analysis

Estimated Total Project Cost Summary

The total project costs are estimated to be \$74,725,000 with approximately \$14,000,000 to be spent on eligible costs representing ~19% of the project. Estimated **Total Project Costs** are:

Downtown Marriott Hotel Development			
Total Project Costs			
Cost to build		Cost/Room	Cost/Sq. Ft.
Franchise Fees	\$ 157,500	\$ 625	\$ 0.61
Funding	\$ 85,000	\$ 337	\$ 0.33
Development Fees	\$ 1,750,000	\$ 6,944	\$ 6.83
Architectural & Engineering Design	\$ 1,425,000	\$ 5,655	\$ 5.56
Hotel Construction	\$ 53,331,580	\$ 211,633	\$ 208.21
Insurance and Taxes	\$ 50,000	\$ 198	\$ 0.20
Development and Permit Fees	\$ 1,570,000	\$ 6,230	\$ 6.13
Furniture, Fixtures and Equipment	\$ 4,362,750	\$ 17,313	\$ 17.03
Owner Provided Systems	\$ 520,000	\$ 2,063	\$ 2.03
Loan Expenses	\$ 4,837,500	\$ 19,196	\$ 18.89
Public Relations and Marketing	\$ 300,000	\$ 1,190	\$ 1.17
Accommodations During Construction	\$ 60,000	\$ 238	\$ 0.23
Site Costs	\$ 4,000,000	\$ 15,873	\$ 15.62
Legal & Other Expenses	\$ 325,000	\$ 1,290	\$ 1.27
Developer Contingency	\$ 1,950,000	\$ 7,738	\$ 7.61
Total Project Cost	\$ 74,724,330	\$ 296,525	\$ 291.73

Qualified Reimbursable Expenses

Pursuant to urban renewal guidelines, CSURA allows for reimbursement of Qualified Reimbursable Expenses (QRE). QREs for this Project are estimated to be \$14,237,586. Even with the maximum tax increment financing through both property tax (100%) and sales tax (3%), funding to cover these expenses is insufficient and impacts feasibility of the Project.

³ Construction cost estimates provided by Colarelli Construction based on schematic design provided by Bobby Hill & Associates dated February 2018 attached hereto as **Appendix C**.

Project Financials

Downtown Marriott Hotel Development Urban Renewal Qualified Reimbursable Expenses	
Parking Garage	\$ 8,546,459
Demolition and removal of blighted structures	551,932
Streetscapes and pedestrian ways	1,193,505
Public entries	1,218,863
ADA improvements	287,737
Building exterior façade enhancements	288,518
Alley improvements	498,995
Construction Estimates	12,586,009
Public art (budget)	55,000
Tenant Relocation Expense	100,000
Indirect costs associated w/ above	
Design Fees	166,584
Consulting Fees	71,392
10% Contingency on Construction Estimates	1,258,601
TOTAL REIMBURSIBLE EXPENSES	\$ 14,237,586

QREs subject to change based on final allowable qualified costs and negotiations with CSURA.

Tax Increment Financing⁴

The Applicant assumes tax increment financing is “bonded” at a rate of 5% for 25 years.⁵ If approved, bonding through a public, tax-exempt entity, such as CSURA, lowers the overall interest rate and provides greater bonding capacity. Due to the need for the Applicant to negotiate with the various governmental entities, the tax increment projections utilized herein illustrate two options for tax generated by the Project:

1. Applicant receives 70% of the property tax increment, plus 2% of sales tax increment.
2. Applicant receives 100% of the property tax increment, plus 3% of sales tax increment.

Property Tax Increment

Pursuant to findings detailed in a letter from the El Paso County Assessor attached hereto as **Appendix F**, the range for the total initial, assessed market value of the Project is estimated to be between \$15,000,000 and \$25,000,000. For the purposes of estimating future property tax, the Applicant used an initial assessed market value of \$20,000,000, which translates into a future tax increment of ~\$635,542 by Year 3, with corresponding revenue as follows:

- A 70% property tax increment of approximately \$425,279; or
- A 100% property tax increment of approximately \$607,542.

Sales Tax Increment

No sales tax is currently generated from the site. Projected revenue in Year 3 subject to sales tax is estimated to be \$16,557,688, with corresponding revenue as follows:

- A 2% sales tax revenue of \$331,154; or
- A 3% sales tax revenue of \$496,731.

⁴ Tax increment assumptions utilized:

- Applicant would receive only 70% of the projected property tax increment.
- Applicant would receive a total of 2% of the sales tax increment the project generates.

⁵ A sensitivity analysis for the property and sales tax increment is provided in **Appendix E – Sensitivity Analysis**.

Project Financials

Bonding Capacity⁶

Based on the property and sales tax increment referenced above, the Applicant estimates the following two financing scenarios:

Option 1 – A 70% property tax increment and 2% sales tax increment equates to an estimated bond capacity of \$7,462,788, covering ~52% of Qualified Reimbursable Expenses.

Downtown Marriott Hotel Development Estimated Property Tax Increment (Year 3) @ 70% Property Tax & 2% Sales Tax TIF			
Future Property Tax			\$ 635,542
Current Property Taxes (approx)			(28,000)
Estimated Property Tax Increment			607,542
Property Tax Increment at 70%	70%		\$ 425,279
Projected 2% Sales Tax Increment (Year 3)			
Current Sales Tax (no existing retail)			-
Future Sales Tax	2%	2%	\$ 331,154
Bonding Capacity Calculation			
Total Tax Increment			
- Property Tax			\$ 425,279
- Sales Tax			\$ 331,154
Total			\$ 756,433
Total Bond Capacity (25 Year Term & 5% Interest Rate)			\$ 10,661,125
Total Bonding (after fees 30%)			\$ 7,462,788
Percent of Qualified Reimbursable Expenses Covered			52%

Option 2 – A 100% property tax increment and 3% sales tax increment equates to an estimated bond capacity of \$10,894,484, covering ~77% of Qualified Reimbursable Expenses.

Downtown Marriott Hotel Development Estimated Property Tax Increment (Year 3) @ 100% Property Tax & 3% Sales Tax TIF			
Future Property Tax			\$ 635,542
Current Property Taxes (approx)			(28,000)
Estimated Property Tax Increment			607,542
Property Tax Increment at 70%	100%		\$ 607,542
Projected 3% Sales Tax Increment (Year 3)			
Current Sales Tax (no existing retail)			-
Future Sales Tax	3%		\$ 496,731
Bonding Capacity Calculation			
Total Tax Increment			
- Property Tax			\$ 607,542
- Sales Tax			\$ 496,731
Total			\$ 1,104,272
Total Bond Capacity (25 Year Term & 5% Interest Rate)			\$ 15,563,548
Total Bonding (after fees 30%)			\$ 10,894,484
Percent of Qualified Reimbursable Expenses Covered			77%

⁶ Bond Capacity is estimated at an initial assessed value of the Project at \$20,000,000 (as referenced above) and estimated TIF values in Year 3.

Project Financials

Equity/Debt Requirements

With Estimated Project Costs at \$74.7 million and financing available a 65% Loan-To-Value, required equity is estimated to be \$26,153,156. The Applicant has requested Marriott consider offering incentives on the Project because of its location in an urban market. The incentive package Marriott will ultimately offer will be contingent upon approval and execution of an agreement with CSURA.

Downtown Marriott Hotel Development		
Financial Overview @ 70% Property Tax & 2% Sales Tax TIF		
Estimated Total Project Cost		\$ 74,724,330
Project Debt	65%	\$ (48,570,815)
Equity Required		\$ 26,153,516
Marriott "Key Money" Incentive*		\$ (1,000,000)
Bond Capacity @ 70%/2% TIF		\$ (7,462,788)
Required from Applicant + Private Equity		\$ 17,690,728
Downtown Marriott Hotel Development		
Financial Overview @ 100% Property Tax & 3% Sales Tax TIF		
Estimated Total Project Cost		\$ 74,724,330
Project Debt	65%	\$ (48,570,815)
Equity Required		\$ 26,153,516
Marriott "Key Money" Incentive*		\$ (1,000,000)
Bond Capacity @ 100%/3% TIF		\$ (10,894,484)
Required from Applicant + Private Equity		\$ 14,259,032

Gap Analysis

Pursuant to Applicant's discussions with various private equity groups potentially interested in funding the project, the needed return to attract investment is as follows:

- A minimum of leveraged 15% annual cash-on-cash return.
- An Internal Rate of Return ("IRR") target at +25% based on a minimum holding period of seven (7) years.

Given the investment criteria referenced above, the Project pro forma demonstrates a gap in financing. Based on the Return Summary provided below, the Applicant has demonstrated that:

- Figure 1 – Without TIF Financing the Project cannot meet its projected cash returns and IRR;
- Figure 2 – With 70% of property tax increment and 2% of sales tax increment the Project cash returns and IRR are still deficient;
- Figure 3 – With 100% of property tax increment and 3% of sales tax increment the Project meets anticipated financial objectives of a minimum leveraged 15% annual cash-on-cash return and a +25% IRR.

But for 100% incremental revenue provided through the CSURA, the City of Colorado Springs and El Paso County, this Project may not be able to move forward. In addition, hotel ownership has inherent risks not associated with other developments such as residential. Economic recessions or "black swan" events, such as terrorism and natural disaster, can significantly and immediately impact revenue performance. Due to the inherent risks associated with this project type, closing the financial gap becomes even more essential to see the project to fruition.

Project Financials

If Applicant is unable to achieve its goal of receiving full tax increments, the following combination of solutions may help bridge the gap. Although Applicant may realize savings if some or all of these solutions are achievable, none have the certainty and strength of having 100% property tax and a 3% sales tax increment. If the Project can achieve certain additional savings, bonds may be paid off sooner and tax revenues would go to the taxing entities sooner. Options/scenarios include:

- Potential reduction of the utilized 5.5% interest rate for the \$47,000,000 in debt financing.
- Finding an equity participant willing to accept less than targeted returns.
- Bonding through URA which would provide a lower interest rate and increased bonding capacity.
- Additional project cost savings for hard construction costs based on full construction documentation and value engineering.
- Participation by Colorado Springs Utilities for utility work
- Participation by City Parking Enterprise for streetscape improvements.

Appendix D contains detailed 25-year detailed projections. Additional financial assumptions include:

- Revenue projections provided by Robert Benton & Associates (hotel consultant).
- Revenue projections independently provided by Hotel Equities (operating partner).
- Additional data provided by the Colorado Lodging Report and Smith Travel Resources Report, the two leading sources of hotel performance data.
- These 25-year projections illustrate slightly different projections due to clarification of property tax on the potential residences.

Project Financials

Figure 1: Without TIF Financing the Project cannot meet its projected cash returns and IRR.

Downtown Marriott Hotel Development Return Summary - w/o TIF Financing							
Project Cost	\$ 74,724,330						
Debt Service (65%)	\$ 47,920,815						
Terms:							
Rate	5.5%						
Term	25						
Annual Payment	\$3,531,309						
	2020	2021	2022	2023	2024	2025	2026
Hotel Net Operating Income	3,595,575	4,066,126	4,400,005	4,584,991	4,758,051	4,922,376	5,106,210
Rooftop/Catering Net Operating Income	635,185	601,354	568,721	572,099	593,597	611,321	631,819
Parking Net Operating Income	887,172	982,236	1,057,334	1,119,684	1,170,503	1,205,382	1,243,326
Leased Retail Net Operating Income	242,460	240,879	247,990	246,313	253,325	251,546	249,714
Total Project Net Operating Income	5,360,391	5,890,594	6,274,051	6,523,087	6,775,476	6,990,625	7,231,068
Cash-on-cash (Non-leveraged)	7.17%	7.88%	8.40%	8.73%	9.07%	9.36%	9.68%
Cash Flow After Debt	1,829,083	2,359,286	2,742,742	2,991,778	3,244,168	3,459,316	3,699,759
Cash-on-cash (leveraged)	6.82%	8.80%	10.23%	11.16%	12.10%	12.91%	13.80%
IRR (non-leveraged)	8.83%						
IRR (leveraged)	13.77%						

Project Financials

Figure 2 – With 70% of property tax increment and 2% of sales tax increment the Project cash returns and IRR are still deficient to meet projected cash returns and IRR.

Downtown Marriott Hotel Development							
Return Summary - w/ 70% Property Tax Increment, 2% Sales Tax Increment							
Project Cost	\$	74,724,330					
Bond Capacity (after fees)	\$	7,156,347					
Debt Service (65%)	\$	47,920,815					
Terms:							
Rate	5.5%						
Term	25						
Annual Payment	\$3,531,309						
	2020	2021	2022	2023	2024	2025	2026
Hotel Net Operating Income	3,595,575	4,066,126	4,400,005	4,584,991	4,758,051	4,922,376	5,106,210
Rooftop/Catering Net Operating Income	635,185	601,354	568,721	572,099	593,597	611,321	631,819
Parking Net Operating Income	887,172	982,236	1,057,334	1,119,684	1,170,503	1,205,382	1,243,326
Leased Retail Net Operating Income	242,460	240,879	247,990	246,313	253,325	251,546	249,714
Total Project Net Operating Income	5,360,391	5,890,594	6,274,051	6,523,087	6,775,476	6,990,625	7,231,068
Cash-on-cash (Non-leveraged)	7.17%	7.88%	8.40%	8.73%	9.07%	9.36%	9.68%
Cash Flow After Debt	1,829,083	2,359,286	2,742,742	2,991,778	3,244,168	3,459,316	3,699,759
Cash-on-cash (leveraged)	9.31%	12.01%	13.96%	15.23%	16.51%	17.61%	18.83%
IRR (non-leveraged)	11.09%						
IRR (leveraged)	21.53%						

Project Financials

Figure 3 – With 100% of property tax increment and 3% of sales tax increment the Project meets anticipated financial objectives of a minimum leveraged 15% annual cash-on-cash return and a +25% IRR.

Downtown Marriott Hotel Development							
Return Summary - w/ 100% Property Tax Increment, 3% Sales Tax Increment							
Project Cost	\$ 74,724,330						
Bond Capacity (after fees)	\$ 10,458,555						
Debt Service (65%)	\$ 47,920,815						
Terms:							
Rate	5.5%						
Term	25						
Annual Payment	\$3,531,309						
	2020	2021	2022	2023	2024	2025	2026
Hotel Net Operating Income	3,595,575	4,066,126	4,400,005	4,584,991	4,758,051	4,922,376	5,106,210
Rooftop/Catering Net Operating Income	635,185	601,354	568,721	572,099	593,597	611,321	631,819
Parking Net Operating Income	887,172	982,236	1,057,334	1,119,684	1,170,503	1,205,382	1,243,326
Leased Retail Net Operating Income	242,460	240,879	247,990	246,313	253,325	251,546	249,714
Total Project Net Operating Income	5,360,391	5,890,594	6,274,051	6,523,087	6,775,476	6,990,625	7,231,068
Cash-on-cash (Non-leveraged)	7.17%	7.88%	8.40%	8.73%	9.07%	9.36%	9.68%
Cash Flow After Debt	1,829,083	2,359,286	2,742,742	2,991,778	3,244,168	3,459,316	3,699,759
Cash-on-cash (leveraged)	11.19%	14.43%	16.78%	18.30%	19.85%	21.16%	22.64%
IRR (non-leveraged)	12.12%						
IRR (leveraged)	26.11%						

Site Control

Downtown Marriott Hotel Location



Downtown Marriott Hotel Development			
Address	TSN	SF (Land Area)	Status
402 South Tejon Street	64183-16-001	9,500	Acquired by an entity controlled by Jim DiBiase in July 2017.
408 South Tejon Street	64183-16-003	9,500	Acquired by an entity controlled by Jim DiBiase in July 2017.
410 South Tejon Street	64183-16-004	9,500	Property 'Under Contract' with closing scheduled in April 2018, or as otherwise
414 South Tejon Street	64183-16-007	9,500	Property 'Under Contract' with closing scheduled in July 2018, or as otherwise
		38,000	

*414 South Tejon Tenant (McKinney Law Firm) has "Option to Purchase". A payment of \$100,000 to Tenant at closing is required for Tenant to relinquish this Option, to reimburse Tenant for improvements previously made to 414 South Tejon Street, and to pay for relocation costs.



Bijou St

Kiowa St

Pikes Peak Ave

25
INTERSTATE

Colorado Ave

The Antlers
A Wyndham Hotel

WPI'S
FARGO

Plaza of
the Rockies

CanAm Hwy

Cascade Ave

Cucharras St

24

Future Olympic
Museum

Proposed Marriott
Site 38,000 SF Lot

Tejon St

Vermijo Ave

Casa Mundi
Apartment Project

Costilla St

Winfield Scott
Stratton
Re-Development

Cimarron St

Cascade
Urban
Apartments

Moreno Ave

Rio Grande St





24

25

Future Olympic Museum

Colorado Ave

The Antlers
A Wyndham Hotel

WELLS FARGO

Plaza of the Rockies

PIKE'S PEAK

Moreno Ave

Winfield Scott Station
Re-Development

Casa Mundi
Apartment Project

Proposed Marriott Site
38,000 SF Lot

Blue Dot
Apartments

Tejon St

Cascade Ave

Colorado Springs
Historic District

Nevada Ave

Cimarron St

Costilla St



Future Olympic Museum

Colorado Ave



Cascade Ave

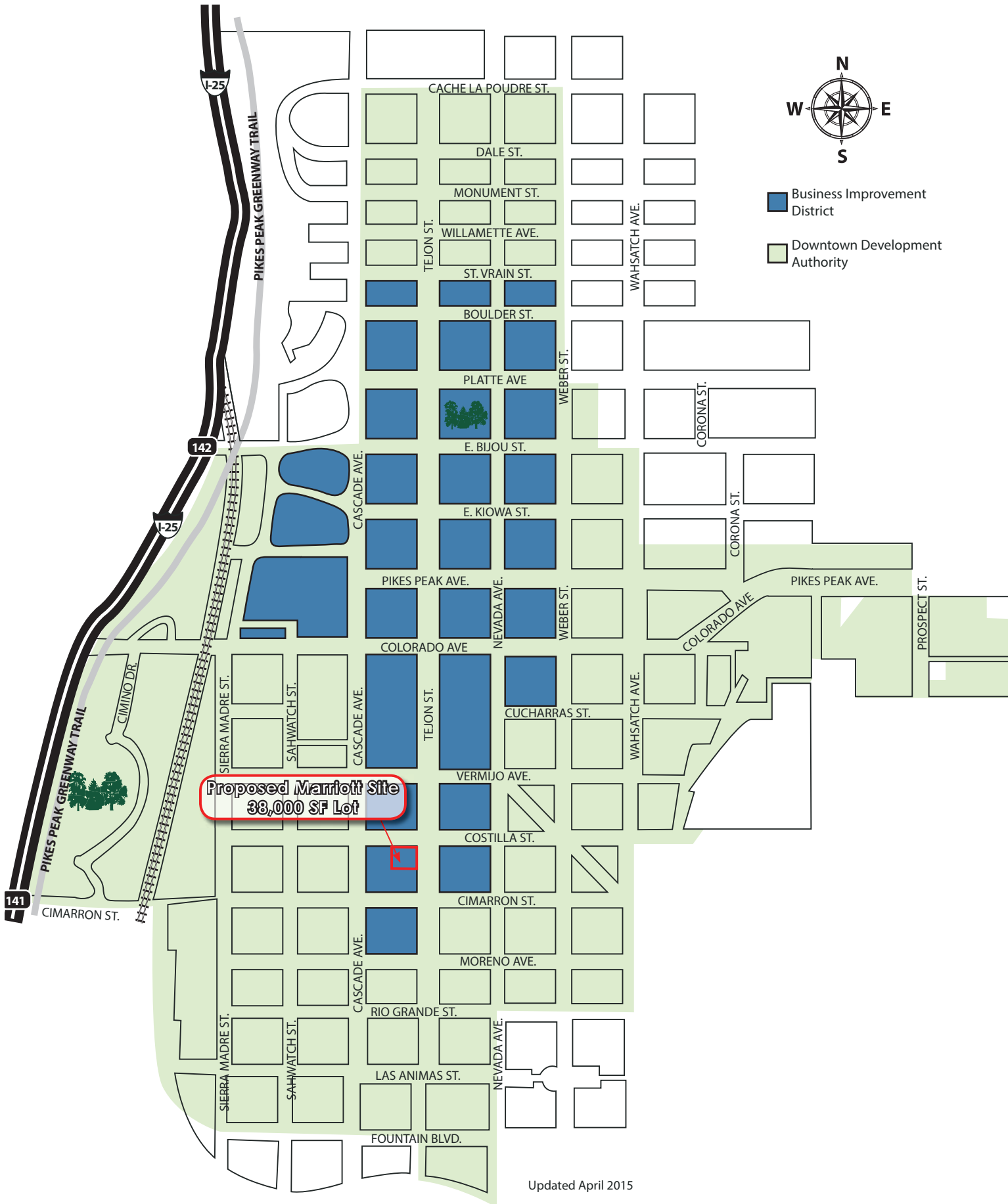
Costilla St

Proposed Marriott Site
38,000 SF Lot

Casa Mundi
Apartment Project

Tejon St

Cimarron St



Current Blighted Conditions



Development Team

Applicant

JVK Holdings, LLC is a newly developed Colorado limited liability company, created specifically to develop the Project. JVK Holdings, LLC will be the Managing Member of an entity that will own and manage the hotel. The final ownership entity of the Downtown Marriott Hotel Project will be formed upon final selection of the Project's equity partner.

The JVK Holdings, LLC development team is made up of the following individuals:

- **Vincent Colarelli:** President/Founder of Colarelli Construction, Inc.
- **James DiBiase:** Principal at Olive Real Estate Group, Inc.
- **Kevin Engelhardt:** Principal of Hotel Operations Services, Inc.

Previous Experience: URA & Hotel Development

- Mr. Colarelli is the lead developer and a Principal in The Vineyards Data Center Park, an active CSURA-approved project.
- Mr. Colarelli's firm has constructed over 20 hotels for various hotel chains throughout the United States.
- This Project will be the second hotel Mr. Colarelli, Mr. DiBiase and Mr. Engelhardt have developed, constructed, and owned together. In 2009, an affiliated entity with the same principal members developed the Fairfield Inn on Baptist Road in Monument, Colorado.

Financial Capability

- Applicant will contribute approximately 20% or \$2,500,000± of required equity investment (after bonding) to the Project.
- Private equity is anticipated for the balance of required equity.
- An institutional lender will be used to finance a 65% of the overall Project Debt (before bonding).

Project/Consultant Team

The Applicant made a philosophical decision to keep all design, engineering, construction and other contracting services local whenever possible. The Project/Consultant team includes:

- Bobby Hill, Bobby Hill Designs – Project Design Lead
- Christy Riggs, 308, LLC – Project Architect
- Kyle Campbell, Classic Consulting Engineers & Surveyors – Civil Engineering & Surveying
- To Be Determined - Mechanical, Electrical & Plumbing Engineer
- MGA – Structural Engineer
- Vince Colarelli, Colarelli Construction – General Contractor
- Robert Benton & Associates – Hotel Consultant

Development Team



James DiBiase
Principal / Director
Olive Real Estate Group, Inc.
jimd@oliverereg.com

Since joining Olive Real Estate Group in 1992, Jim has gained the reputation as one of Colorado Springs' leading real estate professionals. His broad background in corporate services, tenant representation and office development is unique to Colorado Springs and has allowed him to personally complete over \$1 billion dollars in transactions. After graduating from Villanova University in 1981, Jim moved to New York City where he worked for a Peregrine-White, a boutique, commercial real estate firm specializing in tenant representation.

Jim has completed transactions with some of Colorado Springs' most prominent and fastest-growing companies, including RT Logic, The O'Neil Group, JP Morgan Chase, Insurance Technologies, Colorado Springs Health Partners, Everest College, and TASC. Jim's development experience includes acquisition, entitlement and managing the successful solicitation of debt & equity for each of the following projects:

- Woodmen Office Campus II, III, and IV buildings,
- Lake Pointe Medical Center,
- Colorado Springs Health Partners East,
- Colorado Springs Health Partners Briargate,
- CSHP Monument and
- AeroSpace Technology Center I and II,
- RT Logic Expansion, and
- Fairfield Inn & Suites Monument.

Jim has represented some of the nation's top business firms, as well as various municipal entities to include:

- CIGNA Insurance
- Guardian-Royal Exchange
- Digital Equipment Corporation
- Chase Bank
- Equitable Insurance
- City of New York
- El Paso County

Development Team



Kevin Engelhardt

Executive Director of Hotel Operations Services, LLC
KDEngelhardt@comcast.net

Mr. Kevin Engelhardt is the Executive Director of Hotel Operations Services, LLC, a Real Estate Development and Asset Management company and has been involved with hotels and other hospitality real estate for over 24 years. His responsibilities in the lodging industry have included acquisitions, development, renovation, asset management and dispositions. Kevin was responsible for the conception and development of the Fairfield Inn & Suites, an 85-room Select Service Hotel in Monument, Colorado and is currently an owner and asset manager of the property.

Mr. Engelhardt began his real estate and hospitality career in 1994 with Richfield Hospitality Services, Inc., a hotel management company with over 100 owned and managed properties. His primary responsibilities included management contract development and acquisitions for the Regal Brand. During his tenure, Richfield acquired four of its most significant assets, The Knickerbocker in Chicago, Ill., The Biltmore in Los Angeles, Ca., the Bostonian in Boston, Ma., and the U.N. Plaza in New York, NY.

In 1998, Mr. Engelhardt joined Amstar Group, Ltd., a Denver-based private real estate investment group. Mr. Engelhardt was responsible for acquisitions, dispositions and asset management of a number of varied hospitality investments. In this role, he had an opportunity to work with many national hotel management firms in varied markets; including primarily corporate business properties, resorts, and conference centers.

In 2002, Mr. Engelhardt joined Miller-Global, a Denver-based private real estate investment group and was responsible for repositioning the world-famous Algonquin Hotel and the opening of the Residence Inn in Alexandria, Virginia.

Mr. Engelhardt graduated from the University of Denver with a BSACC in 1983. He received an MPA in Management Advisory Services from the University of Texas in 1985.

Development Team



Vince Colarelli, Owner
Colarelli Construction Inc.
vince@colarelliconstruction.com

Vince Colarelli's qualifications include college degrees in architectural engineering and architecture, as well as a master's degree in construction management and civil engineering from Stanford University. He has worked for both architectural and engineering design firms, as well as for multiple construction companies and as Construction Manager for an international development company.

In his capacity as President and CEO, Vince is responsible for all operations of Colarelli Construction. In addition, Vince has been principally involved in the successful solicitation and placement of both debt and equity for real estate development on more than forty different projects. In addition, he has successfully secured entitlements for New Market Tax Credits, Enterprise Zone Tax Credits and Tax Increment Financing.

Colarelli Construction has been on the forefront of the construction market. In 2004, the company was selected by Dunn and Bradstreet, and Entrepreneur Magazine as number two on their list of the Hot 100 companies in the nation. In addition, the firm was selected by INC magazine in 2008 as one of their Top 1000 firms. Currently Vince is working on several new initiatives within the construction industry, including the development of a energy modeling group, the development of a prefabricated building division and the establishment of a renewable power generation division. With the market moving in a sustainable design direction Colarelli Construction is stepping up to be a leader in the market.

Marriott - Springhill Suites Entrance on Tejon St



Marriott - Element Entrance on Costilla St



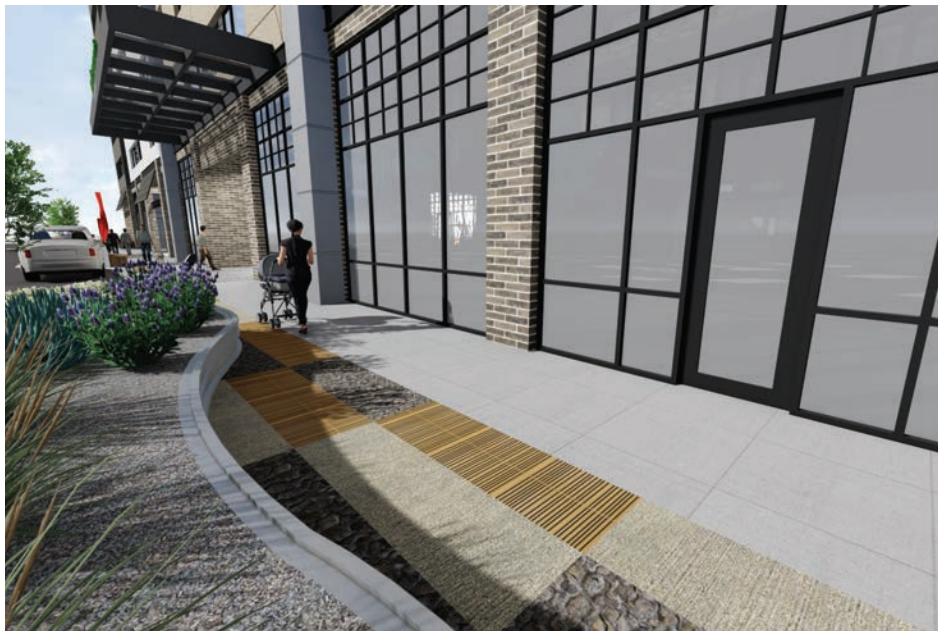
Street Corner Patio Restaurant



Second Floor Patio



Street Views



Interior Courtyard



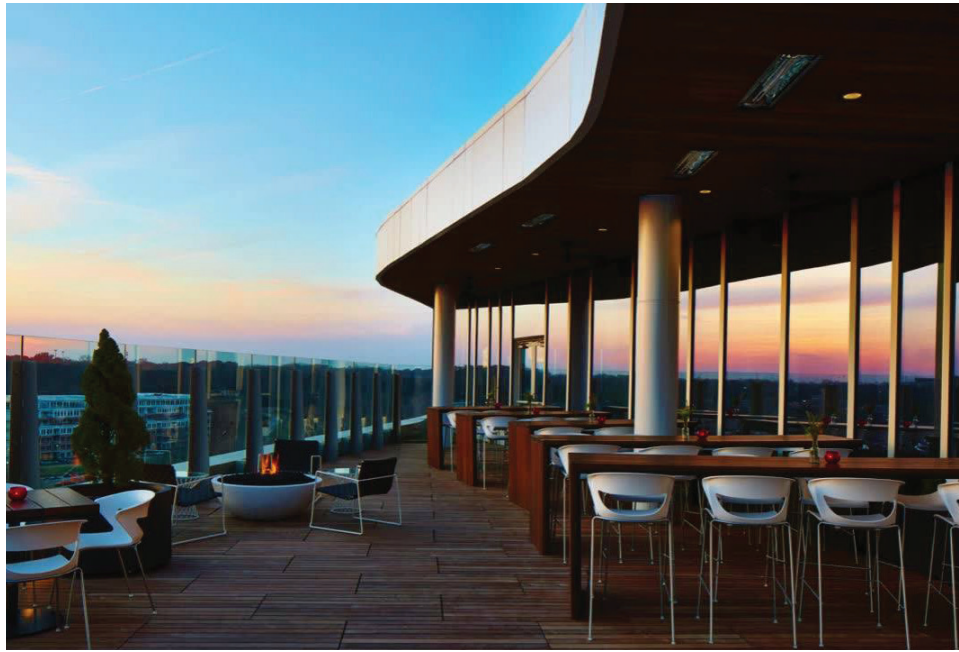
Rooftop Bar



Rooftop Bar



Actual Photos - Vaso by Hotel Equities



Rooftop Residences





Actual Interior Photos - Marriott Springhill Suites

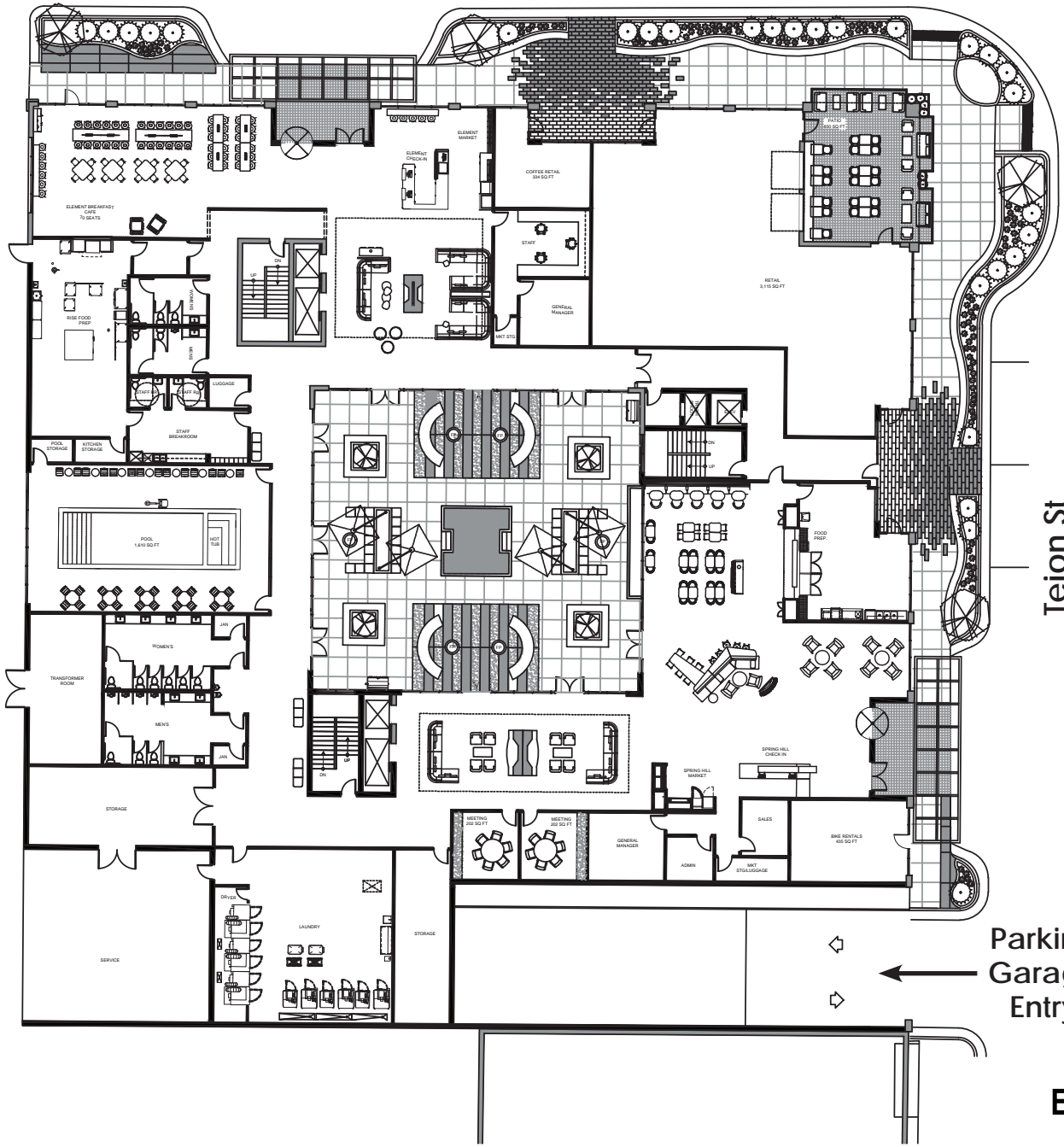


Actual Interior Photos - Marriott Element

Site Plan



Costilla St



Alley

Tejon St

Parking
Garage
Entry

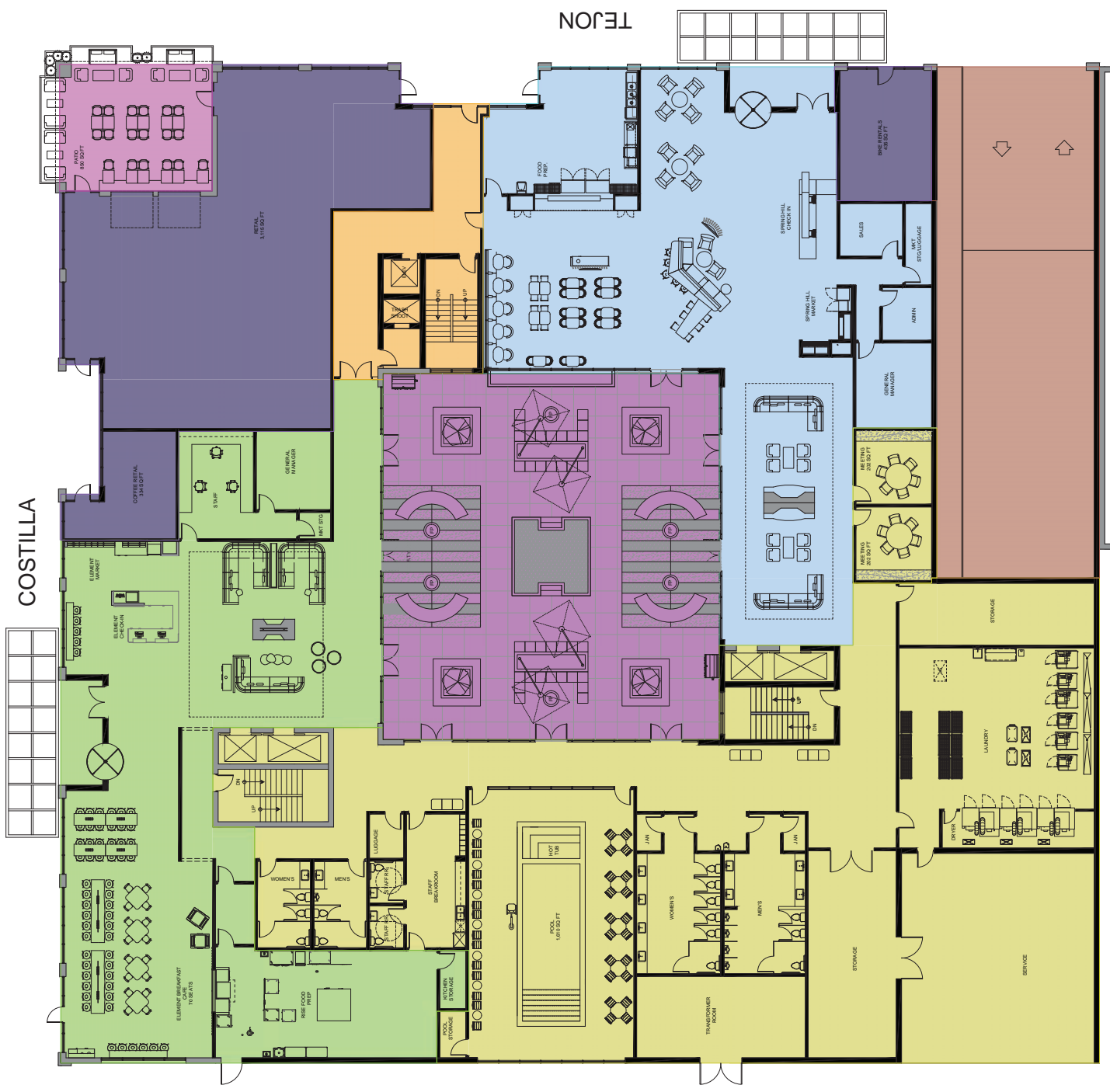


COSTILLA

TEJON

1ST FLOOR
NTS

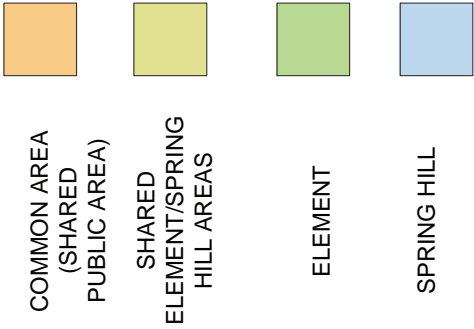
- FIRST FLOOR RETAIL
- FIRST FLOOR OUTDOOR RETAIL
- PARKING
- COMMON AREA (SHARED PUBLIC AREA)
- SHARED ELEMENT/SPRING HILL AREAS
- SHARED ELEMENT/SPRING HILL OUTDOOR AREAS
- ELEMENT



COSTILLA



TEJON



3RD & 4TH FLOORS
NTS

COSTILLA



TEJON

COMMON AREA
(SHARED
PUBLIC AREA)

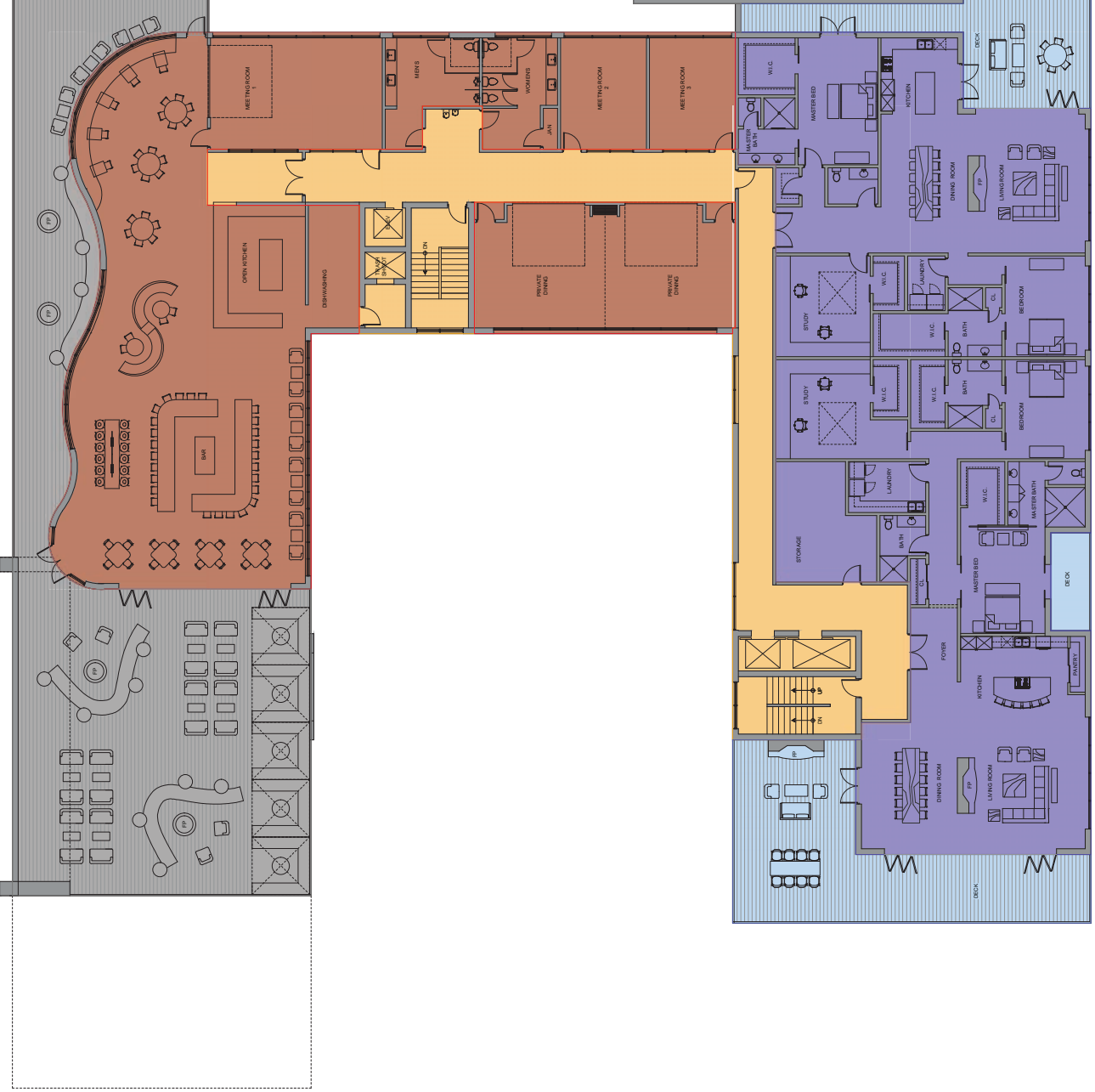
SHARED
ELEMENT/SPRING
HILL AREAS

ELEMENT

SPRING HILL

5-7TH FLOORS
NTS

COSTILLA



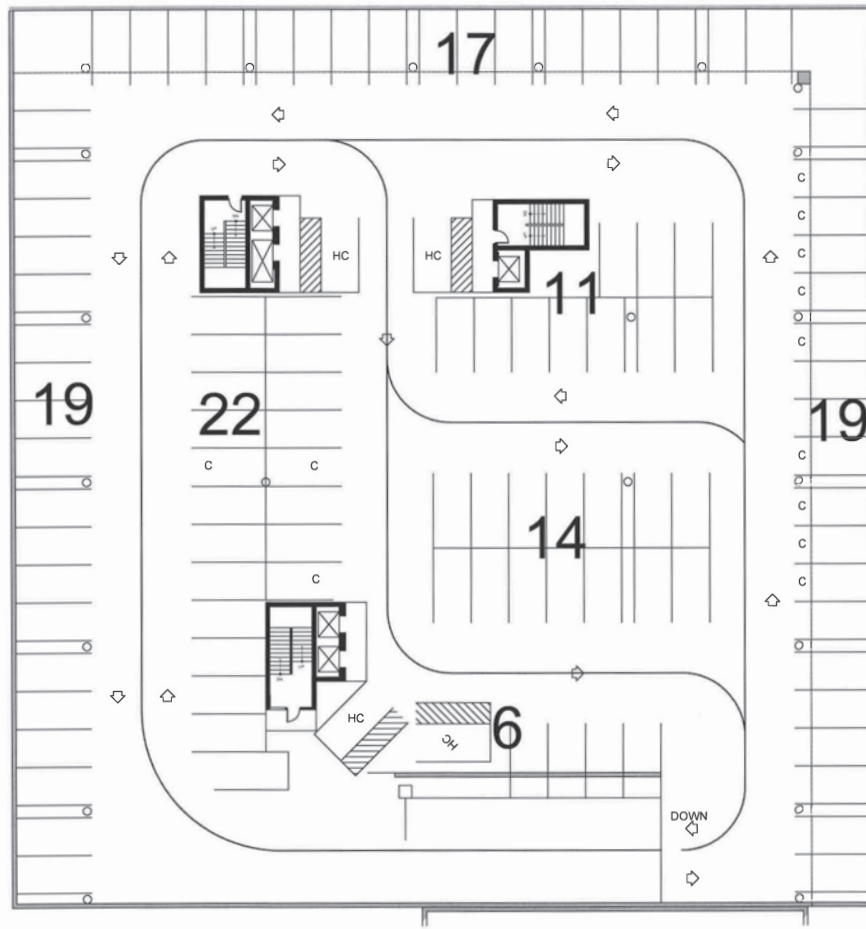
TEJON

- COMMON AREA (SHARED PUBLIC AREA)
- APARTMENT
- APARTMENT DECK SPACE
- EIGHTH FLOOR RETAIL
- EIGHTH FLOOR OUTDOOR RETAIL

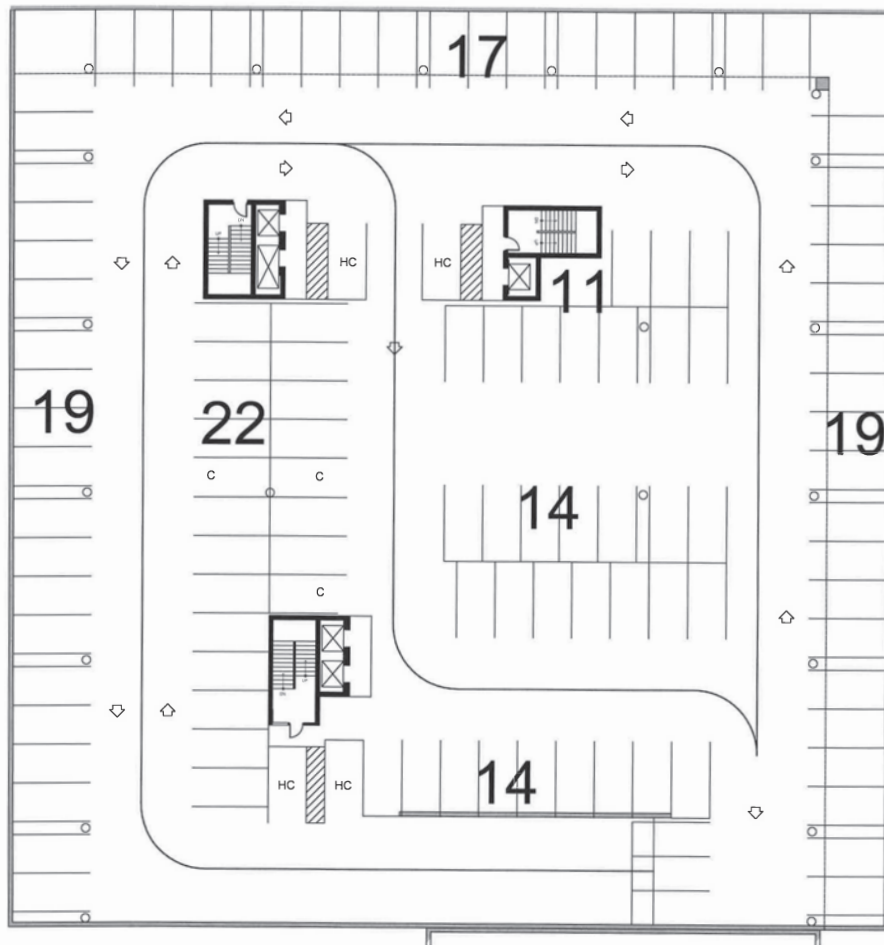
8TH FLOOR
NTS

Parking Plan

B1
108



B2
116



July 21, 2017

**ROBERT S. BENTON
& ASSOCIATES, INC.**

*Hospitality Consulting
and Valuation*

Mr. James DiBiase, Director
The Olive Real Estate Group, Inc.
102 North Cascade Avenue
Suite 250
Colorado Springs, CO 80903

Dear Mr. DiBiase:

We have completed our analysis and have prepared estimates of occupancy and average daily rate for a proposed dual-branded hotel to be located in Colorado Springs, El Paso County, Colorado. The site for the proposed hotel is located in the southwest quadrant of Tejon Street and Costilla Street in downtown Colorado Springs. The proposed hotel site is located approximately three blocks south of the entertainment district in downtown Colorado Springs and three blocks east of the site of the proposed United States Olympic Museum.

The proposed dual-branded hotel is planned to include a 132-room Element and a 122-room Springhill Suites. Based on our research, we concur with the developer's branding selections. Each hotel will bring a new lodging concept to downtown Colorado Springs. The Element is an extended-stay hotel, which is not currently represented downtown. Extended-stay travelers are defined as guests who require lodging for five consecutive nights or more. The amenities available in downtown Colorado Springs should be very popular with extended-stay travelers. The Element Hotel also caters to short-term travelers who enjoy the extra space and amenities that the Element guestroom provides. Springhill Suites is an upscale limited-service concept, which is also not currently available in the downtown area. While the Springhill Suites offers guests a complimentary breakfast, guests will seek lunch and/or dinner at restaurants located throughout the community, including downtown. Both lodging concepts are expected to be popular with business, leisure and government travelers, as well as with families visiting the U. S. Olympic Museum.

In comparison to similar sized cities, downtown Colorado Springs currently offers limited lodging choices. Given the restaurants, entertainment alternatives and amenities available in downtown Colorado Springs, it is our opinion that the dual branded Element and Springhill Suites will be well received by travelers coming to Colorado Springs.

A Statement of Qualifications for Robert S. Benton & Associates, Inc., is included in the addenda of this letter report.

The Colorado Springs lodging market (including Manitou Springs and Fountain) contains approximately 101 hotels with a total of 8,750 guestrooms. Many of the hotels in this market are older independent motels that offer few services and amenities to guests.

Mr. James DiBiase, Director
 The Olive Real Estate Group, Inc.
 July 21, 2017
 Page 2

Lodging market data for the Colorado Springs has been gathered from *The Rocky Mountain Lodging Report*, which currently surveys 39 hotels with 5,071 guestrooms. It should be noted that the Broadmoor (771 rooms), Cheyenne Mountain Inn (316 rooms), Garden of the Gods Club (69 rooms) and The Cliff House (54 rooms), while located in the Colorado Springs area, are included in the Resorts category by the Rocky Mountain Lodging Report, and are not reflected in the Colorado Springs results. During 2016, the Colorado Springs lodging market achieved a 69.4 occupancy and a \$106.92 average daily rate. This compares to a 64.8 percent occupancy and a \$100.05 average daily rate in 2015.

The proposed hotel will be located in downtown Colorado Springs, which currently offers a limited number of hotels. In order to analyze market conditions that the subject property would compete in, we have included six hotels with 1,168 guestrooms in our competitive analysis. Two of the hotels are located in downtown Colorado Springs, while a third is located on the periphery of the downtown area. The remaining three hotels included in the analysis are located outside the downtown area, but are generally positioned as upscale hotels that reflect the type of traveler that could be attracted to a downtown hotel. The following table provides a listing of these hotels.

COLORADO SPRINGS ANALYZED LODGING SUPPLY		
Property	Number of Rooms	Percent of Total
Wyndham Grand Mining Exchange Hotel	117	10.0%
Hilton Colorado Springs Antlers	273	23.4%
Holiday Inn Express & Suites Central	80	6.8%
Courtyard by Marriott Colorado Springs South	90	7.7%
Doubletree Colorado Springs	299	25.6%
Marriott Colorado Springs	309	26.5%
Total Hotel Rooms	1,168	100.0%

We have obtained a Trend Report from Smith Travel Research detailing the historic performance of the comparable hotels in the downtown Colorado Springs lodging market. The following table summarizes the historical operating results for competitive hotels for the period 2011 through 2016, as well as for January 2017 compared to January 2016.

HISTORICAL TREND IN OCCUPANCY AND AVERAGE DAILY RATE DOWNTOWN COLORADO SPRINGS COMPETITIVE LODGING MARKET							
Year	Rooms Available	Rooms Occupied		Occupancy Percent	REVPAR	Average Daily Rate	
		Total Rooms	Percent Change			Dollars	Percent Change
2015 YTD ¹	36,208	19,394	1.5%	53.6%	\$57.61	\$107.56	4.6%
2014 YTD ¹	36,797	19,099	---	51.9%	\$53.36	\$102.80	---
2016	428,170	298,002	0.5%	69.6%	\$87.48	\$125.70	8.5%
2015	433,255	296,491	6.7%	68.4%	\$79.31	\$115.89	5.2%
2014	423,655	277,924	7.4%	66.6%	\$72.27	\$110.17	1.0%
2013	404,055	258,810	6.1%	64.1%	\$69.87	\$109.08	4.3%
2012	386,355	243,876	(1.2)%	63.1%	\$65.99	\$104.54	3.2%
2011	361,350	246,279	—	68.2%	\$69.04	\$101.29	---
Compound Ann. Growth 2011-2016	3.5%		3.9%		4.8%		4.4%

(1) January

Source: Smith Travel Research

As shown in the previous table, the competitive supply increased at a compound annual rate of 3.5 percent, with two additions to the competitive set. The Wyndham Grand Mining Exchange Hotel opened in May 2012 with 117 guest rooms, while the Holiday Inn Express & Suites Central opened in May 2014 with 80 guestrooms. Changes at the Antlers Hotel have also impacted the competitive set and market performance over the last several years. Previously branded as a Hilton Hotel, the Antlers Hotel sold to new owners in October 2015. Upon the sale of the hotel, the Hilton name was removed and the hotel was operated as an independent property for approximately one year. In Late September 2016, the hotel became affiliated with Wyndham Hotels. During the year the hotel was operated as an independent property, an extensive renovation of the hotel was completed, resulting in out-of order guestrooms and distractions to guests. As a result, the hotel was not aggressively marketed and the performance of the hotel declined. During the renovation, the hotels room count was reduced to 273 rooms from 292 rooms. The renovation of the Wyndham Colorado Springs Antlers, and the adverse impact of the renovation on the performance of this hotel should be considered when reviewing the 2016 performance of the comparables.

Mr. James DiBiase, Director
The Olive Real Estate Group, Inc.
July 21, 2017
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During the period 2011 through 2016, accommodated demand increased at a compound annual rate of 3.9 percent, as occupied roomnights increased by 76,409. With growth in demand out-pacing supply, occupancy rates increased from 68.2 percent in 2011 to 69.6 percent in 2016. In another sign of market strength, average daily rate increased at a 4.4 percent compound annual rate from \$101.29 in 2011 to \$125.70 in 2016. It should be noted that the pace of increase in average daily rate has been growing. Average daily rate increased by 1.0 percent in 2014, 5.2 percent in 2015 and 8.5 percent in 2016. Lodging market conditions continued to improve in January 2017.

With lodging market conditions improving in Colorado Springs, several new hotels are under construction or proposed throughout the city. As of the completion of our fieldwork, one hotel was under construction in downtown Colorado Springs. A 165-room Hilton Garden Inn is under construction on the southeast corner of Cascade Avenue and Bijou Street. This hotel is expected to open in mid 2018. A hotel has also been proposed on a vacant land parcel in the southeast quadrant of Nevada Avenue and Kiowa Street. The hotel developer reportedly planned to develop a Hampton Inn & Suites on the site, but Hilton did not approve the project due to impact concerns that this hotel could have on the under development Hilton Garden Inn. Reportedly, the hotel developer also talked with Marriott about a hotel on the site, but a project was not approved due concerns regarding the impact another Marriott hotel downtown could have on this project. It is our understanding that the developer has talked with Hyatt regarding a Hyatt Place hotel. As of the completion of our fieldwork, the timing and branding of this hotel was uncertain. For purposes of this analysis, it is assumed that the development of the Hilton Garden Inn and the subject property would delay the development of additional hotels in downtown Colorado Springs until the new supply have been absorbed by market demand.

While no other new hotels have been announced in downtown Colorado Springs, it should be noted that land is available near the proposed Olympic Museum that could potentially support future hotel development. However, as of the completion of our fieldwork, no specific projects have been identified.

As previously mentioned, several hotel projects are under development outside the downtown area. One hotel, a 100-room Best Western Plus and Executive Residency, is currently under construction in the northwest quadrant of Interstate 25 and Fillmore Street. Several other hotel projects are proposed throughout Colorado Springs, These projects are primarily limited-service hotels that would be located in suburban locations. While we recognize that additional hotel development will occur in Colorado Springs outside the downtown area, we do not believe these hotels will be directly competitive with the subject property. However, we have recognized the potential for supply additions outside the downtown area in our selection of demand growth rates.

The subject property will be positioned as a dual branded hotel, comprised of a 132-room Element and a 122-room Springhill Suites. Both brands will be popular with corporate, leisure and government travelers on a year-round basis. Leisure travelers are also

expected to be a significant source of demand for the hotel particularly during the summer months, given the sites proximity to the new Olympic Museum. The Element hotel offers guestrooms that are equipped with kitchens that are attractive to extended-stay guests.

For purposes of this analysis, it is assumed that the subject property opens April 1, 2020. The 165-room Hilton Garden Inn, which is under construction, is projected to open July 1, 2018. The development of the subject property and the Hilton Garden Inn are expected to delay additional hotel development in downtown Colorado Springs for several years., as developers assess how the market absorbs these additions. However, we believe that new hotel development will occur as market conditions strengthen. Based on our analysis of supply/demand conditions in downtown Colorado Springs, we have reflected the addition of 125 rooms in fiscal years 2022/23 and 2023/24. The following table summarizes our estimates of occupancy and average daily rate for the proposed Element and Springhill Suites to be located in downtown Colorado Springs, assuming that the proposed hotel opens April 1, 2020 with 132 guestrooms at the Element and 122 guestrooms at the Springhill Suites.

ESTIMATED OCCUPANCY AND AVERAGE DAILY RATE PROPOSED DUEL BRANDED HOTEL - COLORADO SPRINGS, COLORADO				
Fiscal Year ¹	132-Room Element		122-Room Springhill Suites	
	Occupancy	Average Daily Rate	Occupancy	Average Daily Rate
Stabilized	74% - 76%	\$151 - \$153	73% - 75%	\$140 - \$142
2020/21	63% - 65%	\$163 - \$165	62% - 64%	\$151 - \$153
2021/22	68% - 70%	\$169 - \$171	68% - 70%	\$156 - \$158
2022/23	72% - 74%	\$175 - \$177	71% - 73%	\$162 - \$164
2023/24	74% - 76%	\$181 - \$183	73% - 75%	\$167 - \$169
2024/25	74% - 76%	\$186 - \$188	73% - 75%	\$172 - \$174

(1) Fiscal years beginning April

A stabilized year is an estimate of how the property should perform over its economic lifetime once it has effectively positioned itself in the competitive market. Therefore, in certain years, occupancy may be above the stabilized rate and in other years occupancy may be below the stabilized rate. Our estimated stabilized year estimated performance takes into consideration potential additions to supply, as well as anticipated changes in economic conditions that may impact lodging demand.

Mr. James DiBiase, Director
The Olive Real Estate Group, Inc.
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Page 6

The stabilized year average daily rate is stated in 2017/18 value dollars. In calculating future average daily rates for the proposed hotel, a discount is reflected in the achieved average daily rate of the subject property during the first two years of the projection period. The discount will be necessary to introduce the new product to the market, establish a base of business and build occupancy.

The following table shows our estimate of market segmentation for each brand during a stabilized year.

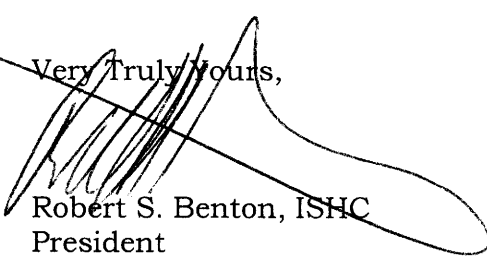
ESTIMATED MARKET MIX PROPOSED DUEL BRANDED HOTEL - COLORADO SPRINGS, COLORADO				
Segment	132-Room Element		122-Room Springhill Suites	
	Roomnights Percent of Total	Average Daily Rate	Roomnights Percent of Total	Average Daily Rate
Commercial	8,400 - 8,600 (23%-24%)	\$156 - \$158	14,400 - 14,600 (44% - 45%)	\$135 - \$137
Ind. Transient	7,600 - 7,800 (21% - 22%)	\$202 - \$204	11,900 - 12,100 (36% - 37%)	\$158 - \$160
Group/Conf.	900 - 1,000 (3% - 3%)	\$160 - \$165	2,100 - 2,300 (6% - 7%)	\$148 - \$150
Government	1,800 - 2,000 (5% - 6%)	\$97 - \$99	2,500 - 2,700 (8% - 9%)	\$97 - \$99
Extended Stay				
5 - 11 nts	6,600 - 6,700	\$139 - \$141		
12 - 29 nts	6,800 - 6,900	\$124 - \$126		
30 Plus	<u>3,600 - 3,700</u>	<u>\$115 - \$117</u>		
Average	17,000 - 17,200 47% - 48%	\$128 - \$130	1,600 - 1,800 (5% - 6%)	\$137 - \$139
Total	36,100 - 36,300	\$151 - \$153	32,900 - 33,100	\$140 - \$142

We have prepared a Statement of Estimated Annual Operating Results for the proposed duel-branded hotel to be located in downtown Colorado Springs for the first five years of operation assuming that the hotel opens April 1, 2020. In preparing this statement, we utilized the mid-points from our occupancy and average daily rate estimates. A copy of the Statement of Estimated Annual Operating Results is included as an addenda to this report.

Mr. James DiBiase, Director
The Olive Real Estate Group, Inc.
July 21, 2017
Page 7

This letter summarizes our findings regarding this project. Once you have had a chance to review our findings, please give me a call to discuss.

Very Truly Yours,



Robert S. Benton, ISHC
President

ADDENDA

ADDENDA A
STATEMENT OF QUALIFICATIONS
ROBERT S. BENTON & ASSOCIATES, INC.

ROBERT S. BENTON, ISHC

16021 Relic Rock Terrace
Parker, Colorado 80134
(303) 840-1666

EXPERIENCE

ROBERT S. BENTON & ASSOCIATES, INC. Parker, Colorado

1992 to present

Provide real estate consulting and appraisal services to developers, investors and lending institutions of hospitality properties.

Co-sponsor of the Rocky Mountain Lodging Report, a monthly lodging survey summarizing market conditions in the states of Colorado, Utah, New Mexico and Wyoming.

PANNELL KERR FORSTER, Denver, Colorado

Manager, Hospitality Consulting

1983 – 1991

ADDITIONAL EXPERIENCE

While completing undergraduate studies, held various positions within the hospitality industry.

- The Petroleum Club, Denver, Colorado (1983)
- Ramada Renaissance, Aurora, Colorado (1982 – 1983)
- El Rancho Restaurant, Golden, Colorado (1979 – 1982)
- Ramada Inns, Inc., Culver City, California (1978 – 1979)

AREAS OF EXPERTISE

- Market and Economic Feasibility Analysis for Hotels, Resorts and Golf Courses
- Real Estate Appraisal of a Variety of Hotels, Resorts and Golf Courses
- Hotel Supply and Demand Analysis
- Hotel Income and Expense Analysis and Forecasts
- Hotel Site Selection and Analysis
- Renovation and Conversion Studies
- Litigation Support and Research
- Hotel Market Position Analysis and Franchise Selection

EDUCATION

MBA – University of Denver, Denver, Colorado. Specialization in Real Estate – Finance.
Graduation Date: March 1988.

BSBA – University of Denver, Denver, Colorado. Specialization in Hotel and Restaurant Management with an emphasis in marketing and finance. Graduation Date: March 1982.

Appraisal Institute

- Real Estate Appraisal Principles
- Basic Valuation Procedures
- Capitalization Theory & Techniques, Part A & B
- Case Studies in Real Estate Valuation
- Standards of Professional Practice

MEMBERSHIPS

- International Society of Hospitality Consultants
- Colorado Hotel & Lodging Association
- New Mexico Hotel & Motel Association

ADDENDA B

STATEMENT OF ESTIMATED ANNUAL OPERATING RESULTS

PROPOSED DUEL BRANDED HOTEL
DOWNTOWN COLORADO SPRINGS

**PROPOSED ELEMENT (132 ROOMS)
PROPOSED SPRINGHILL SUITES (122-ROOMS)
COLORADO SPRINGS, COLORADO**

Projection Year	Year 2019/20				Year 2020/21				Year 2021/22			
	Amount	Ratio	Per Avail Room	Per Occ Rm	Amount	Ratio	Per Avail Room	Per Occ Rm	Amount	Ratio	Per Avail Room	Per Occ Rm
Revenues:												
Rooms												
Element	\$5,057,000	53.8%	\$ 38,311	\$164.00	\$5,652,000	53.5%	\$42,818	\$170.00	\$6,190,000	53.8%	\$46,894	\$176.00
Springhill Suites	<u>4,264,000</u>	<u>45.4%</u>	<u>34,951</u>	<u>152.00</u>	<u>4,824,000</u>	<u>45.7%</u>	<u>39,541</u>	<u>157.00</u>	<u>5,226,000</u>	<u>45.4%</u>	<u>42,836</u>	<u>163.00</u>
Total Rooms	\$ 9,321,000	99.2%	\$ 40,526	\$ 158.28	\$ 10,476,000	99.2%	\$ 45,548	\$ 163.76	\$ 11,416,000	99.2%	\$ 49,635	\$ 169.80
Rentals/Other Income	<u>78,000</u>	<u>0.8%</u>	<u>339</u>	<u>1.32</u>	<u>87,000</u>	<u>0.8%</u>	<u>378</u>	<u>1.36</u>	<u>\$ 94,000</u>	<u>0.8%</u>	<u>409</u>	<u>1.40</u>
Total	<u>9,399,000</u>	<u>100.0%</u>	<u>40,865</u>	<u>159.61</u>	<u>10,563,000</u>	<u>100.0%</u>	<u>45,926</u>	<u>165.12</u>	<u>11,510,000</u>	<u>100.0%</u>	<u>50,043</u>	<u>171.20</u>
Departmental Expenses: (1)												
Rooms	1,930,000	20.7%	8,391	32.77	2,125,000	20.3%	9,239	33.22	\$ 2,279,000	20.0%	9,909	33.90
Total	<u>1,930,000</u>	<u>20.5%</u>	<u>8,391</u>	<u>32.77</u>	<u>2,125,000</u>	<u>20.1%</u>	<u>9,239</u>	<u>33.22</u>	<u>2,279,000</u>	<u>19.8%</u>	<u>9,909</u>	<u>33.90</u>
Total Operated Departmental Incon	<u>7,469,000</u>	<u>79.5%</u>	<u>32,474</u>	<u>126.83</u>	<u>8,438,000</u>	<u>79.9%</u>	<u>36,687</u>	<u>131.91</u>	<u>9,231,000</u>	<u>80.2%</u>	<u>40,135</u>	<u>137.30</u>
Undistributed Operating Expenses:												
Administrative & General	655,000	7.0%	2,848	11.12	680,000	6.4%	2,957	10.63	674,000	5.9%	2,930	10.02
Info & Telecommunications	88,900	0.9%	387	1.51	91,600	0.9%	398	1.43	94,300	0.8%	410	1.40
Marketing	711,000	7.6%	3,091	12.07	781,000	7.4%	3,396	12.21	838,000	7.3%	3,643	12.46
Franchise Fees	513,000	5.5%	2,230	8.71	576,000	5.5%	2,504	9.00	627,000	5.4%	2,726	9.33
Property Operations & Maint.	303,000	3.2%	1,317	5.15	320,000	3.0%	1,391	5.00	335,000	2.9%	1,457	4.98
Energy	<u>333,000</u>	<u>3.5%</u>	<u>1,448</u>	<u>5.65</u>	<u>342,000</u>	<u>3.2%</u>	<u>1,487</u>	<u>5.35</u>	<u>369,000</u>	<u>3.2%</u>	<u>1,604</u>	<u>5.49</u>
Total	<u>2,603,900</u>	<u>27.7%</u>	<u>11,321</u>	<u>44.22</u>	<u>2,790,600</u>	<u>26.4%</u>	<u>12,133</u>	<u>43.62</u>	<u>2,937,300</u>	<u>25.5%</u>	<u>12,771</u>	<u>43.69</u>
Income Before Fixed Charges	<u>4,865,000</u>	<u>51.8%</u>	<u>21,152</u>	<u>82.61</u>	<u>5,647,000</u>	<u>53.5%</u>	<u>24,554</u>	<u>88.28</u>	<u>6,293,700</u>	<u>54.7%</u>	<u>27,364</u>	<u>93.61</u>
Management Fees, Property Taxes and Insurance												
Management Fee	282,000	3.0%	1,226	4.79	317,000	3.0%	1,378	4.96	345,000	3.0%	1,500	5.13
Real Estate & Property Taxes	472,000	5.0%	2,052	8.02	485,000	4.6%	2,109	7.58	500,000	4.3%	2,174	7.44
Building & Contents Insurance	<u>95,000</u>	<u>1.0%</u>	<u>413</u>	<u>1.61</u>	<u>97,000</u>	<u>0.9%</u>	<u>422</u>	<u>1.52</u>	<u>101,000</u>	<u>0.9%</u>	<u>439</u>	<u>1.50</u>
Total	<u>849,000</u>	<u>9.0%</u>	<u>3,691</u>	<u>14.42</u>	<u>899,000</u>	<u>8.5%</u>	<u>3,909</u>	<u>14.05</u>	<u>946,000</u>	<u>8.2%</u>	<u>4,113</u>	<u>14.07</u>
Income Before Reserve	<u>4,016,000</u>	<u>42.7%</u>	<u>17,461</u>	<u>68.20</u>	<u>4,748,000</u>	<u>44.9%</u>	<u>20,643</u>	<u>74.22</u>	<u>5,347,700</u>	<u>46.5%</u>	<u>23,251</u>	<u>79.54</u>
Reserve For Replacement	<u>470,000</u>	<u>5.0%</u>	<u>2,043</u>	<u>7.98</u>	<u>528,000</u>	<u>5.0%</u>	<u>2,296</u>	<u>8.25</u>	<u>576,000</u>	<u>5.0%</u>	<u>2,504</u>	<u>8.57</u>
Income Before Other Deductions (2)	<u>3,546,000</u>	<u>37.7%</u>	<u>15,417</u>	<u>60.21</u>	<u>4,220,000</u>	<u>40.0%</u>	<u>18,348</u>	<u>65.97</u>	<u>4,771,700</u>	<u>41.5%</u>	<u>20,747</u>	<u>70.97</u>

* All percentages relate to total revenues, except departmental expenses, which relate to their respective revenues

** Slight mathematical differences may exist due to rounding.

**PROPOSED ELEMENT (132 ROOMS)
PROPOSED SPRINGHILL SUITES (122-ROOMS)
COLORADO SPRINGS, COLORADO**

Projection Year	Year 2022/23				Year 2023/24			
	Amount	Ratio	Per Avail Room	Per Occ Rm	Amount	Ratio	Per Avail Room	Per Occ Rm
Revenues:								
Rooms								
Element	\$6,577,000	53.9%	\$49,826	\$182.00	\$6,757,000	53.8%	\$51,189	\$187.00
Springhill Suites	5,536,000	45.3%	45,377	168.00	5,701,000	45.4%	46,730	173.00
Total Rooms	\$ 12,113,000	99.2%	\$ 52,665	\$ 175.33	\$ 12,458,000	99.2%	\$ 54,165	\$ 180.32
Rentals/Other Income	\$ 100,000	0.8%	435	1.45	\$ 103,000	0.8%	448	1.49
Total	12,213,000	100.0%	53,100	176.78	12,561,000	100.0%	54,613	181.81
Departmental Expenses: (1)								
Rooms	2,381,000	19.7%	10,352	34.46	\$ 2,449,000	19.7%	10,648	35.45
Total	2,381,000	19.5%	10,352	34.46	2,449,000	19.5%	10,648	35.45
Total Operated Departmental Income	9,832,000	80.5%	42,748	142.31	10,112,000	80.5%	43,965	146.37
Undistributed Operating Expenses:								
Administrative & General	696,000	5.7%	3,026	10.07	716,000	5.7%	3,113	10.36
Info & Telecommunications	97,200	0.8%	423	1.41	100,100	0.8%	435	1.45
Marketing	883,000	7.2%	3,839	12.78	907,000	7.2%	3,943	13.13
Franchise Fees	666,000	5.5%	2,896	9.64	686,000	5.5%	2,983	9.93
Property Operations & Maint.	349,000	2.9%	1,517	5.05	363,000	2.9%	1,578	5.25
Energy	380,000	3.1%	1,652	5.50	393,000	3.1%	1,709	5.69
Total	3,071,200	25.1%	13,353	44.45	3,165,100	25.2%	13,761	45.81
Income Before Fixed Charges	6,761,000	55.4%	29,395	97.86	6,947,000	55.3%	30,204	100.55
Management Fees, Property Taxes and Insurance								
Management Fee	366,000	3.0%	1,591	5.30	377,000	3.0%	1,639	5.46
Real Estate & Property Taxes	516,000	4.2%	2,243	7.47	531,000	4.2%	2,309	7.69
Building & Contents Insurance	103,000	0.8%	448	1.49	106,000	0.8%	461	1.53
Total	985,000	8.1%	4,283	14.26	1,014,000	8.1%	4,409	14.68
Income Before Reserve	5,776,000	47.3%	25,113	83.60	5,933,000	47.2%	25,796	85.88
Reserve For Replacement	611,000	5.0%	2,657	8.84	628,000	5.0%	2,730	9.09
Income Before Other Deductions (2)	5,165,000	42.3%	22,457	74.76	5,305,000	42.2%	23065	76.79

* All percentages relate to total revenues, except departmental expenses, which relate to their respective revenues

** Slight mathematical differences may exist due to rounding.

Springhill Suites, Element
 Project Budget
 Original : 1-Mar-17
 Project Size:

Line Item Description	Cost per	Budget	Closing Costs	Draw Requests		Variance Over/Under Budget	Cost per/key
				1	Total Draw		
Planned Guest Rooms	255						
Franchise Fees							
1000.100 .101 Initial Franchise Application Fee	\$75,000 each	\$500/room	\$127,500		\$0	\$127,500	\$500
.102 Market Study			\$30,000			\$30,000	\$118
1000.300 Funding							
.301 Urban Renewal			\$85,000		\$0	\$85,000	\$333
1000.500 Development Fees							
.501 Developer's Fee (2.5% of project cost)			\$1,750,000		\$0	\$1,750,000	\$6,863
1100.100 Architectural & Engineering Design							
.101 Design Architect		consulting firm	\$1,000,000		\$0	\$1,000,000	\$3,922
.102 Structural Engineer		(.101 -.110, .113) incl	\$200,000		\$0	\$200,000	\$784
.103 MEP Engineer (w/ construction)			\$150,000		\$0	\$150,000	\$588
.104 Civil Engineer - Development Plan					\$0	\$0	\$0
.105 Civil Engineer - Construction Documents					\$0	\$0	\$0
.106 Landscape Architect					\$0	\$0	\$0
.107 Geotechnical Consultant - Phase I & Soils					\$0	\$0	\$0
.108 Security Consultant		in audio/visual costs	\$0		\$0	\$0	\$0
.109 Lighting Consultant			\$75,000		\$0	\$75,000	\$294
.110 Graphics Consultants					\$0	\$0	\$0
.111 Interior Design			\$0		\$0	\$0	\$0
.112 Code Consultant					\$0	\$0	\$0
.113 Reimbursable Expenses (core & shell only)					\$0	\$0	\$0
2000.100 Hotel Construction							
.200 Preconstruction Services		consulting firm					
.300 Off-Site Improvements		Colarelli					
2100.100 General Construction		Colarelli					
2200.100 Div 01 - General Conditions		Sitework	\$3,087,217		\$0	\$3,087,217	\$12,107
2300.100 Div 02 - Sitework		Garage	\$8,546,459		\$0	\$8,546,459	\$33,516
2400.100 Div 03 - Concrete		Hotel	\$41,697,904		\$0	\$41,697,904	\$163,521
2500.100 Div 04 - Masonry					\$0	\$0	\$0
2600.100 Div 05 - Structural Steel					\$0	\$0	\$0
2700.100 Div 06 - Carpentry					\$0	\$0	\$0
2800.100 Div 07 - Thermal/Moisture Protection					\$0	\$0	\$0
2900.100 Div 08 - Doors & Windows					\$0	\$0	\$0
3000.100 Div 09 - Finishes					\$0	\$0	\$0
3100.100 Div 10 - Specialities					\$0	\$0	\$0
3200.100 Div 11 - Equipment					\$0	\$0	\$0
3300.100 Div 12 - Furnishings					\$0	\$0	\$0
3400.100 Div 13 - Special Construction					\$0	\$0	\$0
3500.100 Div 14 - Vertical Transportation					\$0	\$0	\$0
3600.100 Div 15 - Mechanical					\$0	\$0	\$0
3700.100 Div 16 - Electrical					\$0	\$0	\$0
3800.100 Div 17 - Low Voltage					\$0	\$0	\$0
3900.100 Indirect Costs					\$0	\$0	\$0
4000.100 Contingency	7%				\$0	\$0	\$0
.400 Construction Overhead	2.0%						
.500 Construction Services Fee	3.5%						
4000.100 Insurance and Taxes							
.101 Project Specific Insurance		consulting firm			\$0	\$0	\$0
.102 General Liability Insurance		Colarelli	\$393,538		\$0	\$393,538	
.103 Builder's Risk Insurance		Colarelli	\$178,881		\$0	\$178,881	
.104 General Contractor Bond		Colarelli	\$0		\$0	\$0	\$0
.105 Owners Protective Insurance		Colarelli			\$0	\$0	\$0
.106 Property Taxes During Construction			\$50,000		\$0	\$50,000	\$196
4100.100 Development and Permit Fees							
.101 Plan Review Fee		basis for fee estimate				\$0	\$0
.102 Plan Review Consultant Fee							
.103 Building Permit Fee			\$468,700				
.104 Erosion Control Permit							
.105 Dust Control Permit							
.106 Project Management Consulting Fee	1%		\$700,000		\$0	\$700,000	\$2,745
4100.200 Development Review Enterprise Fees	42%		w/ Gen Const				
.201 City of Colorado Springs Fees			\$10,000		\$0	\$10,000	\$39
.202 Planning Fees					\$0	\$0	\$0
.203 Pre-Application Fee					\$0	\$0	\$0
.204 Entitlement Consulting Fee	0.5%		\$350,000		\$0	\$350,000	\$0
.205 Land Use Permit					\$0	\$0	\$0
.206 PD Sketch Plan					\$0	\$0	\$0
.207 Subdivision Plan					\$0	\$0	\$0
.208 Final PD Site Plan					\$0	\$0	\$0
.209 Sign Permit					\$0	\$0	\$0
4100.300 Engineering Fees			\$10,000		\$0	\$10,000	\$39
.301 Site Preparation and Grading					\$0	\$0	\$0
.302 Drainage					\$0	\$0	\$0

Springhill Suites, Element
 Project Budget
 Original : 1-Mar-17
 Project Size:

Line Item Description	Cost per	Budget	Closing Costs	Draw Requests		Variance Over/Under Budget	Cost per/ky
				1	Total Draw		
.303 Potable Water Distribution					\$0	\$0	\$0
.304 Pavement					\$0	\$0	\$0
.305 Curbing and Sidewalk					\$0	\$0	\$0
.306 Irrigation					\$0	\$0	\$0
.307 Landscape					\$0	\$0	\$0
.308 Final Site Inspection					\$0	\$0	\$0
4100.400 Electric Utility					\$0	\$0	\$0
.401 Engineering					\$0	\$0	\$0
4100.500 Water District					\$0	\$0	\$0
.501 Water Tap Fee		\$350,000			\$0	\$350,000	\$1,373
.502 Sewer Tap Fee		\$150,000			\$0	\$150,000	\$588
.503 Renewable Water Fee					\$0	\$0	\$0
.504 Reuse Tap Fee					\$0	\$0	\$0
.505 Drainage Impact Fee					\$0	\$0	\$0
.506 Park, Rec & Landscape Fee					\$0	\$0	\$0
.507 Road & Bridge Fee					\$0	\$0	\$0
.508 Lot Inspection Fee					\$0	\$0	\$0
.509 Review & Comment Fee					\$0	\$0	\$0
.510 Inclusion Fee					\$0	\$0	\$0
.511 Irrigation Tap					\$0	\$0	\$0
4100.6 Taxing Districts					\$0	\$0	\$0
0.501 CS Tax District					\$0	\$0	\$0
4500.100 Furniture, Fixtures and Equipment							
.101 AV Equipment					\$0	\$0	\$0
.102 Artwork					\$0	\$0	\$0
.103 Breakfast Bar & Service					\$0	\$0	\$0
.104 Displays					\$0	\$0	\$0
.105 Elevator Pads					\$0	\$0	\$0
.106 Exterior Signage (including traffic signage)		\$125,000			\$0	\$125,000	\$490
.107 Guest Room Furniture	255 \$13,500 /room	\$3,442,500			\$0	\$3,442,500	\$13,500
.108 Housekeeping Equipment					\$0	\$0	\$0
.109 Interior Signage					\$0	\$0	\$0
.110 Inventory Material and Equipment					\$0	\$0	\$0
.111 Kitchen Equipment Catering		\$165,000			\$0	\$165,000	\$647
.112 Kitchenware		\$35,000			\$0	\$35,000	\$137
.113 Laundry Equipment		\$105,000			\$0	\$105,000	\$412
.114 Maintenance Equipment					\$0	\$0	\$0
.115 Office Equipment					\$0	\$0	\$0
.116 Office Furniture		\$22,500			\$0	\$22,500	\$88
.117 Plantings					\$0	\$0	\$0
.118 Pool Equipment		\$35,000			\$0	\$35,000	\$137
.119 Promotional Signage					\$0	\$0	\$0
.120 Public Furniture		\$225,000			\$0	\$225,000	\$882
.121 Trash Equipment					\$0	\$0	\$0
.122 Televisions					\$0	\$0	\$0
.123 Vending Equipment					\$0	\$0	\$0
.124 Window Coverings					\$0	\$0	\$0
.125 Public Space Carpet					\$0	\$0	\$0
.126 Carpet & Drape Fabricaton					\$0	\$0	\$0
.127 Fitness Equipment					\$0	\$0	\$0
.128 Installation of FF&E & Purchasing Fees 5.0%		\$207,750			\$0	\$207,750	\$815
Total FF&E					\$0	\$0	\$0
4600.100 Owner Provided Systems							
.101 Audio Visual Equipment includes security/consultant		\$150,000			\$0	\$150,000	\$588
.102 Audio Visual Cabling					\$0	\$0	\$0
.103 Telephone Equipment					\$0	\$0	\$0
.104 Telephone Cabling					\$0	\$0	\$0
.105 IT/Data Equipment					\$0	\$0	\$0
.106 IT/Data Cabling					\$0	\$0	\$0
.107 Public Art		\$50,000			\$0	\$50,000	\$196
.108 Property Management Systems		\$65,000			\$0	\$65,000	\$255
.109 Security System Equipment in audio/visual		\$0			\$0	\$0	\$0
.110 Security System Hardware					\$0	\$0	\$0
.111 Security System Cabling					\$0	\$0	\$0
.112 Electronic Locks 255 \$1,000 /room		\$255,000			\$0	\$255,000	\$1,000
.5000.100 Loan Expenses based on the following:					\$0	\$0	\$0
.101 Construction Loan Fee \$ 50,000,000 0.8%		\$375,000			\$0	\$375,000	\$1,471
.102 Construction Loan Interest 5.5%		\$2,062,500			\$0	\$2,062,500	\$8,088
.103 Construction Loan Interest Income					\$0	\$0	\$0
.104 Construction & Permanent Loan Legal					\$0	\$0	\$0
.105 PPM Filing Fees					\$0	\$0	\$0
.106 Inspecting Architect					\$0	\$0	\$0
.107 Equity Return \$ 15,000,000 8.0%		\$2,400,000			\$0	\$2,400,000	\$9,412
.108 Permanent Loan Closing Costs					\$0	\$0	\$0
.109 Permanent Loan Fee					\$0	\$0	\$0
5500.100 Public Relations and Marketing							
.101 Brochures					\$0	\$0	\$0
.102 Pre-opening Salaries		\$200,000			\$0	\$200,000	\$784
.103 Display Materials (Project Sign)		\$25,000			\$0	\$25,000	\$98

Springhill Suites, Element

Project Budget
Original : 1-Mar-17
Project Size:

Line Item Description	Cost per	Budget	Closing Costs	Draw Requests		Variance Over/Under Budget	Cost per/ky
				1	Total Draw		
.104 Electronic Advertising					\$0	\$0	\$0
.105 Gatherings					\$0	\$0	\$0
.106 Grand Opening		\$50,000			\$0	\$50,000	\$196
.107 Ground Breaking					\$0	\$0	\$0
.108 Marketing Center					\$0	\$0	\$0
.109 Meals and Entertainment					\$0	\$0	\$0
.110 Media Advertising		\$25,000			\$0	\$25,000	\$98
.111 Mementos					\$0	\$0	\$0
.112 Photography					\$0	\$0	\$0
.113 Progress Reports					\$0	\$0	\$0
.114 Project Model(s) & Renderings					\$0	\$0	\$0
.115 Public Relations Consultant					\$0	\$0	\$0
.116 Signs/Barricades					\$0	\$0	\$0
.117 Space Planning					\$0	\$0	\$0
.118 Stationary					\$0	\$0	\$0
.119 Topping Out					\$0	\$0	\$0
5700.100 Accommodations During Construction							
.101 Barricades and Walkways					\$0	\$0	\$0
.102 In-house Labor					\$0	\$0	\$0
.103 In-house Materials					\$0	\$0	\$0
.104 Project Office Rental					\$0	\$0	\$0
.105 Relocation/Moving					\$0	\$0	\$0
.106 Signage					\$0	\$0	\$0
.107 Start Up Costs					\$0	\$0	\$0
.108 Training		\$60,000			\$0	\$60,000	\$235
.109 Transportation Costs					0%	\$0	\$0
6000.100 Site Costs							
.101 Site Purchase		\$4,000,000			\$0	\$4,000,000	\$15,686
.102 Site Purchase Offsets					\$0	\$0	\$0
.103 Brokerage Fees					\$0	\$0	\$0
.104 Closing Costs					\$0	\$0	\$0
.105 Legal Fees					\$0	\$0	\$0
.106 Assessments					\$0	\$0	\$0
6100.100 Legal & Other Expenses							
.101 Legal & Accounting Fees		\$200,000			\$0	\$200,000	\$784
.102 Other - Travel, Pre-Construction						\$0	\$0
.103 Private Placement Fee	\$ 25,000,000 0.5%	\$125,000				\$125,000	\$490
6200.100 Leasing Expenses							
.101 Brokerage Fees		\$0			\$0	\$0	\$0
.102 Listing Fees		\$0			\$0	\$0	\$0
6900.100 Contingency							
.101 Loan Reserve					\$0	\$0	\$0
Working Capital		\$450,000			\$0	\$450,000	\$1,765
Marriott Key Money		\$0					
.102 Owner's Project Contingency		\$1,500,000			\$0	\$1,500,000	\$5,882
PROJECT TOTALS		\$74,724,330	\$0	\$0	\$0	\$74,374,330	\$291,664

CERTIFICATION: We certify that all labor and materials in the above list has been contributed to the improvements

at the above address that we have not been reimbursed for them prior to this time and we will hold First Community

Bank harmless from any lien filed on the subject property as a result of your disbursement of the items listed above

I/We hereby authorize this draw and do approve all prior disbursements on this loan to date:

(Required Before Disbursement)

Owner/Borrower:

(Signature on file)

CONSTRUCTION COST PROGRAM BUDGET SUMMARY

2/14/2018

PROGRAM SUMMARY			
Number of Rooms - Springhill	126 rooms	Total Building Height	86 ft
Number of Rooms - Element	126 rooms	Number of Stories Above Grade	8 each
Number of Parking Spaces	224 cars	Number of Stories Below Grade	2 each
Total Building Area	299,300 sf	Construction Type	IIA
Parking Area	91,150 sf	Occupancies	R2, B, S, U
Parking Density	407 sf/space	Horizontal Separation	3hr between garage and hotel
Retail Area	5,350 sf	High Rise Code	Does not apply
Hotel Area	177,120 sf	Building Code	2015 IBC
Hotel Room Density	703 sf/room	LEED Certification	Does not apply
Site Area	45,945 sf	Local Code Amendment	2011 PPRBD
Public ROW Area	18,975 sf	Zoning	FBZ

CONSTRUCTION COST BUDGET							
Building System	Building System Description	Estimated Cost	Cost/sf	Cost/Key	Cost Allocation		
					Sitework	Garage	Hotel
Sitework	Off-site Cost	\$289,713	\$0.97 /sf	\$1,150 /key	\$289,713	\$0	\$0
	On-site Cost	\$2,797,505	\$9.35 /sf	\$11,101 /key	\$2,797,505	\$0	\$0
Demolition	Existing structures	\$442,283	\$1.48 /sf	\$1,755 /key	\$0	\$110,571	\$331,712
Foundations	Drilled piers	\$1,096,052	\$3.66 /sf	\$4,349 /key	\$0	\$274,833	\$821,220
Structural Frame							
Below Grade	SOG, Precast concrete	\$3,929,990	\$13.13 /sf	\$15,595 /key	\$0	\$3,929,990	\$0
Above Grade	Light gauge frame/cast in place floors	\$7,411,900	\$24.76 /sf	\$29,412 /key	\$0	\$0	\$7,411,900
Exterior Skin	Brick veneer and stucco	\$5,042,013	\$16.85 /sf	\$20,008 /key	\$0	\$0	\$5,042,013
Roofing	EPDM membrane	\$450,093	\$1.50 /sf	\$1,786 /key	\$0	\$0	\$450,093
Interiors	Franchise standard	\$10,189,259	\$34.04 /sf	\$40,434 /key	\$0	\$509,463	\$9,679,796
Vertical Transportation	Elevators & Conveying	\$3,296,072	\$11.01 /sf	\$13,080 /key	\$0	\$494,411	\$2,801,661
Plumbing	Franchise standard	\$3,926,149	\$13.12 /sf	\$15,580 /key	\$0	\$353,353	\$3,572,796
HVAC	VTAC units in rooms	\$4,972,453	\$16.61 /sf	\$19,732 /key	\$0	\$596,694	\$4,375,759
Electrical	Franchise standard	\$5,157,312	\$17.23 /sf	\$20,466 /key	\$0	\$1,237,755	\$3,919,557
General Conditions		\$4,330,785	\$14.47 /sf	\$17,186 /key	\$0	\$1,039,388	\$3,291,397
TOTAL CONSTRUCTION BUDGET		\$53,331,580	\$178.19 /sf	\$211,633 /key	\$3,087,217	\$8,546,459	\$41,697,904
						\$94 /sf	\$229 /sf
						\$38,154 /car	\$165,468 /key

Included:

- Off site improvements
- Shoring at basement
- Demolition of existing structures
- Hoisting, tower crane & manhoist
- General liability & builders risk insurance
- Building permits and plan check fees
- City, state, & federal taxes
- Construction contingency
- Construction power & water consumption

Not Included:

- Design fees
- Entitlement fees
- FF&E
- Accelerated schedule
- LEED certification
- City fees & assessments
- Tap fees
- Liquidated & consequential damages
- Land costs
- Development fees
- Franchise fees
- Special inspections
- Abatement & remediation
- Bond premiums
- Geotechnical survey & testing

URBAN RENEWAL REIMBURSIBLE EXPENSES		
	Line Item Value	Value incl. Land
Parking garage	\$8,546,459	\$9,187,464
Demolition and removal of blighted structures	\$551,932	\$593,328
Streetscapes and pedestrian ways	\$1,193,505	\$1,283,021
Public entries	\$1,218,863	\$1,310,281
ADA improvements	\$287,737	\$309,318
Building exterior façade enhancements	\$288,518	\$310,158
Public art	\$36,692	\$39,444
Alley improvements	\$498,995	\$536,421
Indirect Costs Associated W/ Above		
Design Fees	\$166,584	\$179,078
Consulting Fees	\$71,392	\$76,747
Contingency	\$1,212,819	\$1,303,783
TOTAL REIMBURSIBLE EXPENSES	\$14,073,496	\$15,129,042

**Combined Hotel
Colorado Springs, CO**

	2020			2021			2022			2023			2024			2025						
	(000's)	%	\$PO/AR Gr.	(000's)	%	\$PO/AR Gr.	(000's)	%	\$PO/AR Gr.	(000's)	%	\$PO/AR Gr.	(000's)	%	\$PO/AR Gr.	(000's)	%	\$PO/AR Gr.				
No. of Rooms	252			252			252			252			252			252						
Occupancy	63.5%			69.0%	1.09		73.5%	1.07		74.5%	1.01		74.5%	1.00		74.5%						
ADR	\$ 152.05			\$ 158.00	1.04		\$ 163.05	1.03		\$ 168.54	1.03		\$ 173.54	1.03		\$ 178.69						
RevPar	\$ 96.55			\$ 109.02	1.13		\$ 119.84	1.10		\$ 125.57	1.05		\$ 129.29	1.03		\$ 133.13						
Occupied Room Nights	58,567			63,466	1.08		67,605	1.07		68,525	1.01		68,713	1.00		68,525						
Available Room Nights	92,232			91,980	1.00		91,980	1.00		91,980	1.00		92,232	1.00		91,980						
Revenues:																						
Rooms	8,905,000	99.2%	152.05	10,027,660	99.3%	158.00	1.13	#####	99.3%	163.05	1.10	11,549,469	99.3%	168.54	1.05	11,924,675	99.3%	173.54	1.03	12,244,899	99.3%	178.69
Other	72,000	0.8%	1.23	74,160	0.7%	1.17	1.03	76,388	0.7%	1.13	1.03	78,674	0.7%	1.15	1.03	81,042	0.7%	1.18	1.03	82,258	0.7%	1.20
Total Revenue	8,977,000	100%	153.28	10,101,820	100%	159.17	1.13	#####	100%	164.18	1.10	11,628,143	100%	169.69	1.05	12,005,718	100%	174.72	1.03	12,327,157	100%	179.89
Departmental Expenses:																						
Rooms	1,865,835	21.0%	31.86	2,051,862	20.5%	32.33	1.10	2,243,186	20.4%	33.18	1.09	2,339,313	20.3%	34.14	1.04	2,403,518	20.2%	34.98	1.03	2,455,953	20.1%	35.84
Other	43,200	60.0%	0.74	44,496	60.0%	0.70	1.03	45,833	60.0%	0.68	1.03	47,205	60.0%	0.69	1.03	48,625	60.0%	0.71	1.03	49,355	60.0%	0.72
Total Departmental Expenses	1,909,035	21.3%	32.60	2,096,358	20.8%	33.03	1.10	2,289,019	20.6%	33.86	1.09	2,386,518	20.5%	34.83	1.04	2,452,143	20.4%	35.69	1.03	2,505,308	20.3%	36.56
Gross Operating Income	7,067,965	78.7%	120.68	8,005,461	79.2%	126.14	1.13	8,810,252	79.4%	130.32	1.10	9,241,625	79.5%	134.86	1.05	9,553,574	79.6%	139.04	1.03	9,821,849	79.7%	143.33
Undistributed Expenses:																						
Admin & General	763,045	8.5%	3,028	818,247	8.1%	3,247	1.07	887,942	8.0%	3,524	1.09	918,623	7.9%	3,645	1.03	936,446	7.8%	3,716	1.02	949,191	7.7%	3,767
Franchise Fee	269,310	3.0%	1,069	404,073	4.0%	1,603	1.50	554,964	5.0%	2,202	1.37	639,548	5.5%	2,538	1.15	660,314	5.5%	2,620	1.03	677,994	5.5%	2,690
Marketing	628,390	7.0%	2,494	686,924	6.8%	2,726	1.09	738,102	6.7%	2,929	1.07	755,829	6.5%	2,999	1.02	768,366	6.4%	3,049	1.02	782,511	6.3%	3,105
Repairs & Maintenance	296,241	3.3%	1,176	343,462	3.4%	1,363	1.16	388,475	3.5%	1,542	1.13	418,613	3.6%	1,661	1.08	444,212	3.7%	1,763	1.06	462,531	3.8%	1,835
Energy	292,837	3.3%	1,162	326,851	3.2%	1,297	1.12	358,612	3.2%	1,423	1.10	374,396	3.2%	1,486	1.04	386,685	3.2%	1,534	1.03	385,628	3.1%	1,530
Total Undistributed Expenses	2,249,823	25.1%	8,928	2,579,557	25.5%	10,236	1.15	2,928,094	26.4%	11,619	1.14	3,107,010	26.7%	12,329	1.06	3,196,022	26.6%	12,683	1.03	3,257,856	26.4%	12,928
Gross Operating Profit	4,818,142	53.7%	82.27	5,425,905	53.7%	85.49	1.13	5,882,159	53.0%	87.01	1.08	6,134,616	52.8%	89.52	1.04	6,357,552	53.0%	92.52	1.04	6,563,994	53.2%	95.79
Management Fee	269,310	3.0%	1,069	303,055	3.0%	1,203	1.13	332,978	3.0%	1,321	1.10	348,844	3.0%	1,384	1.05	360,172	3.0%	1,429	1.03	369,815	3.0%	1,468
Asset Management Fee	89,770	1.0%	356	101,018	1.0%	401	1.13	110,993	1.0%	440	1.10	116,281	1.0%	461	1.05	120,057	1.0%	476	1.03	123,272	1.0%	489
Total Management Fees	359,080	4.0%	1,425	404,073	4.0%	1,603	1.13	443,971	4.0%	1,762	1.10	465,126	4.0%	1,846	1.05	480,229	4.0%	1,906	1.03	493,086	4.0%	1,957
Income Before Fixed Charges	4,459,062	49.7%	76.14	5,021,832	49.7%	79.13	1.13	5,438,188	49.0%	80.44	1.08	5,669,490	48.8%	82.74	1.04	5,877,323	49.0%	85.53	1.04	6,070,907	49.2%	88.59
Fixed Charges:																						
RE & Property, Business Taxes	336,637	3.8%	1,336	370,263	3.7%	1,469	1.10	400,467	3.6%	1,589	1.08	417,868	3.6%	1,658	1.04	431,194	3.6%	1,711	1.03	443,065	3.6%	1,758
Equipment Leases	0	0.0%	0	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0
Insurance	78,000	0.9%	310	80,352	0.8%	319	1.03	82,752	0.7%	328	1.03	85,224	0.7%	338	1.03	87,792	0.7%	348	1.03	89,109	0.7%	354
Other	0	0.0%	0	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0
Total Fixed Charges	414,637	4.6%	1,645	450,615	4.5%	1,788	1.09	483,219	4.4%	1,918	1.07	503,092	4.3%	1,996	1.04	518,986	4.3%	2,059	1.03	532,174	4.3%	2,112
Income Before Debt & Res	4,044,425	45.1%	69.06	4,571,217	45.3%	72.03	1.13	4,954,969	44.6%	73.29	1.08	5,166,398	44.4%	75.39	1.04	5,358,337	44.6%	77.98	1.04	5,538,734	44.9%	80.83
Reserve for Replacement	448,850	5.0%	7.66	505,091	5.0%	7.96	1.13	554,964	5.0%	8.21	1.10	581,407	5.0%	8.48	1.05	600,286	5.0%	8.74	1.03	616,358	5.0%	8.99
Hotel Net Operating Income	3,595,575	40.1%	61.39	4,066,126	40.3%	64.07	1.13	4,400,005	39.6%	65.08	1.08	4,584,991	39.4%	66.91	1.04	4,758,051	39.6%	69.25	1.04	4,922,376	39.9%	71.83

**Rooftop Bar
Colorado Springs, CO**

	2020				2021				2022				2023				2024				2025			
	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.
Average Food Ticket	\$9.84				\$10.24				\$10.74				\$11.21				\$11.54				\$11.89			
Average Beverage Ticket	\$17.07				\$17.48				\$17.91				\$18.69				\$19.26				\$19.83			
Occupied Room Nights	58,567				63,466				67,605				68,525				68,713				68,525			
Available Room Nights	92,232				91,980				91,980				91,980				92,232				91,980			
Revenues:																								
Rooftop Bar Food	439,255	17.7%	4.76		437,282	17.2%	4.75	1.00	465,801	17.7%	5.06	1.07	486,302	17.7%	5.29	1.04	502,263	17.7%	5.45	1.03	515,918	17.7%	5.61	
Catering Food	468,539	18.9%	5.08		504,556	19.8%	5.49	1.08	521,697	19.8%	5.67	1.03	544,658	19.8%	5.92	1.04	562,535	19.8%	6.10	1.03	577,828	19.8%	6.28	
Rooftop Bar Beverage	1,515,429	61.1%	16.43		1,547,306	60.7%	16.82	1.02	1,585,585	60.2%	17.24	1.02	1,655,372	60.2%	18.00	1.04	1,709,705	60.2%	18.54	1.03	1,756,184	60.2%	19.09	
Catering Beverage	58,567	2.4%	0.64		60,547	2.4%	0.66	1.03	61,486	2.3%	0.67	1.02	64,192	2.3%	0.70	1.04	66,299	2.3%	0.72	1.03	68,101	2.3%	0.74	
Total Revenue	2,481,790	100%	26.91		2,549,691	100%	27.72	1.03	2,634,568	100%	28.64	1.03	2,750,525	100%	29.90	1.04	2,840,802	100%	30.80	1.03	2,918,031	100%	31.72	
Expenses:																								
Total Wages	778,738	31.4%	8.44		798,639	31.3%	8.68	1.03	822,949	31.2%	8.95	1.03	854,320	31.1%	9.29	1.04	879,977	31.0%	9.54	1.03	902,347	30.9%	9.81	
Total Taxes & Benefits	73,980	9.5%	0.80		75,871	9.5%	0.82	1.03	78,180	9.5%	0.85	1.03	81,160	9.5%	0.88	1.04	83,598	9.5%	0.91	1.03	85,723	9.5%	0.93	
Cost of Goods Sold	522,347	21.0%	5.66		538,664	21.1%	5.86	1.03	559,743	21.2%	6.09	1.04	584,379	21.2%	6.35	1.04	603,560	21.2%	6.54	1.03	619,968	21.2%	6.74	
Other	99,272	4.0%	1.08		101,715	4.0%	1.11	1.02	104,406	4.0%	1.14	1.03	108,461	3.9%	1.18	1.04	111,909	3.9%	1.21	1.03	115,067	3.9%	1.25	
Total Expenses	1,474,337	59.4%	15.99		1,514,889	59.4%	16.47	1.03	1,565,279	59.4%	17.02	1.03	1,628,321	59.2%	17.70	1.04	1,679,045	59.1%	18.20	1.03	1,723,104	59.1%	18.73	
Rooftop Gross Operating Income	1,007,454	40.6%	10.92		1,034,802	40.6%	11.25	1.03	1,069,289	40.6%	11.63	1.03	1,122,204	40.8%	12.20	1.05	1,161,757	40.9%	12.60	1.04	1,194,927	40.9%	12.99	
Management Fees	74,454	3.0%	0.81		76,491	3.0%	0.83	1.03	79,037	3.0%	0.86	1.03	82,516	3.0%	0.90	1.04	85,224	3.0%	0.92	1.03	87,541	3.0%	0.95	
Asset Management Fee	24,818	1.0%	0.27		25,497	1.0%	0.28	1.03	26,346	1.0%	0.29	1.03	27,505	1.0%	0.30	1.04	28,408	1.0%	0.31	1.03	29,180	1.0%	0.32	
Franchise Fees	74,454	3.0%	0.81		101,988	4.0%	1.11	1.37	131,728	5.0%	1.43	1.29	151,279	5.5%	1.64	1.15	156,244	5.5%	1.69	1.03	160,492	5.5%	1.74	
Total Management Fees	173,725	7.0%	1.88		203,975	8.0%	2.22	1.17	237,111	9.0%	2.58	1.16	261,300	9.5%	2.84	1.10	269,876	9.5%	2.93	1.03	277,213	9.5%	3.01	
Fixed Charges																								
Property Taxes	74,454	3.0%	0.81		101,988	4.0%	1.11	1.37	131,728	5.0%	1.43	1.29	151,279	5.5%	1.64	1.15	156,244	5.5%	1.69	1.03	160,492	5.5%	1.74	
Income Before Debt & Res	759,275	30.6%	8.23		728,839	28.6%	7.92	0.96	700,450	26.6%	7.62	0.96	709,625	25.8%	7.71	1.01	735,637	25.9%	7.98	1.04	757,222	25.9%	8.23	
Reserve for Replacement	124,090	5.0%	1.35		127,485	5.0%	1.39	1.03	131,728	5.0%	1.43	1.03	137,526	5.0%	1.50	1.04	142,040	5.0%	1.54	1.03	145,902	5.0%	1.59	
Rooftop Net Operating Income	635,185	25.6%	6.89		601,354	23.6%	6.54	0.95	568,721	21.6%	6.18	0.95	572,099	20.8%	6.22	1.01	593,597	20.9%	6.44	1.04	611,321	20.9%	6.65	

**Parking
Colorado Springs, CO**

	2020			2021			2022			2023			2024			2025		
	(000's)	%	\$PO/AR Gr.	(000's)	%	\$PO/AR Gr.	(000's)	%	\$PO/AR Gr.	(000's)	%	\$PO/AR Gr.	(000's)	%	\$PO/AR Gr.	(000's)	%	\$PO/AR
No. of Spaces	224			224			224			224			224			224		
Total Occupancy	71.0%			75.8%			79.5%			82.1%			84.0%			84.2%		
ADR	\$ 12.00			\$ 12.96			\$ 13.74			\$ 14.29			\$ 14.72			\$ 15.16		
Monthly ADR	\$ 65.00			\$ 70.20			\$ 74.41			\$ 77.39			\$ 79.71			\$ 82.10		
Special Event ADR	\$ 15.00			\$ 16.20			\$ 17.17			\$ 17.86			\$ 18.39			\$ 18.95		
Occupied Daily Spaces	40,992			44,271			46,928			48,805			50,269			50,269		
Occupied Monthly Spaces	10,980			10,950			10,950			10,950			10,980			10,950		
Occupied Special Event Spaces	6,222			6,720			7,123			7,408			7,630			7,630		
Available Spaces	81,984			81,760			81,760			81,760			81,984			81,760		
Revenues:																		
Overnight Revenue	491,904	37.9%	8.45	573,757	39.5%	9.26	644,673	40.8%	9.92	697,278	41.6%	10.38	739,743	42.1%	10.74	761,935	42.2%	11.07
Monthly Revenue	713,700	54.9%	12.26	768,690	53.0%	12.41	814,811	51.5%	12.54	847,404	50.5%	12.62	875,217	49.9%	12.71	899,011	49.8%	13.06
Special Event Revenue	93,330	7.2%	1.60	108,860	7.5%	1.76	122,315	7.7%	1.88	132,296	7.9%	1.97	140,353	8.0%	2.04	144,564	8.0%	2.10
Total Revenue	<u>1,298,934</u>	<u>100%</u>	<u>22.32</u>	<u>1,451,307</u>	<u>100%</u>	<u>23.43</u>	<u>1,581,800</u>	<u>100%</u>	<u>24.34</u>	<u>1,676,978</u>	<u>100%</u>	<u>24.97</u>	<u>1,755,313</u>	<u>100%</u>	<u>25.48</u>	<u>1,805,509</u>	<u>100%</u>	<u>26.22</u>
Departmental Expenses:																		
Administration	97,420	7.5%	1.67	106,804	7.4%	1.72	115,441	7.3%	1.78	122,860	7.3%	1.83	129,149	7.4%	1.88	132,320	7.3%	1.92
Utilities	28,577	2.2%	0.49	31,329	2.2%	0.51	33,863	2.1%	0.52	36,039	2.1%	0.54	37,884	2.2%	0.55	38,814	2.1%	0.56
Maintenance	116,904	9.0%	2.01	128,164	8.8%	2.07	138,530	8.8%	2.13	147,432	8.8%	2.20	154,979	8.8%	2.25	158,785	8.8%	2.31
Other	19,484	1.5%	0.33	21,361	1.5%	0.34	23,088	1.5%	0.36	24,572	1.5%	0.37	25,830	1.5%	0.38	26,464	1.5%	0.38
Total Expenses	<u>262,385</u>	<u>20.2%</u>	<u>4.51</u>	<u>287,658</u>	<u>19.8%</u>	<u>4.64</u>	<u>310,922</u>	<u>19.7%</u>	<u>4.78</u>	<u>330,902</u>	<u>19.7%</u>	<u>4.93</u>	<u>347,842</u>	<u>19.8%</u>	<u>5.05</u>	<u>356,383</u>	<u>19.7%</u>	<u>5.18</u>
Parking Gross Operating Income	<u>1,036,549</u>	<u>79.8%</u>	<u>17.81</u>	<u>1,163,649</u>	<u>80.2%</u>	<u>18.79</u>	<u>1,270,877</u>	<u>80.3%</u>	<u>19.55</u>	<u>1,346,076</u>	<u>80.3%</u>	<u>20.04</u>	<u>1,407,471</u>	<u>80.2%</u>	<u>20.43</u>	<u>1,449,126</u>	<u>80.3%</u>	<u>21.05</u>
Management Fee	38,968	3.0%	0.67	43,539	3.0%	0.70	47,454	3.0%	0.73	50,309	3.0%	0.75	52,659	3.0%	0.76	54,165	3.0%	0.79
Fixed Charges																		
Property Taxes	38,968	3.0%	0.67	43,539	3.0%	0.70	47,454	3.0%	0.73	50,309	3.0%	0.75	52,659	3.0%	0.76	54,165	3.0%	0.79
Insurance	32,473	2.5%	0.56	36,283	2.5%	0.59	39,545	2.5%	0.61	41,924	2.5%	0.62	43,883	2.5%	0.64	45,138	2.5%	0.66
Total Fixed Expenses	<u>71,441</u>	<u>5.5%</u>	<u>1.23</u>	<u>79,822</u>	<u>5.5%</u>	<u>1.29</u>	<u>86,999</u>	<u>5.5%</u>	<u>1.34</u>	<u>92,234</u>	<u>5.5%</u>	<u>1.37</u>	<u>96,542</u>	<u>5.5%</u>	<u>1.40</u>	<u>99,303</u>	<u>5.5%</u>	<u>1.44</u>
Income Before Debt & Res	<u>965,108</u>	<u>74.3%</u>	<u>16.58</u>	<u>1,083,827</u>	<u>74.7%</u>	<u>17.50</u>	<u>1,183,878</u>	<u>74.8%</u>	<u>18.21</u>	<u>1,253,843</u>	<u>74.8%</u>	<u>18.67</u>	<u>1,310,928</u>	<u>74.7%</u>	<u>19.03</u>	<u>1,349,823</u>	<u>74.8%</u>	<u>19.61</u>
Reserve for Replacement	38,968	3.0%	0.67	72,565	5.0%	1.17	79,090	5.0%	0.86	83,849	5.0%	0.91	87,766	5.0%	0.95	90,275	5.0%	0.98
Parking Net Operating Income	<u>926,140</u>	<u>71.3%</u>	<u>15.91</u>	<u>1,011,262</u>	<u>69.7%</u>	<u>16.33</u>	<u>1,104,788</u>	<u>69.8%</u>	<u>12.01</u>	<u>1,169,994</u>	<u>69.8%</u>	<u>12.72</u>	<u>1,223,163</u>	<u>69.7%</u>	<u>13.26</u>	<u>1,259,548</u>	<u>69.8%</u>	<u>13.69</u>

**Leased Space
Colorado Springs, CO**

	2020			2021			2022			2023			2024			2025		
	(000's)	%	\$PO/AR Gr.	(000's)	%	\$PO/AR Gr.	(000's)	%	\$PO/AR Gr.	(000's)	%	\$PO/AR Gr.	(000's)	%	\$PO/AR Gr.	(000's)	%	\$PO/AR
Square Feet	3,345			3,345			3,345			3,345			3,345			3,345		
Occupancy	100.0%			100.0%			100.0%			100.0%			100.0%			100.0%		
ADR	\$35.00			\$35.00			\$37.50			\$37.50			\$40.00			\$40.00		
"NNN" %	35.0%			35.0%			35.0%			35.0%			35.0%			35.0%		
Residential Square Footage	9,600			9,600			9,600			9,600			9,600			9,600		
\$ Mon. Rent/Sq. Ft	\$ 1.50			\$ 1.50			\$ 1.60			\$ 1.60			\$ 1.70			\$ 1.70		
Propety Tax %	4.5%			4.5%			4.5%			4.5%			4.5%			4.5%		
Revenues:																		
Residential Rental Income	172,800	52.2%	18.00	172,800	52.2%	18.00	184,320	52.1%	19.20	184,320	52.1%	19.20	195,840	52.0%	20.40	195,840	52.0%	20.40
Total Lease Revenue	117,075	35.4%	35.00	117,075	35.4%	35.00	125,438	35.5%	37.50	125,438	35.5%	37.50	133,800	35.5%	40.00	133,800	35.5%	40.00
Triple Net Revenue	40,976	12.4%	3.17	40,976	12.4%	3.17	43,903	12.4%	3.39	43,903	12.4%	3.39	46,830	12.4%	3.62	46,830	12.4%	3.62
Gross Operating Income	<u>330,851</u>	<u>100.0%</u>	<u>25.56</u>	<u>330,851</u>	<u>100.0%</u>	<u>25.56</u>	<u>353,661</u>	<u>100.0%</u>	<u>27.32</u>	<u>353,661</u>	<u>100.0%</u>	<u>27.32</u>	<u>376,470</u>	<u>100.0%</u>	<u>29.08</u>	<u>376,470</u>	<u>100.0%</u>	<u>29.08</u>

Triple Net Expenses	35,708	10.8%	2.76	35,708	10.8%	2.76	1.00	38,258	10.8%	2.96	1.07	38,258	10.8%	2.96	1.00	40,809	10.8%	3.15	1.07	40,809	10.8%	3.15
Property Taxes	53,332	16.1%	4.12	53,332	16.1%	4.12	1.00	53,375	15.1%	4.12	1.00	53,375	15.1%	4.12	1.00	53,418	14.2%	4.13	1.00	53,418	14.2%	4.13
Gross Operating Profit	<u>241,812</u>	<u>73.1%</u>	<u>18.68</u>	<u>241,812</u>	<u>73.1%</u>	<u>18.68</u>	<u>1.00</u>	<u>262,027</u>	<u>74.1%</u>	<u>20.24</u>	<u>1.08</u>	<u>262,027</u>	<u>74.1%</u>	<u>20.24</u>	<u>1.00</u>	<u>282,243</u>	<u>75.0%</u>	<u>21.80</u>	<u>1.08</u>	<u>282,243</u>	<u>75.0%</u>	<u>21.80</u>

**Combined Project
Colorado Springs, CO**

	2020				2021				2022				2023				2024				2025			
	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.
Gross Revenue	12,757,724				14,102,818				#####				16,055,646				16,601,833				17,050,698			
(Leased Space Revenue)	1,185,150				1,185,150				1,186,110				1,186,110				1,187,070				1,187,070			
Total Revenue for Sales Tax	<u>13,942,874</u>				<u>15,287,968</u>				<u>#####</u>				<u>17,241,756</u>				<u>17,788,903</u>				<u>18,237,768</u>			
Gross Operating Income	9,442,819	67.7%			10,534,763	68.9%			#####	69.7%			12,063,566	70.0%			12,499,272	70.3%			12,842,372	70.4%		
Undistributed Expenses	2,016,220	14.5%			2,211,192	14.5%			#####	14.6%			2,505,720	14.5%			2,576,517	14.5%			2,620,671	14.4%		
Gross Operating Profit	<u>7,426,598</u>	<u>53.3%</u>			<u>8,323,571</u>	<u>54.4%</u>			<u>9,092,691</u>	<u>55.1%</u>			<u>9,557,846</u>	<u>55.4%</u>			<u>9,922,755</u>	<u>55.8%</u>			<u>10,221,702</u>	<u>56.0%</u>		
Management Fees	497,320	3.6%			549,600	3.6%			596,808	3.6%			625,456	3.6%			646,520	3.6%			663,973	3.6%		
Franchise Fees	343,764	2.5%			506,060	3.3%			686,692	4.2%			790,827	4.6%			816,559	4.6%			838,485	4.6%		
Fixed Expenses	110,473	0.8%			116,635	0.8%			122,297	0.7%			127,148	0.7%			131,675	0.7%			134,247	0.7%		
Property Taxes	503,391	3.6%			569,122	3.7%			633,024	3.8%			672,831	3.9%			693,516	3.9%			711,140	3.9%		
Net Operating Profit	<u>5,971,651</u>	<u>42.8%</u>			<u>6,582,155</u>	<u>43.1%</u>			<u>7,053,870</u>	<u>42.7%</u>			<u>7,341,583</u>	<u>42.6%</u>			<u>7,634,486</u>	<u>42.9%</u>			<u>7,873,857</u>	<u>43.2%</u>		
Replacement Reserve	611,908	4.4%			705,141	4.6%			765,782	4.6%			802,782	4.7%			830,092	4.7%			852,535	4.7%		
Net Cash Flow	<u>5,359,743</u>	<u>38.4%</u>			<u>5,877,014</u>	<u>38.4%</u>			<u>6,288,088</u>	<u>38.1%</u>			<u>6,538,801</u>	<u>37.9%</u>			<u>6,804,394</u>	<u>38.3%</u>			<u>7,021,322</u>	<u>38.5%</u>		

	Gr.	2026				2027				2028				2029				2030				(000's)
		(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	
No. of Rooms		252				252				252				252				252				252
Occupancy	1.00	74.5%			1.00	74.5%		1.00	74.5%	1.00	74.5%		1.00	74.5%		1.00	74.5%	1.00	74.5%		1.00	74.5%
ADR	1.03	\$ 183.99			1.03	\$ 189.51			1.03	\$ 195.20			1.03	\$ 201.05		1.03	\$ 207.09	1.03	\$ 213.30		1.03	\$ 213.30
RevPar	1.03	\$ 137.08			1.03	\$ 141.19			1.03	\$ 145.42			1.03	\$ 149.79		1.03	\$ 154.28	1.03	\$ 158.91		1.03	\$ 158.91
Occupied Room Nights	1.00	68,525			1.00	68,525			1.00	68,713			1.00	68,525		1.00	68,525	1.00	68,525		1.00	68,525
Available Room Nights	1.00	91,980			1.00	91,980			1.00	92,232			1.00	91,980		1.00	91,980	1.00	91,980		1.00	91,980
Revenues:																						
Rooms	1.03	12,608,186	99.3%	183.99	1.03	12,986,432	99.3%	189.51	1.03	13,412,672	99.3%	195.20	1.03	13,777,306	99.3%	201.05	1.03	14,190,625	99.3%	207.09	1.03	14,616,344
Other	1.01	83,510	0.7%	1.22	1.02	86,015	0.7%	1.26	1.03	88,596	0.7%	1.29	1.03	91,254	0.7%	1.33	1.03	93,991	0.7%	1.37	1.03	96,811
Total Revenue	1.03	12,691,696	100%	185.21	1.03	13,072,447	100%	190.77	1.03	13,501,267	100%	196.49	1.03	13,868,559	100%	202.39	1.03	14,284,616	100%	208.46	1.03	14,713,154
Departmental Expenses:																						
Rooms	1.02	2,516,349	20.0%	36.72	1.02	2,591,840	20.0%	37.82	1.03	2,671,001	19.9%	38.87	1.03	2,749,683	20.0%	40.13	1.03	2,832,173	20.0%	41.33	1.03	2,917,138
Other	1.01	50,106	60.0%	0.73	1.02	51,609	60.0%	0.75	1.03	53,157	60.0%	0.77	1.03	54,752	60.0%	0.80	1.03	56,395	60.0%	0.82	1.03	58,087
Total Departmental Expenses	1.02	2,566,455	20.2%	37.45	1.02	2,643,449	20.2%	38.58	1.03	2,724,159	20.2%	39.65	1.03	2,804,435	20.2%	40.93	1.03	2,888,568	20.2%	42.15	1.03	2,975,225
Gross Operating Income	1.03	10,125,241	79.8%	147.76	1.03	10,428,998	79.8%	152.19	1.03	10,777,108	79.8%	156.84	1.03	11,064,124	79.8%	161.46	1.03	11,396,048	79.8%	166.30	1.03	11,737,930
Undistributed Expenses:																						
Admin & General	1.01	964,569	7.6%	3,828	1.02	993,506	7.6%	3,942	1.03	1,024,154	7.6%	4,064	1.03	1,054,011	7.6%	4,183	1.03	1,085,631	7.6%	4,308	1.03	1,118,200
Franchise Fee	1.03	698,043	5.5%	2,770	1.03	718,985	5.5%	2,853	1.03	742,583	5.5%	2,947	1.03	762,771	5.5%	3,027	1.03	785,654	5.5%	3,118	1.03	809,223
Marketing	1.02	799,051	6.3%	3,171	1.02	823,022	6.3%	3,266	1.03	848,226	6.3%	3,366	1.03	873,144	6.3%	3,465	1.03	899,338	6.3%	3,569	1.03	926,319
Repairs & Maintenance	1.04	482,811	3.8%	1,916	1.04	497,295	3.8%	1,973	1.03	512,214	3.8%	2,033	1.03	527,580	3.8%	2,094	1.03	543,408	3.8%	2,156	1.03	559,710
Energy	1.00	385,628	3.0%	1,530	1.00	397,197	3.0%	1,576	1.03	409,113	3.0%	1,623	1.03	421,386	3.0%	1,672	1.03	434,028	3.0%	1,722	1.03	447,049
Total Undistributed Expenses	1.02	3,330,102	26.2%	13,215	1.02	3,430,005	26.2%	13,611	1.03	3,536,290	26.2%	14,033	1.03	3,638,892	26.2%	14,440	1.03	3,748,059	26.2%	14,873	1.03	3,860,500
Gross Operating Profit	1.03	6,795,140	53.5%	99.16	1.04	6,998,994	53.5%	102.14	1.03	7,240,819	53.6%	105.38	1.03	7,425,232	53.5%	108.36	1.03	7,647,989	53.5%	111.61	1.03	7,877,429
Management Fees:																						
Management Fee	1.03	380,751	3.0%	1,511	1.03	392,173	3.0%	1,556	1.03	405,038	3.0%	1,607	1.03	416,057	3.0%	1,651	1.03	428,538	3.0%	1,701	1.03	441,395
Asset Management Fee	1.03	126,917	1.0%	504	1.03	130,724	1.0%	519	1.03	135,013	1.0%	536	1.03	138,686	1.0%	550	1.03	142,846	1.0%	567	1.03	147,132
Total Management Fees	1.03	507,668	4.0%	2,015	1.03	522,898	4.0%	2,075	1.03	540,051	4.0%	2,143	1.03	554,742	4.0%	2,201	1.03	571,385	4.0%	2,267	1.03	588,526
Income Before Fixed Charges	1.03	6,287,472	49.5%	91.75	1.04	6,476,096	49.5%	94.51	1.03	6,700,768	49.6%	97.52	1.03	6,870,490	49.5%	100.26	1.03	7,076,605	49.5%	103.27	1.03	7,288,903
Fixed Charges:																						
RE & Property, Business Taxes	1.03	456,212	3.6%	1,810	1.03	469,898	3.6%	1,865	1.03	483,995	3.6%	1,921	1.03	498,515	3.6%	1,978	1.03	513,470	3.6%	2,038	1.03	528,874
Equipment Leases	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0
Insurance	1.02	90,465	0.7%	359	1.02	93,179	0.7%	370	1.03	95,975	0.7%	381	1.03	98,854	0.7%	392	1.03	101,819	0.7%	404	1.03	104,874
Other	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0
Total Fixed Charges	1.03	546,677	4.3%	2,169	1.03	563,077	4.3%	2,234	1.03	579,970	4.3%	2,301	1.03	597,369	4.3%	2,371	1.03	615,290	4.3%	2,442	1.03	633,748
Income Before Debt & Res	1.03	5,740,795	45.2%	83.78	1.04	5,913,019	45.2%	86.29	1.03	6,120,799	45.3%	89.08	1.04	6,273,121	45.2%	91.54	1.02	6,461,315	45.2%	94.29	1.03	6,655,154
Reserve for Replacement	1.03	634,585	5.0%	9.26	1.03	653,622	5.0%	9.54	1.03	675,063	5.0%	9.82	1.03	693,428	5.0%	10.12	1.03	714,231	5.0%	10.42	1.03	735,658
Hotel Net Operating Income	1.03	5,106,210	40.2%	74.52	1.04	5,259,396	40.2%	76.75	1.03	5,445,735	40.3%	79.25	1.04	5,579,693	40.2%	81.43	1.02	5,747,084	40.2%	83.87	1.03	5,919,497

	Gr.	2026				2027				2028				2029				2030				(000's)
		(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	
Average Food Ticket		\$12.25				\$12.62				\$12.99				\$13.38				\$13.79				\$14.20
Average Beverage Ticket		\$20.43				\$21.04				\$21.67				\$22.32				\$22.99				\$23.68
Occupied Room Nights		68,525				68,525				68,713				68,525				68,525				68,525
Available Room Nights		91,980				91,980				92,232				91,980				91,980				91,980
Revenues:																						
Rooftop Bar Food	1.03	531,395	17.7%	5.78	1.03	547,337	17.7%	5.95	1.03	565,302	17.7%	6.13	1.03	580,670	17.7%	6.31	1.03	598,090	17.7%	6.50	1.03	616,033
Catering Food	1.03	595,163	19.8%	6.47	1.03	613,018	19.8%	6.66	1.03	633,138	19.8%	6.86	1.03	650,351	19.8%	7.07	1.03	669,861	19.8%	7.28	1.03	689,957
Rooftop Bar Beverage	1.03	1,808,870	60.2%	19.67	1.03	1,863,136	60.2%	20.26	1.03	1,924,288	60.2%	20.86	1.03	1,976,601	60.2%	21.49	1.03	2,035,899	60.2%	22.13	1.03	2,096,976
Catering Beverage	1.03	70,144	2.3%	0.76	1.03	72,249	2.3%	0.79	1.03	74,620	2.3%	0.81	1.03	76,648	2.3%	0.83	1.03	78,948	2.3%	0.86	1.03	81,316
Total Revenue	1.03	3,005,572	100%	32.68	1.03	3,095,740	100%	33.66	1.03	3,197,348	100%	34.67	1.03	3,284,270	100%	35.71	1.03	3,382,798	100%	36.78	1.03	3,484,282
Expenses:																						
Total Wages	1.03	927,446	30.9%	10.08	1.03	953,298	30.8%	10.36	1.03	982,154	30.7%	10.65	1.03	1,007,353	30.7%	10.95	1.03	1,035,603	30.6%	11.26	1.03	1,064,700
Total Taxes & Benefits	1.03	88,107	9.5%	0.96	1.03	90,563	9.5%	0.98	1.03	93,305	9.5%	1.01	1.03	95,699	9.5%	1.04	1.03	98,382	9.5%	1.07	1.03	101,146
Cost of Goods Sold	1.03	638,567	21.2%	6.94	1.03	657,724	21.2%	7.15	1.03	679,312	21.2%	7.37	1.03	697,780	21.2%	7.59	1.03	718,713	21.2%	7.81	1.03	740,274
Other	1.03	118,519	3.9%	1.29	1.03	122,074	3.9%	1.33	1.03	125,955	3.9%	1.37	1.03	129,509	3.9%	1.41	1.03	133,394	3.9%	1.45	1.03	137,396
Total Expenses	1.03	1,772,639	59.0%	19.27	1.03	1,823,660	58.9%	19.83	1.03	1,880,725	58.8%	20.39	1.03	1,930,340	58.8%	20.99	1.03	1,986,092	58.7%	21.59	1.03	2,043,516
Rooftop Gross Operating Income	1.03	1,232,933	41.0%	13.40	1.03	1,272,079	41.1%	13.83	1.03	1,316,622	41.2%	14.28	1.04	1,353,930	41.2%	14.72	1.03	1,396,706	41.3%	15.18	1.03	1,440,766
Management Fees	1.03	90,167	3.0%	0.98	1.03	92,872	3.0%	1.01	1.03	95,920	3.0%	1.04	1.03	98,528	3.0%	1.07	1.03	101,484	3.0%	1.10	1.03	104,528
Asset Management Fee	1.03	30,056	1.0%	0.33	1.03	30,957	1.0%	0.34	1.03	31,973	1.0%	0.35	1.03	32,843	1.0%	0.36	1.03	33,828	1.0%	0.37	1.03	34,843
Franchise Fees	1.03	165,306	5.5%	1.80	1.03	170,266	5.5%	1.85	1.03	175,854	5.5%	1.91	1.03	180,635	5.5%	1.96	1.03	186,054	5.5%	2.02	1.03	191,636
Total Management Fees	1.03	285,529	9.5%	3.10	1.03	294,095	9.5%	3.20	1.03	303,748	9.5%	3.29	1.03	312,006	9.5%	3.39	1.03	321,366	9.5%	3.49	1.03	331,007
Fixed Charges																						
Property Taxes	1.03	165,306	5.5%	1.80	1.03	170,266	5.5%	1.85	1.03	175,854	5.5%	1.91	1.03	180,635	5.5%	1.96	1.03	186,054	5.5%	2.02	1.03	191,636
Income Before Debt & Res	1.03	782,097	26.0%	8.50	1.03	807,718	26.1%	8.78	1.03	837,020	26.2%	9.08	1.04	861,290	26.2%	9.36	1.03	889,287	26.3%	9.67	1.03	918,123
Reserve for Replacement	1.03	150,279	5.0%	1.63	1.03	154,787	5.0%	1.68	1.03	159,867	5.0%	1.73	1.03	164,214	5.0%	1.79	1.03	169,140	5.0%	1.84	1.03	174,214
Rooftop Net Operating Income	1.03	631,819	21.0%	6.87	1.03	652,931	21.1%	7.10	1.03	677,153	21.2%	7.34	1.04	697,076	21.2%	7.58	1.03	720,147	21.3%	7.83	1.03	743,909

Gr.	2026				2027				2028				2029				2030				(000's)	
	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.		
No. of Spaces		224				224				224				224				224			224	
Total Occupancy		84.2%				84.2%				84.0%				84.2%				84.2%			84.2%	
ADR	\$	15.61			\$	16.08			\$	16.56			\$	17.06			\$	17.57			\$	18.10
Monthly ADR	\$	84.56			\$	87.10			\$	89.71			\$	92.41			\$	95.18			\$	98.03
Special Event ADR	\$	19.51			\$	20.10			\$	20.70			\$	21.32			\$	21.96			\$	22.62
Occupied Daily Spaces		50,269				50,269				50,269				50,269				50,269				50,269
Occupied Monthly Spaces		10,950				10,950				10,980				10,950				10,950				10,950
Occupied Special Event Spaces		7,630				7,630				7,630				7,630				7,630				7,630
Available Spaces		81,760				81,760				81,984				81,760				81,760				81,760
Revenues:																						
Overnight Revenue	1.03	784,793	42.2%	11.40	1.03	808,337	42.2%	11.74	1.03	832,587	42.1%	12.09	1.03	857,565	42.2%	12.46	1.03	883,292	42.2%	12.83	1.03	909,790
Monthly Revenue	1.03	925,981	49.8%	13.45	1.03	953,761	49.8%	13.85	1.03	985,065	49.9%	14.30	1.03	1,011,845	49.8%	14.70	1.03	1,042,200	49.8%	15.14	1.03	1,073,466
Special Event Revenue	1.03	148,900	8.0%	2.16	1.03	153,367	8.0%	2.23	1.03	157,969	8.0%	2.29	1.03	162,708	8.0%	2.36	1.03	167,589	8.0%	2.43	1.03	172,616
Total Revenue	1.03	1,859,675	100%	27.01	1.03	1,915,465	100%	27.82	1.03	1,975,620	100%	28.68	1.03	2,032,117	100%	29.52	1.03	2,093,080	100%	30.40	1.03	2,155,873
Departmental Expenses:																						
Administration	1.02	135,629	7.3%	1.97	1.03	139,019	7.3%	2.02	1.03	142,557	7.2%	2.07	1.03	146,057	7.2%	2.12	1.02	149,708	7.2%	2.17	1.03	153,451
Utilities	1.02	39,784	2.1%	0.58	1.03	40,779	2.1%	0.59	1.03	41,817	2.1%	0.61	1.03	42,843	2.1%	0.62	1.02	43,914	2.1%	0.64	1.03	45,012
Maintenance	1.02	162,754	8.8%	2.36	1.03	166,823	8.7%	2.42	1.03	171,068	8.7%	2.48	1.03	175,268	8.6%	2.55	1.02	179,650	8.6%	2.61	1.03	184,141
Other	1.02	27,126	1.5%	0.39	1.03	27,804	1.5%	0.40	1.03	28,511	1.4%	0.41	1.03	29,211	1.4%	0.42	1.02	29,942	1.4%	0.43	1.03	30,690
Total Expenses	1.02	365,293	19.6%	5.31	1.03	374,425	19.5%	5.44	1.03	383,953	19.4%	5.57	1.03	393,380	19.4%	5.71	1.02	403,215	19.3%	5.86	1.03	413,295
Parking Gross Operating Income	1.03	1,494,382	80.4%	21.71	1.03	1,541,040	80.5%	22.38	1.03	1,591,667	80.6%	23.11	1.03	1,638,736	80.6%	23.80	1.03	1,689,865	80.7%	24.54	1.03	1,742,577
Management Fee	1.03	55,790	3.0%	0.81	1.03	57,464	3.0%	0.83	1.03	59,269	3.0%	0.86	1.03	60,964	3.0%	0.89	1.03	62,792	3.0%	0.91	1.03	64,676
Fixed Charges																						
Property Taxes	1.03	55,790	3.0%	0.81	1.03	57,464	3.0%	0.83	1.03	59,269	3.0%	0.86	1.03	60,964	3.0%	0.89	1.03	62,792	3.0%	0.91	1.03	64,676
Insurance	1.00	46,492	2.5%	0.68	1.00	47,887	2.5%	0.70	1.00	49,391	2.5%	0.72	1.00	50,803	2.5%	0.74	1.00	52,327	2.5%	0.76	1.00	53,897
Total Fixed Expenses	1.03	102,282	5.5%	1.49	1.03	105,351	5.5%	1.53	1.03	108,659	5.5%	1.58	1.03	111,766	5.5%	1.62	1.03	115,119	5.5%	1.67	1.03	118,573
Income Before Debt & Res	1.03	1,392,100	74.9%	20.22	1.03	1,435,689	75.0%	20.85	1.03	1,483,008	75.1%	21.53	1.03	1,526,970	75.1%	22.18	1.03	1,574,746	75.2%	22.87	1.03	1,624,004
Reserve for Replacement	1.03	92,984	5.0%	1.01	1.03	95,773	5.0%	1.04	1.03	98,781	5.0%	1.07	1.03	101,606	5.0%	1.10	1.03	104,654	5.0%	1.14	1.03	107,794
Parking Net Operating Income	1.03	1,299,116	69.9%	14.12	1.03	1,339,916	70.0%	14.57	1.03	1,384,227	70.1%	15.01	1.03	1,425,364	70.1%	15.50	1.03	1,470,092	70.2%	15.98	1.03	1,516,211

Gr.	2026				2027				2028				2029				2030				(000's)	
	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.		
Square Feet		3,345				3,345				3,345				3,345				3,345				3,345
Occupancy		100.0%				100.0%				100.0%				100.0%				100.0%				100.0%
ADR		\$42.00				\$42.00				\$45.00				\$45.00				\$48.00				\$48.00
"NNN" %		35.0%				35.0%				35.0%				35.0%				35.0%				35.0%
Residential Square Footage		9,600				9,600				9,600				9,600				9,600				9,600
\$ Mon. Rent/Sq. Ft	\$	1.80			\$	1.80			\$	1.90			\$	1.90			\$	2.00			\$	2.00
Property Tax %		4.5%				4.5%				4.5%				4.5%				4.5%				4.5%
Revenues:																						
Residential Rental Income	1.00	207,360	52.2%	21.60	1.06	207,360	52.2%	21.60	1.00	218,880	51.9%	22.80	1.06	218,880	51.9%	22.80	1.00	230,400	51.5%	24.00	1.05	230,400
Total Lease Revenue	1.00	140,490	35.4%	42.00	1.05	140,490	35.4%	42.00	1.00	150,525	35.7%	45.00	1.07	150,525	35.7%	45.00	1.00	160,560	35.9%	48.00	1.07	160,560
Triple Net Revenue	1.00	49,172	12.4%	3.80	1.05	49,172	12.4%	3.80	1.00	52,684	12.5%	4.07	1.07	52,684	12.5%	4.07	1.00	56,196	12.6%	4.34	1.07	56,196
Gross Operating Income	1.00	397,022	100.0%	30.67	1.05	397,022	100.0%	30.67	1.00	422,089	100.0%	32.61	1.06	422,089	100.0%	32.61	1.00	447,156	100.0%	34.54	1.06	447,156

Triple Net Expenses	1.00	42,849	10.8%	3.31	1.05	42,849	10.8%	3.31	1.00	45,910	10.9%	3.55	1.07	45,910	10.9%	3.55	1.00	48,971	11.0%	3.78	1.07	48,971
Property Taxes	1.00	53,461	13.5%	4.13	1.00	53,461	13.5%	4.13	1.00	53,505	12.7%	4.13	1.00	53,505	12.7%	4.13	1.00	53,548	12.0%	4.14	1.00	53,548
Gross Operating Profit	1.00	300,711	75.7%	23.23	1.07	300,711	75.7%	23.23	1.00	322,674	76.4%	24.93	1.07	322,674	76.4%	24.93	1.00	344,637	77.1%	26.62	1.07	344,637

	2026				2027				2028				2029				2030				(000's)	
	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR		Gr.
Gross Revenue		17,556,943				18,083,652				18,674,235				19,184,946				19,760,494				20,353,309
(Leased Space Revenue)		1,188,030				1,188,030				1,188,990				1,188,990				1,189,950				1,189,950
Total Revenue for Sales Tax		<u>18,744,973</u>				<u>19,271,682</u>				<u>19,863,225</u>				<u>20,373,936</u>				<u>20,950,444</u>				<u>21,543,259</u>
Gross Operating Income		13,249,578	70.7%			13,639,139	70.8%			14,107,487	71.0%			14,478,880	71.1%			14,929,776	71.3%			15,368,429
Undistributed Expenses		2,674,908	14.3%			2,753,869	14.3%			2,839,617	14.3%			2,922,031	14.3%			3,011,376	14.4%			3,100,248
Gross Operating Profit		<u>10,574,670</u>	<u>56.4%</u>			<u>10,885,269</u>	<u>56.5%</u>			<u>11,267,870</u>	<u>56.7%</u>			<u>11,556,848</u>	<u>56.7%</u>			<u>11,918,400</u>	<u>56.9%</u>			<u>12,268,181</u>
Management Fees		683,681	3.6%			704,191	3.7%			727,213	3.7%			747,077	3.7%			769,489	3.7%			792,574
Franchise Fees		863,350	4.6%			889,250	4.6%			918,437	4.6%			943,406	4.6%			971,708	4.6%			1,000,859
Fixed Expenses		136,957	0.7%			141,066	0.7%			145,365	0.7%			149,657	0.7%			154,146	0.7%			158,771
Property Taxes		730,770	3.9%			751,089	3.9%			772,622	3.9%			793,618	3.9%			815,864	3.9%			838,734
Net Operating Profit		<u>8,159,912</u>	<u>43.5%</u>			<u>8,399,673</u>	<u>43.6%</u>			<u>8,704,232</u>	<u>43.8%</u>			<u>8,923,092</u>	<u>43.8%</u>			<u>9,207,193</u>	<u>43.9%</u>			<u>9,477,244</u>
Replacement Reserve		877,847	4.7%			904,183	4.7%			933,712	4.7%			959,247	4.7%			988,025	4.7%			1,017,665
Net Cash Flow		<u>7,282,065</u>	<u>38.8%</u>			<u>7,495,490</u>	<u>38.9%</u>			<u>7,770,521</u>	<u>39.1%</u>			<u>7,963,844</u>	<u>39.1%</u>			<u>8,219,168</u>	<u>39.2%</u>			<u>8,459,578</u>

	2031			2032			2033			2034			2035			2036							
	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.				
No. of Rooms				252				252				252				252							
Occupancy			1.00	74.5%			1.00	74.5%		1.00	74.5%		1.00	74.5%		1.00	74.5%		1.00				
ADR			1.03	\$ 219.70			1.03	\$ 226.29		1.03	\$ 233.08		1.03	\$ 240.07		1.03	\$ 247.27		1.03				
RevPar			1.03	\$ 163.68			1.03	\$ 168.59		1.03	\$ 173.64		1.03	\$ 178.85		1.03	\$ 184.22		1.03				
Occupied Room Nights			1.00	68,713			1.00	68,525		1.00	68,525		1.00	68,525		1.00	68,713		1.00				
Available Room Nights			1.00	92,232			1.00	91,980		1.00	91,980		1.00	91,980		1.00	92,232		1.00				
Revenues:																							
Rooms	99.3%	213.30	1.03	15,096,080	99.3%	219.70	1.03	15,506,479	99.3%	226.29	1.03	15,971,673	99.3%	233.08	1.03	16,450,824	99.3%	240.07	1.03	16,990,771	99.3%	247.27	1.03
Other	0.7%	1.41	1.03	99,715	0.7%	1.45	1.03	102,707	0.7%	1.50	1.03	105,788	0.7%	1.54	1.03	108,961	0.7%	1.59	1.03	112,230	0.7%	1.63	1.03
Total Revenue	100%	214.71	1.03	15,195,795	100%	221.15	1.03	15,609,186	100%	227.79	1.03	16,077,461	100%	234.62	1.03	16,559,785	100%	241.66	1.03	17,103,001	100%	248.91	1.03
Departmental Expenses:																							
Rooms	20.0%	42.57	1.03	3,006,236	19.9%	43.75	1.03	3,094,792	20.0%	45.16	1.03	3,187,636	20.0%	46.52	1.03	3,283,265	20.0%	47.91	1.03	3,383,545	19.9%	49.24	1.03
Other	60.0%	0.85	1.03	59,829	60.0%	0.87	1.03	61,624	60.0%	0.90	1.03	63,473	60.0%	0.93	1.03	65,377	60.0%	0.95	1.03	67,338	60.0%	0.98	1.03
Total Departmental Expenses	20.2%	43.42	1.03	3,066,065	20.2%	44.62	1.03	3,156,416	20.2%	46.06	1.03	3,251,109	20.2%	47.44	1.03	3,348,642	20.2%	48.87	1.03	3,450,883	20.2%	50.22	1.03
Gross Operating Income	79.8%	171.29	1.03	12,129,731	79.8%	176.53	1.03	12,452,769	79.8%	181.73	1.03	12,826,353	79.8%	187.18	1.03	13,211,143	79.8%	192.79	1.03	13,652,119	79.8%	198.68	1.03
Undistributed Expenses:																							
Admin & General	7.6%	4,437	1.03	1,152,694	7.6%	4,574	1.03	1,186,298	7.6%	4,708	1.03	1,221,887	7.6%	4,849	1.03	1,258,544	7.6%	4,994	1.03	1,297,368	7.6%	5,148	1.03
Franchise Fee	5.5%	3,211	1.03	835,784	5.5%	3,317	1.03	858,505	5.5%	3,407	1.03	884,260	5.5%	3,509	1.03	910,788	5.5%	3,614	1.03	940,682	5.5%	3,733	1.03
Marketing	6.3%	3,676	1.03	954,686	6.3%	3,788	1.03	982,731	6.3%	3,900	1.03	1,012,213	6.3%	4,017	1.03	1,042,580	6.3%	4,137	1.03	1,074,507	6.3%	4,264	1.03
Repairs & Maintenance	3.8%	2,221	1.03	576,501	3.8%	2,288	1.03	593,796	3.8%	2,356	1.03	611,610	3.8%	2,427	1.03	629,959	3.8%	2,500	1.03	648,857	3.8%	2,575	1.03
Energy	3.0%	1,774	1.03	460,460	3.0%	1,827	1.03	474,274	3.0%	1,882	1.03	488,502	3.0%	1,939	1.03	503,157	3.0%	1,997	1.03	518,252	3.0%	2,057	1.03
Total Undistributed Expenses	26.2%	15,319	1.03	3,980,125	26.2%	15,794	1.03	4,095,605	26.2%	16,252	1.03	4,218,473	26.2%	16,740	1.03	4,345,027	26.2%	17,242	1.03	4,479,666	26.2%	17,776	1.03
Gross Operating Profit	53.5%	114.96	1.03	8,149,605	53.6%	118.60	1.03	8,357,165	53.5%	121.96	1.03	8,607,880	53.5%	125.62	1.03	8,866,116	53.5%	129.38	1.03	9,172,453	53.6%	133.49	1.03
Management Fee	3.0%	1,752	1.03	455,874	3.0%	1,809	1.03	468,276	3.0%	1,858	1.03	482,324	3.0%	1,914	1.03	496,794	3.0%	1,971	1.03	513,090	3.0%	2,036	1.03
Asset Management Fee	1.0%	584	1.03	151,958	1.0%	603	1.03	156,092	1.0%	619	1.03	160,775	1.0%	638	1.03	165,598	1.0%	657	1.03	171,030	1.0%	679	1.03
Total Management Fees	4.0%	2,335	1.03	607,832	4.0%	2,412	1.03	624,367	4.0%	2,478	1.03	643,098	4.0%	2,552	1.03	662,391	4.0%	2,629	1.03	684,120	4.0%	2,715	1.03
Income Before Fixed Charges	49.5%	106.37	1.03	7,541,774	49.6%	109.76	1.03	7,732,797	49.5%	112.85	1.03	7,964,781	49.5%	116.23	1.03	8,203,724	49.5%	119.72	1.03	8,488,333	49.6%	123.53	1.03
Fixed Charges:																							
RE & Property, Business Taxes	3.6%	2,099	1.03	544,741	3.6%	2,162	1.03	561,083	3.6%	2,227	1.03	577,915	3.6%	2,293	1.03	595,253	3.6%	2,362	1.03	613,110	3.6%	2,433	1.03
Equipment Leases	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Insurance	0.7%	416	1.03	108,020	0.7%	429	1.03	111,261	0.7%	442	1.03	114,599	0.7%	455	1.03	118,037	0.7%	468	1.03	121,578	0.7%	482	1.03
Other	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Total Fixed Charges	4.3%	2,515	1.03	652,761	4.3%	2,590	1.03	672,344	4.3%	2,668	1.03	692,514	4.3%	2,748	1.03	713,289	4.3%	2,831	1.03	734,688	4.3%	2,915	1.03
Income Before Debt & Res	45.2%	97.12	1.03	6,889,013	45.3%	100.26	1.04	7,060,453	45.2%	103.03	1.02	7,272,267	45.2%	106.13	1.03	7,490,435	45.2%	109.31	1.03	7,753,645	45.3%	112.84	1.04
Reserve for Replacement	5.0%	10.74	1.03	759,790	5.0%	11.06	1.03	780,459	5.0%	11.39	1.03	803,873	5.0%	11.73	1.03	827,989	5.0%	12.08	1.03	855,150	5.0%	12.45	1.03
Hotel Net Operating Income	40.2%	86.38	1.03	6,129,223	40.3%	89.20	1.04	6,279,994	40.2%	91.65	1.02	6,468,394	40.2%	94.39	1.03	6,662,446	40.2%	97.23	1.03	6,898,494	40.3%	100.40	1.04

	2031			2032			2033			2034			2035			2036							
	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.				
Average Food Ticket				\$14.62				\$15.06				\$15.52				\$16.46							
Average Beverage Ticket				\$24.39				\$25.12				\$25.88				\$26.65							
Occupied Room Nights				68,713				68,525				68,525				68,525							
Available Room Nights				92,232				91,980				91,980				91,980							
Revenues:																							
Rooftop Bar Food	17.7%	6.70	1.03	636,252	17.7%	6.90	1.03	653,549	17.7%	7.11	1.03	673,156	17.7%	7.32	1.03	693,350	17.7%	7.54	1.03	716,108	17.7%	7.76	1.03
Catering Food	19.8%	7.50	1.03	712,603	19.8%	7.73	1.03	731,975	19.8%	7.96	1.03	753,935	19.8%	8.20	1.03	776,553	19.8%	8.44	1.03	802,040	19.8%	8.70	1.03
Rooftop Bar Beverage	60.2%	22.80	1.03	2,165,803	60.2%	23.48	1.03	2,224,682	60.2%	24.19	1.03	2,291,422	60.2%	24.91	1.03	2,360,165	60.2%	25.66	1.03	2,437,630	60.2%	26.43	1.03
Catering Beverage	2.3%	0.88	1.03	83,985	2.3%	0.91	1.03	86,269	2.3%	0.94	1.03	88,857	2.3%	0.97	1.03	91,522	2.3%	1.00	1.03	94,526	2.3%	1.02	1.03
Total Revenue	100%	37.88	1.03	3,598,643	100%	39.02	1.03	3,696,475	100%	40.19	1.03	3,807,369	100%	41.39	1.03	3,921,590	100%	42.64	1.03	4,050,304	100%	43.91	1.03
Expenses:																							
Total Wages	30.6%	11.58	1.03	1,097,154	30.5%	11.90	1.03	1,125,539	30.4%	12.24	1.03	1,157,334	30.4%	12.58	1.03	1,190,083	30.3%	12.94	1.03	1,226,588	30.3%	13.30	1.03
Total Taxes & Benefits	9.5%	1.10	1.03	104,230	9.5%	1.13	1.03	106,926	9.5%	1.16	1.03	109,947	9.5%	1.20	1.03	113,058	9.5%	1.23	1.03	116,526	9.5%	1.26	1.03
Cost of Goods Sold	21.2%	8.05	1.03	764,572	21.2%	8.29	1.03	785,357	21.2%	8.54	1.03	808,918	21.2%	8.79	1.03	833,185	21.2%	9.06	1.03	860,532	21.2%	9.33	1.03
Other	3.9%	1.49	1.03	141,763	3.9%	1.54	1.03	145,763	3.9%	1.58	1.03	150,136	3.9%	1.63	1.03	154,640	3.9%	1.68	1.03	159,556	3.9%	1.73	1.03
Total Expenses	58.6%	22.22	1.03	2,107,719	58.6%	22.85	1.03	2,163,585	58.5%	23.52	1.03	2,226,335	58.5%	24.20	1.03	2,290,966	58.4%	24.91	1.03	2,363,202	58.3%	25.62	1.03
Rooftop Gross Operating Income	41.4%	15.66	1.03	1,490,924	41.4%	16.16	1.03	1,532,890	41.5%	16.67	1.03	1,581,035	41.5%	17.19	1.03	1,630,624	41.6%	17.73	1.03	1,687,102	41.7%	18.29	1.03
Management Fees	3.0%	1.14	1.03	107,959	3.0%	1.17	1.03	110,894	3.0%	1.21	1.03	114,221	3.0%	1.24	1.03	117,648	3.0%	1.28	1.03	121,509	3.0%	1.32	1.03
Asset Management Fee	1.0%	0.38	1.03	35,986	1.0%	0.39	1.03	36,965	1.0%	0.40	1.03	38,074	1.0%	0.41	1.03	39,216	1.0%	0.43	1.03	40,503	1.0%	0.44	1.03
Franchise Fees	5.5%	2.08	1.03	197,925	5.5%	2.15	1.03	203,306	5.5%	2.21	1.03	209,405	5.5%	2.28	1.03	215,687	5.5%	2.34	1.03	222,767	5.5%	2.42	1.03
Total Management Fees	9.5%	3.60	1.03	341,871	9.5%	3.71	1.03	351,165	9.5%	3.82	1.03	361,700	9.5%	3.93	1.03	372,551	9.5%	4.05	1.03	384,779	9.5%	4.17	1.03
Fixed Charges																							
Property Taxes	5.5%	2.08	1.03	197,925	5.5%	2.15	1.03	203,306	5.5%	2.21	1.03	209,405	5.5%	2.28	1.03	215,687	5.5%	2.34	1.03	222,767	5.5%	2.42	1.03
Income Before Debt & Res	26.4%	9.98	1.03	951,128	26.4%	10.31	1.04	978,418	26.5%	10.64	1.03	1,009,929	26.5%	10.98	1.03	1,042,385	26.6%	11.33	1.03	1,079,556	26.7%	11.70	1.04
Reserve for Replacement	5.0%	1.89	1.03	179,932	5.0%	1.95	1.03	184,824	5.0%	2.01	1.03	190,368	5.0%	2.07	1.03	196,080	5.0%	2.13	1.03	202,515	5.0%	2.20	1.03
Rooftop Net Operating Income	21.4%	8.09	1.03	771,195	21.4%	8.36	1.04	793,595	21.5%	8.63	1.03	819,561	21.5%	8.91	1.03	846,306	21.6%	9.20	1.03	877,041	21.7%	9.51	1.04

	2031			2032			2033			2034			2035			2036							
	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.				
No. of Spaces				224				224				224				224							
Total Occupancy				84.0%				84.2%				84.2%				84.0%							
ADR				\$ 18.64				\$ 19.20				\$ 19.78				\$ 20.98							
Monthly ADR				\$ 100.97				\$ 104.00				\$ 107.12				\$ 110.34							
Special Event ADR				\$ 23.30				\$ 24.00				\$ 24.72				\$ 25.46							
Occupied Daily Spaces				50,269				50,269				50,269				50,269							
Occupied Monthly Spaces				10,980				10,950				10,950				10,980							
Occupied Special Event Spaces				7,630				7,630				7,630				7,630							
Available Spaces				81,984				81,760				81,760				81,760							
Revenues:																							
Overnight Revenue	42.2%	13.21	1.03	937,084	42.1%	13.60	1.03	965,197	42.2%	14.02	1.03	994,152	42.2%	14.44	1.03	1,023,977	42.2%	14.87	1.03	1,054,696	42.1%	15.31	1.03
Monthly Revenue	49.8%	15.59	1.03	1,108,699	49.9%	16.10	1.03	1,138,840	49.8%	16.54	1.03	1,173,005	49.8%	17.04	1.03	1,208,195	49.8%	17.55	1.03	1,247,851	49.9%	18.12	1.03
Special Event Revenue	8.0%	2.51	1.03	177,795	8.0%	2.58	1.03	183,129	8.0%	2.66	1.03	188,623	8.0%	2.74	1.03	194,281	8.0%	2.82	1.03	200,110	8.0%	2.91	1.03
Total Revenue	100%	31.31	1.03	2,223,578	100%	32.28	1.03	2,287,165	100%	33.22	1.03	2,355,780	100%	34.22	1.03	2,426,454	100%	35.24	1.03	2,502,657	100%	36.33	1.03
Departmental Expenses:																							
Administration	7.1%	2.23	1.03	157,356	7.1%	2.28	1.03	161,220	7.0%	2.34	1.02	165,250	7.0%	2.40	1.03	169,381	7.0%	2.46	1.03	173,692	6.9%	2.52	1.03
Utilities	2.1%	0.65	1.03	46,158	2.1%	0.67	1.03	47,291	2.1%	0.69	1.02	48,473	2.1%	0.70	1.03	49,685	2.0%	0.72	1.03	50,950	2.0%	0.74	1.03
Maintenance	8.5%	2.67	1.03	188,827	8.5%	2.74	1.03	193,464	8.5%	2.81	1.02	198,300	8.4%	2.88	1.03	203,258	8.4%	2.95	1.03	208,430	8.3%	3.03	1.03
Other	1.4%	0.45	1.03	31,471	1.4%	0.46	1.03	32,244	1.4%	0.47	1.02	33,050	1.4%	0.48	1.03	33,876	1.4%	0.49	1.03	34,738	1.4%	0.50	1.03
Total Expenses	19.2%	6.00	1.03	423,812	19.1%	6.15	1.03	434,218	19.0%	6.31	1.02	445,074	18.9%	6.46	1.03	456,201	18.8%	6.63	1.03	467,809	18.7%	6.79	1.03
Parking Gross Operating Income	80.8%	25.31	1.03	1,799,766	80.9%	26.13	1.03	1,852,947	81.0%	26.91	1.03	1,910,706	81.1%	27.75	1.03	1,970,253	81.2%	28.62	1.03	2,034,847	81.3%	29.54	1.03
Management Fee	3.0%	0.94	1.03	66,707	3.0%	0.97	1.03	68,615	3.0%	1.00	1.03	70,673	3.0%	1.03	1.03	72,794	3.0%	1.06	1.03	75,080	3.0%	1.09	1.03
Fixed Charges																							
bl,A, Property Taxes	3.0%	0.94	1.03	66,707	3.0%	0.97	1.03	68,615	3.0%	1.00	1.03	70,673	3.0%	1.03	1.03	72,794	3.0%	1.06	1.03	75,080	3.0%	1.09	1.03
bl,A, Insurance	2.5%	0.78	1.00	55,589	2.5%	0.81	1.00	57,179	2.5%	0.83	1.00	58,895	2.5%	0.86	1.00	60,661	2.5%	0.88	1.00	62,566	2.5%	0.91	1.00
Total Fixed Expenses	5.5%	1.72	1.03	122,297	5.5%	1.78	1.03	125,794	5.5%	1.83	1.03	129,568	5.5%	1.88	1.03	133,455	5.5%	1.94	1.03	137,646	5.5%	2.00	1.03
Income Before Debt & Res	75.3%	23.59	1.03	1,677,469	75.4%	24.35	1.03	1,727,153	75.5%	25.09	1.03	1,781,139	75.6%	25.87	1.03	1,836,798	75.7%	26.68	1.03	1,897,201	75.8%	27.54	1.03
Reserve for Replacement	5.0%	1.17	1.03	111,179	5.0%	1.21	1.03	114,358	5.0%	1.24	1.03	117,789	5.0%	1.28	1.03	121,323	5.0%	1.32	1.03	125,133	5.0%	1.36	1.03
Parking Net Operating Income	70.3%	16.48	1.03	1,566,290	70.4%	16.98	1.03	1,612,795	70.5%	17.53	1.03	1,663,350	70.6%	18.08	1.03	1,715,475	70.7%	18.65	1.03	1,772,068	70.8%	19.21	1.03

	2031			2032			2033			2034			2035			2036							
	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.				
Square Feet				3,345				3,345				3,345				3,345							
Occupancy				100.0%				100.0%				100.0%				100.0%							
ADR				\$52.00				\$55.00				\$55.00				\$60.00							
"NNN" %				35.0%				35.0%				35.0%				35.0%							
Residential Square Footage				9,600				9,600				9,600				9,600							
\$ Mon. Rent/Sq. Ft				\$ 2.10				\$ 2.10				\$ 2.25				\$ 2.25							
Propety Tax %				4.5%				4.5%				4.5%				4.5%							
Revenues:																							
Residential Rental Income	51.5%	24.00	1.00	241,920	50.7%	25.20	1.05	241,920	50.7%	25.20	1.00	259,200	51.1%	27.00	1.07	259,200	51.1%	27.00	1.00	276,480	50.5%	28.80	1.07
Total Lease Revenue	35.9%	48.00	1.00	173,940	36.5%	52.00	1.08	173,940	36.5%	52.00	1.00	183,975	36.2%	55.00	1.06	183,975	36.2%	55.00	1.00	200,700	36.7%	60.00	1.09
Triple Net Revenue	12.6%	4.34	1.00	60,879	12.8%	4.70	1.08	60,879	12.8%	4.70	1.00	64,391	12.7%	4.97	1.06	64,391	12.7%	4.97	1.00	70,245	12.8%	5.43	1.09
Gross Operating Income	100.0%	34.54	1.00	476,739	100.0%	36.83	1.07	476,739	100.0%	36.83	1.00	507,566	100.0%	39.21	1.06	507,566	100.0%	39.21	1.00	547,425	100.0%	42.29	1.08

Triple Net Expenses	11.0%	3.78	1.00	53,052	11.1%	4.10	1.08	53,052	11.1%	4.10	1.00	56,112	11.1%	4.33	1.06	56,112	11.1%	4.33	1.00	61,214	11.2%	4.73	1.09
Property Taxes	12.0%	4.14	1.00	53,591	11.2%	4.14	1.00	53,591	11.2%	4.14	1.00	53,656	10.6%	4.14	1.00	53,656	10.6%	4.14	1.00	53,721	9.8%	4.15	1.00
Gross Operating Profit	<u>77.1%</u>	<u>26.62</u>	<u>1.00</u>	<u>370,096</u>	<u>77.6%</u>	<u>28.59</u>	<u>1.07</u>	<u>370,096</u>	<u>77.6%</u>	<u>28.59</u>	<u>1.00</u>	<u>397,798</u>	<u>78.4%</u>	<u>30.73</u>	<u>1.07</u>	<u>397,798</u>	<u>78.4%</u>	<u>30.73</u>	<u>1.00</u>	<u>432,491</u>	<u>79.0%</u>	<u>33.41</u>	<u>1.09</u>

	2031			2032			2033			2034			2035			2036					
	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.		
Gross Revenue				21,018,016				21,592,826				22,240,611				22,907,829				23,655,962	
(Leased Space Revenue)				1,190,910				1,190,910				1,192,350				1,192,350				1,193,790	
Total Revenue for Sales Tax				<u>22,208,926</u>				<u>22,783,736</u>				<u>23,432,961</u>				<u>24,100,179</u>				<u>24,849,752</u>	
Gross Operating Income	71.3%			15,897,159	71.6%			16,315,345	71.6%			16,825,660	71.8%			17,319,586	71.9%			17,921,493	72.1%
Undistributed Expenses	14.4%			3,197,393	14.4%			3,290,151	14.4%			3,390,325	14.5%			3,490,351	14.5%			3,600,197	14.5%
Gross Operating Profit	<u>56.9%</u>			<u>12,699,766</u>	<u>57.2%</u>			<u>13,025,194</u>	<u>57.2%</u>			<u>13,435,335</u>	<u>57.3%</u>			<u>13,829,235</u>	<u>57.4%</u>			<u>14,321,296</u>	<u>57.6%</u>
Management Fees	3.7%			818,485	3.7%			840,841	3.7%			866,067	3.7%			892,049	3.7%			921,212	3.7%
Franchise Fees	4.6%			1,033,709	4.7%			1,061,811	4.7%			1,093,666	4.7%			1,126,476	4.7%			1,163,449	4.7%
Fixed Expenses	0.7%			163,610	0.7%			168,440	0.7%			173,493	0.7%			178,698	0.7%			184,144	0.7%
Property Taxes	3.9%			862,964	3.9%			886,595	3.9%			911,650	3.9%			937,390	3.9%			964,677	3.9%
Net Operating Profit	<u>44.0%</u>			<u>9,820,998</u>	<u>44.2%</u>			<u>10,067,506</u>	<u>44.2%</u>			<u>10,390,459</u>	<u>44.3%</u>			<u>10,694,623</u>	<u>44.4%</u>			<u>11,087,813</u>	<u>44.6%</u>
Replacement Reserve	4.7%			1,050,901	4.7%			1,079,641	4.7%			1,112,031	4.7%			1,145,391	4.8%			1,182,798	4.8%
Net Cash Flow	<u>39.3%</u>			<u>8,770,098</u>	<u>39.5%</u>			<u>8,987,865</u>	<u>39.4%</u>			<u>9,278,429</u>	<u>39.6%</u>			<u>9,549,231</u>	<u>39.6%</u>			<u>9,905,015</u>	<u>39.9%</u>

	2037				2038				2039				2040				2041				2042	
	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%
No. of Rooms	252				252				252				252				252				252	
Occupancy	74.5%			1.00	74.5%			1.00	74.5%			1.00	74.5%			1.00	74.5%			1.00	74.5%	
ADR	\$ 254.69			1.03	\$ 262.33			1.03	\$ 270.20			1.03	\$ 278.31			1.03	\$ 286.66			1.03	\$ 295.26	
RevPar	\$ 189.74			1.03	\$ 195.44			1.03	\$ 201.30			1.03	\$ 207.34			1.03	\$ 213.56			1.03	\$ 219.97	
Occupied Room Nights	68,525			1.00	68,525			1.00	68,525			1.00	68,713			1.00	68,525			1.00	68,525	
Available Room Nights	91,980			1.00	91,980			1.00	91,980			1.00	92,232			1.00	91,980			1.00	91,980	
Revenues:																						
Rooms	17,452,679	99.3%	254.69	1.03	17,976,259	99.3%	262.33	1.03	18,515,547	99.3%	270.20	1.03	19,123,263	99.3%	278.31	1.03	19,249,579	100%	280.15	1.03	20,232,438	99.3%
Other	115,597	0.7%	1.69	1.03	119,065	0.7%	1.74	1.03	122,637	0.7%	1.79	1.03	126,316	0.7%	1.84	1.03	130,106	0.7%	1.90	1.03	134,009	0.7%
Total Revenue	17,568,276	100%	256.38	1.03	18,095,324	100%	264.07	1.03	18,638,184	100%	271.99	1.03	19,249,579	100%	280.15	1.03	19,249,579	100%	288.55	1.03	20,366,447	100%
Departmental Expenses:																						
Rooms	3,483,216	20.0%	50.83	1.03	3,587,712	20.0%	52.36	1.03	3,695,344	20.0%	53.93	1.03	3,808,209	19.9%	55.42	1.03	3,920,390	20.0%	57.21	1.03	4,038,002	20.0%
Other	69,358	60.0%	1.01	1.03	71,439	60.0%	1.04	1.03	73,582	60.0%	1.07	1.03	75,790	60.0%	1.10	1.03	78,063	60.0%	1.14	1.03	80,405	60.0%
Total Departmental Expenses	3,552,574	20.2%	51.84	1.03	3,659,151	20.2%	53.40	1.03	3,768,926	20.2%	55.00	1.03	3,883,999	20.2%	56.53	1.03	3,998,454	20.2%	58.35	1.03	4,118,407	20.2%
Gross Operating Income	14,015,702	79.8%	204.53	1.03	14,436,173	79.8%	210.67	1.03	14,869,258	79.8%	216.99	1.03	15,365,580	79.8%	223.62	1.03	15,365,580	79.8%	230.20	1.03	16,248,040	79.8%
Undistributed Expenses:																						
Admin & General	1,335,189	7.6%	5,298	1.03	1,375,245	7.6%	5,457	1.03	1,416,502	7.6%	5,621	1.03	1,460,199	7.6%	5,794	1.03	1,502,767	7.6%	5,963	1.03	1,547,850	7.6%
Franchise Fee	966,255	5.5%	3,834	1.03	995,243	5.5%	3,949	1.03	1,025,100	5.5%	4,068	1.03	1,058,746	5.5%	4,201	1.03	1,087,529	5.5%	4,316	1.03	1,120,155	5.5%
Marketing	1,106,073	6.3%	4,389	1.03	1,139,255	6.3%	4,521	1.03	1,173,433	6.3%	4,656	1.03	1,209,367	6.3%	4,799	1.03	1,244,895	6.3%	4,940	1.03	1,282,242	6.3%
Repairs & Maintenance	668,323	3.8%	2,652	1.03	688,373	3.8%	2,732	1.03	709,024	3.8%	2,814	1.03	730,295	3.8%	2,898	1.03	752,204	3.8%	2,985	1.03	774,770	3.8%
Energy	533,799	3.0%	2,118	1.03	549,813	3.0%	2,182	1.03	566,308	3.0%	2,247	1.03	583,297	3.0%	2,315	1.03	600,796	3.0%	2,384	1.03	618,820	3.0%
Total Undistributed Expenses	4,609,639	26.2%	18,292	1.03	4,747,929	26.2%	18,841	1.03	4,890,366	26.2%	19,406	1.03	5,041,903	26.2%	20,008	1.03	5,188,190	26.2%	20,588	1.03	5,343,835	26.2%
Gross Operating Profit	9,406,062	53.5%	137.26	1.03	9,688,244	53.5%	141.38	1.03	9,978,892	53.5%	145.62	1.03	10,323,676	53.6%	150.24	1.03	10,323,676	53.6%	154.49	1.03	10,904,204	53.5%
Management Fees:																						
Management Fee	527,048	3.0%	2,091	1.03	542,860	3.0%	2,154	1.03	559,146	3.0%	2,219	1.03	577,487	3.0%	2,292	1.03	593,197	3.0%	2,354	1.03	610,993	3.0%
Asset Management Fee	175,683	1.0%	697	1.03	180,953	1.0%	718	1.03	186,382	1.0%	740	1.03	192,496	1.0%	764	1.03	197,732	1.0%	785	1.03	203,664	1.0%
Total Management Fees	702,731	4.0%	2,789	1.03	723,813	4.0%	2,872	1.03	745,527	4.0%	2,958	1.03	769,983	4.0%	3,055	1.03	790,930	4.0%	3,139	1.03	814,658	4.0%
Income Before Fixed Charges	8,703,331	49.5%	127.01	1.03	8,964,431	49.5%	130.82	1.03	9,233,364	49.5%	134.74	1.03	9,553,693	49.6%	139.04	1.03	9,795,676	49.5%	142.95	1.03	10,089,546	49.5%
Fixed Charges:																						
RE & Property, Business Taxes	631,504	3.6%	2,506	1.03	650,449	3.6%	2,581	1.03	669,962	3.6%	2,659	1.03	690,061	3.6%	2,738	1.03	710,763	3.6%	2,820	1.03	732,086	3.6%
Equipment Leases	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%
Insurance	125,225	0.7%	497	1.03	128,982	0.7%	512	1.03	132,851	0.7%	527	1.03	136,837	0.7%	543	1.03	140,942	0.7%	559	1.03	145,170	0.7%
Other	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%
Total Fixed Charges	756,729	4.3%	3,003	1.03	779,431	4.3%	3,093	1.03	802,814	4.3%	3,186	1.03	826,898	4.3%	3,281	1.03	851,705	4.3%	3,380	1.03	877,256	4.3%
Income Before Debt & Res	7,946,603	45.2%	115.97	1.02	8,185,001	45.2%	119.45	1.03	8,430,551	45.2%	123.03	1.03	8,726,795	45.3%	127.00	1.04	8,943,971	45.2%	130.52	1.02	9,212,290	45.2%
Reserve for Replacement	878,414	5.0%	12.82	1.03	904,766	5.0%	13.20	1.03	931,909	5.0%	13.60	1.03	962,479	5.0%	14.01	1.03	988,662	5.0%	14.43	1.03	1,018,322	5.0%
Hotel Net Operating Income	7,068,189	40.2%	103.15	1.02	7,280,234	40.2%	106.24	1.03	7,498,641	40.2%	109.43	1.03	7,764,316	40.3%	113.00	1.04	7,955,309	40.2%	116.09	1.02	8,193,968	40.2%

	2037				2038				2039				2040				2041				2042	
	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%
Average Food Ticket	\$16.95				\$17.46				\$17.99				\$18.53				\$19.08				\$19.65	
Average Beverage Ticket	\$28.28				\$29.13				\$30.00				\$30.90				\$31.83				\$32.78	
Occupied Room Nights	68,525				68,525				68,525				68,713				68,525				68,525	
Available Room Nights	91,980				91,980				91,980				92,232				91,980				91,980	
Revenues:																						
Rooftop Bar Food	735,576	17.7%	8.00	1.03	757,643	17.7%	8.24	1.03	780,372	17.7%	8.48	1.03	805,985	17.7%	8.74	1.03	827,897	17.7%	9.00	1.03	852,734	17.7%
Catering Food	823,845	19.8%	8.96	1.03	848,560	19.8%	9.23	1.03	874,017	19.8%	9.50	1.03	902,704	19.8%	9.79	1.03	927,244	19.8%	10.08	1.03	955,062	19.8%
Rooftop Bar Beverage	2,503,899	60.2%	27.22	1.03	2,579,016	60.2%	28.04	1.03	2,656,387	60.2%	28.88	1.03	2,743,574	60.2%	29.75	1.03	2,818,160	60.2%	30.64	1.03	2,902,705	60.2%
Catering Beverage	97,096	2.3%	1.06	1.03	100,009	2.3%	1.09	1.03	103,009	2.3%	1.12	1.03	106,390	2.3%	1.15	1.03	109,282	2.3%	1.19	1.03	112,561	2.3%
Total Revenue	4,160,415	100%	45.23	1.03	4,285,228	100%	46.59	1.03	4,413,784	100%	47.99	1.03	4,558,653	100%	49.43	1.03	4,682,584	100%	50.91	1.03	4,823,061	100%
Expenses:																						
Total Wages	1,258,558	30.3%	13.68	1.03	1,294,344	30.2%	14.07	1.03	1,331,203	30.2%	14.47	1.03	1,372,267	30.1%	14.88	1.03	1,408,272	30.1%	15.31	1.03	1,448,549	30.0%
Total Taxes & Benefits	119,563	9.5%	1.30	1.03	122,963	9.5%	1.34	1.03	126,464	9.5%	1.37	1.03	130,365	9.5%	1.41	1.03	133,786	9.5%	1.45	1.03	137,612	9.5%
Cost of Goods Sold	883,926	21.2%	9.61	1.03	910,444	21.2%	9.90	1.03	937,758	21.2%	10.20	1.03	968,537	21.2%	10.50	1.03	994,867	21.2%	10.82	1.03	1,024,713	21.2%
Other	164,058	3.9%	1.78	1.03	168,979	3.9%	1.84	1.03	174,049	3.9%	1.89	1.03	179,582	3.9%	1.95	1.03	184,648	3.9%	2.01	1.03	190,188	3.9%
Total Expenses	2,426,105	58.3%	26.38	1.03	2,496,730	58.3%	27.14	1.03	2,569,474	58.2%	27.94	1.03	2,650,751	58.1%	28.74	1.03	2,721,573	58.1%	29.59	1.03	2,801,062	58.1%
Rooftop Gross Operating Incom	1,734,310	41.7%	18.86	1.03	1,788,498	41.7%	19.44	1.03	1,844,311	41.8%	20.05	1.03	1,907,902	41.9%	20.69	1.03	1,961,011	41.9%	21.32	1.03	2,021,999	41.9%
Management Fees	124,812	3.0%	1.36	1.03	128,557	3.0%	1.40	1.03	132,414	3.0%	1.44	1.03	136,760	3.0%	1.48	1.03	140,478	3.0%	1.53	1.03	144,692	3.0%
Asset Management Fee	41,604	1.0%	0.45	1.03	42,852	1.0%	0.47	1.03	44,138	1.0%	0.48	1.03	45,587	1.0%	0.49	1.03	46,826	1.0%	0.51	1.03	48,231	1.0%
Franchise Fees	228,823	5.5%	2.49	1.03	235,688	5.5%	2.56	1.03	242,758	5.5%	2.64	1.03	250,726	5.5%	2.72	1.03	257,542	5.5%	2.80	1.03	265,268	5.5%
Total Management Fees	395,239	9.5%	4.30	1.03	407,097	9.5%	4.43	1.03	419,310	9.5%	4.56	1.03	433,072	9.5%	4.70	1.03	444,845	9.5%	4.84	1.03	458,191	9.5%
Fixed Charges																						
Property Taxes	228,823	5.5%	2.49	1.03	235,688	5.5%	2.56	1.03	242,758	5.5%	2.64	1.03	250,726	5.5%	2.72	1.03	257,542	5.5%	2.80	1.03	265,268	5.5%
Income Before Debt & Res	1,110,248	26.7%	12.07	1.03	1,145,713	26.7%	12.46	1.03	1,182,243	26.8%	12.85	1.03	1,224,104	26.9%	13.27	1.04	1,258,623	26.9%	13.68	1.03	1,298,540	26.9%
Reserve for Replacement	208,021	5.0%	2.26	1.03	214,261	5.0%	2.33	1.03	220,689	5.0%	2.40	1.03	227,933	5.0%	2.47	1.03	234,129	5.0%	2.55	1.03	241,153	5.0%
Rooftop Net Operating Income	902,227	21.7%	9.81	1.03	931,452	21.7%	10.13	1.03	961,554	21.8%	10.45	1.03	996,172	21.9%	10.80	1.04	1,024,494	21.9%	11.14	1.03	1,057,387	21.9%

	2037				2038				2039				2040				2041				2042	
	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%
No. of Spaces	224				224				224				224				224				224	
Total Occupancy	84.2%				84.2%				84.0%				84.2%				84.2%				84.2%	
ADR	\$ 21.61				\$ 22.26				\$ 23.61				\$ 24.32				\$ 25.05				\$ 25.05	
Monthly ADR	\$ 117.06				\$ 120.57				\$ 124.19				\$ 127.91				\$ 131.75				\$ 135.70	
Special Event ADR	\$ 27.01				\$ 27.82				\$ 28.66				\$ 29.52				\$ 30.40				\$ 31.32	
Occupied Daily Spaces	50,269				50,269				50,269				50,269				50,269				50,269	
Occupied Monthly Spaces	10,950				10,950				10,950				10,980				10,950				10,950	
Occupied Special Event Spaces	7,630				7,630				7,630				7,630				7,630				7,630	
Available Spaces	81,760				81,760				81,760				81,984				81,760				81,760	
Revenues:																						
Overnight Revenue	1,086,337	42.2%	15.78	1.03	1,118,927	42.2%	16.25	1.03	1,152,495	42.2%	16.74	1.03	1,187,070	42.1%	17.23	1.03	1,222,682	42.2%	17.76	1.03	1,259,363	42.2%
Monthly Revenue	1,281,774	49.8%	18.62	1.03	1,320,228	49.8%	19.18	1.03	1,359,834	49.8%	19.75	1.03	1,404,467	49.9%	20.39	1.03	1,442,648	49.8%	20.95	1.03	1,485,928	49.8%
Special Event Revenue	206,113	8.0%	2.99	1.03	212,296	8.0%	3.08	1.03	218,665	8.0%	3.18	1.03	225,225	8.0%	3.27	1.03	231,982	8.0%	3.37	1.03	238,942	8.0%
Total Revenue	2,574,225	100%	37.39	1.03	2,651,451	100%	38.51	1.03	2,730,995	100%	39.67	1.03	2,816,762	100%	40.89	1.03	2,897,313	100%	42.08	1.03	2,984,232	100%
Departmental Expenses:																						
Administration	177,956	6.9%	2.58	1.02	182,405	6.9%	2.65	1.03	186,965	6.8%	2.72	1.03	191,723	6.8%	2.78	1.03	196,431	6.8%	2.85	1.02	201,341	6.7%
Utilities	52,201	2.0%	0.76	1.02	53,506	2.0%	0.78	1.03	54,843	2.0%	0.80	1.03	56,239	2.0%	0.82	1.03	57,620	2.0%	0.84	1.02	59,060	2.0%
Maintenance	213,548	8.3%	3.10	1.02	218,886	8.3%	3.18	1.03	224,358	8.2%	3.26	1.03	230,068	8.2%	3.34	1.03	235,717	8.1%	3.42	1.02	241,610	8.1%
Other	35,591	1.4%	0.52	1.02	36,481	1.4%	0.53	1.03	37,393	1.4%	0.54	1.03	38,345	1.4%	0.56	1.03	39,286	1.4%	0.57	1.02	40,268	1.3%
Total Expenses	479,296	18.6%	6.96	1.02	491,278	18.5%	7.14	1.03	503,560	18.4%	7.31	1.03	516,374	18.3%	7.50	1.03	529,053	18.3%	7.68	1.02	542,279	18.2%
Parking Gross Operating Income	2,094,929	81.4%	30.43	1.03	2,160,173	81.5%	31.38	1.03	2,227,435	81.6%	32.35	1.03	2,300,388	81.7%	33.40	1.03	2,368,260	81.7%	34.40	1.03	2,441,953	81.8%
Management Fee	77,227	3.0%	1.12	1.03	79,544	3.0%	1.16	1.03	81,930	3.0%	1.19	1.03	84,503	3.0%	1.23	1.03	86,919	3.0%	1.26	1.03	89,527	3.0%
Fixed Charges																						
bl,A,I Property Taxes	77,227	3.0%	1.12	1.03	79,544	3.0%	1.16	1.03	81,930	3.0%	1.19	1.03	84,503	3.0%	1.23	1.03	86,919	3.0%	1.26	1.03	89,527	3.0%
bl,A,I Insurance	64,356	2.5%	0.93	1.00	66,286	2.5%	0.96	1.00	68,275	2.5%	0.99	1.00	70,419	2.5%	1.02	1.00	72,433	2.5%	1.05	1.00	74,606	2.5%
Total Fixed Expenses	141,582	5.5%	2.06	1.03	145,830	5.5%	2.12	1.03	150,205	5.5%	2.18	1.03	154,922	5.5%	2.25	1.03	159,352	5.5%	2.31	1.03	164,133	5.5%
Income Before Debt & Res	1,953,346	75.9%	28.37	1.03	2,014,343	76.0%	29.26	1.03	2,077,230	76.1%	30.17	1.03	2,145,466	76.2%	31.15	1.03	2,208,907	76.2%	32.08	1.03	2,277,820	76.3%
Reserve for Replacement	128,711	5.0%	1.40	1.03	132,573	5.0%	1.44	1.03	136,550	5.0%	1.48	1.03	140,838	5.0%	1.53	1.03	144,866	5.0%	1.57	1.03	149,212	5.0%
Parking Net Operating Income	1,824,635	70.9%	19.84	1.03	1,881,771	71.0%	20.46	1.03	1,940,680	71.1%	21.10	1.03	2,004,628	71.2%	21.73	1.03	2,064,042	71.2%	22.44	1.03	2,128,608	71.3%

	2037				2038				2039				2040				2041				2042	
	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%
Square Feet	3,345				3,345				3,345				3,345				3,345				3,345	
Occupancy	100.0%				100.0%				100.0%				100.0%				100.0%				100.0%	
ADR	\$60.00				\$65.00				\$70.00				\$75.00				\$75.00				\$75.00	
"NNN" %	35.0%				35.0%				35.0%				35.0%				35.0%				35.0%	
Residential Square Footage	9,600				9,600				9,600				9,600				9,600				9,600	
\$ Mon. Rent/Sq. Ft	\$ 2.40				\$ 2.55				\$ 2.55				\$ 2.70				\$ 2.70				\$ 2.85	
Property Tax %	4.5%				4.5%				4.5%				4.5%				4.5%				4.5%	
Revenues:																						
Residential Rental Income	276,480	50.5%	28.80	1.00	293,760	50.0%	30.60	1.06	293,760	50.0%	30.60	1.00	311,040	49.6%	32.40	1.06	311,040	49.6%	32.40	1.00	328,320	49.2%
Total Lease Revenue	200,700	36.7%	60.00	1.00	217,425	37.0%	65.00	1.08	217,425	37.0%	65.00	1.00	234,150	37.3%	70.00	1.08	234,150	37.3%	70.00	1.00	250,875	37.6%
Triple Net Revenue	70,245	12.8%	5.43	1.00	76,099	13.0%	5.88	1.08	76,099	13.0%	5.88	1.00	81,953	13.1%	6.33	1.08	81,953	13.1%	6.33	1.00	87,806	13.2%
Gross Operating Income	547,425	100.0%	42.29	1.00	587,284	100.0%	45.37	1.07	587,284	100.0%	45.37	1.00	627,143	100.0%	48.45	1.07	627,143	100.0%	48.45	1.00	667,001	100.0%

Triple Net Expenses	61,214	11.2%	4.73	1.00	66,315	11.3%	5.12	1.08	66,315	11.3%	5.12	1.00	71,416	11.4%	5.52	1.08	71,416	11.4%	5.52	1.00	76,517	11.5%
Property Taxes	53,721	9.8%	4.15	1.00	53,785	9.2%	4.15	1.00	53,785	9.2%	4.15	1.00	53,850	8.6%	4.16	1.00	53,850	8.6%	4.16	1.00	53,915	8.1%
Gross Operating Profit	<u>432,491</u>	<u>79.0%</u>	<u>33.41</u>	<u>1.00</u>	<u>467,184</u>	<u>79.5%</u>	<u>36.09</u>	<u>1.08</u>	<u>467,184</u>	<u>79.5%</u>	<u>36.09</u>	<u>1.00</u>	<u>501,877</u>	<u>80.0%</u>	<u>38.77</u>	<u>1.07</u>	<u>501,877</u>	<u>80.0%</u>	<u>38.77</u>	<u>1.00</u>	<u>536,569</u>	<u>80.4%</u>

	2037				2038				2039				2040				2041				2042	
	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	(000's)	%
Gross Revenue	24,302,916				25,032,003				25,782,963				26,624,994				#####				28,173,740	
(Leased Space Revenue)	1,193,790				1,195,230				1,195,230				1,196,670				1,196,670				1,198,110	
Total Revenue for Sales Tax	<u>25,496,706</u>				<u>26,227,233</u>				<u>26,978,193</u>				<u>27,821,664</u>				<u>#####</u>				<u>29,371,850</u>	
Gross Operating Income	18,392,366	72.1%			18,972,127	72.3%			19,528,287	72.4%			20,201,013	72.6%			#####	72.6%			21,378,993	72.8%
Undistributed Expenses	3,704,598	14.5%			3,819,000	14.6%			3,931,581	14.6%			4,054,573	14.6%			#####	14.6%			4,300,198	14.6%
Gross Operating Profit	<u>14,687,768</u>	<u>57.6%</u>			<u>15,153,127</u>	<u>57.8%</u>			<u>15,596,706</u>	<u>57.8%</u>			<u>16,146,439</u>	<u>58.0%</u>			<u>#####</u>	<u>58.0%</u>			<u>17,078,795</u>	<u>58.1%</u>
Management Fees	946,374	3.7%			974,766	3.7%			1,004,009	3.7%			1,036,832	3.7%			1,065,153	3.7%			1,097,107	3.7%
Franchise Fees	1,195,078	4.7%			1,230,930	4.7%			1,267,858	4.7%			1,309,472	4.7%			1,345,071	4.7%			1,385,423	4.7%
Fixed Expenses	189,581	0.7%			195,268	0.7%			201,126	0.7%			207,256	0.7%			213,375	0.7%			219,776	0.7%
Property Taxes	991,274	3.9%			1,019,465	3.9%			1,048,436	3.9%			1,079,140	3.9%			1,109,075	3.9%			1,140,796	3.9%
Net Operating Profit	<u>11,365,461</u>	<u>44.6%</u>			<u>11,732,698</u>	<u>44.7%</u>			<u>12,075,278</u>	<u>44.8%</u>			<u>12,513,739</u>	<u>45.0%</u>			<u>#####</u>	<u>44.9%</u>			<u>13,235,693</u>	<u>45.1%</u>
Replacement Reserve	1,215,146	4.8%			1,251,600	4.8%			1,289,148	4.8%			1,331,250	4.8%			1,367,657	4.8%			1,408,687	4.8%
Net Cash Flow	<u>10,150,315</u>	<u>39.8%</u>			<u>10,481,097</u>	<u>40.0%</u>			<u>10,786,130</u>	<u>40.0%</u>			<u>11,182,490</u>	<u>40.2%</u>			<u>#####</u>	<u>40.1%</u>			<u>11,827,006</u>	<u>40.3%</u>

	\$PO/AR Gr.		2043				2044				
			(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.	
No. of Rooms			252					252			
Occupancy	1.00		74.5%		1.00	74.5%			1.00		
ADR	1.03		\$ 304.11		1.03	\$ 313.24			1.03		
RevPar	1.03		\$ 226.56		1.03	\$ 233.36			1.03		
Occupied Room Nights	1.00		68,525		1.00	68,713			1.00		
Available Room Nights	1.00		91,980		1.00	92,232			1.00		
Revenues:											
Rooms	295.26	1.03	20,839,411	99.3%	304.11	1.03	21,523,401	99.3%	313.24	1.03	
Other	1.96	1.03	138,029	0.7%	2.01	1.03	142,170	0.7%	2.07	1.03	
Total Revenue	297.21	1.03	20,977,440	100%	306.13	1.03	21,665,570	100%	315.31	1.03	
Departmental Expenses:											
Rooms	58.93	1.03	4,159,142	20.0%	60.70	1.03	4,286,173	19.9%	62.38	1.03	
Other	1.17	1.03	82,818	60.0%	1.21	1.03	85,302	60.0%	1.24	1.03	
Total Departmental Expenses	60.10	1.03	4,241,959	20.2%	61.90	1.03	4,371,475	20.2%	63.62	1.03	
Gross Operating Income	237.11	1.03	16,735,481	79.8%	244.22	1.03	17,294,095	79.8%	251.69	1.03	
Undistributed Expenses:											
Admin & General	6,142	1.03	1,594,285	7.6%	6,327	1.03	1,643,467	7.6%	6,522	1.03	
Franchise Fee	4,445	1.03	1,153,759	5.5%	4,578	1.03	1,191,628	5.5%	4,729	1.03	
Marketing	5,088	1.03	1,320,709	6.3%	5,241	1.03	1,361,153	6.3%	5,401	1.03	
Repairs & Maintenance	3,074	1.03	798,013	3.8%	3,167	1.03	821,953	3.8%	3,262	1.03	
Energy	2,456	1.03	637,384	3.0%	2,529	1.03	656,506	3.0%	2,605	1.03	
Total Undistributed Expenses	21,206	1.03	5,504,150	26.2%	21,842	1.03	5,674,707	26.2%	22,519	1.03	
Gross Operating Profit	159.13	1.03	11,231,330	53.5%	163.90	1.03	11,619,389	53.6%	169.10	1.03	
Management Fee	2,425	1.03	629,323	3.0%	2,497	1.03	649,967	3.0%	2,579	1.03	
Asset Management Fee	808	1.03	209,774	1.0%	832	1.03	216,656	1.0%	860	1.03	
Total Management Fees	3,233	1.03	839,098	4.0%	3,330	1.03	866,623	4.0%	3,439	1.03	
Income Before Fixed Charges	147.24	1.03	10,392,233	49.5%	151.66	1.03	10,752,766	49.6%	156.49	1.03	
Fixed Charges:											
RE & Property, Business Taxes	2,905	1.03	754,048	3.6%	2,992	1.03	776,670	3.6%	3,082	1.03	
Equipment Leases	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	
Insurance	576	1.03	149,525	0.7%	593	1.03	154,011	0.7%	611	1.03	
Other	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00	
Total Fixed Charges	3,481	1.03	903,574	4.3%	3,586	1.03	930,681	4.3%	3,693	1.03	
Income Before Debt & Res	134.44	1.03	9,488,659	45.2%	138.47	1.03	9,822,085	45.3%	142.94	1.04	
Reserve for Replacement	14.86	1.03	1,048,872	5.0%	15.31	1.03	1,083,279	5.0%	15.77	1.03	
Hotel Net Operating Income	119.58	1.03	8,439,787	40.2%	123.16	1.03	8,738,806	40.3%	127.18	1.04	

	\$PO/AR Gr.		2043				2044			
			(000's)	%	\$PO/AR	Gr.	(000's)	%	\$PO/AR	Gr.
Average Food Ticket			\$20.24					\$20.85		
Average Beverage Ticket			\$33.77					\$34.78		
Occupied Room Nights			68,525					68,713		
Available Room Nights			91,980					92,232		
Revenues:										
Rooftop Bar Food	9.27	1.03	878,316	17.7%	9.55	1.03	907,144	17.7%	9.84	1.03
Catering Food	10.38	1.03	983,714	19.8%	10.69	1.03	1,016,001	19.8%	11.02	1.03
Rooftop Bar Beverage	31.56	1.03	2,989,786	60.2%	32.50	1.03	3,087,917	60.2%	33.48	1.03
Catering Beverage	1.22	1.03	115,938	2.3%	1.26	1.03	119,743	2.3%	1.30	1.03
Total Revenue	52.44	1.03	4,967,753	100%	54.01	1.03	5,130,804	100%	55.63	1.03
Expenses:										
Total Wages	15.75	1.03	1,490,035	30.0%	16.20	1.03	1,536,231	29.9%	16.66	1.03
Total Taxes & Benefits	1.50	1.03	141,553	9.5%	1.54	1.03	145,942	9.5%	1.58	1.03
Cost of Goods Sold	11.14	1.03	1,055,454	21.2%	11.47	1.03	1,090,096	21.2%	11.82	1.03
Other	2.07	1.03	195,893	3.9%	2.13	1.03	202,121	3.9%	2.19	1.03
Total Expenses	30.45	1.03	2,882,936	58.0%	31.34	1.03	2,974,390	58.0%	32.25	1.03
Rooftop Gross Operating Income	21.98	1.03	2,084,817	42.0%	22.67	1.03	2,156,415	42.0%	23.38	1.03
Management Fees	1.57	1.03	149,033	3.0%	1.62	1.03	153,924	3.0%	1.67	1.03
Asset Management Fee	0.52	1.03	49,678	1.0%	0.54	1.03	51,308	1.0%	0.56	1.03
Franchise Fees	2.88	1.03	273,226	5.5%	2.97	1.03	282,194	5.5%	3.06	1.03
Total Management Fees	4.98	1.03	471,937	9.5%	5.13	1.03	487,426	9.5%	5.28	1.03
Fixed Charges										
Property Taxes	2.88	1.03	273,226	5.5%	2.97	1.03	282,194	5.5%	3.06	1.03
Income Before Debt & Res	14.12	1.03	1,339,654	27.0%	14.56	1.03	1,386,794	27.0%	15.04	1.04
Reserve for Replacement	2.62	1.03	248,388	5.0%	2.70	1.03	256,540	5.0%	2.78	1.03
Rooftop Net Operating Income	11.50	1.03	1,091,267	22.0%	11.86	1.03	1,130,254	22.0%	12.25	1.04

	\$PO/AR Gr.		2043				2044			
			(000's)	%	\$PO/AR Gr.		(000's)	%	\$PO/AR Gr.	
No. of Spaces			224			224				
Total Occupancy			84.2%			84.0%				
ADR			\$ 25.80			\$ 26.58				
Monthly ADR			\$ 139.77			\$ 143.97				
Special Event ADR			\$ 32.26			\$ 33.22				
Occupied Daily Spaces			50,269			50,269				
Occupied Monthly Spaces			10,950			10,980				
Occupied Special Event Spaces			7,630			7,630				
Available Spaces			81,760			81,984				
Revenues:										
Overnight Revenue	18.29	1.03	1,297,143	42.2%	18.84	1.03	1,336,058	42.1%	19.40	1.03
Monthly Revenue	21.58	1.03	1,530,506	49.8%	22.23	1.03	1,580,740	49.9%	22.95	1.03
Special Event Revenue	3.47	1.03	246,110	8.0%	3.57	1.03	253,493	8.0%	3.68	1.03
Total Revenue	43.34	1.03	3,073,759	100%	44.64	1.03	3,170,291	100%	46.03	1.03
Departmental Expenses:										
Administration	2.92	1.03	206,375	6.7%	3.00	1.03	211,626	6.7%	3.07	1.03
Utilities	0.86	1.03	60,537	2.0%	0.88	1.03	62,077	2.0%	0.90	1.03
Maintenance	3.51	1.03	247,650	8.1%	3.60	1.03	253,952	8.0%	3.69	1.03
Other	0.58	1.03	41,275	1.3%	0.60	1.03	42,325	1.3%	0.61	1.03
Total Expenses	7.88	1.03	555,836	18.1%	8.07	1.03	569,980	18.0%	8.28	1.03
Parking Gross Operating Income	35.47	1.03	2,517,923	81.9%	36.57	1.03	2,600,310	82.0%	37.75	1.03
Management Fee	1.30	1.03	92,213	3.0%	1.34	1.03	95,109	3.0%	1.38	1.03
Fixed Charges										
bl,A, Property Taxes	1.30	1.03	92,213	3.0%	1.34	1.03	95,109	3.0%	1.38	1.03
bl,A, Insurance	1.08	1.00	76,844	2.5%	1.12	1.00	79,257	2.5%	1.15	1.00
Total Fixed Expenses	2.38	1.03	169,057	5.5%	2.46	1.03	174,366	5.5%	2.53	1.03
Income Before Debt & Res	33.08	1.03	2,348,866	76.4%	34.12	1.03	2,425,944	76.5%	35.22	1.03
Reserve for Replacement	1.62	1.03	153,688	5.0%	1.67	1.03	158,515	5.0%	1.72	1.03
Parking Net Operating Income	23.14	1.03	2,195,178	71.4%	23.87	1.03	2,267,430	71.5%	24.58	1.03

	\$PO/AR Gr.		2043				2044			
			(000's)	%	\$PO/AR Gr.		(000's)	%	\$PO/AR Gr.	
Square Feet			3,345			3,345				
Occupancy			100.0%			100.0%				
ADR			\$75.00			\$80.00				
"NNN" %			35.0%			35.0%				
Residential Square Footage			9,600			9,600				
\$ Mon. Rent/Sq. Ft			\$ 2.85			\$ 3.00				
Propety Tax %			4.5%			4.5%				
Revenues:										
Residential Rental Income	34.20	1.06	328,320	49.2%	34.20	1.00	345,600	48.9%	36.00	1.05
Total Lease Revenue	75.00	1.07	250,875	37.6%	75.00	1.00	267,600	37.9%	80.00	1.07
Triple Net Revenue	6.78	1.07	87,806	13.2%	6.78	1.00	93,660	13.3%	7.24	1.07
Gross Operating Income	51.53	1.06	667,001	100.0%	51.53	1.00	706,860	100.0%	54.60	1.06

Triple Net Expenses	5.91	1.07	76,517	11.5%	5.91	1.00	81,618	11.5%	6.30	1.07
Property Taxes	4.16	1.00	53,915	8.1%	4.16	1.00	53,980	7.6%	4.17	1.00
Gross Operating Profit	<u>41.45</u>	<u>1.07</u>	<u>536,569</u>	<u>80.4%</u>	<u>41.45</u>	<u>1.00</u>	<u>571,262</u>	<u>80.8%</u>	<u>44.13</u>	<u>1.06</u>

	2043		2044	
	(000's)	%	(000's)	%
Gross Revenue	29,018,952		29,966,666	
(Leased Space Revenue)	1,198,110		1,199,550	
Total Revenue for Sales Tax	<u>30,217,062</u>		<u>31,166,216</u>	
Gross Operating Income	22,005,222	72.8%	22,757,681	73.0%
Undistributed Expenses	4,426,908	14.7%	4,564,697	14.6%
Gross Operating Profit	<u>17,578,314</u>	<u>58.2%</u>	<u>18,192,984</u>	<u>58.4%</u>
Management Fees	1,130,021	3.7%	1,166,964	3.7%
Franchise Fees	1,426,986	4.7%	1,473,822	4.7%
Fixed Expenses	226,369	0.7%	233,268	0.7%
Property Taxes	1,173,403	3.9%	1,207,953	3.9%
Net Operating Profit	<u>13,621,536</u>	<u>45.1%</u>	<u>14,110,977</u>	<u>45.3%</u>
Replacement Reserve	1,450,948	4.8%	1,498,333	4.8%
Net Cash Flow	<u>12,170,588</u>	<u>40.3%</u>	<u>12,612,644</u>	<u>40.5%</u>

**Downtown Marriott Hotel Development
URA Options**

Annual Sales	2020	2021	2022	2023	2024	2025	2026
- Hotel	8,977,000	10,101,820	11,099,272	11,628,143	12,005,718	12,327,157	12,691,696
- Rooftop Bar/Catering	2,481,790	2,549,691	2,634,568	2,750,525	2,840,802	2,918,031	3,005,572
- Parking	1,298,934	1,451,307	1,581,800	1,676,978	1,755,313	1,805,509	1,859,675
- Leased Retail	1,185,150	1,185,150	1,186,110	1,186,110	1,187,070	1,187,070	1,188,030
Total Annual Sales	13,942,874	15,287,968	16,501,749	17,241,756	17,788,903	18,237,768	18,744,973

Property Taxes	2020	2021	2022	2023	2024	2025	2026
- Current	28,000	28,000	28,000	28,000	28,000	28,000	28,000
- Projected per Assessor	503,391	569,122	633,024	672,831	693,516	711,140	730,770
Property Tax Subject to URA	475,391	541,122	605,024	644,831	665,516	683,140	702,770

URA Proceeds - Property Tax	2020	2021	2022	2023	2024	2025	2026
70%	332,774	378,785	423,517	451,382	465,861	478,198	491,939
75%	356,543	405,841	453,768	483,623	499,137	512,355	527,077
80%	380,313	432,897	484,019	515,865	532,413	546,512	562,216
85%	404,082	459,953	514,271	548,107	565,688	580,669	597,354
90%	427,852	487,010	544,522	580,348	598,964	614,826	632,493
95%	451,621	514,066	574,773	612,590	632,240	648,983	667,631
100%	475,391	541,122	605,024	644,831	665,516	683,140	702,770

URA Proceeds - City/County Sales Tax	2020	2021	2022	2023	2024	2025	2026
1.5%	209,143	229,320	247,526	258,626	266,834	273,567	281,175
1.75%	244,000	267,539	288,781	301,731	311,306	319,161	328,037
2.0%	278,857	305,759	330,035	344,835	355,778	364,755	374,899
2.3%	313,715	343,979	371,289	387,940	400,250	410,350	421,762
2.5%	348,572	382,199	412,544	431,044	444,723	455,944	468,624
2.75%	383,429	420,419	453,798	474,148	489,195	501,539	515,487
3.0%	418,286	458,639	495,052	517,253	533,667	547,133	562,349

Unleveraged Cash Flow Return Matrix	5,333,765	5,877,014	6,288,088	6,538,801	6,804,394	7,021,222	7,282,065	IRR
1.5%/70%	5,875,681	6,485,119	6,959,131	7,248,809	7,537,089	7,773,086	8,070,538	9.8%
1.5%/75%	5,899,451	6,512,175	6,989,383	7,281,051	7,570,365	7,807,243	8,075,677	9.8%
1.5%/80%	5,923,220	6,539,231	7,019,634	7,313,292	7,603,640	7,841,400	8,080,815	9.9%
1.5%/85%	5,946,990	6,566,287	7,049,885	7,345,534	7,636,916	7,875,557	8,085,954	9.9%
1.5%/90%	5,970,760	6,593,343	7,080,136	7,377,775	7,670,192	7,909,714	8,091,092	9.9%
1.5%/95%	5,994,529	6,620,399	7,110,387	7,410,017	7,703,468	7,943,871	8,096,231	10.0%
1.5%/100%	6,018,299	6,647,455	7,140,639	7,442,258	7,736,744	7,978,028	8,091,369	10.0%
1.75%/70%	5,910,539	6,523,339	7,000,386	7,291,913	7,581,561	7,818,681	8,077,401	9.8%
1.75%/75%	5,934,308	6,550,395	7,030,637	7,324,155	7,614,837	7,852,838	8,081,539	9.9%
1.75%/80%	5,958,078	6,577,451	7,060,888	7,356,397	7,648,113	7,886,995	8,087,678	9.9%
1.75%/85%	5,981,847	6,604,507	7,091,139	7,388,638	7,681,388	7,921,152	8,088,816	10.0%
1.75%/90%	6,005,617	6,631,563	7,121,391	7,420,880	7,714,664	7,955,309	8,091,955	10.0%
1.75%/95%	6,029,386	6,658,619	7,151,642	7,453,121	7,747,940	7,989,466	8,093,093	10.0%
1.75%/100%	6,053,156	6,685,675	7,181,893	7,485,363	7,781,216	8,023,623	8,098,232	10.1%
2.0%/70%	5,945,396	6,561,558	7,041,640	7,335,018	7,626,093	7,864,275	8,024,263	9.9%
2.0%/75%	5,969,165	6,588,615	7,071,891	7,367,259	7,659,309	7,898,492	8,059,402	9.9%
2.0%/80%	5,992,935	6,615,671	7,102,143	7,399,501	7,692,585	7,932,589	8,089,540	10.0%
2.0%/85%	6,016,704	6,642,727	7,132,394	7,431,742	7,725,861	7,966,746	8,092,679	10.0%
2.0%/90%	6,040,474	6,669,783	7,162,645	7,463,984	7,759,137	8,000,903	8,094,817	10.1%
2.0%/95%	6,064,243	6,696,839	7,192,896	7,496,226	7,792,412	8,035,060	8,099,956	10.1%
2.0%/100%	6,088,013	6,723,895	7,223,147	7,528,467	7,825,688	8,069,217	8,095,094	10.1%
2.25%/70%	5,980,253	6,599,778	7,082,894	7,378,122	7,670,506	7,909,870	8,071,125	9.9%
2.25%/75%	6,004,022	6,626,834	7,113,146	7,410,364	7,703,781	7,944,027	8,096,264	10.0%
2.25%/80%	6,027,792	6,653,891	7,143,397	7,442,605	7,737,057	7,978,184	8,091,402	10.0%
2.25%/85%	6,051,562	6,680,947	7,173,648	7,474,847	7,770,333	8,012,341	8,097,541	10.1%
2.25%/90%	6,075,331	6,708,003	7,203,899	7,507,088	7,803,609	8,046,498	8,091,679	10.1%
2.25%/95%	6,099,101	6,735,055	7,234,151	7,539,330	7,836,885	8,080,655	8,096,818	10.1%
2.25%/100%	6,122,870	6,762,115	7,264,402	7,571,572	7,870,160	8,114,812	8,098,956	10.2%
2.5%/70%	6,015,110	6,637,998	7,124,149	7,421,227	7,714,978	7,955,464	8,091,988	10.0%
2.5%/75%	6,038,880	6,665,054	7,154,400	7,453,468	7,748,254	7,989,621	8,093,126	10.0%
2.5%/80%	6,062,649	6,692,111	7,184,651	7,485,710	7,781,529	8,023,778	8,098,265	10.1%
2.5%/85%	6,086,419	6,719,167	7,214,903	7,517,951	7,814,805	8,057,935	8,092,403	10.1%
2.5%/90%	6,110,188	6,746,223	7,245,154	7,550,193	7,848,081	8,092,092	8,098,542	10.2%
2.5%/95%	6,133,958	6,773,279	7,275,405	7,582,434	7,881,357	8,126,249	8,099,680	10.2%
2.5%/100%	6,157,727	6,800,335	7,305,656	7,614,676	7,914,633	8,160,406	8,100,819	10.2%
2.75%/70%	6,049,967	6,676,212	7,165,403	7,464,331	7,759,450	8,001,058	8,096,850	10.1%
2.75%/75%	6,073,737	6,703,274	7,195,654	7,496,573	7,792,726	8,035,215	8,099,989	10.1%
2.75%/80%	6,097,506	6,730,330	7,225,906	7,528,814	7,826,002	8,069,372	8,095,127	10.1%
2.75%/85%	6,121,276	6,757,387	7,256,157	7,561,056	7,859,277	8,103,529	8,070,266	10.2%
2.75%/90%	6,145,045	6,784,443	7,286,408	7,593,297	7,892,553	8,137,686	8,095,404	10.2%
2.75%/95%	6,168,815	6,811,499	7,316,659	7,625,539	7,925,829	8,171,843	8,096,543	10.3%
2.75%/100%	6,192,585	6,838,555	7,346,911	7,657,780	7,959,105	8,206,000	8,097,681	10.3%
3.0%/70%	6,084,824	6,714,438	7,206,658	7,507,435	7,803,922	8,046,653	8,091,713	10.1%
3.0%/75%	6,108,594	6,741,494	7,236,909	7,539,677	7,837,198	8,080,810	8,096,851	10.1%
3.0%/80%	6,132,364	6,768,550	7,267,160	7,571,918	7,870,474	8,114,967	8,098,990	10.2%
3.0%/85%	6,156,133	6,795,606	7,297,411	7,604,160	7,903,750	8,149,124	8,091,128	10.2%
3.0%/90%	6,179,903	6,822,662	7,327,662	7,636,402	7,937,026	8,183,281	8,092,267	10.3%
3.0%/95%	6,203,672	6,849,719	7,357,914	7,668,643	7,970,301	8,217,438	8,093,406	10.3%
3.0%/100%	6,227,442	6,876,775	7,388,165	7,700,885	8,003,577	8,251,595	8,094,544	10.3%

Leveraged Cash Flow Return Matrix	1,802,456	2,345,705	2,756,779	3,007,492	3,273,085	3,490,013	3,750,756	IRR
1.5%/70%	2,344,373	2,953,810	3,427,823	3,717,500	4,005,780	4,241,778	4,190,948	16.1%
1.5%/75%	2,368,142	2,980,866	3,458,074	3,749,742	4,039,056	4,275,935	4,194,086	16.2%
1.5%/80%	2,391,912	3,007,922	3,488,325	3,781,983	4,072,332	4,310,092	4,197,225	16.3%
1.5%/85%	2,415,681	3,034,978	3,518,576	3,814,225	4,105,607	4,344,249	4,201,363	16.4%
1.5%/90%	2,439,451	3,062,034	3,548,827	3,846,467	4,138,883	4,378,406	4,204,502	16.5%
1.5%/95%	2,463,220	3,089,090	3,579,079	3,878,708	4,172,159	4,412,563	4,208,640	16.6%
1.5%/100%	2,486,990	3,116,146	3,609,330	3,910,950	4,205,435	4,446,720	4,211,779	16.7%
1.75%/70%	2,379,230	2,992,030	3,469,077	3,760,605	4,050,252	4,287,372	4,195,810	16.2%
1.75%/75%	2,402,999	3,019,086	3,499,328	3,792,846	4,083,528	4,321,529	4,198,949	16.3%
1.75%/80%	2,426,769	3,046,142	3,529,579	3,825,088	4,116,804	4,355,686	4,202,087	16.4%
1.75%/85%	2,450,538	3,073,198	3,559,831	3,857,329	4,150,080	4,389,843	4,205,226	16.5%
1.75%/90%	2,474,308	3,100,254	3,590,082	3,889,571	4,183,356	4,424,000	4,209,364	16.6%
1.75%/95%	2,498,078	3,127,310	3,620,333	3,921,812	4,216,631	4,458,157	4,212,503	16.7%
1.75%/100%	2,521,847	3,154,366	3,650,584	3,954,054	4,249,907	4,492,314	4,215,641	16.8%
2.0%/70%	2,414,087	3,030,250	3,510,331	3,803,709	4,094,725	4,332,966	4,199,673	16.4%
2.0%/75%	2,437,857	3,057,306	3,540,583	3,835,951	4,128,000	4,367,123	4,203,811	16.5%
2.0%/80%	2,461,626	3,084,362	3,570,834	3,868,192	4,161,276	4,401,280	4,208,950	16.6%
2.0%/85%	2,485,396	3,111,4						



EL PASO COUNTY, COLORADO
Office of the County Assessor
Steve Schleiker



February 14, 2018
 Jim DiBiase
 Olive Real Estate Group
 102 N. Cascade Ave., Suite 250
 Colorado Springs, CO 80903

To whom it may concern,

As requested, the El Paso County Assessor’s Office has estimated a market value, based upon a hypothetical condition. The estimate is for a commercial use, mixed occupancy, (Hotel/Retail/Parking structure), complex proposed to be constructed. This estimate is as if the project’s development plan (as submitted or discussed to date), existed at 100% complete as of January 1, 2018. The nature of this assignment is atypical of the work performed by the Assessor and the necessary scope of work has been restricted due to time constraints and limited availability of data.

The purpose of this estimate is for ad valorem property taxation only. In the State of Colorado, property valuations for this purpose are always retroactive and are currently at a June 30, 2016 “level of value” for the 2018 assessment year.

The site previously consisted of Parcels 64183-16-001, 64183-16-003, 64183-16-004, and 64183-16-007 which when assembled, totaled 38,000 sf of land.

<i>Facility Use</i>	<i>SF</i>	<i>% of Project</i>
Hotel (256 rooms) & Amenities	160,960	54%
Parking (224 spaces)	91,060	30%
Lobby Areas/Amenities/Support Services (Street Level)	22,425	7%
Restaurant & Outdoor Seating (Street Level)	4,265	1%
Restaurant & Outdoor Patio (8th Floor - Rooftop)	7,925	3%
Conference Facilities (8th Floor)	1,685	1%
Apartments and/or Suites (TBD)	12,125	4%
Total Gross Building Area	300,445	100%

All uses other than the luxury apartment space (8th floor) are assessed at 29% of market value. The luxury apartment spaces are assessed at 7.20% of market value.

The valuation of Commercial use properties typically includes data and analysis supporting the Cost, Market, or Income approaches to value, whichever is applicable. Due to the hypothetical nature of this request and the limited information provided, the Cost Approach is being applied. Additionally, the estimate is based primarily upon Cost data due to the lack of actual market and historical income data available or occurring between July 01, 2016 and June 30, 2018, in the downtown area. This estimate does not include any allowance for the earlier



EL PASO COUNTY, COLORADO
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Steve Schleiker



described demolition of improvements, any yard improvements such as landscaping, curb and gutter, fencing or related amenities. Per our conversations, the personal property estimates, \$2,500,000 should be considered taxable property and is assessed at the 29% rate.

The Assessor estimates the total real property market value to be in the \$15,000,000 to \$25,000,000 range.

This amount could fluctuate based upon any change in the development hypothetical or in the submission of formal project documents.

Additional Assumptions and Limiting Conditions

This appraisal is subject to the following underlying assumptions, qualifications, and limiting conditions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. This appraisal encompasses only the property legally described herein. The areas and dimensions shown herein are assumed complete and accurate for purposes of this report, unless otherwise indicated and were provided by the client.
2. For purposes of this report, the appraiser expressly assumes that the title to the property is marketable. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though it is free and clear. The appraiser did not review a survey or a title policy to ascertain if any significant easements or encumbrances negatively impact the future development potential or existing utility of the subject site. The appraiser is not a qualified title attorney and expresses to opinion as to the sufficiency or merchantability of title. The appraiser assumes no responsibility for matters involving legal or title considerations.
3. The Property Valuation is based upon a hypothetical condition and assumes: (a) responsible ownership and competent management of the property; (b) there are no hidden or unapparent conditions of the property, subsoil, or structures that render the property more or less valuable; (c) full compliance with all applicable federal, state, and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Property Valuation; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use of which the value estimate contained in the Property Valuation is based.
4. Any sketches, engineering illustrations or photographs in the report are included in the work file and have been discussed and reviewed with the client. No survey was provided for review.
5. Mr. Rick Davis, S for the El Paso County Assessor's Office supplied the land estimate of value. The information furnished by others is believed to be reliable. However, no warranty is given to its accuracy.



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Steve Schleiker



6. It is assumed that there are no hidden or latent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies, which may be required to discover such factors. Please consult an environmental specialist if such conditions are thought to exist.
7. The building area calculations discussed herein are based upon estimates provided and reviewed by the client and Assessor's records.
8. This appraisal was prepared for the intended use of ad valorem taxation. By reason of the intended use and scope of the report herein set forth, the value reported is only applicable to the assumed fee simple property rights appraised.
9. The removal or loss of any portion of this report invalidates the entire report. Written permission is required by the appraiser(s) for copy or distribution of this body of work. Except as herein provided, the client for whom this appraisal report was prepared may distribute copies of this report, in its entirety, to third parties as selected by the client. However, selected portions of this appraisal report shall not be dissected and presented independently in any format, without the expressed permission of the author(s). The appraiser(s) will not be held liable for any damages arising from the unauthorized use of this report by outside parties for any other purpose than that which the appraisal was written. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communications without the prior written consent report's signatories.
10. By reason of this report, it is understood that the author(s) may be present to give testimony in a court of law or hearing as expert witnesses on behalf of the El Paso County Assessor's Office and as representatives of the El Paso County Assessor's Office.
11. The intended use of this appraisal is for ad valorem taxation suggesting aspects of the appraisal may be restricted from certain standard appraisal procedures, due to State Law requiring specific procedures and by limitations from mass appraisal procedures. When State Law and Uniform Standards of Professional Appraisal Practice requirements differ, the appraiser will make note of this conflict and explain the appropriate course of action.
12. It is assumed that there is full compliance regarding building construction and property use with all applicable Federal, State, and Local Governmental regulations and laws unless noncompliance is stated, defined and considered in the report. It is further assumed that the utilization of the land and improvements is within boundaries or property lines of the property described in that there is no encroachment or trespass unless noted in this report.
13. The values reported are based upon the condition of the national and local economy purchasing power of the dollar, financing rates, lease rates, discount rates and other criteria as of the date of the value estimate when pertaining to the appropriate value method.



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Steve Schleiker



14. It is assumed that the site or improvements will not have: structure(s) built over a landfill; the presence of friable asbestos or substantial amounts of non-friable asbestos that cannot be safely encapsulated or removed; urea-formaldehyde foam; ground water or soil contamination; the presence of high-risk neighbors with evidence of contaminated spills; polychlorinated biphenyl contamination; high radon levels' or material violations of applicable Local, State, or Federal environmental or public health laws. If any such conditions are thought to exist, please consult an environmental specialist and contact the author(s) of this report for disclosure purposes. The appraiser does not have expertise in identifying hazardous materials. The appraiser reserves the right to revise or amend valuations, opinions, and conclusions of the report if subsequent, significant information becomes known.
15. The Americans with Disabilities Act, promulgated by the United States Congress on February 20, 1992, requires certain structural requirements to meet the needs of the disabled. The appraiser does not have the expertise to determine whether the subject does, or does not, meet the act's requirements. Knowledgeable persons should be employed to make this determination. This appraisal was completed without regard to the requirements of this Act. Should it be shown that additional cost would be required to bring the subject into compliance, these costs may or may not be a deduction from the value conclusion, depending on the scope of the work to be performed and the economic impact on the property owners.
16. Exclusion of one or more of the traditional approaches to value in the Property Valuation may reflect a departure from the Uniform Standards of Professional Appraisal Practice. Such a departure may be required pursuant to the provisions of Title 39 of the Colorado Revised Statutes. Departures can be addressed in Cost and Income Approach sections.

If you have any questions or comments, please contact me directly.

Sincerely,

Thomas Payne
Commercial Appraiser II
El Paso County Assessor's Office
(719) 520-6616

1675 West Garden of the Gods Road, Suite 2300
Colorado Springs, CO 80907
Phone: (719) 520-6600 Fax: (719) 520-6635
Internet: asr.elpasoco.com E-mail: ASRWEB@elpasoco.com
Twitter: @EPC_Assessor



Marriott International, Inc.
Hotel Development

2300 NW 123rd Street
Vancouver, WA 98685

Jason Farmer
Area VP, Lodging Development
720-244-3966
360-450-4804 Fax

February 20, 2018

Jim,

We continue to be excited about your proposed dual branded Element/Springhill Suites at the SWQ of E. Costilla St. and S. Tejon St. in downtown Colorado Springs. I know you and your team have spent a lot of time working with our Global Design folks at corporate to fine tune the programming and layout of the hotel and things seem to be coming together from a design perspective. There is a lot of exciting stuff happening in the downtown area and we look forward to having our first Marriott branded hotels represented in the downtown core. We recognize that you have a lot of moving pieces on this project and everything must come together to make the economics work. Due to the high costs of the project and urban location, Marriott is prepared to help out by offering a combination of royalty fee discounts and key money. We are currently working with your partner and operator Hotel Equities on the specific terms. You have received the Franchise Disclosure Document and application package for your project from us and hopefully you will be in a position to submit everything soon. Final approval is subject to your project being formally presented to and approved by our Development Committee. As always, if we can be of help please don't hesitate to reach out.

We appreciate your partnership and look forward to working with you on this project.

Sincerely,

Jason Farmer
Marriott International
Area VP, Lodging Development



41 Perimeter Center East – Suite 510

Atlanta, GA 30346

Phone: 678-578-4444 / Fax: 678-578-4445

February 20, 2018

Jim DiBiase

Marriott SpringHill CBD, LLC
102 N. Cascade Ave., Suite 210
Colorado Springs, CO 80903

To Whom It May Concern:

I am writing to voice a sponsorship of the proposed development of a 250-room dual branded hotel in downtown Colorado Springs, Colorado. The \$74+ million dollar development will change the landscape of downtown Colorado Springs.

The area, in the midst of revitalization, will benefit from the hotel development. Not only will it create 150+ jobs, it will be one of the first, of many, new developments in this area which will pour more money into the local area and provide more bed tax revenue for the city to use for tourism and marketing spend. Not to mention, this will be the first Marriott branded hotel in the downtown area which is coveted by hotel developers. This project is iconic as it is one of the first Marriott dual branded hotels.

As both an equity investor in the project and managing partner for the hotel(s), Hotel Equities supports this development in all facets. We as a company know how critical these projects can be to communities and have seen firsthand the overflow of benefits that stem from a hotel of this caliber.

Our company culture, which is based on the attitude of servant leadership, is active in looking for areas where our hotel teams can make a positive difference in their surrounding communities. We are currently assisting the Ownership group with completing the Franchise Disclosure document before seeking final approval from the Marriott Development Committee.

We stand behind this hotel and the ownership group as they have a history of developing successful projects and we have been in partnership with them for several years now.



RICHARD SKORMAN
Councilmember
District 3

February 20, 2018

Mr. Jariah Walker
Executive Director
Colorado Springs Urban Renewal Authority
30 South Nevada Avenue
Suite 603
Colorado Springs, CO 80903

Re: Letter of Support for the Downtown Marriott Hotel Development

Dear Jariah,

I am writing in support of the Downtown Marriott Hotel Development. I have been briefed on the details of the project and feel strongly that the development will bring much needed services and amenities to our downtown area. For this reason, it would be a proper use of the Urban Renewal Authority's tools and resources to support the development.

Please feel free to contact me if you have any questions about my support of the project.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Skorman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Richard Skorman
City Councilmember
City of Colorado Springs
District 3