



FEASIBILITY STUDY

Proposed Dual-Branded Hotels at Florida Atlantic University

GLADES ROAD
BOCA RATON, FLORIDA



October 2, 2013

Mr. Tom Donaudy
Florida Atlantic University
777 Glades Road
Boca Raton, Florida, 33431

Re: Proposed Dual-Branded Hotels at Florida Atlantic University
Boca Raton, Florida
HVS Reference: 2013020786

Dear Mr. Donaudy:

Pursuant to your request, we herewith submit our feasibility study pertaining to the above-captioned property. We have inspected the real estate and analyzed the hotel market conditions in the Boca Raton, Florida area. We have studied the proposed project, and the results of our fieldwork and analysis are presented in this report. We have also reviewed the proposed improvements for this site. Our report was prepared in accordance with the Uniform Standards of Professional



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The developer of the proposed subject property is Florida Atlantic University, a public entity. The subject site is not yet subdivided but is expected to be situated within a larger 42-acre parcel at the southeastern corner of the Florida Atlantic University main campus in Boca Raton. According to the Palm Beach County Property Appraiser, this 42-acre parcel comprises publicly owned land, portions of which are owned by the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida (TIITF) and the United States Government. The subject parcel has not been sold in several years and is neither listed for sale nor under contract.

We assume that the proposed dual-branded subject property will be managed by a single professional management company that is experienced in the operation of upscale, select-service and extended-stay hotels in this region. The management team had not been selected as of the date of this study; therefore, details pertaining to management terms had yet to be determined. Our forecast fees represent an estimate of what would be expected on a base-fee and incentive-fee basis. We have assumed a market-appropriate total management fee of 3.0% of total revenues in our study.

We recommend that the proposed subject property operate as a dual-branded hotel offering separate upscale, select-service and extended-stay products that should share a central, connected conference center facility and select outdoor amenities. While we have not recommended a specific pair of brands for the proposed subject property, pairings available in this market include the Aloft and Element by Westin and the Hyatt Place and Hyatt House, and our forecasts reflect

late 2009 and exhibited strong increases in 2010 and 2011. Occupancy increased

The following tables reflect our estimates of operating data for hotels on an individual basis. These trends are presented in detail in the Supply and Demand Analysis chapter of this report.

Based on our analysis presented in the Projection of Occupancy and Average Rate chapter, we have chosen to use a stabilized occupancy level of 70% and a base-year rate position of \$102.00 for the proposed select-service hotel. We have also chosen to use a stabilized occupancy level of 77% and a base-year rate position of \$95.00 for the proposed extended-stay hotel. The following tables reflect a summary of our market-wide and proposed subject property occupancy and average rate projections.

FIGURE 1-4 MARKET AND SUBJECT PROPERTY AVERAGE RATE FORECAST – 110-ROOM SELECT-SERVICE

Year							
Base Year	72.1 %	—	\$107.01	—	—	\$102.00	95.3 %
2013	73.3	7.0 %	114.50	—	7.0 %		

FIGURE 1-10 DETAILED FORECAST OF INCOME AND EXPENSE – 140-ROOM EXTENDED-STAY

2016 (Calendar Year)

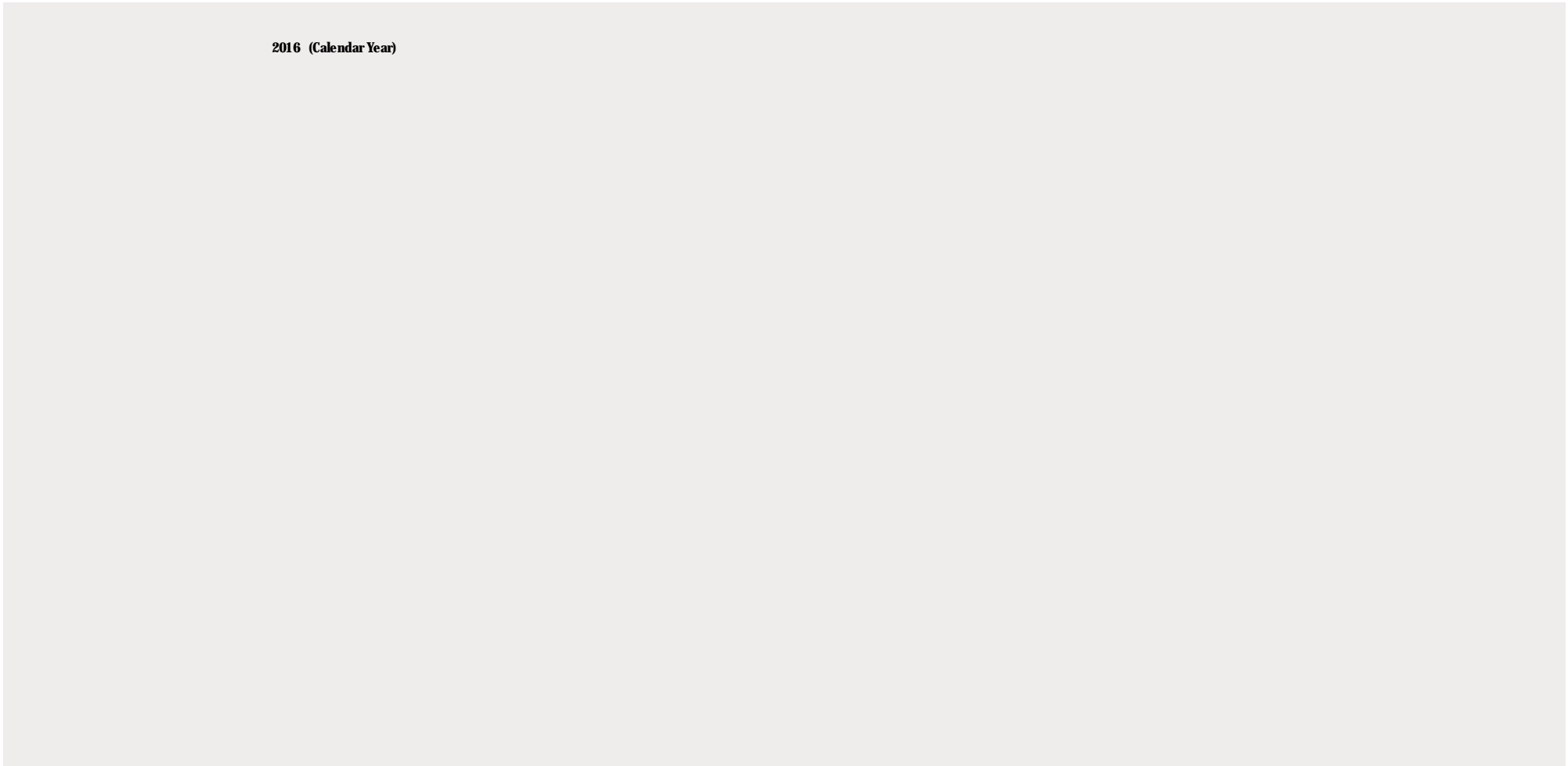


FIGURE 1-12 DETAILED FORECAST OF INCOME AND EXPENSE – PROPOSED SUBJECT PROPERTY TOTAL

	2016 (Calendar Year)	2017	Stabilized	2019	2020
Number of Rooms:	250	250	250	250	250
Occupancy:	65%	71%	74%	74%	74%
Average Rate:	\$119.04	\$123.74	\$128.05	\$131.89	\$135.84
RevPAR:	\$77.38	\$87.86	\$94.75	\$97.60	\$100.53
Days Open:	365	365	365	365	365
Occupied Rooms:					

As illustrated, each hotel is expected to stabilize at a profitable level. Please refer to the Forecast of Income and Expense chapter of our report for a detailed explanation of the methodology used in deriving this forecast.

The Feasibility Analysis chapter of this report converts these cash flows into a net present value indication assuming set-forth debt and equity requirements. The conclusion indicates that an equity investor contributing \$12,590,000 (roughly 35% of a \$36,000,000 total value findings) would expect to receive a 17.5% internal rate of return over a ten-year holding period. Based on these parameters, the feasibility of the subject project is confirmed.

“Extraordinary Assumption” is defined in USPAP as follows:

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conclusions external to the property, such as market conditions or trends; or about the integrity of the data used in an analysis.¹

The analysis is based on the extraordinary assumption that the described improvements have been completed as of the stated date of opening. The reader should understand that the completed subject property does not yet, in fact, exist as of the date of this report. Our feasibility study does not address unforeseeable events that could alter the proposed project and/or the market conditions reflected in the analyses; we assume that no significant changes, other than those anticipated and explained in this report, will take place between the date of inspection and stated dated

market conditions or trends; or about the integrity of data used in an analysis.²

We have assumed no significant hypothetical conditions. We have not made any jurisdictional exceptions to the Uniform Standards of Professional Appraisal Practice in our analysis or report.

This feasibility report is being prepared for use in the development of the proposed subject property.

The client for this engagement is Florida Atlantic University. This report is intended for the addressee firm, and may not be distributed to or relied upon by other persons or entities.

The methodology used to develop this study is based on the market research and valuation techniques set forth in the textbooks authored by Hospitality Valuation Services for the American Institute of Real Estate Appraisers and the Appraisal Institute, entitled *The Valuation of Hotels and Motels*,³ *Hotels, Motels and Restaurants: Valuations and Market Studies*,⁴ *The Computerized Income Approach to Hotel/Motel Market Studies and Valuations*,⁵ *Hotels and Motels: A Guide to Market Analysis, Investment Analysis, and Valuations*,⁶ and *Hotels and Motels – Valuations and Market Studies*.⁷

1. All information was collected and analyzed by the staff of TS Worldwide, LLC. Information was supplied by the client and/or the property's development team.
2. The subject site has been evaluated from the viewpoint of its physical utility for the future operation of a hotel, as well as access, visibility, and other relevant



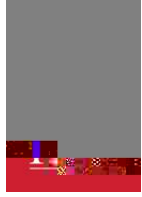
2. Description of the Site and Neighborhood

AERIAL PHOTOGRAPH



VIEW FROM SITE TO THE NORTH

VIEW FROM SITE TO THE SOUTH



VIEW FROM SITE TO THE EAST



VIEW FROM SITE TO THE WEST

Primary vehicular access to the proposed subject property is expected to be provided by Glades Road, and the topography of the parcel is generally flat. We note that the proposed subject site is not yet subdivided; however, the site's shape is expected to be roughly rectangular.

Site Utility

Upon completion of construction, the subject site will not contain any significant portion of undeveloped land that could be sold, entitled, and developed for alternate use. The site is expected to be fully developed with site or building improvements, which will contribute to the overall profitability of the hotel.

Access and Visibility

It is important to analyze the site in regard to ease of access with respect to regional and local transportation routes and demand generators. The subject site is readily accessible to a variety of local and county roads, as well as state and interstate highways.





Corporate Center & Campus, including The ADT Corporation, Bluegreen Corporation, and the corporate headquarters of Office Depot. Restaurants within





public lands must be consistent with the comprehensive plan of the City of Boca Raton and must be approved by the City. We assume that all necessary permits and approvals will be secured (including the appropriate liquor license if applicable) and that the subject property will be constructed in accordance with local zoning ordinances, building codes, and all other applicable regulations. Our zoning analysis should be verified before any physical changes are made to the site.

**Easements and
Encroachments**

We are not aware of any easements attached to the property that would significantly affect the utility of the site or marketability of this project.

Conclusion

We have analyzed the issues of size, topography, access, visibility, and the availability of utilities. The chosen subject site is expected to be well located within Florida Atlantic University's master-planned expansion, which is scheduled to include additional student housing, sports and recreation facilities, and classroom buildings. The chosen subject site is also anticipated to be favorably situated along the well-traveled Glades Road corridor, proximate to Boca Raton Regional Hospital. In general, the site should be well suited for future hotel use, with acceptable access, visibility, and topography for an effective operation.

3. Market Area Analysis

The economic vitality of the market area and neighborhood surrounding the subject site is an important consideration in forecasting lodging demand and future income potential. Economic and demographic trends that reflect the amount of visitation provide a basis from which to project lodging demand. The purpose of the market area analysis is to review available economic and demographic data to determine whether the local market will undergo economic growth, stabilize, or decline. In addition to predicting the direction of the economy, the rate of change must be quantified. These trends are then correlated based on their propensity to reflect variations in lodging demand, with the objective of forecasting the amount of growth or decline in visitation by individual market segment (e.g., commercial, meeting and group, and leisure).

The market area for a lodging facilities is the geographical region where the sources of demand and the competitive supply are located. The subject site is located in the city of Boca Raton, the county of Palm Beach, and the state of Florida. Situated in southern Palm Beach County, Boca Raton is the largest city between West Palm Beach to the north and Pompano Beach in Broward County and forms part of the Miami-Fort Lauderdale-Pompano Beach MSA. The city was

BOCA RATON

The subject property's market area can be defined by its Metropolitan Statistical Area (MSA): Miami-Fort Lauderdale-Pompano Beach, FL MSA. The MSA is the most standard definitio

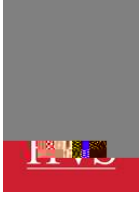
FIGURE 3-1 ECONOMIC AND DEMOGRAPHIC DATA SUMMARY

	2000	2010	2012	2020	Average Annual Compounded Change		
					2000-10	2010-12	2012-20
Resident Population (Thousands)							
Palm Beach County	1,135.8	1,323.4	1,378.1	1,603.0	1.5 %	2.0 %	1.9 %
Miami-Fort Lauderdale-Pompano Beach, FL MSA	5,025.9	5,582.4	5,731.9	6,357.3	1.1	1.3	1.3
State of Florida	16,047.5	18,843.3	19,441.9	21,927.0	1.6	1.6	1.5
United States	282,162.4	309,349.7	315,387.6	341,069.5	0.9	1.0	1.0
Per-Capita Personal Income*							
Palm Beach County	\$48,697	\$51,179	\$50,598	\$54,789	0.5	(0.6)	1.0
Miami-Fort Lauderdale-Pompano Beach, FL MSA	35,402	39,652	40,094	44,060	1.1	0.6	1.2
State of Florida	32,390	35,621	35,878	39,522	1.0	0.4	1.2
United States	33,771	36,700	37,571	41,366	0.8	1.2	1.2
W&P Wealth Index							
Palm Beach County	147.6	148.2	144.3	142.3	0.0	(1.3)	(0.2)
Miami-Fort Lauderdale-Pompano Beach, FL MSA	107.7	112.2	111.1	111.0	0.4	(0.5)	(0.0)
State of Florida	99.3	101.6	100.4	100.5	0.2	(0.6)	0.0
United States	100.0	100.0	100.0	100.0	0.0	0.0	0.0
Food and Beverage Sales (Millions)*							
Palm Beach County	\$1,661	\$2,008	\$2,147	\$2,642	1.9	3.4	2.6
Miami-Fort Lauderdale-Pompano Beach, FL MSA	6,832	8,259	8,768	10,413	1.9	3.0	2.2
State of Florida	20,541	25,864	27,539	33,388	2.3	3.2	2.4
United States	341,525	406,373	427,462	498,869	1.8	2.6	1.9
Total Retail Sales (Millions)*							
Palm Beach County	\$18,391	\$21,199	\$23,339	\$29,406	1.4	4.9	2.9
Miami-Fort Lauderdale-Pompano Beach, FL MSA	74,155	78,844	85,681	103,299	0.6	4.2	2.4
State of Florida	223,684	250,335	272,909	332,657	1.1	4.4	2.5
United States	3,613,909	3,818,137	4,113,614	4,810,490	0.6	3.8	2.0

* Inflation Adjusted

Source: Woods & Poole Economics, Inc.

The U.S. population has grown at an average annual compounded rate of 1.0% from 2010 through 2012. The county's population has grown at a quicker pace than the nation's population; the average annual growth rate of 2.0% between 2010 and 2012 reflects a rapidly expanding





This source reports a population of 193,318 within a five-mile radius of the subject property, and 90,927 households within this same radius. Average household income within a five-mile radius of the subject property is currently reported at \$90,769, while the median is \$56,707.

The following table illustrates historical and projected employment, households, population and andm te5yw669

For the Palm Beach market, of the roughly 500,000 persons employed, 33% work in offices and are categorized as office employees, while 9% are categorized as industrial employees. Total employment decreased by an average annual compound rate of -3.5 during the recession of 2007 to 2010, followed by an improvement of 2.1% from 2010 to 2012. By comparison, office employment reflected compound change rates of -3.2 and 2.5, during same respective periods. Total employment is expected to expand by 2.2% in 2013, while office employment is forecast to expand by 2.4% in 2013. Forecasts for the period 2012 through 2017 anticipate total employment



FIGURE 3-9 AIRPORT STATISTICS - FORT LAUDERDALE HOLLYWOOD INTERNATIONAL AIRPORT

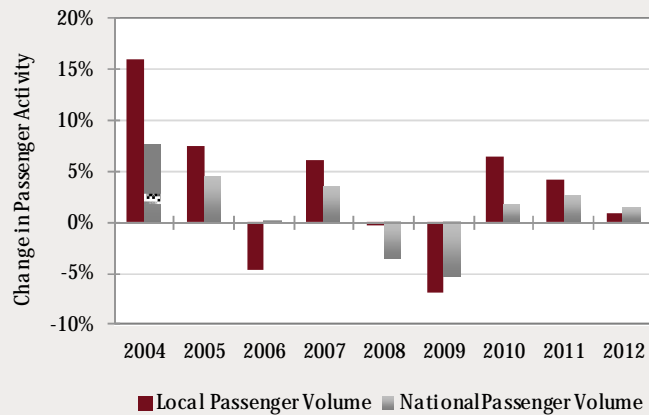
Year	Passenger Traffic	Percent Change*	Percent Change**
2003	17,937,708	—	—
2004	20,819,292	16.1 %	16.1 %
2005	22,390,285	7.5	11.7
2006	21,369,787	(4.6)	6.0
2007	22,681,903	6.1	6.0
2008	22,621,500	(0.3)	4.7
2009	21,060,131	(6.9)	2.7
2010	22,412,627	6.4	3.2
2011	23,349,835	4.2	3.4
2012	23,569,103	0.9	3.1
<i>Year-to-date, Jun</i>			
2012	12,496,355	—	—
2013	12,292,391	(1.6) %	—

*Annual average compounded percentage change from the previous year

**Annual average compounded percentage change from first year of data

Source: Fort Lauderdale Hollywood International Airport

FIGURE 3-10 LOCAL PASSENGER TRAFFIC VS. NATIONAL TREND



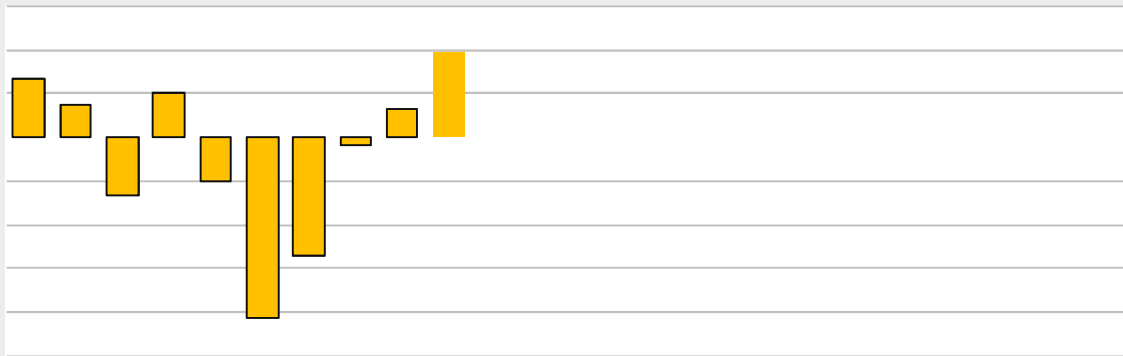
Source: HVS, Local Airport Authority

This facility recorded 23,569,103 passengers in 2012. The change in passenger traffic between 2011 and



consecutive quarters of economic growth, reflecting a rebound from the recession. Following a slight contraction in the first quarter of 2011, the economy has grown at positive, albeit fluctuating rates, as evidenced in the following table.

FIGURE 3-12 UNITED STATES GDP GROWTH RATE



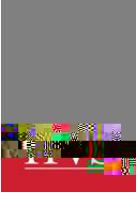


FIGURE 4-1 NATIONAL OCCUPANCY AND AVERAGE RATE TRENDS



FIGURE 4-3 NATIONAL OCCUPANCY AND AVERAGE RATE TRENDS – CALENDAR YEAR DATA

United States	59.9 %	61.4 %	2.5 %	\$101.85	\$106.10	4.2 %	\$61.02	\$65.17	8.2 %
Region									
New England	61.2 %	61.6 %	0.7 %	\$120.66	\$126.80	5.1 %	\$73.84	\$78.13	8.6 %
Middle Atlantic	65.4	66.5	1.8	145.05	150.55	3.8	94.80	100.15	8.1
South Atlantic	59.4	60.9	2.5	100.20	103.28	3.1	59.50	62.86	7.0



Following the significant occupancy and RevPAR decline experienced during the last recession, demand growth resumed in 2010, led by select markets that had recorded positive growth trends in the fourth quarter of 2009. The pace of demand growth accelerated through the year; in 2010, lodging demand in the U.S. increased by 7.7% over that registered in 2009. A return of business travel and some group activity contributed to these positive trends. The resurgence in demand was partly fueled by the significant price discounts that were widely available in the first half of 2010. These discounting policies were largely phased out in the latter half of the year, balancing much of the early rate loss. Average rate decreased by only 0.1% in 2010 when compared to 2009.

Strong demand growth continued in 2011 and 2012, at 5.0% and 3.0%, respectively. Demand increased 2.5% in the year-to-date through July 2013 period. Average rate rebounded by respective rates of 3.7% and 4.2%, in 2011 and 2012, followed by a 4.2% increase in the year-to-date through July 2013 period. In 2012, occupancy reached 61.4% (exceeding the ten-year average); moreover, occupancy is on track to gain another point in 2013. Average rate finished the year just over \$106 in 2012, with year-to-date trends suggesting that another \$4 to \$5 gain in rate in 2013 is likely. Demand and average rates should continue to strengthen in the near term. These trends, combined with the low levels of supply growth anticipated through 2014, should boost occupancy to just over 63% by year-end 2014. On a national average, strengthening occupancy levels should also permit hotels to increase room rates beyond the 4.2% achieved in 2012. HVS forecasts U.S. average rate growth of 4.5% for 2013 and 5.0% for 2014.

Historical Supply and Demand Data

As previously noted, Smith Travel Research (STR) is an independent research firm that compiles and publishes data on the lodging industry, routinely used by typical hotel buyers. STR has compiled historical supply and demand data for a group of hotels considered applicable to this analysis for the proposed subject property. This information is presented in the following table, along with the market-wide occupancy, average rate, and rooms revenue per available room (RevPAR). RevPAR is calculated by multiplying occupancy by average rate and provides an indication of how well rooms revenue is being maximized.

FIGURE



returned to the market; this rate growth was further bolstered by a double-digit increase in October of that year due to the presidential debate held at Lynn University. The latest year-to-date 2013 data illustrate equally strong month-over-month increases, indicating that rate recovery is underway as market-wide demand levels near a historic peak. These e e

FIGURE 4-5 MONTHLY OCCUPANCY TRENDS

Month	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
January	80.0 %	74.9 %	70.6 %	73.3 %	80.2 %	83.6 %	75.2 %	73.8 %	68.5 %	73.2 %	74.4 %	78.6 %	81.5 %
February	89.1	83.2	83.1	91.6	90.6	90.7	86.9	83.5	75.1	83.7	86.7	89.7	88.5
March	79.1	72.7	72.0	85.5	85.8	86.5	85.1	78.6	68.3	75.0	83.8	87.3	—
April	76.0	69.2	68.2	81.7	79.3	76.5	72.1	71.6	63.6	64.5	74.7	77.5	—
May	63.8	57.9	57.5	65.4	71.7	69.3	65.9	63.6	56.3	58.9	66.1	65.0	—
June	56.8	49.5	55.2	62.8	65.2	63.3	57.7	60.0	54.3	62.9	61.6	63.0	—
July	55.6	50.4	54.9	63.1	58.9	57.1	55.8	61.3	56.1	64.2	62.6	63.2	—
August	58.7	56.5	55.3	63.6	65.4	59.9	59.9	57.8	53.1	58.0	63.7	62.3	—
September	42.5	50.9	50.5	74.8	62.8	55.9	49.8	52.3	49.3	50.3	57.2	58.0	—
October	58.8	58.7	62.7	86.0	55.5	68.6	64.4	61.3					

The illustrated monthly occupancy and average rates patterns reflect important seasonal characteristics. We have reviewed these trends in developing our forthcoming forecast of market-wide demand and average rate. Like other markets in the greater South Florida region, Boca Raton is highly seasonal, with leisure travel generating significant demand in the first quarter of the year. The warm, tropical climate and pristine Atlantic beaches of the South Florida region draw travelers seeking to escape the colder winter months in other parts of the country. Occupancy levels generally exceed 75% from December through March as "snowbirds," seasonal transplants from northern cities such as New York, vacation in the area. Occupancy levels then decline steadily over the summer months, typically reaching a low in the 50s in September before increasing once more.

Patterns of Demand

A review of the trends in occupancy, average rate, and RevPAR per day of the week over the past three fiscal years provides some insight into the impact that the current economic conditions have had on the competitive lodging market. The data, as provided by Smith Travel Research, are illustrated in the following table.

FIGURE 4-7 OCCUPANCY, AVERAGE RATE AND REVPAR BY DAY OF WEEK**Occupancy (%)**

Mar 10 - Feb 11	51.1 %	64.9 %	73.7 %	74.7 %	68.5 %	63.3 %	63.9 %	65.7 %
Mar 11 - Feb 12	55.3	70.1	78.4	79.2	71.0	68.7	69.8	70.4
Mar 12 - Feb 13	57.3	72.5	79.5	80.7	72.7	70.2	72.5	72.2

Change (Occupancy Points)

FY 10 - FY 11	4.3	5.3	4.7	4.4	2.5	5.4	5.9	4.7
FY 11 - FY 12	2.0	2.3	1.0	1.5	1.7	1.5	2.7	1.8

ADR (\$)

Mar 10 - Feb 11	\$96.33	\$104.25	\$106.23	\$106.16	\$102.17	\$93.29	\$91.70	\$100.45
Mar 11 - Feb 12	98.38	106.61	109.45	109.84	104.20	94.54	93.55	102.82
Mar 12 - Feb 13	106.11	114.39	114.74	114.73	111.03	101.83	100.94	109.41

Change (Dollars)

FY 10 - FY 11	\$2.04	\$2.36	\$3.22	\$3.68	\$2.03	\$1.26	\$1.86	\$2.37
FY 11 - FY 12	7.73	7.78	5.29	4.88	6.83	7.29	7.39	6.59

Change (Percent)

FY 10 - FY 11	2.1 %	2.3 %	3.0 %	3.5 %	2.0 %	1.3 %	2.0 %	2.4 %
FY 11 - FY 12	7.9	7.3	4.8	4.4	6.6	7.7	7.9	6.4

RevPAR (\$)

Mar 10 - Feb 11	\$49.18	\$67.65	\$78.34	\$79.35	\$69.97	\$59.05	\$58.58	\$66.02
Mar 11 - Feb 12	54.42	74.78	85.86	86.97	74.01	64.92	65.30	72.40
Mar 12 - Feb 13	60.77	82.88	91.18	92.54	80.77	71.49	73.14	78.97

Change (Dollars)





The following map illustrates the locations of the proposed subject property and its future competitors.

MAP OF COMPETITION

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



PRIMARY COMPETITOR #3 - HILTON GARDEN INN BOCA RATON

FIGURE 4-11 ESTIMATED HISTORICAL OPERATING STATISTICS

Year	Wtd. Annual Room Count	Occupancy	Average Rate
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PRIMARY COMPETITOR #4 - HILTON SUITES BOCA RATON

FIGURE 4-12 ESTIMATED HISTORICAL OPERATING STATISTICS

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Estimated 2010	199	71 %	\$114	\$81	109.1 %	123.0 %
Estimated 2011	199	74	114	84	106.0	

PRIMARY COMPETITOR #6 - WYNDHAM GARDEN HOTEL BOCA RATON

**Wyndham Garden
Hotel Boca Raton**
1950 Glades Road
Boca Raton, FL

FIGURE 4-14 ESTIMATED HISTORICAL OPERATING STATISTICS

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Estimated 2010	184	56 %	\$82	\$46	86.1 %	69.8 %
Estimated 2011	184	68	81	55	97.4	78.3
Estimated 2012	185	72	89	64	99.9	83.1

The Wyndham Garden Hotel Boca Raton is owned by Robbins Property Associates LP and is operated by Asset Partners FL, Inc. Facilities and amenities include Red Steakhouse and Rosso Italia (both serving lunch and dinner), as well as the TrendTea lounge, an outdoor pool and whirlpool, a lobby workstation, a guest laundry facility, a fitness center, a yoga studio, a sport court, and 3,890 square feet of meeting space. The hotel, which opened in 1982, was renovated in 2012; upgrades included the installation of the yoga studio and the construction of the kitchen and all three food and beverage outlets. This hotel benefits from its broad offering of amenities and its location near the Glades Road commercial corridor. Overall, the property appeared to be in very good condition. Its accessibility is similar when compared to the subject site, and its visibility is inferior when compared to the expected visibility of the Proposed Dual-Branded Hotels at Florida Atlantic University.

FIGURE 4-15

We have identified six hotels that are expected to compete with the proposed subject property on a secondary level. The Fairfield Inn & Suites by Marriott, Hampton Inn, and SpringHill Suites by Marriott are expected to compete with the proposed subject hotels on the basis of their proximate locations; however, these hotels all offer limited-service products and operate at price points lower than what would be anticipated at the proposed hotels. The Marriot and Renaissance are also expected to compete on the basis of location; however, these hotels offer full-service products and operate at significantly higher price points than what would be anticipated at the proposed hotels. Finally, the TownePlace Suites by Marriott is expected to be competitive on the basis of its location and extended-stay product; however, given its relatively low price point, this hotel is not anticipated to compete directly with the proposed subject hotels.

It is important to consider any new hotels that may have an impact on the proposed subject property’s operating performance. Based upon our research and inspection (as applicable), new supply considered in our analysis is presented in the following table.

FIGURE 4-16 NEW SUPPLY

Proposed Property	Number of Rooms	Total Competitive Level	Estimated Opening Date	Developer	Development Stage
Proposed Select-Service Hotel at FAU	110	100 %	January 1, 2016	Florida Atlantic University	

demand for the market, while demand from major corporations continues to grow



near term as group activity continues to strengthen in line with the economic recovery.

Extended-stay demand consists of individuals who require accommodations for

FIGURE 4-19 AVERAGE ANNUAL COMPOUNDED MARKET SEGMENT GROWTH RATES

Market Segment	Annual Growth Rate						
	2011-2015	2016-2020	2021-2025	2026-2030	2031-2035	2036-2040	2041-2045
Commercial	3.0 %	2.0 %	1.0 %	0.5 %	0.0 %	0.0 %	0.0 %
Meeting and Group	1.5	0.5	0.0	0.0	0.0	0.0	0.0
Leisure	1.5	0.5	0.0	0.0	0.0	0.0	0.0
Extended-Stay	2.5	1.5	1.0				

FIGURE 4-21 FORECAST OF MARKET OCCUPANCY

	193,536	193,536	193,536	193,536
Unaccommodated Demand	14,293	14,293	14,293	14,293
	207,830	207,830	207,830	207,830
Growth Rate	0.5 %	0.0 %	0.0 %	0.0 %
	75,785	75,785	75,785	75,785
	3,377	3,377	3,377	3,377
	79,161	79,161	79,161	79,161
	0.0 %	0.0 %	0.0 %	0.0 %
	106,070	106,070	106,070	106,070
	15,941	15,941	15,941	15,941
	122,011	122,011	122,011	122,011
	0.0 %	0.0 %	0.0 %	0.0 %
Unaccommodated Demand	75,817	75,817	75,817	75,817
Total Demand	12,101	12,101	12,101	12,101
Growth Rate	0.5 %	0.0 %	0.0 %	0.0 %
Base Demand	451,207	451,207	451,207	451,207
Unaccommodated Demand	45,712	45,712	45,712	45,712
Total Demand	496,919	496,919	496,919	496,919
less: Residual Demand	3,019	3,019	3,019	3,019
Total Accommodated Demand	493,900	493,900	493,900	493,900
Overall Demand Growth	10.1 %	0.0 %	0.0 %	0.0 %
Market Mix				
	41.8 %	41.8 %	41.8 %	41.8 %
	15.9	15.9	15.9	15.9
	24.6	24.6	24.6	24.6
Extended-Stay	17.7	17.7	17.7	17.7
	1,640	1,640	1,640	1,640
Proposed Select-Service Hotel at FAU	¹ 110	110	110	110
Proposed Extended-Stay Hotel at FAU	² 140	140	140	140
University Village Hotel	³ 63	63	63	63
Available Rooms per Night	712,790	712,790	712,790	712,790
Nights per Year	365	365	365	365
Total Supply	1,953	1,953	1,953	1,953
Rooms Supply Growth	16.8 %	0.0 %	0.0 %	0.0 %
Marketwide Occupancy	69.3 %	69.3 %	69.3 %	69.3 %

5. Description of the Proposed Project

FIGURE 5-1 PROPOSED FACILITIES SUMMARY – 110-ROOM SELECT-SERVICE

Guestroom Configuration	
King	70
Queen/Queen	28
Studi Sudi	

FIGURE 5-2 PROPOSED FACILITIES SUMMARY – 140-ROOM EXTENDED-STAY

Guestroom Configuration

Studio Suite	50
One-Bedroom Suite	78
Two-Bedroom Suite	12



6. Projection of Occupancy and Average Rate



group segment was achieved by the Wyndham Garden Hotel Boca Raton, while the secondary competition led the market with the highest leisure penetration rate.

Because the supply and demand balance for the competitive market is dynamic, there is a circular relationship between the penetration factors of each hotel in the market. The performance of individual new hotels has a direct effect upon the aggregate performance of the market, and consequently upon the calculated penetration factor for each hotel in each market segment. The same is true when the performance of existing hotels changes, either positively (following a refurbishment, for example) or negatively (when a poorly maintained or marketed hotel loses market share).

A hotel's penetration factor is calculated as its achieved market share of demand divided by its fair share of demand. Thus, if one hotel's penetration performance increases, thereby increasing its achieved market share, this leaves less demand available in the market for the other hotels to capture and the penetration performance of one or more of those other hotels consequently declines (other things remaining equal). This type of market share adjustment takes place every time there is a change in supply, or a change in the relative penetration performance of one or more hotels in the competitive market.

FIGURE 6-2 COMMERCIAL SEGMENT ADJUSTED PENETRATION RATES

Hotel	2012	2013	2014	2015	2016	2017	2018	2019
Courtyard by Marriott Boca Raton	123 %	123 %	122 %	123 %	128 %	126 %	125 %	125 %
Embassy Suites Boca Raton	100	100	105	106	110	108	108	108
Hilton Garden Inn Boca Raton	107	107	106	106	111	109	109	109
Hilton Suites Boca Raton	117	117	116	118	123	121	120	120
Residence Inn by Marriott Boca Raton	50	50	49	49	51	50	50	50
Wyndham Garden Hotel Boca Raton	95	95	94	94	98	97	96	96
Secondary Competition	98	98	97	97	101	100	99	

FIGURE 6-5 LEISURE SEGMENT ADJUSTED PENETRATION RATES

Hotel	2012	2013	2014	2015	2016	2017	2018	2019
Courtyard by Marriott Boca Raton	85 %	85 %	84					

FIGURE 6-6 MARKET SEGMENTATION FORECAST – 110-ROOM SELECT-SERVICE

	2016	2017	2018	2019
Commercial	53 %	53 %	52 %	52 %
Meeting and Group	18	17	18	18
Leisure	19	20	20	20
Extended-Stay	10	10	10	10
Total	100 %	100 %	100 %	100 %

FIGURE 6-7 MARKET SEGMENTATION FORECAST – 140-ROOM EXTENDED-STAY

Commercial	17 %	19 %	19 %	19 %
Meeting and Group	14	14		

FIGURE 6-8 FORECAST OF SUBJECT PROPERTY'S OCCUPANCY – 110-ROOM SELECT-SERVICE

Market Segment				
Commercial				
Demand	206,558	206,558	206,558	206,558
Market Share	6.1 %	6.9 %	7.1 %	7.1 %
Capture	12,651	14,231	14,749	14,749
Penetration	109 %	122 %	127 %	127 %
Meeting and Group				
Demand	78,660	78,660	78,660	78,660
Market Share	5.3 %	5.9 %	6.3 %	6.3 %
Capture	4,199	4,652	4,964	4,964
Penetration	95 %	105 %	112 %	112 %
Leisure				
Demand	121,216	121,216	121,216	121,216
Market Share	3.7 %	4.3 %	4.7 %	4.7 %
Capture	4,505	5,269	5,648	5,648
Penetration	66 %	77 %	83 %	83 %
Extended-Stay				
Demand	87,361	87,361	87,361	87,361
Market Share	2.8 %	3.1 %	3.3 %	3.3 %
Capture	2,459	2,731	2,850	2,850
Penetration	50 %	56 %	58 %	58 %
Total Room Nights Captured	23,813	26,884	28,212	28,212
Available Room Nights	40,150	40,150	40,150	40,150
Subject Occupancy	59 %	67 %	70 %	70 %
Marketwide Available Room Nights	712,790	712,790	712,790	712,790
Fair Share	6 %	6 %	6 %	6 %
Marketwide Occupied Room Nights	493,796	493,796	493,796	493,796

FIGURE 6-9 FORECAST OF SUBJECT

Marriott Boca Raton at Boca Center achieved the highest estimated average rate in the local competitive market, by a significant margin, because of its full-service product and popular Marriott brand affiliation. An important aspect of this market is its seasonality, which forces local operators to significantly lower rates in the weaker summer and early fall months; leisure groups provide substantial weekend demand during this period, which bolsters the rate positioning of hotels offering suite-style and extended-stay guestroom products. The selected rate position for the proposed subject hotels, in base-year dollars, takes into consideration factors such as their anticipated modern, upscale design and their select-service and extended-stay products. We have selected the rate position of \$102.00, in base-year dollars, for the proposed subject hotel.

As illustrated previously, the average rate for the primarily competitive market averaged \$98.96 in 2011, before reaching \$104.06 in 2012. Market-wide rates began to trend upward in late 2011. Now that demand is nearing the peak levels experienced during the abnormally active hurricane seasons in 2004 and 2005, we expect average rates to continue exhibit strong increases. Local operators report that the market has now reached near-capacity occupancy levels throughout the peak season, creating compression to less desirable surrounding markets and increasing the pricing power of area hotels during the first quarter of the year.

Based on these considerations, the following table illustrates the projected average rate and the growth rates assumed. As a context for the average rate growth factors, note that we have applied a base underlying inflation rate of 3.0% annually throughout our projection period.

FIGURE 6-11 MARKET AND SUBJECT PROPERTY AVERAGE RATE FORECAST – 110-ROOM SELECT-SERVICE

Year							
Base Year	72.1 %	—	\$107.01	—	—	\$102.00	95.3 %
2013	73.3	7.0 %	114.50	—	7.0 %	109.14	95.3
2014	73.9	6.0	121.37	—	6.0	115.69	95.3
2015	73.5	5.0	127.44	—	5.0	121.47	95.3
2016	69.3	3.5	131.90	59.0 %	3.5	125.72	95.3
2017	69.3	3.0	135.86	67.0	3.0	129.50	95.3
2018	69.3	3.0	139.94	70.0	3.0	133.38	95.3

FIGURE 6-12 MARKET AND SUBJECT PROPERTY AVERAGE RATE FORECAST – 140-ROOM EXTENDED-STAY

Year	Area-wide Market (Calendar Year)			Subject Property (Calendar Year)			
	Occupancy	Average Rate Growth	Average Rate	Occupancy	Average Rate Growth	Average Rate	Average Rate Penetration
Base Year	72.1 %	—	\$107.01	—	—	\$95.00	88.8 %
2013	73.3	7.0 %	114.50	—	7.0 %	101.65	88.8
2014	73.9	6.0	121.37	—	6.0	107.75	88.8
2015	73.5	5.0	127.44	—	5.0	113.14	88.8
2016	69.3	3.5	131.90	70.0 %	3.5	117.10	88.8
2017	69.3	3.0	135.86	75.0	3.0	120.61	88.8
2018	69.3	3.0	139.94	77.0	3.0	124.23	88.8

As illustrated above, a 7.0% rate of change is expected for each proposed hotel's positioned 2012 room rate in 2013. This is followed by growth rates of 6.0% and 5.0% in 2014 and 2015, respectively. The Boca Raton market should enjoy positive rate growth through the near term. The rate positioning of the proposed hotels should reflect growth similar to market trends because of the hotels' modern, high-quality products; their strong brand affiliation; and their location on the campus of Florida Atlantic University, proximate to Boca Raton Regional Hospital. The proposed select-service hotel's penetration rate is forecast to reach 95.3% by the stabilized period, while the proposed extended-stay hotel's penetration rate is forecast to reach 88.8%.

The North American lodging market bottomed out in late 2009, at which time demand rebounded and the supply pipeline diminished. In 2010, occupancy rebounded strongly, and by 2011, average rates in most U.S. markets showed increases. In many urban markets, strong occupancy levels are allowing hotel operators to continue to make aggressive average rate gains in 2013, while in some less-



The following occupancies and average rates will be used to project each proposed hotel's rooms revenue; this forecast reflects years beginning on January 1, 2016, which correspond with our financial projections.

FIGURE 6-13 FORECAST OF OCCUPANCY, AVERAGE RATE, A



FIGURE

FIGURE 7-2 COMPARABLE OPERATING STATEMENTS: AMOUNTS PER AVAILABLE ROOM – 110-ROOM SELECT-SERVICE

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
Year:	2011/12	2011/12	2011/12	2011/12	2010/11	2012
Number of Rooms:	100 to 130	120 to 160	120 to 150	120 to 160	110 to 150	110
Days Open:						

FIGURE 7-3 COMPARABLE OPERATING STATEMENTS: AMOUNTS PER OCCUPIED ROOM – 110-ROOM SELECT-SERVICE

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
Year:	2011/12	2011/12	2011/12	2011/12	2010/11	2012
Number of Rooms:	100 to 130	120 to 160	120 to 150	120 to 160	110 to 150	110
Days Open:	365	366	366	366	365	365
Occupancy:	69%	77%	53%	65%	55%	70%
Average Rate:	\$117	\$131	\$121	\$100	\$105	\$112
RevPAR:	\$81	\$100	\$64	\$65	\$58	\$78
REVENUE						
Rooms	\$116.93	\$130.72	\$121.03	\$100.01	\$104.84	\$111.70
Food & Beverage	8.80	6.90	7.46	8.91	11.62	11.88
Other Operated Departments	0.00	0.00	0.00	4.57	(0.04)	0.20
Rentals & Other Income	0.00	1.94	0.57	0.00	1.83	1.78
Total	125.73	139.56	129.06	113.49	118.25	125.57
DEPARTMENTAL EXPENSES						
Rooms	24.82	23.48	20.46	21.74	23.62	23.46
Food & Beverage	7.29	4.35	5.30	7.60	9.14	9.74
Rentals & Other Income	0.00	2.29	0.00	0.00	0.00	0.00
Total	32.11	30.13	25.77	32.67	32.95	33.60
DEPARTMENTAL INCOME	93.62	109.43	103.29	80.82	85.30	91.97
OPERATING EXPENSES						
Administrative & General	9.60	13.55	17.32	6.77	10.44	8.91
Marketing	5.92	9.73	11.52	5.02	3.24	5.62
Franchise Fee	8.73	12.45	11.52	8.82	9.79	10.61
Property Operations & Maintenance	4.73	5.07	3.83	4.72	3.96	4.46
Utilities	5.85	4.66	5.53	6.80	4.38	4.94
Total	34.84	45.46	49.71	32.14	31.81	34.55
HOUSE PROFIT	58.78	63.97	53.58	48.68	53.49	57.42
Management Fee	4.14	5.58	583.95 T2-0.55 Tc	46(6(0)-d [3m6(58)]14 0.)-12()-1c 45..n58.		

FIGURE 7-4 COMPARABLE OPERATING STATEMENTS: RATIO TO SALES – 140-ROOM EXTENDED-STAY

For the proposed select-service hotel, the comparables' departmental income ranged from 71.2% to 80.0% of total revenue. The comparable properties achieved a house profit ranging from 41.5% to 46.8% of total revenue. For the proposed extended-stay hotel, the comparables' departmental income ranged from 75.2% to 79.6% of total revenue. The comparable properties achieved a house profit ranging from 45.6% to 54.7% of total revenue. We will refer to the comparable operating data in our discussion of each line item, which follows later in this section of the report.

Fixed and Variable Component Analysis

HVS uses a fixed and variable component model to project a lodging facility's revenue and expense levels. This model is based on the premise that hotel revenues and expenses have one component that is fixed and another that varies directly with occupancy and facility usage. A projection can be made by taking a known level of revenue or expense and calculating its fixed and variable components. The fixed component is then increased in tandem with the underlying rate of inflation, while the variable component is adjusted for a specific measure of volume such as total revenue.

The actual forecast is derived by adjusting each year's revenue and expense by the amount fixed (the fixed expense multiplied by the inflated base-year amount) plus the variable amount (the variable expense multiplied by the inflated base-year amount) multiplied by the ratio of the projection year's occupancy to the base-year occupancy (in the case of departmental revenue and expense) or the ratio of the projection year's revenue to the base year's revenue (in the case of undistributed operating expenses). Fixed expenses remain fixed, increasing only with inflation. Our discussion of the revenue and expense forecast in this report is based upon the output derived from the fixed and variable model. This forecast of revenue and expense is accomplished through a systematic approach, following the format of the *Uniform System of Accounts for the Lodging Industry*. Each category of revenue and expense is estimated separately and combined at the end in the final statement of income and expense.

Inflation Assumption

A general rate of inflation must be established that will be applied to most revenue and expense categories. The following table shows inflation estimates made by economists at some noted institutions and corporations.

FIGURE 7-7 INFLATION ESTIMATES

Name	Firm	June 2013	Dec. 2013	June 2014	Dec. 2014	June 2015	Dec. 2015
Paul Ashworth	Capital Economics	1.5 %	1.8 %	1.8 %	2.0 %	2.0 %	2.0 %
Ram Bhagavatula	Combinatorics Capital	1.6	2.2	2.6	2.8	2.8	3.0
Beth Ann Bovino	Standard and Poor's	1.3	1.2	2.0	1.9	1.9	1.9
Jay Brinkmann	Mortgage Bankers Association	1.8	2.0	2.1	2.0	2.1	2.1
Michael Carey	Credit Agricole CIB	1.5	1.5	1.7	1.6	1.7	1.7
Joseph Carson	AllianceBernstein	1.9	2.2	2.5	2.5	2.5	2.7
Julia Coronado	BNP Paribas	1.8	2.0	1.9	2.1	2.3	2.5
Mike Cosgrove	Econoclast	1.8	1.9	2.1	2.2	2.4	2.4
Lou Crandall	Wrightson ICAP	1.5	1.6	2.2	2.4	2.4	2.5
J. Dewey Daane	Vanderbilt University	1.2	2.0	2.0	2.0	2.0	2.0
Douglas Duncan	Fannie Mae	1.4	1.2	1.6	1.5	1.7	1.9
Maria Fiorini Ramirez/Joshua Shapiro	MFR, Inc.	1.2	1.0	1.6	1.8	—	—
Nigel Gault	IHS Global Insight	1.4	1.4	1.8	1.7	1.7	1.7
Ethan Harris	Bank of America Securities- Merrill Lynch	1.8	2.0	1.8	1.2		



As the preceding table indicates, the financial analysts who were surveyed in June of 2013 anticipated inflation rates ranging from 1.1% to 2.8% (on an annualized basis) for June 2013; the average of these data points was 1.5%. The same group expects a slightly higher annualized 2.0% inflation rate for June 2014. These rates are lower than the inflation rate averages for December 2014 and June 2015, shown at 2.1% and 2.2%, respectively.

As a further check on these inflation projections, we have reviewed historical increases in the Consumer Price Index (CPI-U). Because the value of real estate is predicated on cash flows over a relatively long period, inflation should be considered from a long-

below this level during the projection period. Any exceptions to the application of the assumed underlying inflation rate are discussed in our write-up of individual income and expense items.

Based on an analysis that will be detailed throughout this section, we have formulated a forecast of income and expense for each hotel, followed by a forecast for the overall proposed subject property. The first tables present detailed

FIGURE 7-11 DETAILED FORECAST OF INCOME AND EXPENSE – 140-ROOM EXTENDED-STAY

	2016 (Calendar Year)				2017				Stabilized				2019				2020			
Number of Rooms:	140				140				140				140				140			
Occupancy:	70%				75%				77%				77%				77%			
Average Rate:	\$117.10				\$120.61				\$124.23				\$127.95				\$131.79			
RevPAR:	\$81.97				\$90.46				\$95.66				\$98.52				\$101.48			
Days Open:	365				365				365				365				365			
Occupied Rooms:	35,770	%Gross	PAR	POR	38,325	%Gross	PAR	POR	39,347	%Gross	PAR	POR	39,347	%Gross	PAR	POR	39,347	%Gross	PAR	POR
REVENUE																				
Rooms	\$4,189	98.1 %	\$29,921	\$117.11	\$4,622	98.1 %	\$33,014	\$120.60	\$4,888	98.2 %	\$34,914	\$124.23	\$5,035	98.2 %	\$35,964	\$127.96	\$5,186	98.2 %	\$37,043	\$131.80
Other Operated Departments	9	0.2	61	0.24	9	0.2	64	0.23	9	0.2	66	0.24	10	0.2	68	0.24	10	0.2	71	0.25
Rentals & Other Income	75	1.7	533	2.09	78	1.7	560	2.05	81	1.6	582	2.07	84	1.6	599	2.13	86	1.6	617	2.20
Total Revenues	4,272	100.0	30,516	119.43	4,709	100.0	33,639	122.88	4,979	100.0	35,562	126.53	5,128	100.0	36,632	130.34	5,282	100.0	37,730	134.25
DEPARTMENTALEXPENSES *																				
Rooms	977	23.3	6,977	27.31	1,033	22.4	7,380	26.96	1,075	22.0	7,681	27.33	1,108	22.0	7,912	28.15	1,141	22.0	8,149	28.99
Other Operated Departments	17	203.9	124	0.49	18	201.1	129	0.47	19	200.0	133	0.47	19	200.0	137	0.49	20	200.0	141	0.50
Total	994	23.3	7,101	27.79	1,051	22.3	7,509	27.43	1,094	22.0	7,814	27.80	1,127	22.0	8,048	28.64	1,161	22.0	8,290	29.50
DEPARTMENTALINCOME	3,278	76.7	23,414	91.64	3,658	77.7	26,130	95.45	3,885	78.0	27,748	98.73	4,002	78.0	28,583	101.70	4,122	78.0	29,440	104.75
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	332	7.8	2,370	9.28	347	7.4	2,481	9.06	360	7.2	2,572	9.15	371	7.2	2,649	9.43	382	7.2	2,729	9.71
Marketing	145	3.4	1,035	4.05	152	3.2	1,084	3.96	157	3.2	1,123	4.00	162	3.2	1,157	4.12	167	3.2	1,192	4.24
Franchise Fee	398	9.3	2,843	11.13	439	9.3	3,136	11.46	464	9.3	3,317	11.80	478	9.3	3,417	12.16	493	9.3	3,519	12.52
Prop. Operations & Maint.	146	3.4	1,046	4.09	172	3.7	1,232	4.50	199	4.0	1,419	5.05	205	4.0	1,462	5.20	211	4.0	1,505	5.36
Utilities	198	4.6	1,417	5.54	208	4.4	1,483	5.42	215	4.3	1,537	5.47	222	4.3	1,583	5.63	228	4.3	1,631	5.80
Total	1,219	28.5	8,710	34.09	1,318	28.0	9,416	34.40	1,396	28.0	9,968	35.47	1,437	28.0	10,268	36.53	1,481	28.0	10,576	37.63
HOUSE PROFIT	2,059	48.2	14,704	57.55	2,340	49.7	16,714	61.06	2,489	50.0	17,780	63.26	2,564	50.0	18,316	65.17	2,641	50.0	18,865	67.12
Management Fee	128	3.0	915	3.58	141	3.0	1,009	3.69	149	3.0	1,067	3.80	154	3.0	1,099	3.91	158	3.0	1,132	4.03
INCOME BEFORE FIXED CHARGES	1,930	45.2	13,789	53.97	2,199	46.7	15,705	57.37	2,340	47.0	16,713	59.47	2,410	47.0	17,217	61.26	2,483	47.0	17,733	63.09
FIXED EXPENSES																				
Property Taxes	153	3.6	1,091	4.27	155	3.3	1,107	4.04	158	3.2	1,129	4.02	163	3.2	1,163	4.14	168	3.2	1,198	4.26
Insurance	109	2.6	780	3.05	113	2.4	804	2.94	116	2.3	828	2.95	119	2.3	853	3.03	123	2.3	878	3.12
Reserve for Replacement	85	2.0	610	2.39	141	3.0	1,009	3.69	199	4.0	1,422	5.06	205	4.0	1,465	5.21	211	4.0	1,509	5.37
Total	347	8.2	2,481	9.71	409	8.7	2,920	10.67	473	9.5	3,380	12.02	487	9.5	3,481	12.39	502	9.5	3,586	12.76
NET INCOME	\$1,583	37.0 %	\$11,307	\$44.26	\$1,790	38.0 %	\$12,785	\$46.70	\$1,867	37.5 %	\$13,333	\$47.44	\$1,923	37.5 %	\$13,735	\$48.87	\$1,981	37.5 %	\$14,147	\$50.34

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

FIGURE 7-12 TEN-YEAR FORECAST OF INCOME AND EXPENSE – 140-ROOM EXTENDED-STAY


	2016		2017		2018		2019		2020		2021		2022		2023		2024		2025	
Number of Rooms:	140		140		140		140		140		140		140		140		140		140	
Occupied Rooms:	35,770		38,325		39,347		39,347		39,347		39,347		39,347		39,347		39,347		39,347	
Occupancy:	70%		75%		77%		77%		77%		77%		77%		77%		77%		77%	
Average Rate:	\$117.10	% of	\$120.61	% of	\$124.23	% of	\$127.95	% of	\$131.79	% of	\$135.75	% of	\$139.82	% of	\$144.01	% of	\$148.33	% of	\$152.78	% of
RevPAR:	\$81.97	Gross	\$90.46	Gross	\$95.66	Gross	\$98.52	Gross	\$101.48	Gross	\$104.52	Gross	\$107.66	Gross	\$110.89	Gross	\$114.22	Gross	\$117.64	Gross
REVENUE																				
Rooms	\$4,189	98.1 %	\$4,622	98.1 %	\$4,888	98.2 %	\$5,035	98.2 %	\$5,186	98.2 %	\$5,341	98.2 %	\$5,501	98.2 %	\$5,667	98.2 %	\$5,836	98.2 %	\$6,012	98.2 %
Other Operated Departments	9	0.2	9	0.2	9	0.2	10	0.2	10	0.2	10	0.2	10	0.2	11	0.2	11	0.2	11	0.2
Rentals & Other Income	75	1.7	78	1.7	81	1.6	84	1.6	86	1.6	89	1.6	92	1.6	94	1.6	97	1.6	100	1.6
Total	4,272	100.0	4,709	100.0	4,979	100.0	5,128	100.0	5,282	100.0	5,440	100.0	5,603	100.0	5,772	100.0	5,944	100.0	6,124	100.0
DEPARTMENTAL EXPENSES*																				
Rooms	977	23.3	1,033	22.4	1,075	22.0	1,108	22.0	1,141	22.0	1,175	22.0	1,210	22.0	1,247	22.0	1,284	22.0	1,323	22.0
Other Operated Departments	17	203.9	18	201.1	19	200.0	19	200.0	20	200.0	20	200.0	21	200.0	22	200.0	22	200.0	23	200.0
Total	994	23.3	1,051	22.3	1,094	22.0	1,127	22.0	1,161	22.0	1,195	22.0	1,231	22.0	1,268	22.0	1,306	22.0	1,345	22.0
DEPARTMENTAL INCOME	3,278	76.7	3,658	77.7	3,885	78.0	4,002	78.0	4,122	78.0	4,245	78.0	4,372	78.0	4,504	78.0	4,638	78.0	4,778	78.0
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	332	7.8	347	7.4	360	7.2	371	7.2	382	7.2	393	7.2	405	7.2	417	7.2	430	7.2	443	7.2
Marketing	145	3.4	152	3.2	157	3.2	162	3.2	167	3.2	172	3.2	177	3.2	182	3.2	188	3.2	193	3.2
Franchise Fee	398	9.3	439	9.3	464	9.3	478	9.3	493	9.3	507	9.3	523	9.3	538	9.3	554	9.3	571	9.3
Prop. Operations & Maint.	146	3.4	172	3.7	199	4.0	205	4.0	211	4.0	217	4.0	224	4.0	230	4.0	237	4.0	244	4.0
Utilities	198	4.6	208	4.4	215	4.3	222	4.3	228	4.3	235	4.3	242	4.3	249	4.3	257	4.3	265	4.3
Total	1,219	28.5	1,318	28.0	1,396	28.0	1,437	28.0	1,481	28.0	1,525	28.0	1,571	28.0	1,618	28.0	1,666	28.0	1,716	28.0
HOUSE PROFIT	2,059	48.2	2,340	49.7	2,489	50.0	2,564	50.0	2,641	50.0	2,720	50.0	2,801	50.0	2,886	50.0	2,972	50.0	3,062	50.0
Management Fee	128	3.0	141	3.0	149	3.0	154	3.0	158	3.0	163	3.0	168	3.0	173	3.0	178	3.0	184	3.0
INCOME BEFORE FIXED CHARGES	1,930	45.2	2,199	46.7	2,340	47.0	2,410	47.0	2,483	47.0	2,557	47.0	2,633	47.0	2,713	47.0	2,793	47.0	2,878	47.0
FIXED EXPENSES																				
Property Taxes	153	3.6	155	3.3	158	3.2	163	3.2	168	3.2	173	3.2	178	3.2	183	3.2	189	3.2	194	3.2
Insurance	109	2.6	113	2.4	116	2.3	119	2.3	123	2.3	127	2.3	130	2.3	134	2.3	138	2.3	143	2.3
Reserve for Replacement	85	2.0	141	3.0	199	4.0	205	4.0	211	4.0	218	4.0	224	4.0	231	4.0	238	4.0	245	4.0
Total	347	8.2	409	8.7	473	9.5	487	9.5	502	9.5	517	9.5	533	9.5	549	9.5	565	9.5	582	9.5
NET INCOME	\$1,583	37.0 %	\$1,790	38.0 %	\$1,867	37.5 %	\$1,923	37.5 %	\$1,981	37.5 %	\$2,040	37.5 %	\$2,101	37.5 %	\$2,164	37.5 %	\$2,229	37.5 %	\$2,296	37.5 %

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

The following description sets forth the basis for the forecast of income and expense. We anticipate that it will take three years for both subject hotels to reach stabilized levels of operation. Each revenue and expense item has been forecast based upon our review of the proposed subject property's operating budget and comparable income and expense statements. The forecast is based upon calendar years beginning January 1, 2016, expressed in inflated dollars for each year.

Rooms revenue is determined by two variables: occupancy and average rate. We projected occupancy and average rate in a previous section of this report. The proposed select-service hotel is expected to stabilize at an occupancy level of 70% with an average rate of \$133.38 in 2018. Meanwhile, the proposed extended-stay hotel is expected to stabilize at an occupancy level of 77% with an average rate of \$124.23 in 2018. Following the stabilized year, the subject hotels' average rates are projected to increase along with the underlying rate of inflation.

Food and beverage revenue is generated by a hotel's restaurants, lounges, coffee



beverage revenue is forecast at 51.7% in the first projection year, stabilizing at 50.0%.

According to the Uniform System of Accounts, other operated departments include any major or minor operated department other than rooms and food and beverage. These departmental revenues and expenses are presented in the other operated departments revenue and expense line items on a summary operating statement; sub-schedules set forth the individual departmental revenues and expenses in more detail. Any other operated departments revenue and expense



basically fixed, they represent a relatively insignificant factor. Beverage expenses consist of items necessary for the operation of a hotel's lounge and bar areas. The costs associated with beverage sales and payroll are moderately to highly correlated to beverage revenues.

In the case of the proposed select-service hotel, the comparables illustrate food and beverage expense ranging between 63.1% and 85.3% of food and beverage revenue. We have projected a stabilized expense ratio of 82.0% in 2018. The proposed select-service hotel's food and beverage operation is expected to be efficiently managed and operate at an expense level that is in line with other comparable operations.

Other Operated Departments Expense

Other operated departments expense includes all expenses reflected in the summary statements for the divisions associated in these categories. This was previously discussed in this chapter. For the proposed select-service hotel, the comparables illustrated other operated departments expense ranging between \$0.00 and \$3.33 per occupied room. We have projected a stabilized expense ratio of 200.0% in 2018.

For the proposed extended-stay hotel, the comparables illustrated other operated departments expense ranging between \$0.00 and \$3.59 per occupied room. We have projected a stabilized expense ratio of 200.0% in 2018. The proposed subject hotels' other operated departments revenue sources are expected to include each hotel's telephone charges. Based on our review of operations with a similar extent of offerings, we have positioned an appropriate revenue level for each proposed hotel.

Administrative and General Expense

Administrative and general expense includes the salaries and wages of all administrative personnel who are not directly associated with a particular department. Expense items related to the management and operation of the property are also allocated to this category.

Most administrative and general expenses are relatively fixed. The exceptions are cash overages and shortages; commissions on credit card charges; provision for doubtful accounts, which are moderately affected by the number of transactions or total revenue; and salaries, wages, and benefits, which are very slightly influenced by volume.

As a percentage of total revenue, the comparable operations for the proposed select-service hotel indicate an administrative and general expense range from 6.0% to 13.4%, or \$1,606 to \$3,800 per available room. The comparable operations for the proposed extended-stay hotel indicate an administrative and general expense range from 6.0% to 10.2%, or \$1,626 to \$3,312 per available



Changes in this expense item through the projection period result from the application of the underlying inflation rate and projected changes in occupancy.

In the first projection year, we have projected property operations and maintenance expense for the proposed select-service hotel to be \$981 per available room, or 3.3% of total revenue. By the 2018 stabilized year, these amounts change to \$1,360 per available room and 3.5% of total revenue.

In the first projection year, we have projected property operations and maintenance expense for the proposed extended-stay hotel to be \$1,046 per available room, or 3.4% of total revenue. By the 2018 stabilized year, these amounts change to \$1,419 per available room and 4.0% of total revenue.

The utilities consumption of a lodging facility takes several forms, including water and space heating, air conditioning, lighting, cooking fuel, and other miscellaneous power requirements. The most common sources of hotel utilities are electricity, natural gas, fuel oil, and steam. This category also includes the cost of waterp54(l)5(s)

management services alone (second-tier management company). Some management contracts specify only a base fee (usually a percentage of total revenue), while others call for both a base fee and an incentive fee (usually a percentage of defined profit). Basic hotel management fees are often based on a percentage of total revenue, which means they have no fixed component. While base fees typically range from 2% to 4% of total revenue, incentive fees are deal-specific and often are calculated as a percentage of income available after debt service and, in some cases, after a preferred return on equity. Total management fees for the subject property have been forecast at 3.0% of total revenue.

Property (or ad valorem) tax is one of the primary revenue sources of municipalities. Based on the concept that the tax burden should be distributed in proportion to the value of all properties within a taxing jurisdiction, a system of assessments is established. Theoretically, the assessed value placed on each parcel bears a definite relationship to market value, so properties with equal market values will have similar assessments and properties with higher and lower values will have proportionately larger and smaller assessments.

Depending on the taxing policy of the municipality, property taxes can be based on the value of the real property or the value of the personal property and the real property. We have based our estimate of the proposed subject property's market value (for tax purposes) on an analysis of assessments of comparable hotel properties in the local municipality.

FIGURE 7-15 COUNTY-ASSESSED VALUE OF COMPARABLE HOTELS - 110-

FIGURE 7-16 COUNTY-ASSESSED VALUE OF COMPARABLE HOTELS - 140-ROOM EXTENDED-STAY

Hotel	Number of Rooms	Total Assessment		
		Improvements	Personal	Total
Courtyard by Marriott Boca Raton	152	\$7,402,084	\$139,033	\$7,541,117
Residence Inn by Marriott Boca Raton	120	4,620,000	922,164	5,542,164
Hampton Inn Boca Raton	94	4,312,779	618,780	4,931,559
<i>Assessments per Room</i>				
Courtyard by Marriott Boca Raton		\$48,698	\$915	\$49,613
Residence Inn by Marriott Boca Raton		38,500	7,685	46,185
Hampton Inn Boca Raton		45,881	6,583	52,463
Positioned Subject - Per Room	140	\$46,000	\$7,000	\$53,000
Positioned Subject - Total		\$6,440,000	\$980,000	\$7,420,000

Source: Type in tax office name on fieldwork form

FIGURE 7-18 PROJECTED PROPERTY TAX EXPENSE – 110-ROOM SELECT-SERVICE

Year	Land	Assessed Value		Total	Pers. Prop. Tax Rate	Property Tax Rate	Tax Forecast
		Personal	Personal				
Positioned	\$0	\$5,500,000	\$770,000	\$6,270,000	23.40	19.92	\$127,573
2016	\$0	\$5,500,000	\$770,000	\$6,270,000	23.63	20.12	\$128,848
2017	0	5,500,000	770,000	6,270,000	23.99	20.42	130,781
2018	0	5,500,000	770,000	6,270,000	24.47	20.83	133,397

at regular intervals. The useful life of these items is determined by their quality, durability, and the amount of guest traffic and use.

Periodic replacement of furniture, fixtures, and equipment is essential to maintain the quality, image, and income-producing potential of a lodging facility. Because capitalized expenditures are not included in the operating statement but affect an owner's cash flow, a forecast of income and expense should reflect these expenses in the form of an appropriate reserve for replacement.



In addition to the mortgage interest rate estimate derived from this regression analysis, HVS constantly monitors the terms of hotel mortgage loans made by our institutional lending clients. Hotel financing is currently very active at all tiers of the lodging industry. Lenders are attracted to the lodging industry because of the higher yields generated by hotel financing relative to other commercial real estate, and the industry is performing strongly, with supply growth constrained. Commercial banks, mortgage REITs, insurance companies, and CMBS and mezzanine lenders are aggressively pursuing deals. Financing is also increasingly available for hotels that require a turnaround. 200 to 500 basis points over the corresponding yield on treasury notes. As of September 11, 2013, the yield on the ten-year T-bill was 2.9%, indicating an interest rate range from 4.9% to 7.9%.

FIGURE 8-2 SAMPLE OF HOTELS SOLD – FULL-SERVICE & LUXURY

Hotel	Location						
Sheraton Suites Atlanta Galleria	Atlanta, GA	278	Jul-13	10.7 %	18.0 %	6.3 %	8.2 %
Hutton Hotel	Nashville, TN	247	May-13	9.7	18.1	7.7	8.1
Marriott San Jose Savoy Suites	San Jose, CA	506	May-13	11.4	19.7	6.2	7.2

FIGURE 8-3 SAMPLE OF HOTELS SOLD – SELECT UPSCALE & UPPER MIDSCALE

Hotel	Location						
Residence Inn Coconut Grove	Miami, FL	140	Jun-13	10.0 %	16.1 %	7.2 %	6.7 %
Holiday Inn Express & Suites	Elk Grove, CA	116	Jun-13	10.8	17.4	7.6	8.2
Hyatt Place North Shore	Pittsburgh, PA	178	Jun-13	10.6	18.8	7.1	7.5
Courtyard by Marriott	San Diego, CA	245	May-13	9.8	16.1	4.7	6.2
Hilton Garden Inn	Dublin, OH	100	Apr-13	12.5	20.5	9.2	10.5
Hyatt Place	Germantown, TN	127	Apr-13	11.9	20.8	7.5	9.1
Holiday Inn Express	Tucson, AZ	98	Mar-13	11.5	18.7	4.4	8.5
Courtyard Shadyside							



We have reviewed several recent investor surveys. The following chart summarizes the averages presented for terminal capitalization rates in various investor surveys during the past decade. Note that survey data lag the market and do not necessarily reflect the most current market conditions.

FIGURE 8-5 HISTORICAL TRENDS OF TERMINAL CAPITALIZATION

rates for older assets or for those suffering from functional obsolescence and/or weak market conditions remain elevated, reflecting the market's recognition that



FIGURE 8-7

FIGURE 8-9 EQUITY COMPONENT YIE



chapter of this report. We have not made any jurisdictional exceptions to the Uniform Standards of Professional Appraisal Practice in our analysis or report.

9. Statement of Assumptions and Limiting Conditions

1. This report is set forth as a feasibility study of the proposed subject property; this is not an appraisal report.
2. This report is to be used in whole and not in part.
3. No responsibility is assumed for matters of a legal nature, nor do we render any opinion as to title, which is assumed to be marketable and free of any deed restrictions and easements





10. Certification

The undersigned hereby certify that, to the best of our knowledge and belief:

1. the statements of fact presented in this report are true and correct;
2. the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are

11. the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives; and
12. as of the date of this report, Michael E. Brophy has completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members; and as of the date of this report, Adam R. Lair, MAI has completed the requirements of the continuing education program of the Appraisal Institute.

Michael E. Brophy
Senior Vice President, Partner
TS Worldwide, LLC
State-

Penetration Explanation

Let us illustrate the penetration adjustment with an example.

A market has three existing hotels with the following operating statistics:

BASE-YEAR OCCUPANCY AND PENETRATION LEVELS

Based upon each hotel's room count, market segmentation, and annual occupancy, the annual number of room nights accommodated in the market from each market segment can be quantified, as set forth below.



- 1) calculating the hotel's market share % of commercial demand (commercial room nights accommodated by subject hotel divided by total commercial room nights accommodated by all hotels) and
- 2) dividing the hotel's commercial market share % by the hotel's fair share %.

The following table sets forth each hotel's fair share, commercial market share, and commercial penetration factor.

COMMERCIAL SEGMENT PENETRATION FACTORS

If a new 100-room hotel enters the market, the fair share of each hotel changes because of the new denominator, which has increased by the 100 rooms that have been added to the market.

COMMERCIAL SEGMENT FAIR SHARE

The new hotel's penetration factor is projected for its first year of operation. It is estimated that the hotel will capture (penetrate) only 85% of its fair share as it establishes itself in the market. The new hotel's market share and room night capture can be calculated based upon the hotel's estimated penetration factor. When the market share of the existing hotels and that of the new hotel are added up, they no longer equal 100% because of the new hotel's entry into the market. The market share of each hotel must be adjusted to reflect the change in the denominator that comprises the sum of each hotel's market share.

This adjustment can be mathematically calculated by dividing each hotel's market share percentages by the new denominator of 97.1%. The resulting calculations reflect each hotel's new adjusted market share. The sum of the adjusted market shares equals 100%, indicating that the adjustment has been successfully completed. Once the market shares have been calculated, the penetration factors can be recalculated (adjusted market share divided by fair share) to derive the adjusted penetration factors based upon the new hotel's entry into the market. Note that each existing hotel's penetration factor actually increases because the new hotel is capturing (penetrating) less than its fair share of demand.

COMMERCIAL SEGMENT PROJECTIONS (YEAR 2)

Property	Number of Rooms	Fair Share	Hist./Proj. Penetration Factor	Hist./Proj. Market Share	Adjusted Market
-----------------	----------------------------	-------------------	---	---	----------------------------

NI	=	Net income available for debt service
V	=	Value
M	=	Loan-to-value ratio
f	=	Annual debt service constant
n	=	Number of years in the projection period
d _e	=	Annual cash available to equity
d _r	=	Residual equity value
b	=	Brokerage and legal cost percentage
P	=	Fraction of the loan paid off during the projection period
f _p	=	Annual constant required to amortize the entire loan during the projection period
R _r	=	Overall terminal capitalization rate that is applied to net income to calculate the total property reversion (sales price at the end of the projection period)
1/S ⁿ	=	Pre

$(NI^{11}/R_r) = \text{Reversionary Value}$

Brokerage and Legal Costs -



income and expense illustrates the subject property's net income, which is assumed to increase by 3.0%

Using these known variables, the following intermediary calculations must be made before applying the simultaneous valuation formula. The fraction of the loan paid off during the projection period is calculated as follows.

$$P = (0.07369 - 0.0550) / (0.13023 -$$

$$(((4,148,000 / 0.090) - (0.025 x (4,148,000 / 0.090)) - ((1 - 0.248440) x 0.7 x V)) x 0.199352) = (1 - 0.65) V$$

Like terms are combined as follows.

$$\begin{aligned} \$23,972,675 - 0.316530V &= (1 - 0.65)V \\ \$23,972,675 &= 0.66653V \\ V &= \$23,972,675 / 0.66653 \\ V &= \$35,966,398 \end{aligned}$$

Total Property Value as Indicated by
the Income Capitalization
Approach (Say) = \$36,000,000



**EDUCATION AND OTHER
TRAINING (CON'T)**

General Demonstration Appraisal Report Writing Report Seminar – 7 hours
Advanced Sales & Cost – 40 hours
Report Writing and Valuation Analysis – 40 hours
Business Practices and Ethics – 7 hours
Fundamentals of Separating Real, Personal Property, and Intangible Business Assets – 15
hours
Advanced Applications – 40 hours
Forecasting Revenue – 7 hours
PA Law Class – 2 hours
USPAP Update – 2008, 2011, 2012

STATE CERTIFICATIONS

Alabama, Georgia, Florida, Illinois, Mississippi, North Carolina, Ohio, Pennsylvania, South
Carolina, Tennessee

PUBLISHED ARTICLES

HVS Journal “Market Intelligence Report 2013: Atlanta,” June 2013

HVS Journal “Hotel Performance, Transactions, and Values: News from the 25th Annual Hunter Hotel
Conference,” April 2013

HVS Journal “HVS Hotel Market Snapshot: Atlanta,” April 2011

HVS Journal “HVS Reflections on the 2010 Hunter Hotel Conference,” co-authored with Janet Snyder,
May 2010

HVS Journal “What You Need to Consider Before Buying a Distressed Property,” co-authored with Li
Chen, August 2009

HVS Journal “Brand Power: InterContinental Hotels Group,” March 2009

**PROFESSIONAL
AFFILIATIONS**


Flower Mound Chamber of Commerce
American Hotel & Lodging Association



**EXAMPLES OF CORPORATE AND
INSTITUTIONAL CLIENTS SERVED**



Mayfair Hotel & Spa, Coconut Grove
Omni, Coral Gables
Holiday Inn, Daytona Beach
Hawk's Cay, Duck Key
Red Roof Inn, Fort Lauderdale
Fairfield Inn & Suites, Gainesville
Ramada Inn, Hialeah
Proposed Hotel, Indian Rocks Beach
Cheeca Lodge & Spa, Islamorada
Sheraton, Key Largo
Crowne Plaza, Key West
Inn at Key West, Key West
Proposed Hotel, Key West



Proposed Candlewood Suites, Baton
Rouge
Holiday Inn Westbank, Gretna
Proposed Candlewood Suites,
Lafayette
Proposed Homewood Suites, Lafayette
Proposed Holiday Inn, New Orleans

MAINE

Econo Lodge Inn & Suites, Augusta







Adam Lair, MAI

HVS



Alabama, Florida, Georgia, Louisiana, Mississippi,



**EXAMPLES OF CORPORATE AND
INSTITUTIONAL CLIENTS SERVED**

Adams and Reese LLP
Archetype Mortgage Capital
Bancorp South
BB&T
Biltmore Company
BNA Associates
Borrego Springs Bank
Business First Bank
Cantor Commercial Real Estate
Lending LLC
Capital Bank
Capital One
Capsule Group
Citi
Citizens National Bank of Meriden
Citizens National Bank
Clarion Partners
Cornerstone Commercial Mortgages,
LLC
Cushman & Wakefield
CWB Bank
CW Capital
Deutsche Bank
DRDC-Citymarket LLC
Eastern Capital
EKS&H
Fidelity Bank
Fine Hospitality Group
First Jackson Bank
First NBC Bank
First National Bank of Talladega
First NBC Bank
Foxhall Event & Sporting Club
Gainesville Stimulus Fund
Glacier Club
Greenspoon Marder
Hana Small Business Lending
HDG Mansur
The HUB Mixed Use LLC
International Bank of Commerce
JPMorgan Chase
Kennebunk Savings
Legence Bank
Merrill Trust Communities & Resorts

Metro City Bank
Midfirst Bank
Mountain 1st Bank & Trust
NBT Bank
Noah Bank
Northern Riverfront Marina & Hotel
LLP
NXT Capital, LLC
Oxbox Ventures
Patriot Group
PCCP, LLC



**EXAMPLES OF PROPERTIES APPRAISED
OR EVALUATED**

ALABAMA

Holiday Inn Express, Auburn
Comfort Inn & Suites, Birmingham
Hilton, Birmingham
Best Western Daphne
City Lodge, Florence
Best Western, Gadsden
Country Inn & Suites, Homewood
Homewood Suites, Huntsville
Comfort Inn, Mobile
Homewood Suites, Mobile
Best Western, Montgomery
Proposed Courtyard, Phenix City
Quality Inn, Phenix City
Days Inn, Saraland

ARIZONA

Palm Inn, Yuma

CALIFORNIA

Proposed Hilton Garden Inn, Burbank
Residence Inn by Marriott
Days Inn & Suites, Palmdale

COLORADO

Proposed Hotel Glacier Club, Durango
The Peaks Resort and Spa, Telluride

DISTRICT OF COLUMBIA

Proposed Cambria Suites

FLORIDA

Proposed Select-Service Hotel, Boca
Raton
Hampton Inn, Clermont
Daytona Beach Resort, Daytona Beach
Comfort Inn, Jupiter
Hilton Garden Inn, Lake Mary
Proposed Courtyard by Marriott,
Marathon
Candlewood Suites, Melbourne
Proposed Hotel Dadeland Mall, Miami
DoubleTree Orlando at SeaWorld,
Orlando
Fairfield Inn, Orlando

GEORGIA

Clermont Hotel, Atlanta
Comfort Inn, Atlanta
Country Inn, Atlanta
Crowne Plaza Ravinia, Atlanta
Quality Inn, Atlanta
Ritz-Carlton Downtown, Atlanta
Westin Perimeter North, Atlanta
Hilton Garden Inn, College Park
Quality Inn & Suites, College Park
Proposed Boutique Hotel, Douglas
County
Proposed Westin, Douglas County
Quality Inn, Savannah
Proposed Fairfield Inn & Suites,
Stockbridge
Fairfield Inn & Suites, Valdosta

ILLINOIS

Allegro, Chicago

INDIANA

Hampton Inn, Warsaw

LOUISIANA

Holiday Inn, Baton Rouge
Country Inn & Suites, Covington
Travelodge, Harvey
Courtyard by Marriott, Houma
Crowne Plaza, Kenner
Super 8, Lake Charles
Courtyard, Metairie
Residence Inn, Metairie
Courtyard Convention Center, New
Orleans
Courtyard French Quarter, New
Orleans
InterContinental, New Orleans
Proposed Hyatt House, New Orleans
SpringHill Suites Convention Center,
New Orleans

MAINE

Econo Lodge, Freeport

MARYLAND

Ramada Inn, Perryville
Quality Inn Econo Lodge, Takoma Park

MISSISSIPPI

Proposed Hampton Inn & Suites,
Gulfport
Proposed Hotel University of
Mississippi Medical Center, Jackson
Comfort Inn, Laurel
Super 8, Moss Point
America's Best Inns & Suites, Tupelo

NEVADA

Holiday Inn Express Nellis, Las Vegas

NEW HAMPSHIRE



Country Inn & Suites, New Bedford

NEW JERSEY

Comfort Inn, Princeton

NORTH CAROLINA

Proposed Hotel – Biltmore Estate,
Asheville
Proposed Wyndham, Greensboro
Courtyard by Marriott, Raleigh
Proposed Indigo, Wilmington

OHIO

Econo Lodge, Columbus

PENNSYLVANIA

Crowne Plaza, Trevoese

SOUTH CAROLINA

Comfort Inn, Charleston
Proposed Radisson Hotel, Charleston
Comfort Suites, Lexington
Crown Reef Resort, Myrtle Beach

TENNESSEE

Sheraton Road House, Chattanooga

TEXAS

Proposed Holiday Inn Express,
Baytown
Ramada, Dallas
Days Inn, Decatur

Candlewood Suites DFW Airport
South, Fort Worth
Holiday Inn DFW Airport South, Fort
Worth
Staybridge Suites Plano, Plano

VIRGINIA

Alexandria Monaco, Alexandria
Morrison House, Alexandria
Comfort Suites, Manassas
Quality Inn West End, Richmond

WISCONSIN

Ramada, Fond du Lac