

SELF-CONTAINED APPRAISAL REPORT

Proposed Limited-Service Hotel

151 South 6th Street
Hayden, Colorado

Submitted to:

Mr. Gary Dawes
Alpine Bank
225 North 5th Street
Grand Junction, CO 81501

U.S. Small Business Administration

U.S. HOTEL

APPRAISALS

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August 23, 2013

Mr. Gary Dawes
Alpine Bank
225 North 5th Street
Grand Junction, CO 81501

U.S. Small Business Administration

Re: Proposed Limited-Service Hotel; Hayden, Colorado; Job Reference #: 2013US0291

Dear Mr. Dawes:

Thank you for the opportunity to complete this appraisal of the Proposed Limited-Service Hotel for your company. Our attached self-contained appraisal reflects all pertinent requirements of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA). The appraisal also incorporates all requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), as provided by the Appraisal Foundation.

Our opinion of "as is" market value for the fee simple interest in the subject property, as of May 21, 2013, is \$600,000.

Based on our analysis, it is our opinion that the "when complete" market value of the fee simple interest in the Proposed Limited-Service Hotel, as of September 1, 2014, will be:

\$3,300,000 (\$71,700 per room).

THREE MILLION THREE HUNDRED THOUSAND DOLLARS

We have also estimated the prospective market value of the subject property as of its projected date of stabilization. Our opinion of "when stabilized" prospective market value for the fee simple interest in the proposed subject property, as of September 1, 2017, will be:

\$3,700,000 (\$80,400 per room).

THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS

We have made no assumptions of hypothetical conditions in our report. The analysis is based on the extraordinary assumptions that the described improvements have been completed as of the prospective "when complete" date of value and that the Best Western Plus membership is granted. The reader should understand that the completed subject property does not yet, in fact, exist as of the date of appraisal. Furthermore, the reader should also understand that a Best Western Plus membership has not been granted at this time. Our appraisal assumes that the membership agreement would be granted by the opening date of the subject property and that the subject property would maintain this affiliation throughout our projection period. Our appraisal 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 date of prospective value. We have made no other extraordinary assumptions specific to this appraisal. However, several important general assumptions have been made that apply to this appraisal and our valuations of proposed hotels in general. These aspects are set forth in the Assumptions and Limiting Conditions chapter of this report.

Our value estimate is subject to the data and explanation contained within this report, as well as the stipulated assumptions and limiting conditions. A complete certification of value is also contained within our report. This report may not be distributed or relied upon by other persons or entities without our written permission. We look forward to the opportunity to work with you again in the near future.

Sincerely, U.S. Hotel Appraisals, LLC

A handwritten signature in black ink, appearing to read "B. E. Russell", with a long horizontal flourish extending to the right.

Brett E. Russell, Senior Vice President
brussell@ushotelappraisals.com, +1 (720) 877-1376
State Appraiser License (CO) CG100013757

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INTRODUCTION

The subject of this self-contained appraisal report is the Proposed Limited-Service Hotel to be located at 151 South 6th Street, Hayden, Colorado 81639. Primary aspects of the site and project appraised are summarized as follows:

- Proposed Property Type: Limited-service lodging facility
- Interest Appraised: Fee simple
- Site Size: 34,412 square feet (0.79 acres)
- Parcel Number: 292600003
- Zoning: C - Commercial District
- Flood Zone: AE and X
- Expected Opening Date: September 1, 2014
- Proposed Building Size: 25,893 square feet
- Proposed Building Stories: Three
- Proposed Number of Rooms: 46
- Planned Food and Beverage Facilities: A breakfast dining area
- Planned Meeting Space: None
- Other Facilities Planned: An indoor pool, an indoor whirlpool, an exercise room, a lobby workstation, a market pantry, two guest laundry rooms, and vending areas
- Parking Spaces Planned: 40+11 Shared

Important dates and inspection information are presented as follows:

- Date of Report: August 23, 2013
- Date of Inspection: May 21, 2013 and July 19, 2013
- Inspected By: McKenna Luke and Brett E. Russell
- Date of "As Is" Value: May 21, 2013
- Date of "When Complete" Value: September 1, 2014
- Date of Forecast Stabilization: September 1, 2017

Parameters considered in the development of our income capitalization approach results are summarized as follows:

- Terminal Capitalization Rate: 9.5%
- Discount Rate: 11.50%
- Direct Capitalization Rate: 9.0%

Our opinion of land value and "as is" market value for the fee simple interest in the subject property, as of May 21, 2013, is summarized as follows:

- Land: \$300,000
- "As Is" Market Value: \$600,000

Based on the parameters set forth and the analysis and factors presented in our report, our opinions of value via the three approaches to value are summarized as follows (as of September 1, 2014):

- Income Capitalization: \$3,300,000
- Sales Comparison: \$3,300,000
- Cost: \$3,200,000

Our opinion of "when complete" market value for the fee simple interest in the proposed subject property, as of September 1, 2014, is summarized as follows:

- "When Complete" Market Value: \$3,300,000
- Value Per Room: \$71,700

Our opinion of "when stabilized" market value for the fee simple interest in the proposed subject property, as of September 1, 2017, is summarized as follows:

- "When Stabilized" Market Value: \$3,700,000
- Value Per Room: \$80,400

Assignment Conditions

We have made no assumptions of hypothetical conditions in our report. The analysis is based on the extraordinary assumptions that the described improvements have been completed as of the prospective "when complete" date of value and that the Best Western Plus membership is granted. The reader should understand that the completed subject property does not yet, in fact, exist as of the date of appraisal. Furthermore, the reader should also understand that a Best Western Plus membership has not been granted at this time. Our appraisal assumes that the membership agreement would be granted by the opening date of the subject property and that the subject property would maintain this affiliation throughout our projection period. Our appraisal 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 date of prospective value. We have made no other extraordinary assumptions specific to this appraisal. However, several important general assumptions have been made that apply to this appraisal and our valuations of proposed hotels in general. These aspects are set forth in the Assumptions and Limiting Conditions chapter of this report.

Ownership, Management, and Franchise Assumptions

The developer of the proposed subject property is Hayden Hotel Properties, LLC, which is based in Hayden, Colorado. It is important to note that Hayden Hotel Properties, LLC and Dry Creek Subdivision, LLC are related entities and are owned by the same members. The subject site was last sold in 2006; Dry Creek Subdivision purchased it at that time as part of the larger 3.2-acre plot for a reported price of \$600,000. The larger plot was then subdivided, and the rest of the acreage has since been developed. The subject site portion of the total sale price is \$148,125. The construction cost of the subject property, including the land and an entrepreneurial incentive, is \$3,200,000. The "when complete" market value opinion in this appraisal is 3% higher than this amount. No other transfers of the property have reportedly occurred since 2006. The hotel is neither listed nor under contract for sale; furthermore, we have no knowledge of any recent listings.

Details pertaining to management terms were not yet determined at the time of this report; therefore, our forecast fees represent a blended average 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. Please refer to the Income Capitalization Approach chapter for additional discussion pertaining to our management fee assumptions.

We recommend that the proposed subject property operate as a midscale, limited-service hotel. While we have placed heavy consideration on the Best Western Plus brand, which is affiliated with Best Western International, Inc., a specific franchise affiliation and/or brand has yet to be finalized.

Intended Use of the Appraisal

This self-contained report is being prepared for use in the construction financing of the subject property..

Identification of the Client and Intended User(s) of the Appraisal

The client for this engagement is Alpine Bank. The U.S. Small Business Administration is also an intended user of this report. This appraisal report has been prepared solely for the use of Alpine Bank, in evaluating whether the property described in this report has a value sufficient to support a mortgage loan to be secured by the property. The report has not been prepared for the use by the mortgage loan applicant, any borrower or any party other than Alpine Bank, and its successors. The report and the information and conclusions included in the report are the property of Alpine Bank, and may not be used and must not be relied upon by any party other than Alpine Bank. Any party other than Alpine Bank or one of its successors desiring to determine or rely upon the market value of the property described in the attached report, must arrange for a separate appraisal and report from a qualified appraisal.

Definitions of Market Value

The objective of the appraisal is to develop an opinion of the subject property's "as is" market value, "when complete" prospective market value, and "when stabilized" prospective market value. The following definition has been agreed upon by the agencies that regulate federal financial institutions in the United States: "The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: buyer and seller are typically motivated; both parties are well informed or well advised, and acting in what they consider their own best interests; a reasonable time is allowed for exposure in the open market; payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."¹

"As is" market value is defined by the Appraisal Institute as follows: The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.² Prospective market value is defined by the Appraisal Institute as follows: A value opinion effective as of a specified future date.³ The prospective value opinion upon stabilization estimates the market value of a property upon reaching a stabilized level of operation. Operations are stabilized at that point in time when abnormalities in supply and demand or any additional transitory conditions cease to exist and the existing conditions are those expected to continue over the economic life of the property.

Property Rights Appraised

The property rights appraised are the fee simple ownership of the land and improvements, including the furniture, fixtures, and equipment. The fee simple estate is defined as "absolute ownership unencumbered by any other interest or

¹ *Federal Register*, Vol. 55, No. 165, August 24, 1990: 34696.

² Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

³ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."⁴ The proposed subject property is appraised as an open and operating facility.

Competency

Our qualifications are included as an addendum to this report. These qualifications reflect that we have the competence required to complete this engagement, in accordance with the competency provision of the Uniform Standards of Professional Appraisal Practice. Our knowledge and experience is appropriate for the complexity of this assignment.

Scope of Work Performed

All information was collected and analyzed by the staff of U.S. Hotel Appraisals. Property-specific information was supplied by the developer of the hotel. We have investigated numerous improved sales in the market area and have spoken with buyers, sellers, brokers, property developers, and public officials. Unless noted otherwise, we have inspected the (expected future) competitive lodging facilities and analyzed the sales summarized in this report. The value conclusion of the appraisal is based on this investigation and analysis and is conveyed in this report.

The subject site has been evaluated from the viewpoint of its physical utility for the future operation of a hotel, as well as access, visibility, and other relevant location-related factors. The subject hotel's proposed improvements have been reviewed for their expected quality of construction, design, layout efficiency, and items of physical deterioration and potential functional obsolescence. The surrounding economic environment has been reviewed to identify economic and demographic trends that may have an impact on future demand for hotels. The market for hotel accommodations has been investigated, including factors such as purpose of visit, average length of stay, facilities and amenities, seasonality, daily demand fluctuations, and price sensitivity. An analysis of existing and proposed competition provides an indication of the current accommodated demand, along with market penetration and the degree of competitiveness.

Documentation for an occupancy and average rate projection is derived utilizing a penetration analysis based on an analysis of lodging activity. A detailed projection of income and expense made in accordance with the Uniform System of Accounts for Hotels sets forth the anticipated economic benefits of the proposed subject property and provide the basis for the income capitalization approach. The appraisal considers the three approaches to value: cost, sales comparison, and income capitalization.

Marketing and Exposure Periods

The marketing and exposure periods are similar concepts and simply reflect different perspectives in time. Published surveys report marketing time, not the exposure period. Marketing time is an opinion of the amount of time it might take to sell a property at the concluded market value level during the period immediately after the effective date of an appraisal. Currently, marketing time for luxury/upper-upscale properties, full-service hotels, and select-service hotels is averaging 8.0, 9.1, and 6.9 months, respectively, according to the PWC Real Estate Investor Survey - First Quarter 2013, published by PricewaterhouseCoopers. Overall marketing time is averaging 5.6 months for hotels, as reported by the Real Estate Research Corporation's Spring 2013 Real Estate Survey. Our opinion is that the exposure period for the proposed subject property, prior to our date of value, is estimated to be less than or equal to seven months, while the marketing period for the proposed subject property, subsequent to our date of value, is less than or equal to seven months.

⁴ *The Dictionary of Real Estate Appraisal - Third Edition, American Institute of Real Estate Appraisers, Chicago, IL, 1993, p.140.*

THE REAL ESTATE

Site Overview

The suitability of the land for the operation of a lodging facility is an important consideration affecting the economic viability of a property and its overall value. Factors such as size, topography, access, visibility, and the availability of utilities have a direct impact on the desirability of a particular site.

The subject site is located just west of the central business district of Hayden, to the southwest of the intersection formed by U.S. Route 40 (known locally as West Jefferson Avenue) and South 6th Street. Important site attributes include the following:

- The site size spans 34,412 square feet (0.79 acres). The site is currently cleared and ready for development.
- Primary vehicular access to the proposed subject property will be provided by South 6th Street. The topography of the parcel is generally flat, and the site's shape is irregular.
- 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.
- 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.
- The subject site will reportedly be served by all necessary utilities.
- The site has the zoning designation of C - Commercial District. This zoning designation allows for most commercial uses, including retail centers, services industries, restaurants, and hotels and motels. It is important to note that the current plan utilizes shared parking to comply with zoning regulations, which has not been approved at this time. 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.

Adjacent Uses

Direction	Adjacent Use
North	U.S. Route 40
South	Dry Creek Townhomes
East	South 6th Street
West	Vacant Land

Aerial Photograph



Hazardous Waste

We were not informed of any site-specific nuisances or hazards, and there were no visible signs of toxic ground contaminants at the time of our inspection. Because we are not experts in this field, we do not warrant the absence of hazardous waste and urge the reader to obtain an independent analysis of these factors.

Soil Conditions

Geological and soil reports were not provided to us or made available for our review during the preparation of this report. However, it is important to note that ownership reported the soil consists of clay with slightly expansive capacity, similar to other soil in the region. We are not qualified to evaluate soil conditions other than by a visual inspection of the surface; no extraordinary conditions were apparent.

View North From Site



View South From Site



View East From Site



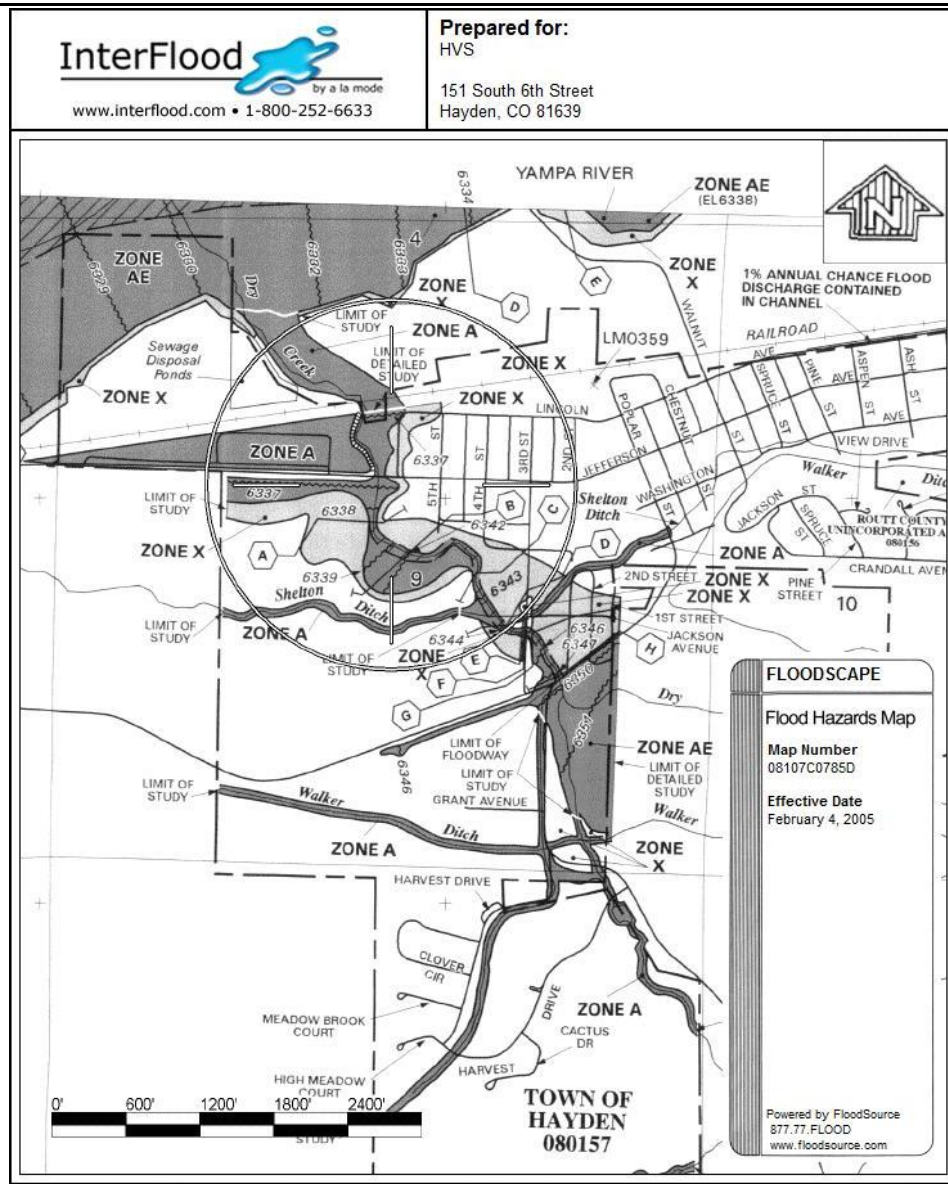
View West From Site



Flood Map

A copy of the flood map and flood map cover is illustrated below.

Flood Map

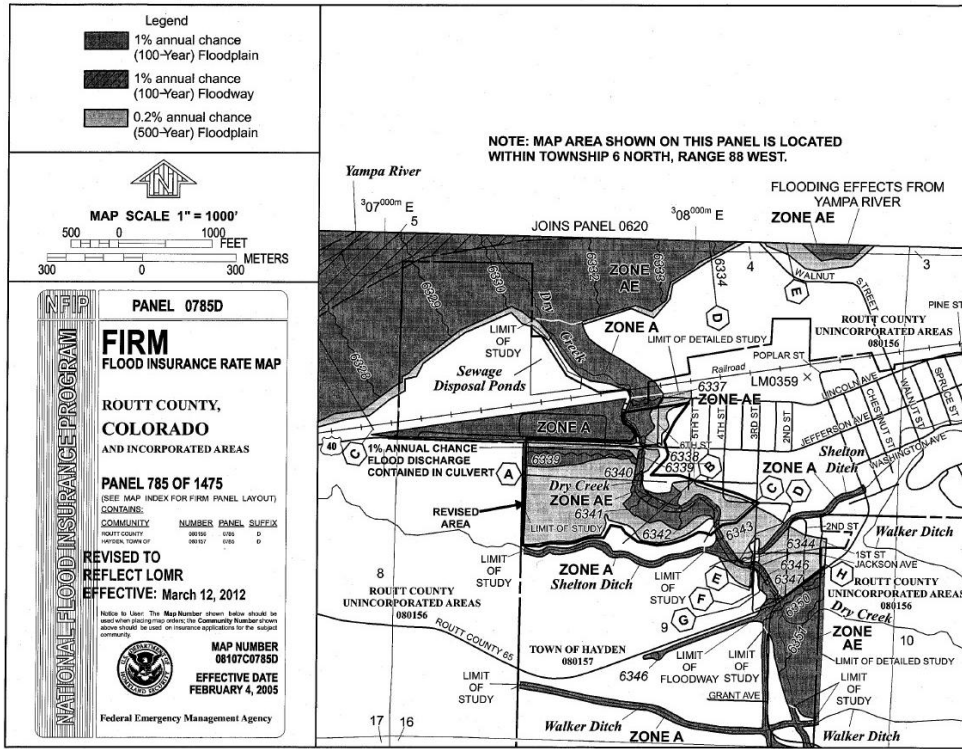


© 1999-2012 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 6,631,326 and 6,678,615. Other patents pending. For info: info@floodsource.com.

According to the current owner, grading work on the subject site was completed in order to raise the elevation of the subject site and decrease the flooding risk. Subsequent to the site work, the area was reportedly remapped by the Federal Emergency Management Administration's Insurance and Mitigation division in 2012. While this map was provided by the client and is shown in the following exhibit, the map published to the public is dated February of 2005. Therefore, we have assumed that the map provided by the client is the most recent and applicable. Based on this data,

we have assumed that the information provided by ownership is true and correct; furthermore, based on the map illustrated below, the subject site is listed as in both AE and X zones.

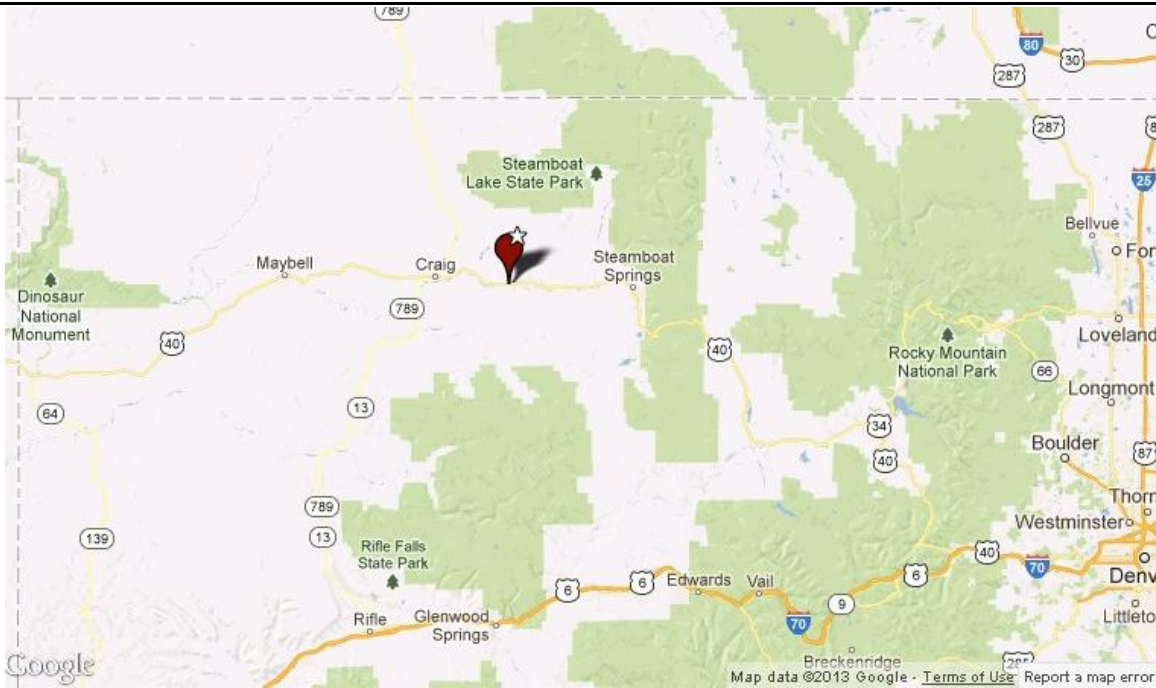
Letter of Map Revision (LOMR) Flood Map



Accessibility and Visibility of the Site

It is important to analyze the site in regards 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, county, state, and interstate highways.

Map of Primary Access Routes



Regional access to/from the city of Hayden, and the subject site in particular, is considered to be very good. The proposed subject property's market is served by a variety of additional local routes, which are illustrated on the map.

The area enjoys a well-developed network of local roadways and highways. U.S. Route 40, State Highway 131, State Highway 789/13, and Interstate 70 facilitate travel between the subject site and the principal concentrations of business activity and population in the region. The subject site is located adjacent to a well-traveled thoroughfare. Thus, the proposed hotel should benefit from very good visibility from within its local neighborhood. Overall, the site's accessibility attributes are appropriate and deemed adequate, and the proposed hotel is expected to enjoy very good visibility attributes.

The proposed subject property will be well served by the Yampa Valley Regional Airport, which is located approximately three miles to the southeast of the subject site.

Neighborhood Analysis

The neighborhood surrounding a lodging facility often has an impact on a hotel's status, image, class, style of operation, and sometimes its ability to attract and properly serve a particular market segment.

The subject neighborhood is generally defined as the entire small town of Hayden, which is in the stable stage of its life cycle. The neighborhood is characterized by restaurants, a supermarket, a post office, several gas stations, vacant land, residences, and various small retail outlets. Several business and entities in the immediate area include Yampa Valley Regional Airport, Routt County Fairgrounds, Dry Creek Park, A1 Liquor, Hayden Town Hall, Hayden Mercantile supermarket, Wagner Equipment, and Kum & Go service station. Restaurants within immediate proximity of the subject site include Highway Bar, Wolf Mountain Pizza, and Wild Goose Coffee at the Granary. In general, we would characterize the neighborhood as 35% residential use, 20% office use, 20% vacant, 15% retail/restaurant use, and 10% other. The proposed subject property's opening should be a positive influence on the area; the hotel will be in character with and will complement surrounding land uses.

Neighborhood Map



Site Conclusion

We have analyzed the issues of size, topography, access, visibility, and the availability of utilities. The subject site is located near the central business district, adjacent to the highway, and in close proximity to several demand generators. In general, the site should be well suited for future hotel use, with acceptable access, visibility, and topography for an effective operation.

Proposed Improvements

The town of Hayden currently features a ten-room boarding house and a closed motel that reportedly sold recently. Even if the motel reopens, it historically operated on a monthly rental basis and can only accommodate a limited amount of transient hotel demand, primarily during the various hunting seasons. Therefore, the proposed subject property would be the only true transient hotel in the market. Currently, travelers related to the demand generators within the Hayden area, such as the Twentymile Mine, the Yampa Valley Regional Airport, and the Xcel Energy plant, are diverted to hotels in the surrounding cities of Craig and Steamboat Springs. Furthermore, other potential demand generators, such as the Routt County Fairgrounds, are limited or unable to attract events due to the lack of lodging in the immediate vicinity. The proposed hotel is expected to be situated within the Creek View development, which is the newest commercial and residential development in Hayden. Furthermore, the subject site is located across from the town's post office and only grocery store. The proposed subject property will be a lodging facility containing the facilities outlined in the following table as well as the requisite back-of-the-house ancillary facilities.

Proposed Improvements Characteristics

Expected Opening Year:	2014	Dining Facilities:	Breakfast dining area
Number of Buildings:	1		
Number of Stories:	3	Meeting Space (SF):	None
Building Square Feet:	25,893		
Parking Spaces:	40+11 shared	Amenities:	Indoor pool, indoor whirlpool, exercise room, lobby workstation, market pantry, two guest laundry rooms, and vending areas
Guestroom Type Breakdown:			
Queen/Queen Rooms:	32		
King Standard Rooms:	12		
King Suites:	2		
<u>Total:</u>	<u>46</u>		

Site Improvements, Structure, & Vertical Access

The proposed hotel will comprise one three-story building. Surface parking will be located to the south and east of the building. Other site improvements are expected to include signage, located at the main entrance to the site, as well as landscaping and sidewalks. Additional signage is expected to be placed on the exterior of the building. The hotel's main entrance will lead directly into the lobby, and the first (ground) floor will house the public areas and the back-of-the-house space. Guestrooms are planned to be located on the first through third floors. The site and building components are expected to be normal for a hotel of this type and should meet the standards for this rural market in the Rocky Mountains.

Picture of Subject Site



Public Areas

The hotel's breakfast dining area is anticipated to be located opposite the front desk in the lobby. Its size and layout are expected to be appropriate for the hotel. The furnishings of the space are expected to be of a similar style and finish as lobby and guestroom furnishings. The hotel will offer an indoor pool, an indoor whirlpool, and an exercise room as recreational facilities. Other amenities are expected to include a lobby workstation or small business center, a market pantry, two guest laundry facilities, and vending areas with ice machines on the first and second floor. Overall, the supporting facilities should be appropriate for a hotel of this type, and we assume that they will meet selected brand standards.

Typical Subject Exterior



Typical Subject Public Area



Floor Plan – First Floor



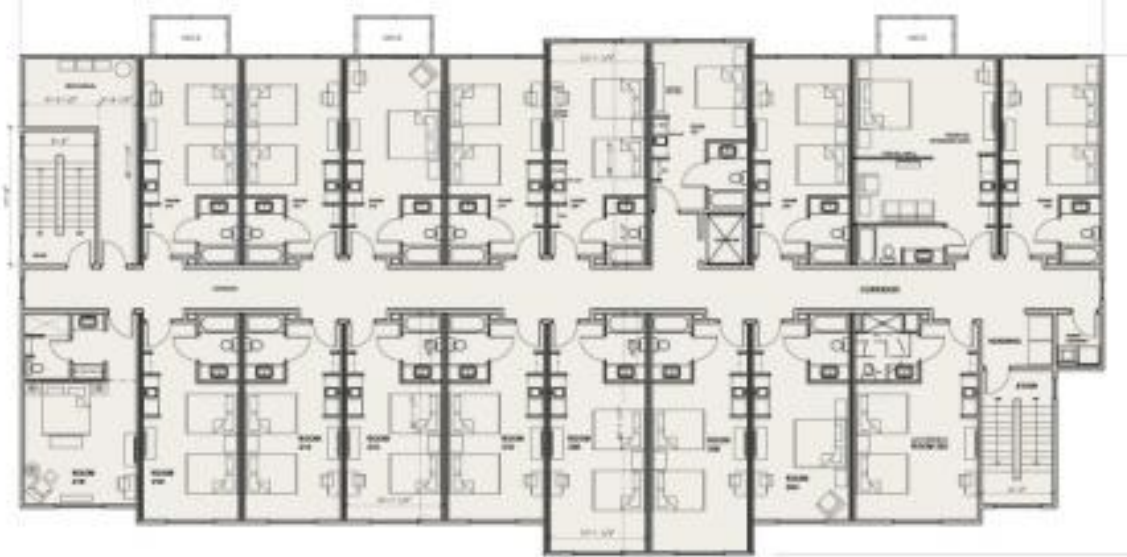
Guestrooms

The hotel will feature standard and suite-style room configurations, and guestrooms will be present on all levels of the property's proposed single building. The standard guestrooms should offer typical amenities for this product type as well as a wet-bar with a microwave and small refrigerator, while the suites are expected to feature a larger living area. The guestroom bathrooms are anticipated to be of a standard size, with a shower-in-tub, commode, and single sink with vanity area, featuring a granite countertop. The floors are expected to be finished with tile, and the walls will likely be finished with knockdown texture or a brand-appropriate finish. Overall, the guestrooms should offer a competitive product for this neighborhood.

Typical Subject Guestroom



Floor Plan – Typical Guestroom Floor



Support Areas and Engineering Systems

The hotel is expected to be served by the necessary back-of-the-house space, including an in-house laundry facility, administrative offices, and a prep kitchen to service the needs of the breakfast dining area. These spaces should be adequate for a hotel of this type and should allow for the efficient operation of the property under competent management.

We assume that the property will be built according to all pertinent codes and chosen brand standards. Moreover, we assume its construction will not create any environmental hazards (such as mold) and that the property will fully comply with the Americans with Disabilities Act.

Capital Expenditures

Our analysis assumes that, after its opening, the hotel will require ongoing upgrades and periodic renovations in order to maintain its competitive level in this market. These costs should be adequately funded by the forecasted reserve for replacement, as long as a successful, ongoing preventive-maintenance program is employed by hotel staff.

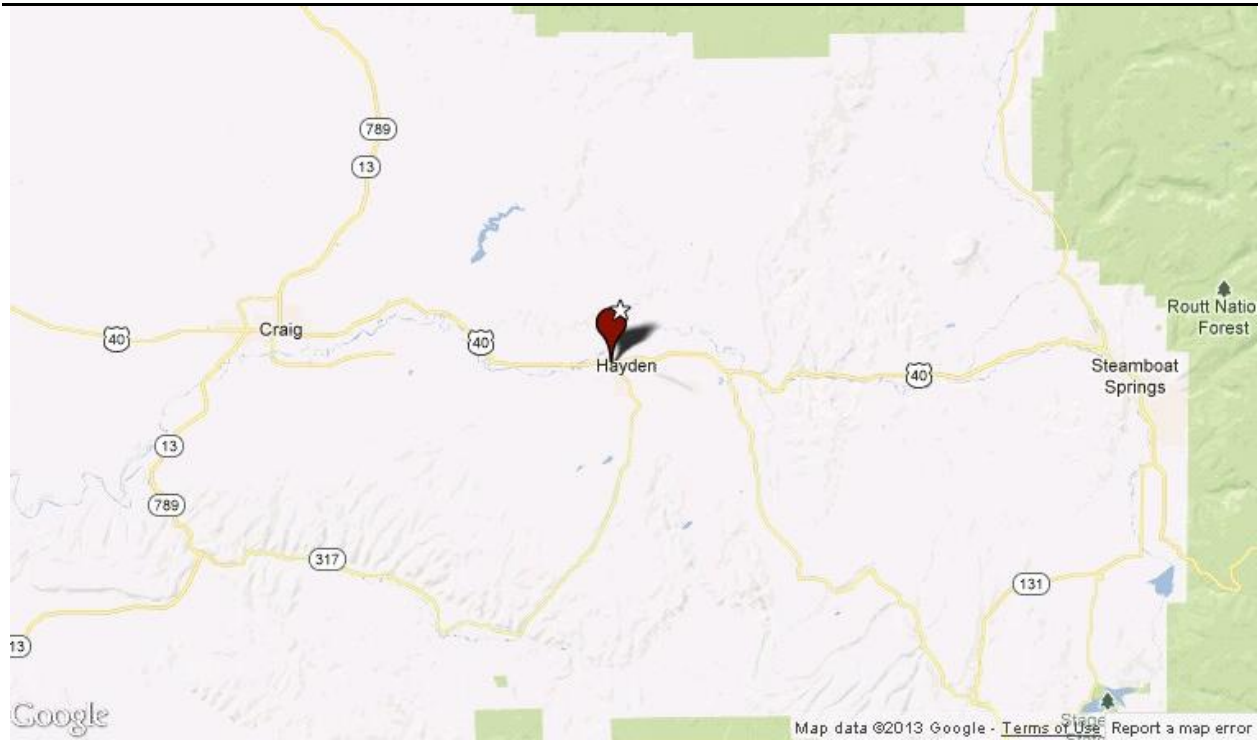
Proposed Improvements Conclusion

Overall, the subject property should offer a well-designed, functional layout of support areas and guestrooms. All typical and market-appropriate features and amenities appear to be included in the hotel's design. We assume that the building will be fully open and operational on the assumed opening date and will meet all local building codes and brand standards. Furthermore, we assume that the hotel staff will be adequately trained to allow for a successful opening and that pre-marketing efforts will have introduced the product to major local accounts at least six months in advance of the opening date.

MARKET AREA ANALYSIS

The economic vitality of the market area is an important consideration in forecasting lodging demand. The purpose of this chapter is to review available economic and demographic data to determine whether the local market will undergo economic growth, stabilize, or decline. These trends are then correlated based on their propensity to reflect variations in lodging demand. The subject's greater market area spans Routt County.

Map of Market Area



Economic and Demographic (Social) Statistics

Based on fieldwork conducted in the area and our in-house sources, we have evaluated various economic and demographic statistics to determine trends in lodging demand. A primary source of economic and demographic statistics used in this analysis is the Complete Economic and Demographic Data Source published by Woods & Poole Economics, Inc., a well-regarded forecasting service based in Washington, D.C.

	2000	2010	2013	2020	Average Annual Compounded Change		
					2000-10	2010-13	2013-20
Resident Population (Thousands)							
Routt County	19.8	23.4	24.4	26.6	1.7 %	1.3 %	1.3 %
State of Colorado	4,326.9	5,049.1	5,288.2	5,865.0	1.6	1.6	1.5
United States	282,162.4	309,349.7	318,515.7	341,069.5	0.9	1.0	1.0
Per-Capita Personal Income*							
Routt County	\$38,219	\$43,742	\$44,657	\$49,120	1.4	0.7	1.4
State of Colorado	37,856	38,933	40,022	44,010	0.3	0.9	1.4
United States	33,771	36,700	37,779	41,366	0.8	1.0	1.3
W&P Wealth Index							
Routt County	134.7	136.4	134.9	135.0	0.1	(0.4)	0.0
State of Colorado	115.2	108.8	108.5	108.9	(0.6)	(0.1)	0.1
United States	100.0	100.0	100.0	100.0	0.0	0.0	0.0
Food and Beverage Sales (Millions)*							
Routt County	\$57	\$71	\$78	\$93	2.1	3.2	2.6
State of Colorado	6,475	8,378	9,176	10,929	2.6	3.1	2.5
United States	341,525	406,373	435,874	498,869	1.8	2.4	1.9
Total Retail Sales (Millions)*							
Routt County	\$339	\$393	\$437	\$514	1.5	3.6	2.3
State of Colorado	61,874	68,988	77,084	91,512	1.1	3.8	2.5
United States	3,613,909	3,818,137	4,194,877	4,810,490	0.6	3.2	2.0

* Inflation Adjusted

Source: Woods & Poole Economics, Inc.

The U.S. population grew at an average annual compounded rate of roughly 1.0% during the last decade. The county's population has grown at a quicker pace than the nation's population; the average annual growth rate of 1.3% between 2010 and 2013 reflects a gradually expanding area. Following this population trend, per-capita personal income increased slowly, at 0.7% on average annually for the county between 2010 and 2013. Local wealth indexes have remained stable in recent years, registering a relatively high 134.9 level for the county in 2013. Food and beverage sales totaled \$78 million in the county in 2013, versus \$71 million in 2010. This reflects a 3.2% average annual change, which is stronger than the 2.1% pace recorded in the prior decade. The retail sales sector demonstrated a similar pattern, with a minimal annual increase of 1.5% in the decade 2000 to 2010, followed by an increase of 3.6% in the period 2010 to 2013. A more normalized increase of 2.3% average annual change is expected in county retail sales through 2020.

Historical
 and
 Projected
 Employment
 Trends
 for the
 Local
 County

Industry	2000		2010		2013		2020		Average Annual Compounded Change		
	Percent of Total		Percent of Total		Percent of Total		Percent of Total		2000-2010	2010-2013	2013-2020
Farm	0.7	3.7 %	0.6	3.2 %	0.6	3.1 %	0.6	2.7 %	(1.0) %	0.5 %	0.2 %
Forestry, Fishing, Related Activities And Other	0.1	0.6	0.2	0.8	0.2	0.8	0.2	0.7	4.6	0.0	0.4
Mining	0.5	2.8	0.8	4.0	0.8	4.1	0.9	4.0	4.1	2.4	1.7
Utilities	0.1	0.4	0.2	0.9	0.2	1.0	0.2	0.9	10.0	4.2	0.2
Construction	3.1	16.8	2.5	12.8	2.5	12.1	2.8	11.8	(2.1)	(0.6)	1.5
Manufacturing	0.2	1.1	0.1	0.7	0.2	0.7	0.2	0.7	(3.2)	1.1	0.8
Total Trade	2.3	12.1	2.1	10.8	2.3	11.3	2.8	11.9	(0.6)	2.7	2.7
Wholesale Trade	0.3	1.9	0.5	2.5	0.6	3.1	0.8	3.5	3.5	9.3	3.4
Retail Trade	1.9	10.3	1.6	8.3	1.7	8.2	2.0	8.5	(1.5)	0.5	2.4
Transportation And Warehousing	0.4	2.2	0.5	2.4	0.5	2.4	0.6	2.4	1.3	2.2	2.0
Information	0.3	1.4	0.1	0.7	0.1	0.7	0.2	0.7	(5.9)	0.5	2.3
Finance And Insurance	0.5	2.5	0.8	3.8	0.8	4.1	1.0	4.3	4.9	3.4	2.6
Real Estate And Rental And Lease	1.5	8.0	1.9	9.7	2.1	10.4	2.4	10.2	2.6	3.5	1.6
Total Services	7.4	39.4	8.2	41.3	8.4	40.9	9.6	41.2	1.0	1.0	1.9
Professional And Technical Services	0.9	5.0	1.3	6.3	1.3	6.5	1.6	6.8	3.1	2.3	2.4
Management Of Companies And Enterprises	0.0	0.2	0.1	0.3	0.1	0.4	0.1	0.4	3.7	8.5	1.5
Administrative And Waste Services	0.7	3.7	0.8	4.3	0.9	4.3	1.0	4.4	2.2	1.7	1.9
Educational Services	0.2	0.9	0.3	1.5	0.3	1.5	0.3	1.5	5.2	0.9	2.1
Health Care And Social Assistance	1.1	5.7	1.4	7.1	1.5	7.2	1.7	7.3	2.9	1.8	2.1
Arts, Entertainment, And Recreation	1.4	7.7	1.3	6.5	1.2	5.8	1.3	5.6	(1.2)	(2.0)	1.1
Accommodation And Food Services	2.2	11.7	2.1	10.6	2.2	10.7	2.5	10.8	(0.5)	1.6	2.0
Other Services, Except Public Administration	0.8	4.5	0.9	4.7	0.9	4.4	1.0	4.5	1.1	(1.0)	2.1
Total Government	1.7	9.0	1.7	8.8	1.8	8.5	1.9	8.3	0.3	0.2	1.3
Federal Civilian Government	0.1	0.7	0.1	0.7	0.1	0.6	0.1	0.6	(0.2)	0.5	0.3
Federal Military	0.1	0.3	0.1	0.3	0.1	0.3	0.1	0.2	0.0	0.0	0.3
State And Local Government	1.5	8.0	1.6	7.9	1.6	7.6	1.7	7.4	0.4	0.2	1.5
TOTAL	18.7	100.0 %	19.8	100.0 %	20.5	100.0 %	23.3	100.0 %	0.6 %	1.3 %	1.8 %
U.S.	165,370.9	—	172,936.0	—	178,104.4	—	195,598.1	—	0.6	1.0	1.3

Source: Woods & Poole Economics, Inc.

Woods & Poole Economics, Inc. reports that during the period from 2000 to 2010, total employment in the county grew at an average annual rate of 0.6%. This trend outpaced the national average. More recently, the pace of total employment growth in the county accelerated to 1.3% on an annual average from 2010 to 2013, reflecting the initial years of the recovery. Of the primary employment sectors, Total Services recorded the highest increase in number of employees during the period from 2010 to 2013, increasing by 236 people, or 2.9%, and rising from 41.3% to 40.9% of total employment.

The following table reflects radial demographic trends for our market area measured by three points of distance from the subject site.

	0.00 - 1.00 miles	0.00 - 3.00 miles	0.00 - 5.00 miles
Population			
2017 Projection	1,672	2,055	2,277
2012 Estimate	1,630	1,997	2,215
2000 Census	1,514	1,831	2,029
1990 Census	1,339	1,608	1,762
Growth 2012-2017	2.6%	2.9%	2.8%
Growth 2000-2012	7.7%	9.1%	9.2%
Growth 1990-2000	13.1%	13.9%	15.2%
Households			
2017 Projection	682	837	932
2012 Estimate	666	815	909
2000 Census	568	686	762
1990 Census	482	575	627
Growth 2012-2017	2.4%	2.7%	2.5%
Growth 2000-2012	17.3%	18.8%	19.3%
Growth 1990-2000	17.8%	19.3%	21.5%
Income			
2012 Est. Average Household Income	\$55,562	\$56,097	\$57,087
2012 Est. Median Household Income	48,612	49,202	50,047
2012 Est. Per Capita Income	22,692	22,899	23,435
2012 Est. Civ Employed Pop 16+ by Occupation			
Architect/Engineer	2	4	6
Arts/Entertain/Sports	8	9	10
Building Grounds Maint	72	88	95
Business/Financial Ops	22	28	33
Community/Soc Svcs	14	18	19
Computer/Mathematical	18	24	29
Construction/Extraction	132	160	177
Edu/Training/Library	19	24	28
Farm/Fish/Forestry	11	14	18
Food Prep/Serving	53	63	67
Health Practitioner/Tec	7	9	11
Healthcare Support	21	26	30
Maintenance Repair	89	105	111
Legal	2	3	4
Life/Phys/Soc Science	25	31	33
Management	73	96	121
Office/Admin Support	89	111	127
Production	18	23	28
Protective Svcs	35	44	48
Sales/Related	115	144	167
Personal Care/Svc	25	30	33
Transportation/Moving	55	69	80

Source: The Nielsen Company

This source reports a population of 2,215 within a five-mile radius of the subject property, and 909 households within this same radius. Average household income within a five-mile radius of the subject property is currently reported at \$57,087, while the median is \$50,047.

Unemployment

The following table presents historical unemployment rates for the proposed subject property's market area.

Unemployed Persons	Year	County	State	U.S.
	2003	4.6 %	6.1 %	6.0 %
2004	4.0	5.6	5.5	
2005	3.7	5.1	5.1	
2006	3.2	4.3	4.6	
2007	2.6	3.8	4.6	
2008	3.4(S)	4.8(G)	5.8	
2009	7.3(S)	8.1(G)	9.3	
2010	9.5(S)	9.0(D)	9.6	
2011	8.4(E)	8.6(D)	8.9	
2012	7.3(E)	8.0(D)	8.1	
<i>Recent Month - Mar</i>				
2012	7.2 %	8.6 %	8.2 %	
2013	5.8	7.3	7.6	

* Letters shown next to data points (if any) reflect revised population controls and/or model re-estimation implemented by the BLS.

Source: U.S. Bureau of Labor Statistics

Locally, the unemployment rate was 7.3(E)% in 2012; for this same area in 2013, the most recent month's unemployment rate was registered at 5.8%, versus 7.2% for the same month in 2012. Unemployment rates in this area declined mid-decade, concurrent with the general recovery trend after a difficult period earlier in the decade. Unemployment began to rise in 2008 as the nation entered an economic slowdown, and this trend continued into 2010 as the height of the national recession took hold. However, the unemployment rate improved in 2011 and 2012 concurrent with the area's economic recovery, supported by returning tourism and increased energy and mining operations in the region. The most recent comparative period illustrates further improvement, indicated by the lower unemployment rate in the most recent available data for 2013. Our interviews with economic development officials reflect a positive outlook for the area, primarily attributed to this expected recovery and job growth.

Major Employers

Hayden is rich in recreational opportunities, natural resources, and Old West lore. The town is located along U.S. Highway 40 midway between Craig, the commercial and industrial center of northwest Colorado, and Steamboat Springs, a world-renowned ski destination. Hayden serves as a bedroom community for Steamboat Springs, home to a number of the resort community's employees. The region's primary airport, several coal-mining operations, and several power-generating plants are all located within a short distance of Hayden. During the past several years, the town has also welcomed a growing number of workers related to the local oil and gas industry. Additionally, the area surrounding

Hayden is one of the state's most popular hunting, fishing, and bird-watching areas; thus, the region's tourism industry plays an important role in the local economy.

Major employers for this market are illustrated in the following table.

Major Employers		
Rank	Firm	Number of Employees
1	Yampa Valley Medical Center	550
2	Twentymile Mine	434
3	Mountain Resorts LLC	300
4	Steamboat Ski Resort	275
5	Steamboat Springs School District	275
6	Routt County	175
7	TIC - The Industrial Company	175
8	Steamboat Ski & Resort Corporation	150
9	SmartWool	75
10	Colorado Mountain College	70

Source: Yampa Valley Partners, 2012

The energy industry has historically been at the forefront of Hayden's economy, with four coal-fired power plants and three large coal mines within 30 miles of the town. The Twentymile Mine is located just south of Hayden and is the world's most productive underground coal mine in terms of output per man-year. Contributing further to the energy industry, the Hayden Generating Station is located just outside of Hayden; this plant, as well as the other area power plants, will be required to complete multimillion-dollar renovations by the spring of 2016 to comply with the state's Clean Air-Clean Jobs Act. In addition to the mining and energy production in the region, the oil and gas industries have been growing in importance over the last ten years despite several industry setbacks. Recent exploration by companies such as Shell and Quicksilver Resources holds great potential for the region as well. The area's economy is also dependent on tourism, especially with the Yampa Valley Regional Airport located in Hayden. A majority of the visitors to the Steamboat Ski Resort fly into the region through the airport, with both private airplanes and commercial airlines utilizing the airport. The coal mines and power plants near Hayden and Craig employ many local residents, and the area is a bedroom community for the employees of the Steamboat Ski Resort and other tourism-related businesses in Steamboat Springs.

Airport Statistics

Yampa Valley Regional Airport is a public airport, located just east of Hayden and 22 miles west of Steamboat Springs, in Routt County, Colorado. The single-runway airport is mostly used for general aviation but is also serviced by three major airlines (American, Delta, and United) during the ski season with direct service from Atlanta, Chicago, Dallas/Fort Worth, Houston, Minneapolis, Newark, Los Angeles, and Denver. Commuter service is provided year-round to Denver by United Express. Over the past several years, passenger traffic has declined with the consolidation of airlines and the use of smaller aircraft. The most recent declines in passenger traffic can be attributed in large part to the reduction of the number of flights to only one per day in the off-season (April to mid-December).

Airport
 Statistics

Year	Passenger Traffic	Percent Change*	Percent Change**
2003	208,711	—	—
2004	244,088	17.0 %	17.0 %
2005	260,351	6.7	11.7
2006	260,496	0.1	7.7
2007	279,755	7.4	7.6
2008	278,320	(0.5)	5.9
2009	247,349	(11.1)	2.9
2010	222,271	(10.1)	0.9
2011	216,170	(2.7)	0.4
2012	201,642	(6.7)	(0.4)
Year-to-date, May			
2012	137,448	—	—
2013	129,562	(5.7) %	—

*Annual average compounded percentage change from the previous year

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

Source: Yampa Valley Regional Airport

Tourism

The subject market benefits from a variety of tourism and leisure attractions in the area. Leisure demand generators include hunting, bird-watching, fishing, and skiing at the Steamboat Ski Resort. Special events also play a role during key weekends, such as the Routt County Redneck Olympics, Triple Crown Sports Tournaments, and regional events and festivals. No major changes related to these attributes of the market are expected in the foreseeable future.

Governmental and Environmental Factors

The Hayden area is subject to a normal form of local government and is also subject to the laws and regulations of Routt County and the state of Colorado. None of these laws or government entities was noted to have a particularly abnormal influence on the operation of the property, its marketability, or property values in the market area. The environment of the proposed subject property's city appears normal to its surrounding areas; we observed no adverse conditions and no such conditions were reported by market representatives. No noted environmental factors have particularly positive or negative influences on property values in the subject's market area.

Conclusion

We have reviewed and studied various social, economic, government, and environment data and observations pertaining to Routt County and the state of Colorado. After a period of economic contraction, the market area has entered into a period of expansion and recovery following the Great Recession. Our market interviews and research revealed that although the area was affected by slowing business levels, a depressed housing market, and reduced levels of discretionary spending during the downturn, the market benefits from a well-established and diverse economy, which has aided in the recovery. The energy, mining, and tourism sectors are strong and have remained cornerstones of this market; additionally, the exploration of oil and natural gas has further supported the economy in recent years. Moreover, many of the corporations or institutions that support this area, such as Peabody Energy and Xcel Energy, are renowned entities working with a multitude of clients. The local market appears to be trending similarly to the broader

national patterns of economic recovery, as evidenced by a variety of economic indicators including the unemployment rate and business investments. The outlook for the area is generally optimistic. No adverse governmental or environmental factors were noted. We will relate these historical and expected growth trends based on their propensity to reflect changes in lodging demand.

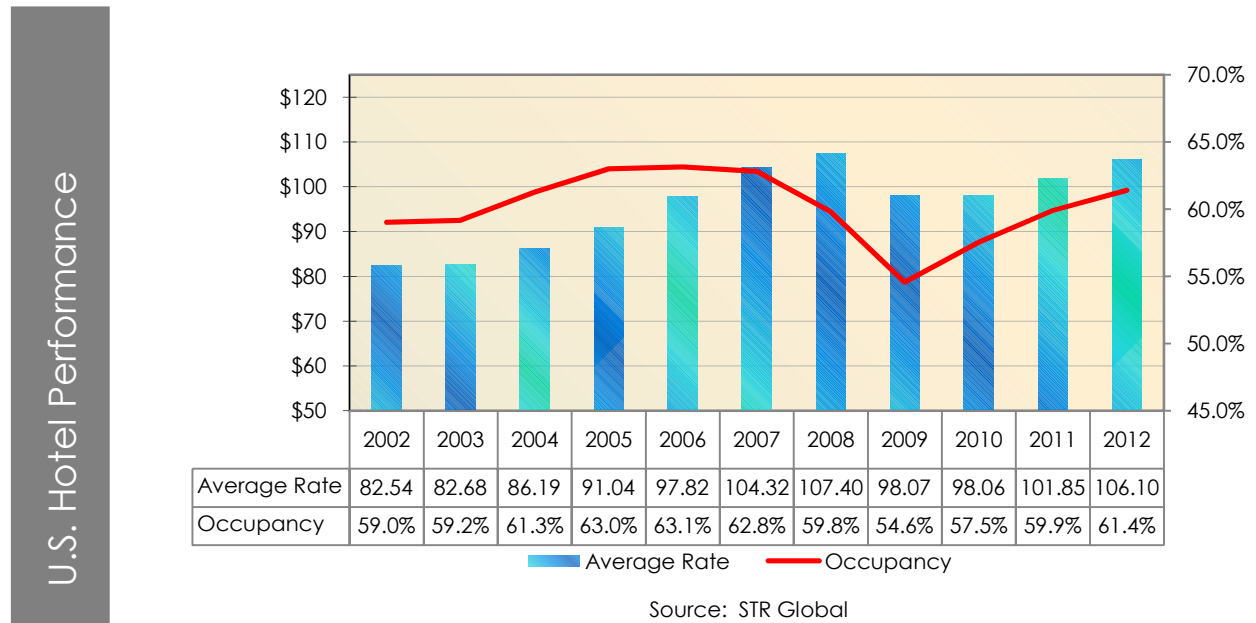
HOTEL MARKET TRENDS

This chapter will begin with an overview of national lodging demand trends to determine what macro changes have occurred in this real estate sector. Next, we will provide a definition of the subject's pertinent hotel market and review each competitive hotel (future competitors). We then provide an analysis and discussion pertaining to the occupancy and average rate trends of this competitive set.

National Trends Overview

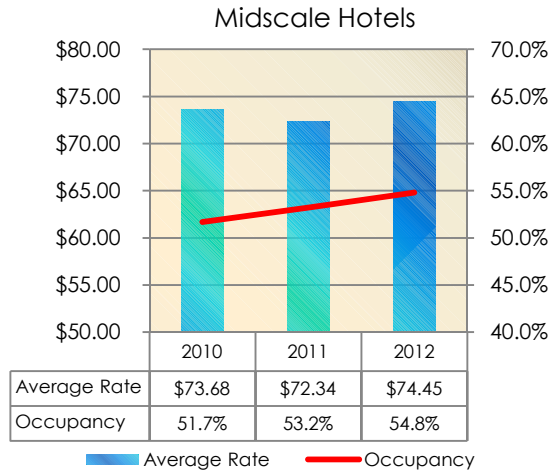
In 2003 and 2004, the U.S. hotel industry was in a period of recovery, concurrent with overall economic strengthening, and U.S. hotel occupancy soon peaked from 2005 through 2007, at roughly 63%. Supply increases during this period were notable as well, which kept occupancy stable despite increases in demand. As the nation entered the recession at the close of 2007, occupancy began to decline in 2008; however, hoteliers were able to maintain average rates increases initiated in early 2008 through the third quarter of 2008. The banking sector crisis of the latter part of 2008, as well as the ongoing recession, led to a significant decline in demand and average rate beginning in late 2008 that materialized completely in 2009. The restrictions on corporate travel and reductions on leisure spending reached a critical point throughout much of 2009. Fewer travelers on the highways for vacations, or families taking shortened vacations, also affected transient-highway lodging demand. Construction activity slowed greatly, as financing sources for these projects were unavailable, and this lack of construction-related lodging demand had a direct impact on the economy and mid-price hotel sectors in particular. While occupancy dropped to an all-time low of 54.6% in 2009, rates fell only to \$98.07, a level just above the 2006 point.

Projects that had entered the pipeline during the peak of 2007 through early 2008 opened throughout the country in 2009 and 2010, placing further pressure on occupancy levels and limiting rate growth. While demand began to strengthen in 2010, hoteliers were hesitant to raise rates in light of the severe declines experienced in 2009; moreover, groups were able to command discounted rates for 2010 bookings made during 2009. With 2010 trends reflecting a firm recovery, and travel returning to normalized levels, hoteliers were able to command higher rates for 2011; rates increased by nearly \$4.00, and occupancy just missed the 60% mark nationally that year. Trends for 2012 reflected an additional one-and-a-half-point gain in occupancy. With significant increases to new supply remaining on the distant horizon, occupancy in 2013 should approach the prior peak. Average rate just surpassed \$106 in 2012, and expectations for 2013 are for rate to surpass the 2008 high of \$107.40.

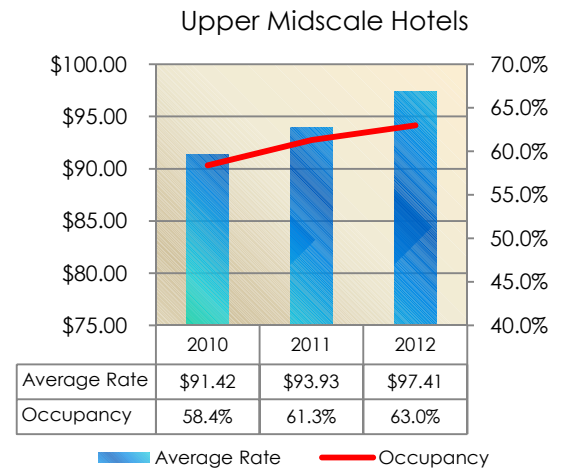


In the midscale lodging sector, occupancy is in a stage of recovery, moving toward the mid-50% range. Average rate has remained relatively stable, bracketing the \$72 to \$74 mark in recent years. In 2013, we expect occupancy in this category to surpass the 55% mark, and average rate should move above \$75. For upper-midscale hotels, occupancy improved to a strong 63% in 2012 and should approach the 65% mark in 2013. Average rate increased more swiftly for upper-midscale hotels, surpassing \$97 in 2012. We expect average rate for this category to surpass \$100 in 2013.

Midscale Hotel Performance



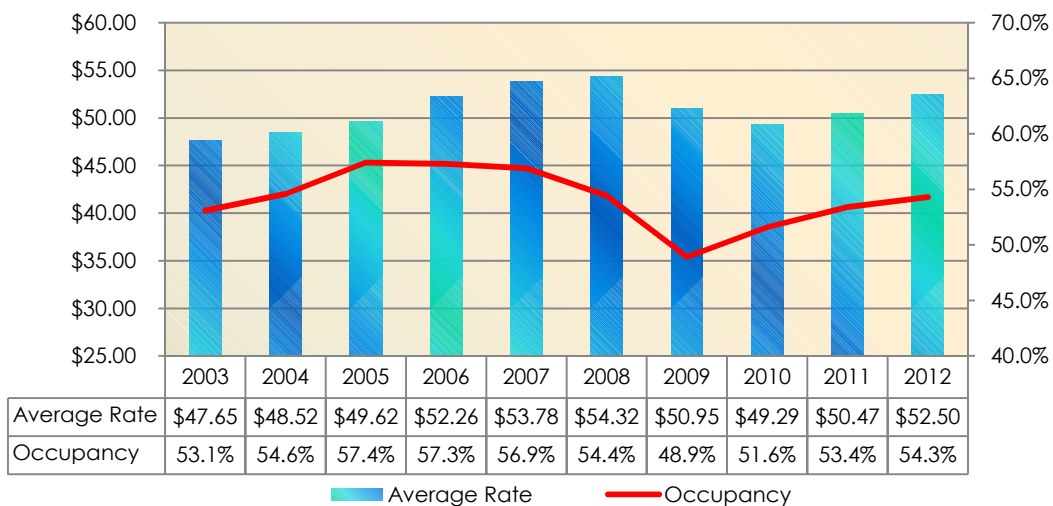
Source: STR Global



Source: STR Global

In the economy lodging sector, occupancy peaked at roughly 57% from 2005 through 2007, and then fell to 48.9% in 2009. Occupancy recovery then ensued, with occupancy surpassing 54% by 2012. We expect occupancy to continue its upward trend in 2013, reaching the 55% mark by the end of this year. Average rate grew to just over \$54 by 2008, before falling to \$49.29 by 2010. This level recovered to \$52.50 by 2012, and another \$2 gain should be realized in 2013, bringing the sector to its prior 2008 peak.

Economy Hotel Performance



Source: STR Global

The following table provides additional insights for year-to-date performance for the U.S. hotel industry across a variety of different categories.

Lodging Sector Performance Statistics

	Occupancy - Thru June			Average Rate - Thru June			RevPAR - Thru June		
	2012	2013	% Change	2012	2013	% Change	2012	2013	% Change
United States	60.9 %	61.8 %	1.5 %	\$105.27	\$109.49	4.0 %	\$64.09	\$67.69	5.6 %
Region									
New England	57.0 %	57.9 %	1.6 %	\$120.80	\$123.76	2.5 %	\$68.91	\$71.70	4.1 %
Middle Atlantic	62.9	63.8	1.5	\$143.00	\$148.69	4.0	\$89.89	\$94.83	5.5
South Atlantic	62.5	63.5	1.6	\$106.62	\$110.38	3.5	\$66.65	\$70.10	5.2
East North Central	56.0	56.7	1.1	\$89.93	\$93.22	3.7	\$50.40	\$52.83	4.8
East South Central	56.8	57.4	1.0	\$79.43	\$81.79	3.0	\$45.12	\$46.91	4.0
West North Central	55.6	55.4	(0.3)	\$82.78	\$85.05	2.7	\$46.02	\$47.15	2.5
West South Central	61.8	62.9	1.8	\$89.77	\$94.16	4.9	\$55.49	\$59.28	6.8
Mountain	59.3	60.2	1.6	\$98.89	\$101.35	2.5	\$58.62	\$61.05	4.2
Pacific	66.5	68.1	2.4	\$123.23	\$130.30	5.7	\$81.93	\$88.74	8.3
Price									
Midprice	61.7 %	62.7 %	1.5 %	\$100.06	\$103.68	3.6 %	\$61.75	\$64.97	5.2 %
Economy	55.3	56.7	2.4	\$73.90	\$77.24	4.5	\$40.90	\$43.78	7.0
Budget	54.5	55.4	1.6	\$57.26	\$59.90	4.6	\$31.21	\$33.18	6.3
Location									
Suburban	61.4 %	62.6 %	2.0 %	\$89.04	\$92.17	3.5 %	\$54.63	\$57.67	5.6 %
Airport	68.4	70.6	3.2	\$94.76	\$98.02	3.1	\$64.83	\$69.17	6.7
Interstate	53.7	53.6	(0.1)	\$72.67	\$74.68	2.8	\$38.99	\$40.01	2.6
Small Metro/Town	52.5	52.9	0.8	\$82.96	\$85.33	2.9	\$43.53	\$45.12	3.6
Chain Scale									
Midscale	54.1 %	55.1 %	1.8 %	\$73.26	\$75.20	2.6 %	\$39.66	\$41.42	4.4 %
Economy	53.3	54.1	1.5	\$51.08	\$52.92	3.6	\$27.25	\$28.64	5.1

Source: STR - Lodging Review

Definition of Subject Market

The 46-room Proposed Limited-Service Hotel will be located in Hayden, Colorado. The greater market surrounding the subject site offers 147 hotels and motels, spanning 10,675 rooms. The two largest hotels are the 536-room Ameristar and the 402-room Isle of Capri.

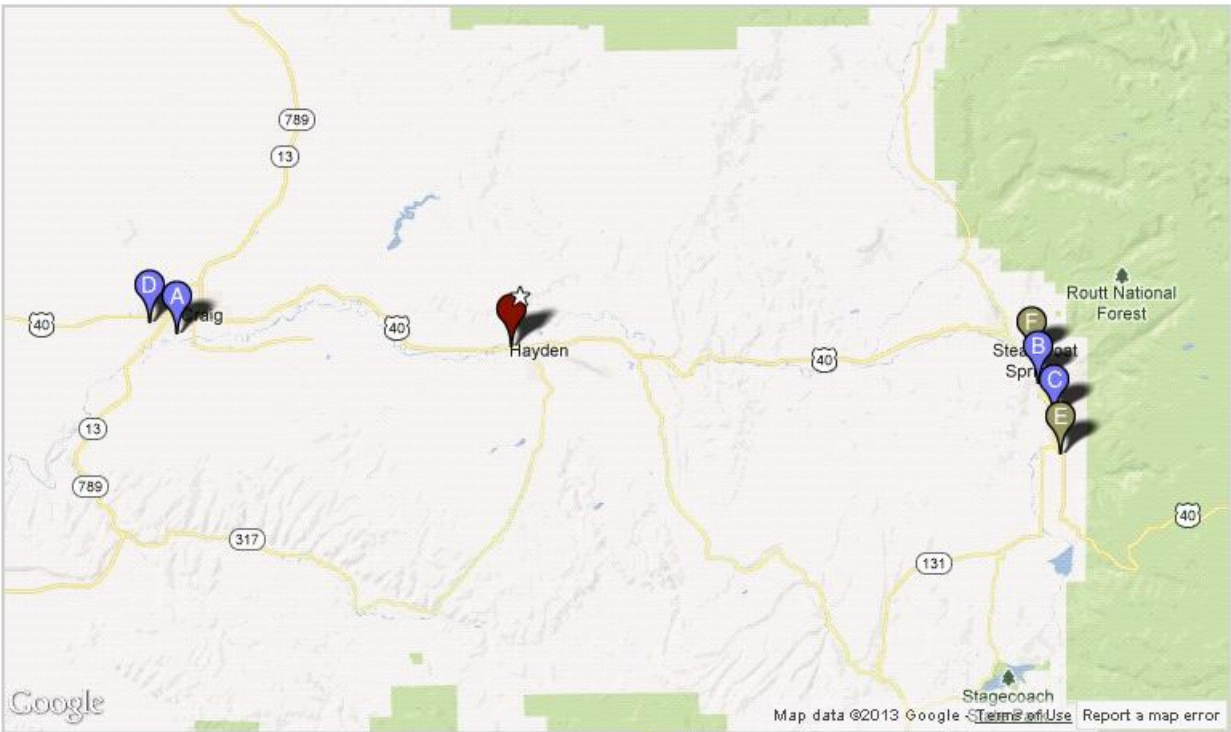
Of this larger supply set, the proposed subject property will compete with a smaller set of hotels based on various factors. These factors may include location, price point, product quality, length of stay (such as an extended-stay focus vs. non-extended-stay focus), room type (all-suite vs. standard), hotel age, or brand, among other factors. We have reviewed these pertinent attributes and established a competitive set based upon this review. In the case of any secondarily competitive supply, the respective hotel's room count has been weighted based on the assumed degree of competitiveness with the subject hotel.

We have identified three hotels that are expected to compete with the proposed subject property on a secondary level. The Hampton Inn is located in Craig and competes based on location; however, it offers a higher-quality product at a higher price point than what is anticipated for the proposed subject property. The Fairfield Inn & Suites and the Hampton Inn & Suites are anticipated to be competitive on the basis of their locations along U.S. Route 40 in Steamboat Springs; however, these hotels offer higher-quality products, target a less price-sensitive customer, and offer a large percentage of suites.

Selected
 Competitive
 Set of
 Hotels –
 Estimated
 Operating
 Performance

Property	Number of Rooms	Est. Segmentation			Weighted Annual Room Count	Estimated 2012			
		Commercial	Leisure	Group		Occ.	Average Rate	RevPAR	RevPAR Penetration
Best Western Deer Park Inn & Suites Craig	45	60 %	30 %	10 %	45	57 %	\$91.00	\$51.87	87.4 %
La Quinta Inn Steamboat Springs	29	40	55	5	29	54	85.00	45.90	77.4
Quality Inn & Suites Steamboat Springs	29	30	65	5	29	55	92.00	50.60	85.3
Sub-Totals/Averages	103	46 %	47 %	7 %	103	55.6 %	\$89.64	\$49.83	84.0 %
Secondary Competitors	228	60 %	30 %	10 %	131	64.1 %	\$104.18	\$66.80	112.6 %
Totals/Averages	331	55 %	36 %	9 %	234	60.4 %	\$98.28	\$59.32	100.0 %

Map of Competition



- | | | | |
|---|--|---|---|
|  | Proposed Best Western Plus Hayden |  | Hampton Inn & Suites Craig (Primary) |
|  | Best Western Deer Park Inn & Suites Craig (Primary) |  | Fairfield Inn & Suites by Marriott Steamboat Springs (Secondary) |
|  | Quality Inn & Suites Steamboat Springs (Primary) |  | Hampton Inn & Suites Steamboat Springs (Secondary) |
|  | La Quinta Inn Steamboat Springs (Primary) | | |

Each competitor was inspected and evaluated; these hotels are described as follows.

Competitor #1 - Best Western Deer Park Inn & Suites Craig



- Address: 262 Commerce Street
Craig, CO
- Room Count: 45
- Access Relative to Subject: Similar
- Visibility Relative to Subject: Similar
- Condition: Good

The following table illustrates this property's 2012 estimated operating performance.

Estimated
 Operating
 Performance

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	RevPAR Penetration
Estimated 2012	45	57 %	\$91	\$52	94.4 %	87.4 %

The Best Western Plus Deer Park Inn & Suites Craig is owned and operated by Rocky Mountain Renaissance Company, LLC. Facilities include a breakfast dining area (a complimentary breakfast is served), an indoor pool and whirlpool, a business center, a market pantry, and a guest laundry room. The hotel, which was built in 1997, was updated in 2011 with new carpeting. Additionally, the breakfast dining area was expanded and upgraded with new furniture, flooring, and equipment in 2010. This hotel benefits from its Best Western affiliation and reservations system.

Competitor #2 - La Quinta Inn Steamboat Springs



- Address: 1055 Walton Creek Road
Steamboat Springs, CO
- Room Count: 29
- Access Relative to Subject: Similar
- Visibility Relative to Subject: Similar
- Condition: Good

The following table illustrates this property's 2012 estimated operating performance.

Estimated
 Operating
 Performance

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	RevPAR Penetration
Estimated 2012	29	54 %	\$85	\$46	89.5 %	77.4 %

The Quality Inn & Suites Steamboat Springs is owned by Infinity Partners, LLC and is operated by Providence Hospitality Partners. Facilities and amenities include a breakfast dining area (a complimentary breakfast is served), an indoor pool and whirlpool, a lobby workstation, and a guest laundry facility. The hotel, which was built in 1995, was renovated in 2012 after it converted to from a Comfort Inn in late 2011; upgrades included new guestroom bedding, refrigerators, and microwaves. This hotel benefits from its location along U.S. Route 40 in Steamboat Springs proximate to the Steamboat Ski Resort.

Competitor #3 - Quality Inn & Suites Steamboat Springs



- Address: 3155 Ingles Lane
Steamboat Springs, CO
- Room Count: 29
- Access Relative to Subject: Similar
- Visibility Relative to Subject: Similar
- Condition: Good

The following table illustrates this property's 2012 estimated operating performance.

Estimated
 Operating
 Performance

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	RevPAR Penetration
Estimated 2012	29	55 %	\$92	\$51	91.1 %	85.3 %

The La Quinta Inn is owned and operated by Lasco LLC . Facilities include a breakfast dining area (a complimentary continental breakfast is served), an indoor pool and whirlpool, a business center, and a guest laundry facility. The hotel, which was built in 1998, was completely renovated in 2006 when it converted from a Days Inn to a La Quinta Inn. In 2012, the guestrooms received new mattresses. This hotel benefits from its proximity to the Steamboat Ski Resort, but is somewhat disadvantaged by its small room count.

New Supply

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.

New Supply	Proposed Property	Number of Rooms	Total Competitive Level	Estimated Opening Date	Developer	Development Stage
	Proposed Limited-Service Hotel	46	100 %	September 1, 2014	Dry Creek Subdivision, LLC	Early Development
Totals/Averages		46				

Historical Market Performance

Smith Travel Research (STR) is an independent research firm that compiles data on the lodging industry; these figures are routinely used by typical hotel buyers. STR compiles historical supply and demand data for hotels in the proposed subject property's market.

It is important to note some limitations of the STR data. Hotels are occasionally added to or removed from the sample, and not every property reports data in a consistent and timely manner; moreover, many independent properties do not participate in the service whatsoever. STR also limits the percentage that any one property's room count or any one brand's room count may comprise of the total requested sample. These factors can skew the results and influence the overall quality or applicability of the information. Furthermore, these limitations may also cause the STR data to differ from the results and composition of our competitive survey presented on the previous pages of this chapter. Nonetheless, STR data provide the best indication of aggregate growth or decline in existing supply and demand; thus, these trends have been considered in our analysis.

Hotels Included in STR Trend Report	Hotels Included in Sample	Number of Rooms	Year Affiliated	Year Opened
	Rocky Mountain Inn	59	Oct 2011	Oct 1977
Quality Inn & Suites Steamboat Springs	52	Dec 2011	Jul 1995	
Best Western Plus Deer Park Inn & Suites	44	Mar 2011	Jan 1997	
La Quinta Inns & Suites Steamboat Springs	29	Oct 2005	Aug 1998	
Fairfield Inn & Suites Steamboat Springs	66	Jul 1999	Jul 1999	
Hampton Inn Suites Steamboat Springs	73	Jan 2002	Jan 2002	
Candlewood Suites Craig Northwest	76	Dec 2008	Dec 2008	
Hampton Inn Suites Craig	89	Oct 2009	Oct 2009	
Total		488		

Source: STR Global

The following table illustrates historical supply and demand data as well as revenue per available room (RevPAR) for the hotels included in the trend report. RevPAR is calculated by multiplying occupancy by average rate.

U.S. HOTEL APPRAISALS
PROPOSED LIMITED-SERVICE HOTEL - HAYDEN, COLORADO

Market Supply, Demand, Occupancy, and Average Rate Trends

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Year-to-Date Through April		Average Annual Compounded Change: 2001-2012	
													2012	2013		
Avg. Daily Room Count	251	324	324	324	324	324	324	330	422	489	489	489	489	488		
Available Room Nights	91,615	118,260	118,260	118,260	118,260	118,260	118,260	120,616	154,188	178,485	178,485	178,485	178,485	58,680	58,591	
Change	—	29.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	2.0 %	27.8 %	15.8 %	0.0 %	0.0 %	—	(0.2) %	6.3 %	
Occupied Room Nights	51,134	53,496	62,160	65,407	69,669	78,334	83,314	86,126	95,989	94,254	107,002	109,550	29,702	35,583		
Change	—	4.6 %	16.2 %	5.2 %	6.5 %	12.4 %	6.4 %	3.4 %	11.5 %	(1.8) %	13.5 %	2.4 %	—	19.8 %	7.2 %	
Occupancy	55.8 %	45.2 %	52.6 %	55.3 %	58.9 %	66.2 %	70.4 %	71.4 %	62.3 %	52.8 %	60.0 %	61.4 %	50.6 %	60.7 %		
Average Rate	\$68.22	\$75.25	\$68.95	\$72.38	\$79.21	\$86.59	\$95.49	\$103.12	\$93.47	\$89.32	\$88.84	\$91.30	\$88.98	\$93.32		
Change	—	10.3 %	(8.4) %	5.0 %	9.4 %	9.3 %	10.3 %	8.0 %	(9.4) %	(4.4) %	(0.5) %	2.8 %	—	4.9 %	2.7 %	
RevPAR	\$38.08	\$34.04	\$36.24	\$40.03	\$46.66	\$57.36	\$67.27	\$73.64	\$58.19	\$47.17	\$53.26	\$56.04	\$45.04	\$56.67		
Change	—	(10.6) %	6.5 %	10.5 %	16.6 %	22.9 %	17.3 %	9.5 %	(21.0) %	(18.9) %	12.9 %	5.2 %	—	25.8 %	3.6 %	

Source: STR Global

We note that hotels are occasionally added to or removed from the STR sample; moreover, not every property reports data in a consistent and timely manner. Nonetheless, STR data provide the best basis for changes in market trends and have thus been relied upon in our analysis.

Historical Monthly Occupancy Trends

Month	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
January	43.2 %	36.2 %	41.1 %	53.3 %	54.6 %	64.9 %	67.4 %	67.7 %	58.8 %	42.8 %	43.5 %	46.9 %	56.0 %
February	51.9	43.7	49.4	57.2	54.8	68.7	76.7	71.8	65.5	45.0	50.5	52.6	63.0
March	67.7	52.1	47.5	70.4	57.2	72.2	77.4	75.0	67.9	54.5	60.9	53.8	68.6
April	41.3	24.9	28.3	38.9	29.7	48.7	42.7	52.1	63.3	36.8	51.8	49.4	55.3
May	47.7	34.7	38.8	38.8	39.4	50.1	59.2	63.2	63.0	47.2	55.1	61.4	—
June	71.1	55.2	61.1	59.8	62.9	72.0	82.0	79.6	73.8	66.8	70.1	75.9	—
July	82.9	70.2	73.5	72.2	74.2	81.9	86.4	89.5	81.6	70.3	75.6	82.6	—
August	73.0	61.5	73.8	63.9	67.9	76.0	81.0	88.0	77.9	63.0	78.1	79.6	—
September	62.7	49.6	65.7	62.0	71.2	72.4	79.5	81.5	77.7	68.0	67.7	76.2	—
October	48.1	43.8	62.2	57.3	68.6	64.5	70.4	79.6	48.5	50.1	60.4	62.1	—
November	38.5	33.9	37.8	37.9	59.0	58.0	58.3	62.1	40.6	42.9	52.4	48.6	—
December	40.9	36.3	50.8	51.4	66.6	65.2	64.3	51.2	41.3	45.7	52.3	46.8	—
Annual Occupancy	55.8 %	45.2 %	52.6 %	55.3 %	58.9 %	66.2 %	70.4 %	71.4 %	62.3 %	52.8 %	60.0 %	61.4 %	—
Year-to-Date	51.1	39.2	41.5	55.0	49.1	63.6	66.0 %	66.7 %	63.8 %	44.8 %	51.7 %	50.6 %	60.7 %

Source: STR Global

Historical Monthly Average Rate Trends

Month	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
January	\$68.19	\$75.25	\$84.14	\$72.91	\$77.40	\$80.71	\$96.96	\$108.48	\$104.40	\$94.87	\$91.40	\$93.42	\$97.35
February	79.14	84.57	82.13	74.26	84.82	89.33	102.82	115.07	104.57	96.36	91.56	92.29	97.55
March	70.27	78.92	80.15	70.62	81.95	85.70	101.33	107.53	94.91	94.33	87.92	91.01	93.69
April	49.34	61.10	55.43	53.93	62.91	68.49	77.53	83.98	84.69	84.12	82.04	79.09	84.12
May	54.12	65.34	62.31	60.18	66.63	72.74	79.39	86.88	84.46	82.78	79.62	80.39	—
June	69.53	75.00	69.73	78.46	81.01	89.55	97.84	104.87	93.39	92.02	89.39	95.63	—
July	77.80	85.73	73.78	85.55	92.15	102.30	105.81	113.91	98.12	95.61	94.57	98.39	—
August	73.49	78.45	70.74	78.75	85.38	93.29	100.67	110.22	94.44	90.69	94.91	94.68	—
September	65.14	67.04	56.30	69.82	76.18	82.46	88.79	100.16	89.50	84.86	88.96	90.61	—
October	60.66	63.52	54.83	64.03	73.90	82.25	89.08	101.30	89.24	82.29	85.22	90.96	—
November	58.74	62.40	55.70	59.87	72.01	82.91	89.24	90.98	88.72	80.19	86.02	87.81	—
December	78.41	89.93	79.15	83.04	81.01	95.71	102.56	101.66	94.18	89.75	90.41	95.32	—
Annual Average Rate	\$68.22	\$75.25	\$68.95	\$72.38	\$79.21	\$86.59	\$95.49	\$103.12	\$93.47	\$89.32	\$88.84	\$91.30	—
Year-to-Date	\$67.68	\$76.69	\$77.51	\$69.13	\$78.52	\$82.01	\$96.73	\$105.07	\$96.95	\$92.84	\$88.03	\$88.98	\$93.32

Source: STR Global

Local employers, such as Xcel Energy and Peabody Energy, and tourists visiting the Yampa Valley represent the primary sources of demand for this market. Occupancy and average rate registered positive growth mid-decade and peaked in 2008, as previously planned vacations brought a significant number of leisure travelers despite the deepening national economic downturn. Additionally, the market continued to benefit from strong growth of oil and gas exploration expeditions in the region. However, both occupancy and rate fell significantly in 2009 as a result of the deepening local and national recession, a slowdown in oil and gas production, and cutbacks in leisure spending; moreover, the entrance

of the Candlewood Suites in December of 2008 and the Hampton Inn & Suites in October of 2009, both in Craig, represented the largest supply increase in the market since 2002. As a result, occupancy for the local market continued a downward trend through much of 2010. While occupancy rebounded in 2011 due to recovering leisure travel and new oil and gas exploration, rate improvement lagged behind occupancy growth. Once the local economy began to normalize and fully absorbed the new supply introduced during the Great Recession, both occupancy and average rate improved in 2012, and this trend intensified through the 2013 year-to-date period shown.

Forecast of Future Demand Change

Based upon a review of the market dynamics in the proposed subject property's competitive environment, we have forecast demand growth rates. The following table details our projections of market demand growth and available room nights; occupancy levels for the market are also forecast.

Forecast of Demand Growth and Market Occupancy	Year	Occupied Room Nights		Room Supply	Available Room Nights		Occupancy	Change	
			Change			Change			
	2010	49,599	—	268	97,930	—	50.6 %	—	
	2011	44,477	-10.3 %	246	89,900	-8.2 %	49.5	-2.3 %	
	2012	51,478	15.7	234	85,282	-5.1	60.4	22.0	
	Calendar Year Forecast								
	2013	54,387	5.7 % *	234	85,282	0.0 % *	63.8 %	5.7 % *	
	2014	56,821	4.5	249	90,894	6.6	62.5	-2.0	
	2015	62,868	10.6	280	102,072	12.3	61.6	-1.5	
	2016	63,728	1.4	280	102,072	0.0	62.4	1.4	
	2017	64,275	0.9	280	102,072	0.0	63.0	0.9	
	* Percent change compared to prior calendar year.								

Demand (occupied room nights) is forecast to change by 5.7% between the 2012 base year and 2013. This is followed by 4.5%, 10.6%, and 1.4% rates of annual change in the 2014, 2015, and 2016, respectively. These growth rates reflect the weighted average result of our forecasting model that takes into consideration the expectations for each primary demand segment. Accordingly, the rates of change do not represent rounded numbers. After on our forecast of supply change is reflected in the room supply, this results in forecast occupancy levels of 63.8%, 62.5%, 61.6%, and 62.4% during the first four respective projection years. By 2017, the market is forecast to reach an occupancy level of 63.0%.

Commercial demand within this market is primarily generated by extraction activities and other energy-related operations in the region. While the area could experience significant growth with the potential production associated with the Niobrara shale formation, the energy production/extraction sector is subject to a boom-and-bust cycle. Leisure demand is highly driven by the by the presence of recreational attractions such as the Steamboat Ski Resort and the Yampa River, as well as thousands of acres of national forest land ideal for hunting, camping, fishing, and bird-watching. It is important to note that leisure demand is highly seasonal, peaking in the summer and winter months. Group demand is generated by local companies, SMERFE-related sources, sports teams, and events held at the Routt County Fairgrounds. We forecast modest growth to occur among all demand segments as the economy continues to strengthen.

Conclusion

After achieving an occupancy level of 60.4% in 2012, we have forecast the local occupancy level to reach 63.0% by the fifth projection year. Our forecast is supported by the historical hotel market data, the primary market data collected while in the field, trends in the local economy presented in the previous chapter, and our hotel appraisal expertise.

HIGHEST AND BEST USE

The concept of highest and best use is a fundamental element in the determination of value of real property, either as if vacant or as improved. Highest and best use is defined as follows:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.⁵

As If Vacant

Land value is derived from potential use rather than actual use. The highest and best use is that which generates the greatest return to the land. In estimating highest and best use, there are four stages of analysis:

1. Legally permissible use: the zoning designation allows for a wide variety of commercial uses, such as hotels, gas stations, strip retail, small office buildings, and restaurants.
2. Physically possible use: the construction of a limited-service hotel, small office building, or retail facility would be physically possible on the subject site.
3. Financially feasible use: with conditions warranting construction, development conforming to the neighborhood with uses such as hotel or strip retail would prove feasible because of the strong economic and demographic fundamentals present.
4. Maximally productive use: of the feasible uses, the maximally productive use would be as a hotel due to multiple story capability of this use and the visibility and accessibility attributes of the site which make it most appropriate for hotel use.

In consideration of the foregoing factors influencing development in the immediate area, it is our opinion that the highest and best use of the subject site, as if vacant, would be for the development of a limited-service lodging facility.

Ideal Improvement

The ideal improvement for the subject site is a limited-service lodging facility that offers the appropriate amenities to operate competitively in this market.

As Improved

After determining the highest and best use of the land and the ideal improvement, an analysis should be made regarding the differences between the current improvements and the ideal improvement. It is our opinion that the subject improvements be constructed in order to allow the site to conform to its ideal improvement.

⁵The Dictionary of Real Estate Appraisal – Fourth Edition, Appraisal Institute, Chicago, IL, p. 135.

REVPAR FORECAST

Along with average rate results, the occupancy levels achieved by a hotel are the foundation of the property's financial performance and market value. Most of a lodging facility's other revenue sources (such as food, beverage, and telephone income) are driven by the number of guests, and many expense levels also vary with occupancy. Consequently, a well-documented forecast of occupancy is essential. To a certain degree, occupancy attainment can be manipulated by management. For example, hotel operators may choose to lower rates in an effort to maximize occupancy. Our forecasts reflect an operating strategy that we believe would be implemented by a competent hotel management team to achieve an optimal mix of occupancy and average rate.

Projection of Occupancy

The proposed subject property's occupancy has been projected using a penetration analysis. The next table illustrates the historical and projected change in market-wide occupancy (see Chapter 4 for discussion), as well as the proposed subject property's projected penetration levels and resulting occupancy forecast.

Occupancy Projection	Market-wide	Proposed Subject Property			
	Hotel Occupancy	Occupied Room Nights	Available Room Nights	Occupancy	Penetration
Year					
2010	55.2 %				
2011	58.9				
2012	59.8				
Calendar Year Forecast					
2013	63.2 %				
2014	62.3	2,973	5,612	53 %	85.1 %
2015	61.5	9,486	16,790	57	91.9
2016	62.3	10,090	16,790	60	96.4
2017	62.9	10,293	16,790	61	97.5

The proposed subject property's penetration rate is positioned just below the market-average level by the stabilized year. This level appropriately ramps up during the early years of operation as the hotel gains recognition in the local market. Major accounts from the Yampa Valley area will need to visit the property after its opening, and then perhaps test the property with one or two guests, before sending substantial levels of business to the hotel (for both small group and transient corporate travelers). Leisure travelers may need to first see the hotel as well, before staying at the hotel on their next return visit. Accordingly, by the stabilized year, the proposed subject property reaches an appropriate penetration level based on our assessment of its planned facility, location, and assumed national brand affiliation, among other factors.

Based on our analysis of the proposed subject property and market area, we have selected a stabilized occupancy level of 62%. The stabilized occupancy is intended to reflect the anticipated results of the property over its remaining economic life, given all changes in the life cycle of the hotel. Thus, the stabilized occupancy excludes from consideration any abnormal relationship between supply and demand, as well as any nonrecurring conditions that may result in unusually high or low occupancies. Although the subject property may operate at occupancies above this stabilized level, we believe it equally possible for new competition and temporary economic downturns to force the occupancy below this selected point of stability.

Projection of Average Rate

The proposed subject property's average rate has also been projected using a penetration analysis. The following table illustrates the historical and projected market-wide average rate, as well as the proposed subject property's average rate forecast.

Average Rate Projection	Market-wide		Proposed Subject Property					
	Year	Hotel Average Rate	Change	Occupied Room Nights	Rooms Revenue	Average Rate	Change	Penetration
	2010	\$93.84	—					
	2011	95.23	1.5 %					
	2012	97.22	2.1					
	Calendar Year Forecast							
	2013	\$102.09	5.0 % *					
	2014	107.70	5.5	2,973	\$297,786	\$100.16	—	93.0 %
	2015	111.47	3.5	9,486	993,991	104.78	4.6 % *	94.0
	2016	114.81	3.0	10,090	1,100,498	109.07	4.1	95.0
	2017	118.26	3.0	10,293	1,156,317	112.34	3.0	95.0
	* Percent change compared to prior calendar year.							

The Yampa Valley market should enjoy positive rate growth through the near term. The proposed subject property's rate position should reflect growth superior to market trends because of the proposed hotel's new facility and national brand affiliation; however, the subject property's rate penetration is expected to stabilize just below its fair share due to its location outside of Craig and Steamboat.

Based on these considerations, the previous 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.

Projection of RevPAR

We calculated both the market's and the proposed subject property's RevPAR using the projected occupancy and average room rates presented previously. These RevPAR levels are illustrated in the following table.

RevPAR Projection	Market-wide		Proposed Subject Property			
	Year	Hotel RevPAR	Change	RevPAR	Change	RevPAR Penetration
	2010	\$51.77	—			
	2011	56.12	8.4 %			
	2012	58.14	3.6			
	Calendar Year Forecast					
	2013	\$64.48	10.9 % *			
	2014	67.04	4.0	\$53.06	—	79.1 %
	2015	68.53	2.2	59.20	11.6 % *	86.4
	2016	71.56	4.4	65.54	10.7	91.6
	2017	74.34	3.9	68.87	5.1	92.6
	* Percent change compared to prior calendar year.					

Our forecast data illustrates a 92.6% RevPAR penetration level for the proposed subject property by 2017. This level is supported by the illustrated occupancy and average rate forecasts presented and the supporting assumptions discussed for each respective forecast.

Summary of Forecast

The following occupancies and average rates will be used to project the proposed subject property's rooms revenue; this forecast begins on September 1, 2014 (calendar years have been converted to fiscal years when applicable), and corresponds with our financial projections.

Summary of Forecast	Year	Occupancy	Average Rate Before Discount	Discount	Average Rate After Discount
	2014/15	55 %	\$103.24	3.0 %	\$100.14
	2015/16	59	107.64	2.5	104.95
	2016/17	61	111.25	0.0	111.25
	2017/18	62	114.59	0.0	114.59

APPROACHES TO VALUE

The appraiser has three approaches from which to select when appraising real estate for market value: income capitalization, cost, and sales comparison. The inherent strengths of each approach and the nature of the proposed subject property must be evaluated to determine which will provide supportable estimates of market value. The appraiser then selects one or more of the appropriate approaches in arriving at a final value estimate.

The income capitalization approach analyzes a property's ability to generate financial returns as an investment. The three methods used to estimate value via this approach include direct capitalization, a revenue multiplier, and a discounted cash flow. We then provide a reconciliation of a final estimate of value within this approach. The income capitalization approach is often selected as the preferred valuation method for operating properties because it most closely reflects the investment rationale of knowledgeable buyers. The sales comparison approach estimates the value of a property by comparing it to similar properties sold on the open market. To obtain an estimate of value, the sales price of a comparable property must be adjusted to reflect any dissimilarity between it and the proposed subject property. This approach is most useful in the case of simple forms of real estate such as vacant land and single-family homes, where the properties are homogeneous and the adjustments are few and relatively simple to compute. In the case of complex investments such as hotels, where the adjustments are numerous and more difficult to quantify, the sales comparison approach loses much of its reliability.

The cost approach estimates market value by computing the current cost of replacing the property and subtracting any depreciation resulting from deterioration and obsolescence. The value of the land is then added to the depreciated value. The cost approach is most reliable for estimating the value of new properties; however, as the improvements deteriorate, the resultant loss in value becomes increasingly difficult to quantify. Based on our experience with hotel investors, this approach is not employed when making purchase decisions. The replacement cost may be used as a benchmark for testing reasonableness of value indications provided by income factors.

The final step in the valuation process is the reconciliation of the value indications. Factors that are considered in assessing the reliability of each approach include the purpose of the appraisal, the nature of the proposed subject property, and the reliability of the data used. In the reconciliation, the applicability and supportability of each approach are considered, and the range of value indications is examined. The most weight is given to the approach that produces the most reliable solution and most reflects the criteria used by typical investors. Our nationwide experience with numerous hostelry buyers and sellers indicates that the procedures used in estimating market value by the income capitalization approach are comparable to those employed by the hotel and motel investors who constitute the marketplace. For this reason, the income capitalization approach produces the most supportable value estimate, and it is generally given the greatest weight in the hotel valuation process.

INCOME APPROACH

The income capitalization approach is based on the principle that the value of a property is indicated by its net return, or what is known as the present worth of future benefits. These future benefits can be converted into an indication of market value through various methods.

Chapter Six presented a full forecast of the proposed hotel's expected occupancy and average rate level. For the purpose of forecasting the hotel's remaining revenue sources and expense categories, we have reviewed actual operating statements from other similar hotels, as well as national averages as provided by the HOST Report.

Comparable Operating Data

The following comparable operating statements from properties with a similar scope of service are from our database of hotel statistics and were also used in our formulation of the proposed subject property's projections.

The data are presented in four tables:

1. Percent of revenue
2. Amounts per occupied room
3. Amounts per available room
4. Composite statement

Following these figures, we have presented additional nationwide operating statistics as provided by STR's most recent HOST Report.

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Year:	2012	2008	2010/11	2011	2008
Number of Rooms:	110 to 140	80 to 110	60 to 80	40 to 60	50 to 70
Days Open:	366	365	365	365	365
Occupancy:	52%	69%	56%	74%	61%
Average Rate:	\$116	\$84	\$98	\$76	\$110
RevPAR:	\$60	\$58	\$55	\$56	\$68
REVENUE					
Rooms	99.2 %	99.0 %	98.7 %	99.1 %	99.5 %
Other Operated Departments	0.8	0.2	1.3	0.0	0.5
Rentals & Other Income	0.0	0.7	0.0	0.9	0.0
Total	100.0	100.0	100.0	100.0	100.0
DEPARTMENTAL EXPENSES*					
Rooms	26.5	26.4	22.1	23.4	25.9
Other Operated Departments	55.1	360.0	42.1	0.0	75.0
Total	26.7	27.0	22.4	23.2	26.2
DEPARTMENTAL INCOME					
	73.3	73.0	77.6	76.8	73.8
OPERATING EXPENSES					
Administrative & General	10.3	8.6	8.2	11.2	12.1
Marketing	6.2	4.9	2.4	2.1	10.3
Franchise Fee	7.5	3.3	3.4	7.7	3.1
Property Operations & Maintenance	7.6	5.3	4.8	7.6	7.8
Utilities	5.9	6.2	6.7	7.0	5.7
Total	37.5	28.3	25.5	35.7	39.0
HOUSE PROFIT					
	35.8	44.7	52.1	41.1	34.8
Management Fee	3.6	3.0	0.0	4.0	4.0
INCOME BEFORE FIXED CHARGES					
	32.1	41.7	52.2	37.1	30.8
FIXED EXPENSES					
Property Taxes	2.8	3.3	4.3	0.0	2.2
Insurance	2.3	1.9	0.9	0.0	0.7
Miscellaneous Fixed Expenses	1.6	3.0	0.0	0.0	0.0
Reserve for Replacement	4.0	0.0	0.0	0.0	0.0
Total	10.7	8.2	5.2	0.0	2.9
NET INCOME					
	21.4 %	33.5 %	47.0 %	37.1 %	27.9 %

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

Amounts per Available Room

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Year:	2012	2008	2010/11	2011	2008
Number of Rooms:	110 to 140	80 to 110	60 to 80	40 to 60	50 to 70
Days Open:	366	365	365	365	365
Occupancy:	52%	69%	56%	74%	61%
Average Rate:	\$116	\$84	\$98	\$76	\$110
RevPAR:	\$60	\$58	\$55	\$56	\$68
REVENUE					
Rooms	\$21,865	\$20,990	\$20,141	\$20,340	\$24,644
Other Operating Departments	184	51	268	0	136
Rentals & Other Income	0	152	0	180	0
Total	22,049	21,192	20,408	20,520	24,780
DEPARTMENTAL EXPENSES					
Rooms	5,794	5,545	4,451	4,760	6,390
Other Operating Departments	102	182	113	0	102
Total	5,895	5,727	4,563	4,760	6,492
DEPARTMENTAL INCOME					
	16,154	15,465	15,845	15,760	18,288
OPERATING EXPENSES					
Administrative & General	2,270	1,818	1,676	2,300	3,000
Marketing	1,357	1,030	493	440	2,542
Franchise Fee	1,651	707	690	1,580	780
Property Operations & Maintenance	1,683	1,121	972	1,560	1,932
Utilities	1,310	1,323	1,366	1,440	1,407
Total	8,270	6,000	5,197	7,320	9,661
HOUSE PROFIT					
	7,884	9,465	10,648	8,440	8,627
Management Fee	802	636	0	820	983
INCOME BEFORE FIXED CHARGES					
	7,083	8,828	10,648	7,620	7,644
FIXED EXPENSES					
Property Taxes	611	707	887	0	542
Insurance	500	394	183	0	169
Miscellaneous Fixed Expenses	344	636	0	0	0
Reserve for Replacement	873	0	0	0	0
Total	2,328	1,737	1,070	0	712
NET INCOME					
	\$4,755	\$7,091	\$9,578	\$7,620	\$6,932

Amounts per Occupied Room

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Year:	2012	2008	2010/11	2011	2008
Number of Rooms:	110 to 140	80 to 110	60 to 80	40 to 60	50 to 70
Days Open:	366	365	365	365	365
Occupancy:	52%	69%	56%	74%	61%
Average Rate:	\$116	\$84	\$98	\$76	\$110
RevPAR:	\$60	\$58	\$55	\$56	\$68
REVENUE					
Rooms	\$115.73	\$83.78	\$98.08	\$75.66	\$109.99
Other Operating Departments	0.97	0.20	1.30	0.00	0.61
Rentals & Other Income	0.00	0.60	0.00	0.67	0.00
Total	116.71	84.58	99.38	76.33	110.60
DEPARTMENTAL EXPENSES					
Rooms	30.67	22.13	21.67	17.71	28.52
Other Operating Departments	0.54	0.73	0.55	0.00	0.45
Total	31.20	22.86	22.22	17.71	28.97
DEPARTMENTAL INCOME					
	85.50	61.72	77.16	58.62	81.62
OPERATING EXPENSES					
Administrative & General	12.01	7.26	8.16	8.56	13.39
Marketing	7.18	4.11	2.40	1.64	11.35
Franchise Fee	8.74	2.82	3.36	5.88	3.48
Property Operations & Maintenance	8.91	4.48	4.73	5.80	8.62
Utilities	6.93	5.28	6.65	5.36	6.28
Total	43.77	23.95	25.31	27.23	43.12
HOUSE PROFIT					
	41.73	37.78	51.85	31.39	38.51
Management Fee	4.24	2.54	0.00	3.05	4.39
INCOME BEFORE FIXED CHARGES					
	37.49	35.24	51.85	28.34	34.12
FIXED EXPENSES					
Property Taxes	3.23	2.82	4.32	0.00	2.42
Insurance	2.65	1.57	0.89	0.00	0.76
Miscellaneous Fixed Expenses	1.82	2.54	0.00	0.00	0.00
Reserve for Replacement	4.62	0.00	0.00	0.00	0.00
Total	12.32	6.93	5.21	0.00	3.18
NET INCOME					
	\$25.17	\$28.31	\$46.64	\$28.34	\$30.94

Composite Statement

	Number of Rooms:	405		Amount per	Amount per
	Days Open:	365		Available	Occupied
	Occupancy:	60.8%	Percentage	Room	Room
	Average Rate:	\$97.21	of Revenue		
	RevPAR:	\$59.08			
REVENUE					
Rooms		\$8,734	98.7 %	\$21,565	\$97.21
Other Operating Departments		55	0.6	136	0.61
Rentals & Other Income		24	0.3	59	0.27
Total		8,845	100.0	21,840	98.44
DEPARTMENTAL EXPENSES					
Rooms		2,210	25.3	5,457	24.60
Other Operating Departments		13	23.2	32	0.14
Total		2,255	25.5	5,567	25.10
DEPARTMENTAL INCOME					
		6,590	74.5	16,273	73.35
OPERATING EXPENSES					
Administrative & General		877	9.9	2,165	9.76
Marketing		480	5.4	1,185	5.34
Franchise Fee		452	5.1	1,116	5.03
Property Operations & Maintenance		584	6.6	1,442	6.50
Utilities		548	6.2	1,353	6.10
Total		2,941	33.2	7,262	32.73
HOUSE PROFIT					
		3,649	41.3	9,011	40.62
Management Fee		263	3.0	649	2.93
INCOME BEFORE FIXED CHARGES					
		3,386	38.3	8,362	37.69
FIXED EXPENSES					
Property Taxes		242	2.7	598	2.69
Insurance		125	1.4	309	1.39
Miscellaneous Fixed Expenses		106	1.2	263	1.18
Reserve for Replacement		110	1.2	272	1.22
Total		583	6.6	1,440	6.49
NET INCOME					
		\$2,803	31.7 %	\$6,921	\$31.20

We have also reviewed composite income and expense statements from the Smith Travel Research HOST Study. These statements were considered in our forecast of income and expense, but only to provide a very broad context of comparison for limited-service hotels in general.

	Total U.S.			Chain-Affiliated		
Occupancy	70.7%			70.7%		
Average Size	114			114		
ADR	\$92.15			\$89.84		
	Ratio to Sales	Per Available Room	Per Occupied Rm. Night	Ratio to Sales	Per Available Room	Per Occupied Rm. Night
REVENUE						
Rooms	96.9%	\$23,563	\$92.15	97.1%	\$22,998	\$89.84
Food	0.0%	0	0.00	0.0%	0	0.00
Beverage	0.0%	0	0.00	0.0%	0	0.00
Other Food and Beverage	0.0%	0	0.00	0.0%	0	0.00
Telecommunications	0.1%	34	0.13	0.1%	30	0.12
Other Operated Departments	1.6%	387	1.51	1.6%	368	1.44
Rentals & Other Income	0.6%	157	0.61	0.5%	113	0.44
Cancellation Fee	0.0%	2	0.01	0.0%	2	0.01
Total Revenue	100.0%	24,325	95.13	100.0%	23,675	92.49
DEPARTMENTAL EXPENSES						
Rooms	23.5%	5,546	21.69	23.1%	5,307	20.73
Food & Beverage	0.0%	0	0.00	0.0%	0	0.00
Telecommunications	373.4%	128	0.50	412.4%	124	0.49
Other Operated Depts & Rentals	40.6%	222	0.87	43.8%	211	0.82
Total Departmental Expenses	25.4%	6,176	24.15	24.9%	5,907	23.08
Total Departmental Profit	74.6%	18,149	70.98	75.1%	17,768	69.41
UNDISTRIBUTED OPERATING EXPENSES						
Administrative & General	9.3%	2,268	8.87	9.3%	2,198	8.59
Marketing	5.5%	1,334	5.22	5.5%	1,313	5.13
Utility Costs	4.8%	1,175	4.60	4.8%	1,143	4.46
Property Operations & Maintenance	5.1%	1,247	4.88	5.1%	1,206	4.71
Total Undistributed Operating Expenses	24.8%	6,024	23.56	24.8%	5,861	22.90
GROSS OPERATING PROFIT	49.8%	12,125	47.42	50.3%	11,907	46.52
Franchise Fees (Royalty)	2.4%	595	2.33	2.6%	619	2.42
Management Fees	2.9%	696	2.72	2.9%	685	2.67
INCOME BEFORE FIXED CHARGES	44.5%	10,835	42.37	44.8%	10,604	41.42
Selected Fixed Charges						
Taxes	4.3%	1,057	4.13	4.3%	1,022	3.99
Insurance	1.2%	284	1.11	1.2%	277	1.08
Reserve for Replacement	1.2%	297	1.16	1.3%	302	1.18
NET INCOME	37.8%	\$9,196	\$35.96	38.0%	\$9,003	\$35.17

Inflation Assumption

A general rate of inflation must be established that will be applied to most revenue and expense categories. A Wall Street Journal survey found that, on average, financial analysts who were surveyed in early 2013 anticipated inflation rates ranging from 1.0% to 3.6% (on an annualized basis) for December 2013; the average of these data points was 2.0%. The same group forecast a 1.8% inflation rate for the six-month period ending December 2012; the actual inflation rate during this period was 1.7%.

As a further check on these inflation projections, we have reviewed historical increases in the Consumer Price Index (CPI-U). Between 2002 and 2012, the national CPI increased at an average annual compounded rate of 2.5%, and from 2007 to 2012, the CPI rose by a modestly lower average annual compounded rate of 2.1%. In 2012, the CPI increased by 2.1%, in comparison to the 1.6% and 3.1% rates recorded in 2010 and 2011, respectively. In consideration of the most recent trends, the projections set forth above, and our assessment of probable property appreciation levels, we have applied an underlying inflation rate of 2.5% in the first two projection years, followed by 3.0% annually throughout the remaining projection period.

Adjusted Historical Year Statement and Forecast of Income and Expense

The adjusted historical year statement and the forecast of income and expense are intended to reflect the appraisers' opinion of how a typical buyer would analyze the proposed subject property's historical operating results and project its future activity. Based on the market for hotel accommodations in the proposed subject property's market area and the anticipated position of the proposed subject property in its identified competitive market, we have developed an adjusted historical year statement and a forecast of income and expense. Important points are as follows:

- The forecast begins on September 1, 2014, in current value dollars for each year. The rooms revenue forecast is based on the occupancy and average rate projection presented in Chapter Six.
- Revenues associated with the proposed subject property's other operated departments and rentals and other income category have been forecast to reflect the hotel's planned facilities and amenities. Expense levels fall within a range of reasonableness given the comparable operating statements presented earlier in this chapter; furthermore, franchise and management fees are set forth in accordance with our assumptions provided in the Nature of the Assignment chapter.
- The comparables illustrated rooms expense ranging between 22.1% and 26.5% of rooms revenue; on a per-occupied-room basis, the range was between \$17.71 and \$30.67. We have projected rooms expense for the proposed subject property at 28.7% in the first year (or \$29.09 per occupied room), stabilizing at 25.5% in 2017/18 (or \$29.54 per occupied room).
- The comparables illustrated other operated departments expense ranging from \$0.00 to \$0.73 per occupied room. We have projected a stabilized expense ratio of 120.0% in 2017/18.
- As a percentage of total revenue, the comparable operations indicate an administrative and general expense range from 8.2% to 12.1%, or \$1,676 to \$3,000 per available room. By the 2017/18 stabilized year, these amounts change to \$2,576 per available room and 9.7% of total revenue.
- As a percentage of total revenue, the comparable operations indicate a marketing expense range from 2.1% to 10.3%, or \$440 to \$2,542 per available room. By the 2017/18 stabilized year, these amounts change to \$1,464 per available room and 5.5% of total revenue.
- We recommend that the proposed subject property operate as a midscale, limited-service hotel. While we have placed heavy consideration on the Best Western Plus brand, which is affiliated with Best Western International, Inc., a specific franchise affiliation and/or brand has yet to be finalized.
- As a percentage of total revenue, the comparable operations indicate a property operations and maintenance expense range from 4.8% to 7.8%, or \$972 to \$1,932 per available room. By the 2017/18 stabilized year, these amounts change to \$1,639 per available room and 6.2% of total revenue.
- As a percentage of total revenue, the comparable operations indicate a utilities expense range from 5.7% to 7.0%, or \$1,310 to \$1,440 per available room. By the 2017/18 stabilized year, these amounts change to \$1,522 per available room and 5.7% of total revenue.

- Total management fees for the proposed subject property have been forecast at 3.0% of total revenue. This level is considered typical for a hotel of this type, which should pay a base fee between 2.0% and 4.0% of total revenues to the management company.
- The subject property's future assessment has been based on a review of comparable assessments in the area. The comparable data, assessment history, and property tax burden forecast is illustrated in the following table.

Property Tax Forecast

Hotel	Number of Rooms	Total Assessment			
		Land	Improvements	Personal	Total
Quality Inn & Suites Steamboat Springs	52	\$272,430	\$571,020	\$8,290	\$851,740
Hampton Inn & Suites Steamboat Springs	73	274,560	1,441,460	75,300	1,791,320
Fairfield Inn & Suites by Marriott Steamboat Springs	66	257,860	1,258,980	45,160	1,562,000
<i>Assessments per Room</i>					
Quality Inn & Suites Steamboat Springs		\$5,239	\$10,981	\$159	\$16,380
Hampton Inn & Suites Steamboat Springs		3,761	19,746	1,032	24,539
Fairfield Inn & Suites by Marriott Steamboat Springs		3,907	19,075	684	23,667
Positioned Subject - Per Room	46	\$600	\$20,000	\$1,000	\$21,600
Positioned Subject - Total		\$27,600	\$920,000	\$46,000	\$993,600

Source: Routt County Assessor's Office

Tax Rates

Year	Personal Property Tax Rate	Real Property Tax Rate
2010	66.49700	66.49700
2011	74.49100	74.49100
2012	74.74800	74.74800

Source: Routt County Assessor's Office

Tax Forecast

Year	Assessed Value			Total	Pers. Prop. Tax Rate	Property Tax Rate	Tax Forecast
	Land	Improvements	Personal				
Positioned	\$27,600	\$920,000	\$46,000	\$993,600	74.75	74.75	\$74,270
2014/15	\$27,600	\$460,000	\$0	\$487,600	75.50	75.50	\$36,812
2015/16	27,600	920,000	46,000	993,600	76.63	76.63	76,137
2016/17	27,600	920,000	46,000	993,600	78.16	78.16	77,660

- We note that a property tax rebate is available to the subject hotel regardless of the specific developer. This economic incentive provided by the City of Hayden relates to the city's portion of the total property taxes levied by the various jurisdictions in the county. As this incentive is available to any developer that would construct a lodging facility in the city, we have included this rebate in our analysis. The projected rebates are illustrated in the following table.

Refund of Hayden Property Taxes	% of Taxes					
	Year	Taxes	Hayden	Hayden Taxes	% of Rebate	Total Rebate
	2014/15	\$36,812	29.8 %	\$10,972	0%	0
	2015/16	76,137	29.8	22,694	80%	(\$18,155)
	2016/17	77,660	29.8	23,148	60%	(13,889)
	2017/18	79,990	29.8	23,842	40%	(9,537)
	2018/19	82,390	29.8	24,558	20%	0
	2019/20	84,861	29.8	25,294	0%	0
	2020/21	87,407	29.8	26,053	0%	0
	2021/22	90,030	29.8	26,835	0%	0
	2022/23	92,730	29.8	27,640	0%	0
	2023/24	95,512	29.8	28,469	0%	0

- Based upon the comparable data and the structural attributes of the proposed subject hotel, we project the proposed subject property's insurance expense at \$293 per available room by the stabilized year (positioned at \$250 on a per-available-room basis in base-year dollars). This forecast equates to 1.1% of total revenue on a stabilized basis.
- Based upon the results of this study, our review of comparable lodging facilities, and our industry expertise, we estimate that a reserve for replacement of 4.0% of total revenues is sufficient to provide for the timely and periodic replacement of the subject property's furniture, fixtures, and equipment. This amount is ramped up during the initial projection period.

The following table presents a detailed forecast through the third projection year, including amounts per available room and per occupied room. The second table illustrates our ten-year forecast of income and expense, presented with a lesser degree of detail. The forecasts pertain to years that begin on September 1, 2014, expressed in inflated dollars for each year.

U.S. HOTEL APPRAISALS
PROPOSED LIMITED-SERVICE HOTEL - HAYDEN, COLORADO

Detailed Forecast of Income and Expense

	2014/15 Begins September				2015/16				2016/17			
Number of Rooms:	46				46				46			
Occupancy:	55%				59%				61%			
Average Rate:	\$101.22				\$106.08				\$112.45			
RevPAR:	\$55.67				\$62.59				\$68.60			
Days Open:	365				365				365			
Occupied Rooms:	9,235	%Gross	PAR	POR	9,906	%Gross	PAR	POR	10,242	%Gross	PAR	POR
REVENUE												
Rooms	\$935	98.3 %	\$20,326	\$101.25	\$1,051	98.4 %	\$22,848	\$106.10	\$1,152	98.5 %	\$25,043	\$112.48
Other Operated Departments	11	1.1	234	1.17	11	1.1	246	1.14	12	1.0	256	1.15
Rentals & Other Income	5	0.6	117	0.58	6	0.5	123	0.57	6	0.5	128	0.57
Total Revenues	951	100.0	20,677	103.00	1,068	100.0	23,217	107.81	1,170	100.0	25,427	114.20
DEPARTMENTAL EXPENSES *												
Rooms	269	28.7	5,841	29.09	284	27.0	6,178	28.69	297	25.7	6,447	28.96
Other Operated Departments	13	122.9	288	1.43	14	121.2	298	1.39	14	120.4	308	1.38
Total	282	29.6	6,129	30.53	298	27.9	6,477	30.08	311	26.6	6,756	30.34
DEPARTMENTAL INCOME	669	70.4	14,549	72.47	770	72.1	16,740	77.74	859	73.4	18,672	83.86
UNDISTRIBUTED OPERATING EXPENSES												
Administrative & General	107	11.3	2,337	11.64	112	10.5	2,431	11.29	117	10.0	2,541	11.41
Marketing	68	7.2	1,482	7.38	65	6.1	1,422	6.60	65	5.6	1,415	6.36
Franchise Fee	38	4.0	827	4.12	39	3.7	851	3.95	40	3.4	876	3.94
Prop. Operations & Maint.	60	6.3	1,299	6.47	66	6.2	1,441	6.69	71	6.1	1,554	6.98
Utilities	62	6.5	1,340	6.68	65	6.1	1,408	6.54	68	5.8	1,472	6.61
Total	335	35.3	7,286	36.29	347	32.6	7,552	35.07	361	30.9	7,858	35.29
HOUSE PROFIT	334	35.1	7,263	36.18	423	39.5	9,189	42.67	497	42.5	10,814	48.57
Management Fee	29	3.0	620	3.09	32	3.0	697	3.23	35	3.0	763	3.43
INCOME BEFORE FIXED CHARGES	306	32.1	6,643	33.09	391	36.5	8,492	39.43	462	39.5	10,051	45.14
FIXED EXPENSES												
Property Taxes	37	3.9	800	3.99	76	7.1	1,655	7.69	78	6.6	1,688	7.58
Insurance	12	1.3	268	1.33	13	1.2	276	1.28	13	1.1	284	1.28
City Property Tax Rebate	0	0.0	0	0.00	(18)	(1.7)	(395)	(1.83)	(14)	(1.2)	(302)	(1.36)
Reserve for Replacement	19	2.0	414	2.06	32	3.0	697	3.23	47	4.0	1,017	4.57
Total	68	7.2	1,482	7.38	103	9.6	2,233	10.37	124	10.5	2,688	12.07
NET INCOME	\$237	24.9 %	\$5,161	\$25.71	\$288	26.9 %	\$6,259	\$29.07	\$339	29.0 %	\$7,363	\$33.07

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

U.S. HOTEL APPRAISALS
PROPOSED LIMITED-SERVICE HOTEL - HAYDEN, COLORADO

Ten-year Forecast of Income and Expense

	2014/15		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2021/22		2022/23		2023/24	
Number of Rooms:	46		46		46		46		46		46		46		46		46		46	
Occupied Rooms:	9,235		9,906		10,242		10,410		10,410		10,410		10,410		10,410		10,410		10,410	
Occupancy:	55%		59%		61%		62%		62%		62%		62%		62%		62%		62%	
Average Rate:	\$101.22	% of	\$106.08	% of	\$112.45	% of	\$115.83	% of	\$119.30	% of	\$122.88	% of	\$126.57	% of	\$130.37	% of	\$134.28	% of	\$138.30	% of
RevPAR:	\$55.67	Gross	\$62.59	Gross	\$68.60	Gross	\$71.81	Gross	\$73.97	Gross	\$76.19	Gross	\$78.47	Gross	\$80.83	Gross	\$83.25	Gross	\$85.75	Gross
REVENUE																				
Rooms	\$935	98.3 %	\$1,051	98.4 %	\$1,152	98.5 %	\$1,206	98.5 %	\$1,242	98.5 %	\$1,279	98.5 %	\$1,318	98.5 %	\$1,357	98.5 %	\$1,398	98.5 %	\$1,440	98.5 %
Other Operated Departments	11	1.1	11	1.1	12	1.0	12	1.0	13	1.0	13	1.0	13	1.0	14	1.0	14	1.0	15	1.0
Rentals & Other Income	5	0.6	6	0.5	6	0.5	6	0.5	6	0.5	6	0.5	7	0.5	7	0.5	7	0.5	7	0.5
Total	951	100.0	1,068	100.0	1,170	100.0	1,224	100.0	1,261	100.0	1,298	100.0	1,338	100.0	1,378	100.0	1,419	100.0	1,462	100.0
DEPARTMENTAL EXPENSES*																				
Rooms	269	28.7	284	27.0	297	25.7	307	25.5	317	25.5	326	25.5	336	25.5	346	25.5	356	25.5	367	25.5
Other Operated Departments	13	122.9	14	121.2	14	120.4	15	120.0	15	120.0	16	120.0	16	120.0	16	120.0	17	120.0	17	120.0
Total	282	29.6	298	27.9	311	26.6	322	26.3	332	26.3	342	26.3	352	26.3	363	26.3	373	26.3	385	26.3
DEPARTMENTAL INCOME																				
	669	70.4	770	72.1	859	73.4	902	73.7	929	73.7	957	73.7	986	73.7	1,015	73.7	1,046	73.7	1,077	73.7
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	107	11.3	112	10.5	117	10.0	119	9.7	122	9.7	126	9.7	129	9.7	133	9.7	137	9.7	141	9.7
Marketing	68	7.2	65	6.1	65	5.6	67	5.5	69	5.5	71	5.5	74	5.5	76	5.5	78	5.5	80	5.5
Franchise Fee	38	4.0	39	3.7	40	3.4	42	3.4	43	3.4	44	3.4	45	3.4	47	3.4	48	3.4	50	3.4
Prop. Operations & Maint.	60	6.3	66	6.2	71	6.1	75	6.2	78	6.2	80	6.2	82	6.2	85	6.2	87	6.2	90	6.2
Utilities	62	6.5	65	6.1	68	5.8	70	5.7	72	5.7	74	5.7	77	5.7	79	5.7	81	5.7	84	5.7
Total	335	35.3	347	32.6	361	30.9	373	30.5	384	30.5	395	30.5	407	30.5	420	30.5	432	30.5	445	30.5
HOUSE PROFIT																				
	334	35.1	423	39.5	497	42.5	529	43.2	545	43.2	561	43.2	579	43.2	596	43.2	614	43.2	632	43.2
Management Fee	29	3.0	32	3.0	35	3.0	37	3.0	38	3.0	39	3.0	40	3.0	41	3.0	43	3.0	44	3.0
INCOME BEFORE FIXED CHARGES																				
	306	32.1	391	36.5	462	39.5	493	40.2	507	40.2	522	40.2	539	40.2	554	40.2	571	40.2	588	40.2
FIXED EXPENSES																				
Property Taxes	37	3.9	76	7.1	78	6.6	80	6.5	82	6.5	85	6.5	87	6.5	90	6.5	93	6.5	96	6.5
Insurance	12	1.3	13	1.2	13	1.1	13	1.1	14	1.1	14	1.1	15	1.1	15	1.1	16	1.1	16	1.1
City Property Tax Rebate	0	0.0	(18)	(1.7)	(14)	(1.2)	(10)	(0.8)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Reserve for Replacement	19	2.0	32	3.0	47	4.0	49	4.0	50	4.0	52	4.0	54	4.0	55	4.0	57	4.0	58	4.0
Total	68	7.2	103	9.6	124	10.5	133	10.8	147	11.6	151	11.6	156	11.6	160	11.6	165	11.6	170	11.6
NET INCOME																				
	\$237	24.9 %	\$288	26.9 %	\$339	29.0 %	\$360	29.4 %	\$361	28.6 %	\$371	28.6 %	\$383	28.6 %	\$394	28.6 %	\$406	28.6 %	\$418	28.6 %

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

Direct Capitalization

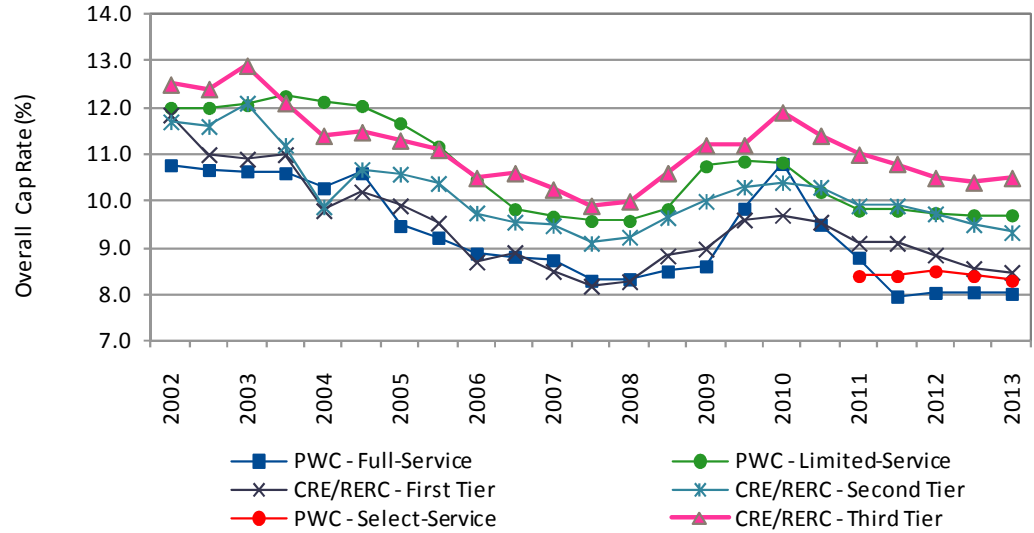
We have also estimated the value of the proposed subject property via a direct capitalization approach. For this approach, we reviewed both national cap rate surveys and actual sales data to determine an appropriate range of cap rates for the proposed subject property. Based on the individual characteristics of the proposed subject property, an appropriate cap rate is selected. The positioned net operating income of the property is then divided by the selected cap rate for the derivation of the value estimate.

We have reviewed several recent investor surveys: *PWC Real Estate Investor Survey*, *CRE/RERC Real Estate Report*, and the *PKF Hospitality Investment Survey*. The following table summarizes the range of overall capitalization rates indicated by the hotel sales and the investor surveys for hotels similar in class to the proposed subject property. The averages for each survey are listed directly underneath the ranges.

Surveys of Investment Parameters	Source	Overall Cap Rate
		Average
	PWC Real Estate Investor Survey Select-Service Hotels - 1st Quarter 2013	5.0% - 12.0% 8.3%
	PWC Real Estate Investor Survey Limited-Service & Economy Hotels - 1st Quarter 2013	8.0% - 12.0% 9.7%
	RERC Real Estate Report 2nd Tier Hotels - Spring 2013	6.5% - 12.0% 9.1%
	RERC Real Estate Report 3rd Tier Hotels - Spring 2013	7.0% - 14.0% 10.3%
	PKF Hospitality Research Limited-Service Hotels - 2012	7.0% - 12.0% 9.08%

The following chart summarizes the averages presented for overall capitalization rates in the various investor surveys during the past decade.

Historical
 Trend of
 Overall
 Capitalization
 Rates



We have also reviewed capitalization rates from our extensive hotel transactions database. Based on the capitalization rates indicated in the investor surveys, recent sales data, and our review of the proposed subject property and its market, we have selected an overall rate as presented in the following table. Specific market factors considered in positioning this rate include the proposed subject property's expected product quality, extent of facilities, and location.

Estimate of
 Market Value –
 Direct
 Capitalization
 Approach

Deflated Stabilized Year Net Income	\$323,000
÷ Capitalization Rate	9.0 %
Estimated Income Value	\$3,588,889
Rounded to	\$3,600,000

The Capitalization Rates and Multipliers utilized in this report are based on hotel market trends and also reflect risk associated with markets that include oil and gas exploration. These markets located primarily in the Western United States and Southern Canada, have risk associated with boom and bust periods common in this industry.

Rooms Revenue Multiplier

A benchmark method for converting the proposed subject property's revenue into an indication of value is to multiply the property's forecast rooms revenue by a rooms revenue multiplier (RRM). RRM's are derived from sales by dividing the indicated sales price by its rooms revenue. In today's market, simple focused-service and limited-service hotels that do not suffer from significant obsolescence are typically trading at multipliers of 2.5 to 4.0 of rooms revenue. Newer hotels with interior corridors, highly desirable locations, and/or full-service amenities such as restaurants and significant meeting space typically trade at higher multiples. Conversely, older hotels with significant obsolescence or an expected change to a lesser brand see lower multiples.

Rooms Revenue Multiplier

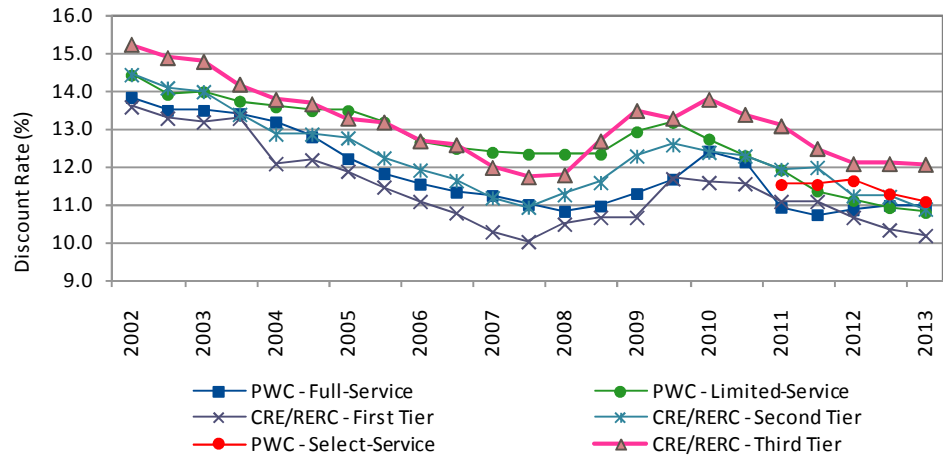
Property	Location	Date of Sale	Sale Price	Number of Rooms	Price Per Room	GRRM
Hampton Inn & Suites Phoenix North Happy Valley	Phoenix, Arizona	Jul-13	\$8,600,000	125	\$68,800	3.10
Comfort Inn Aurora	Aurora, Colorado	Mar-13	3,650,000	62	58,871	3.50
Fairfield Inn & Suites by Marriott Phoenix	Phoenix, Arizona	Feb-13	10,500,000	107	98,131	3.80
Holiday Inn Express Tucson Airport	Tucson, Arizona	Jan-13	5,150,000	98	52,551	2.90
Comfort Suites at Tucson Mall	Tucson, Arizona	Dec-12	4,170,000	87	47,931	3.00
Best Western Casa Grande Suites	Casa Grande, Arizona	Dec-12	3,100,000	81	38,272	2.90
Comfort Inn Colorado Springs North	Colorado Springs, Colorado	Nov-12	2,000,000	70	28,571	2.70
Comfort Suites Fort Collins	Fort Collins, Colorado	Nov-12	3,500,000	66	53,030	2.70
Best Western Phoenix I 17 MetroCenter Inn	Phoenix, Arizona	Oct-12	4,150,000	147	28,231	2.80
Holiday Inn Express Denver Aurora	Aurora, Colorado	Sep-12	5,250,000	129	40,698	2.50
Average						2.99
<u>Gross Room Revenue Multipliers for the Subject Property, as indicated by the Income Approach</u>						
Based on Year One Forecast						3.57
Based on Deflated Stabilized Forecast						3.21

Based on in-house research and the same factors influencing our selection of overall rate, the reflected RRM's are appropriate for the proposed subject property and supported by market data.

Ten-Year Discounted Cash Flow

The proposed subject property has been valued via a discounted cash flow. This analysis applies a discount factor to forecast revenues over a ten-year period, inclusive of a reversion of the hotel at the end of the holding period. The following chart summarizes the averages presented for discount rates in the various investor surveys during the past decade.

Historical
Trend of
Discount
Rates



The surveys presented previously illustrated average discount rates and terminal capitalization rates and individual data points; we reviewed this data for our discount and terminal capitalization rate selections.

Selection of
Discount Rate
and Terminal
Capitalization
Rate

Discount Rates:

Averages of Surveys: 10.94% - 12.10%
 Data Points of Surveys: 7.0% - 20.0%

Terminal Capitalization Rates:

Averages of Surveys: 8.50% - 11.13%
 Data Points of Surveys: 5.0% - 15.0%

These selected rates were utilized in our discounted-cash-flow analysis, which is presented in the following table.

Discounted
Cash Flow
Analysis

Year	Net Income	Discount Factor @ 11.50%	Discounted Cash Flow
2014/15	\$231,000	0.89686	\$207,175
2015/16	281,000	0.80436	226,025
2016/17	330,000	0.72140	238,062
2017/18	351,000	0.64699	227,095
2018/19	352,000	0.58026	204,253
2019/20	362,000	0.52042	188,391
2020/21	373,000	0.46674	174,094
2021/22	385,000	0.41860	161,162
2022/23	396,000	0.37543	148,669
2023/24	4,685,000 *	0.33671	1,577,540
		Estimated Value	\$3,352,466
		(SAY)	\$3,400,000
Reversion Analysis			
	11th Year's Net Income		\$419,000
	Capitalization Rate		9.5%
	Total Sales Proceeds		\$4,410,526
	Less: Transaction Costs @ 3.0%		<u>132,316</u>
	Net Sales Proceeds		\$4,278,211

*10th year net income of \$407,000 plus sales proceeds of \$4,278,000

“When Complete” Value Conclusion via Income Approach

The proposed subject property was valued by two different income capitalization methodologies and a rooms revenue multiplier approach as a check against value. Based on our review of each method and their inherent strengths and weaknesses, as well as investor attitudes and methodologies, we have reconciled the “when complete” value indication via the income capitalization approach to \$3,300,000.

“As If Stabilized” Value Estimate

The proposed subject property's stabilized value has also been estimated via a discounted-cash-flow analysis. A similar terminal capitalization rate is used, but a slightly higher discount rate is used, as illustrated in the following table, to reflect likely changes in investment parameters by that time.

Discounted
Cash Flow
Analysis
(As Stabilized)

Year	Net Income	Discount Factor @ 12.00%	Discounted Cash Flow
2017/18	\$351,000	0.89286	\$313,000
2018/19	352,000	0.79719	281,000
2019/20	362,000	0.71178	258,000
2020/21	373,000	0.63552	237,000
2021/22	385,000	0.56743	218,000
2022/23	396,000	0.50663	201,000
2023/24	407,000	0.45235	184,000
2024/25	419,000	0.40388	169,000
2025/26	432,000	0.36061	156,000
#REF!	5,121,000 *	0.32197	1,649,000
		Estimated Value	\$3,666,000
		(SAY)	\$3,700,000
Reversion Analysis			
	11th Year's Net Income		\$458,000
	Capitalization Rate		9.5%
	Total Sales Proceeds		\$4,821,000
	Less: Transaction Costs @ 3.0%		<u>145,000</u>
	Net Sales Proceeds (Say)		\$4,676,000
*10th year net income of \$445,000 plus sales proceeds of \$4,676,000			

SALES COMPARISON

The sales comparison approach is based on the principle of substitution, which asserts that when a property is replaceable, its value is limited to the cost of acquiring an equally desirable substitute (assuming that no costly delay is incurred in making substitution). Thus, the sales comparison approach can be used to determine an opinion of the market value of a property by comparing it to similar properties recently sold or being offered in the open market. Market value is indicated by the price at which equally desirable properties have sold or for which they can be purchased.

Lodging Market Overview

Prior to presenting the comparable hotel sales used in our analysis, it is important to give a brief synopsis of the hotel investment market during recent industry investment cycles.

Completed transactions of mid-priced hotels, which encompass hotels that sold from \$3.0 million to \$9.9 million, peaked in 2004 at a time when both seller and buyer expectations largely merged. At that time, sellers were able to benefit from the upside hotels had realized during the 2003 and early 2004 recovery, while investors were anticipating the good times of 2005 – 2007 to come. Some new supply additions were occurring, but demand increases were absorbing them, and this allowed occupancy to continue to improve. Prices were still attractive as well, on par with 2002 and 2003 on average per room, helping fuel the uptick in sales. Prices began to increase substantially in 2005, remaining heightened through early 2008, which curtailed transaction activity overall. Fewer sellers were willing to let go of properties at a discount during these times of healthy cash flow, and fewer buyers wanted to pay a premium for hotels operating at close to their peak performance when increasing amounts of new supply were on the horizon in many markets, a perceived threat to future cash-flow security.

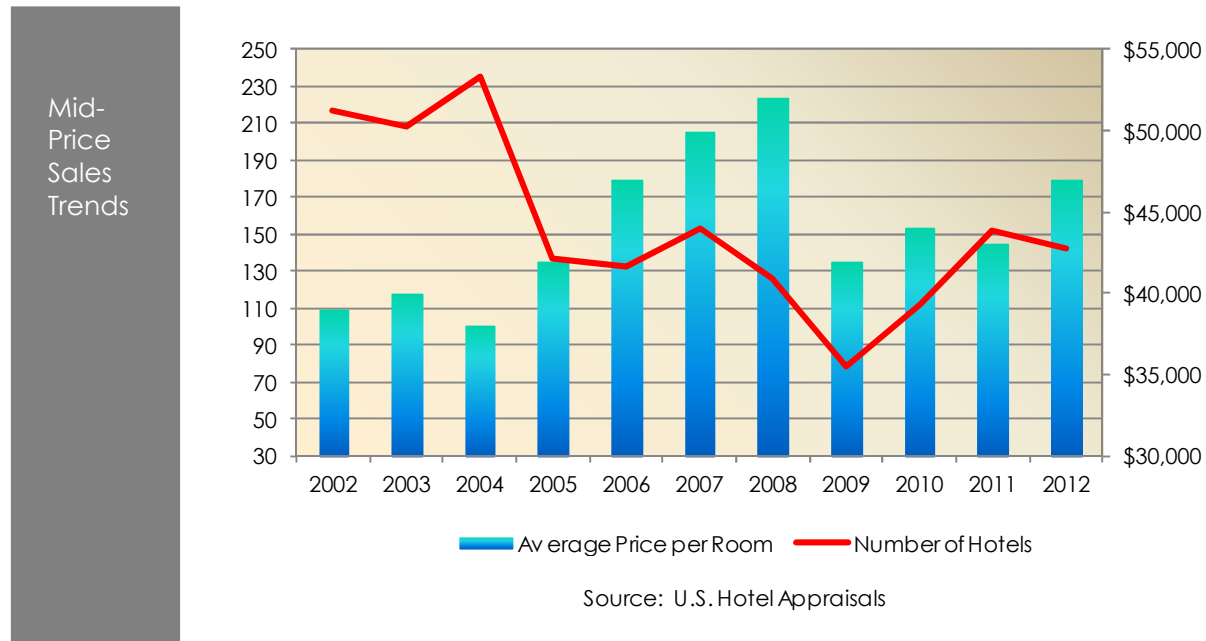
The banking crisis and lack of available financing beginning in the latter half of 2008, as well as deteriorating operating cash flows when RevPAR declines ensued, resulted in a minimal number of transactions from late 2008 through 2010. Owners were not quick to sell assets at a significant discount, partly due to high loan balances that were obtained during 2005 – 2007. Owners chose to wait out the storm and, in some cases, renegotiate debt obligations with their lenders. The tidal wave of foreclosures never occurred, largely due to most lenders' preferred strategy to lean on loan modifications rather than initiating the process of taking back properties. There were also few buyers active in the market during that time, as their typical sources of financing dried up during the banking crisis.

History of Transactions in the Mid-Price Hotel Category

Year	Number of Hotels	Number of Rooms	Average Price per Room
2002	217	28,016	\$39,000
2003	208	28,035	40,000
2004	235	33,675	38,000
2005	137	19,327	42,000
2006	133	17,941	47,000
2007	153	17,967	50,000
2008	126	14,596	52,000
2009	78	9,903	42,000
2010	112	13,430	44,000
2011	152	19,456	43,000
2012	142	16,319	47,000

Sales of mid-priced hotels began to strengthen in 2011, as price increases took hold and a recovering cash-flow expectation could be substantiated. A variety of debt sources were increasingly available, but strict federal lending requirements kept the ultimate number of completed transactions somewhat muted, compared with the 2004 high. Sellers were still unwilling to part with hotels at significant discounts as well, particularly during a time when RevPAR was rebounding so strongly. Sales recorded in 2012 reflected only a moderate level of activity, just under the 2011 level, in number of transactions for mid-priced hotels. Prices in 2012 rose slightly, with an increase of just over 9.0% for this category of hotels. With debt increasingly available, new supply on the distant horizon, and hotels showing overall strong performance in 2012, prices are being driven higher.

We expect 2013 transaction activity to intensify, as these fundamentals are anticipated to gain strength. The pool of buyers for mid-priced assets is currently very active and strong, allowing for a healthy market for better performing assets; this dynamic is not expected to change in the near term. Moreover, those properties with a secure branding story and a minimal-to-modest required property improvement plan following the sale should draw heightened buyer interest. In late 2012 and 2013, sellers of mid-priced hotels with strong cash flows, high quality and renovated properties, and little new supply risk present in the market should generally expect multiple bids for assets priced at market value. A seller of a mid-priced hotel will not always pick the highest bid, surprisingly, with the ability for a buyer to guarantee a quick closing often playing a significant part in the seller's decision when choosing among bids.



Improved Comparable Sales

Our selection of comparable sales is based upon a comprehensive search for transactions of hotels that are expected to be similar to the proposed subject property. We searched for sales of properties in the subject market area and throughout the region. The following transactions involved hotels that have geographic similitude with the proposed subject property.






Review of
Transactions -
Geographic
Similarity

Property	Location	Sale Date	Price	Rooms	Price/Rm	Overall Cap
Hampton Inn & Suites Phoenix North Happy Valley	Phoenix, Arizona	Jul-13	\$8,600,000	125	\$68,800	—
Hampton Inn & Suites Omaha Downtown	Omaha, Nebraska	Jul-13	19,775,000	139	142,266	—
Holiday Inn Express Hotel & Suites Wichita Airport	Wichita, Kansas	Jun-13	8,568,000	84	102,000	—
Comfort Inn Aurora	Aurora, Colorado	Mar-13	3,650,000	62	58,871	8.4%
Elevation Hotel & Spa	Mount Crested Butte, Colorado	Feb-13	14,000,000	254	55,118	—
Fairfield Inn & Suites by Marriott Phoenix	Phoenix, Arizona	Feb-13	10,500,000	107	98,131	—
Holiday Inn Express Tucson Airport	Tucson, Arizona	Jan-13	5,150,000	98	52,551	4.4%
Best Western Plus Las Vegas West	Las Vegas, Nevada	Jan-13	3,170,000	59	53,729	10.0%
Baymont Inn & Suites Denver West	Golden, Colorado	Jan-13	2,600,000	62	41,935	—
Best Western Kansas City Inn	Kansas City, Kansas	Dec-12	5,625,000	112	50,223	13.4%
Comfort Suites at Tucson Mall	Tucson, Arizona	Dec-12	4,170,000	87	47,931	8.0%
Best Western Plus Frontier Inn	Cheyenne, Wyoming	Dec-12	5,750,000	74	77,703	—
Best Western University Inn	Fort Collins, Colorado	Dec-12	4,325,000	70	61,786	—
Best Western Casa Grande Suites	Casa Grande, Arizona	Dec-12	3,100,000	81	38,272	—
Comfort Inn Colorado Springs North	Colorado Springs, Colorado	Nov-12	2,000,000	70	28,571	8.6%
Comfort Suites Fort Collins	Fort Collins, Colorado	Nov-12	3,500,000	66	53,030	9.4%
Best Western Stagecoach Inn	Ogallala, Nebraska	Nov-12	3,800,000	100	38,000	12.0%
Best Western Phoenix I 17 MetroCenter Inn	Phoenix, Arizona	Oct-12	4,150,000	147	28,231	5.8%
Holiday Inn Express Denver Aurora	Aurora, Colorado	Sep-12	5,250,000	129	40,698	13.0%
Best Western Plus Provo River Inn	Provo, Utah	Aug-12	3,250,000	80	40,625	10.6%
Quality Inn Denver	Denver, Colorado	Jul-12	2,405,600	112	21,479	—
Comfort Inn Central Denver	Denver, Colorado	Apr-12	4,350,000	161	27,019	8.3%
Best Western Inn & Suites New Braunfels	New Braunfels, Texas	Apr-12	3,115,000	61	51,066	11.9%
Hampton Inn Duncan	Duncan, Oklahoma	Jan-12	7,500,000	78	96,154	11.7%
Best Western Page	Page, Arizona	Jan-12	5,550,000	102	54,412	—
Holiday Inn Express Hotel & Suites Montrose Townsend	Montrose, Colorado	Dec-11	6,860,000	122	56,230	—
Fairfield Inn by Marriott Salt Lake City South	Salt Lake City, Utah	Oct-11	3,725,000	60	62,083	10.1%
Comfort Inn & Suites	Glenpool, Oklahoma	Sep-11	4,850,000	60	80,833	—
Quality Inn & Suites Steamboat Springs	Steamboat Springs, Colorado	Jun-11	2,900,000	52	55,769	—
SpringHill Suites by Marriott Tempe at Arizona Mills Mall	Tempe, Arizona	Jun-11	5,445,000	121	45,000	—

From these reviewed sales, we have chosen four primary transactions for further review and consideration in the development of an indication of value via this approach. These are illustrated in the following map and tables.

Map of Comparable Sales



Property	Location	Sale Date	Pfco	Rooms	Pfco/Rm
 Subject Property					
 Hampton Inn & Suites Phoenix North Happy Valley	Phoenix, AZ	Jul-2012	2,600,000	123	68,200
 Best Western Plus Frontier Inn	Cheyenne, WY	Dec-2012	3,790,000	74	77,708
 Best Western University Inn	Fort Collins, CO	Dec-2012	4,325,000	70	61,786
 Comfort Suites Fort Collins	Fort Collins, CO	Nov-2012	3,900,000	66	59,090

Sale #1
Hampton Inn & Suites Phoenix North Happy Valley
Phoenix, Arizona
125 Rooms



Transaction Data

Date of Sale:	July-13
Interest Conveyed:	Fee Simple
Buyer:	Apple REIT Ten, Inc.
Seller:	Deer Valley Lodging Investors, LLC
Sales Price:	\$8,600,000
Price per Room:	\$68,800
RevPAR:	\$61
Rooms Revenue Multiplier:	3.1
Reported Capitalization Rate:	Not Disclosed
Confirmation:	Buyer

Property Data

Year Opened:	2008
Property Class:	Mid-Scale
Facilities:	# Stories: 4, # F&B Outlets: 1, Total SF Meeting Space: 575

Amenities:	Conference/Convention Services, Business Center, Laundry/Valet, Garage/Parking, Outdoor Pool, Fitness Center, Whirlpool
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Condition at Sale:	Good
Type of Location:	Suburban

This property is located near Interstate 17, across from the Happy Valley Town Centre. The hotel market contains several businesses and demand generators including Wet n' Wild, Adobe Dam Regional Park, Victory Lane Sports Complex, the Phoenix Deer Valley Airport, the Deer Valley Rock Art Center, and the University of Phoenix Northwest Learning Center. This property opened in 2008 and was in good condition at the time of sale. The property will continue to operate as a Hampton Inn and Suites.

Sale #2
Comfort Suites Fort Collins
Fort Collins, Colorado
66 Rooms



Transaction Data

Date of Sale:	November-12
Interest Conveyed:	Fee Simple
Buyer:	Arun & Nayan Patel
Seller:	Archon Group
Sales Price:	\$3,500,000
Price per Room:	\$53,030
RevPAR:	\$53
Rooms Revenue Multiplier:	2.7
Reported Capitalization Rate:	9.4%
Confirmation:	Seller

Property Data

Year Opened:	1998
Property Class:	Mid-Scale
Facilities:	# Stories: 3, # F&B Outlets: 1, Total SF Meeting Space: 900
Amenities:	Conference/Convention Services, Business Center, Garage/Parking, Indoor Pool, Fitness Center, Whirlpool
Condition at Sale:	Good
Type of Location:	Suburban

This property is along Harmony Road, two miles from the Foothills Mall. The hotel market area contains several businesses and demand generators including Colorado State University, Old Town, Lincoln Center, Sonny Lubick Field at Hughes Stadium, Fort Collins Museum of Discovery, and the Fort Collins-Loveland Municipal Airport. At the time of sale, the owners planned to conduct cosmetic upgrades to the property. The hotel will continue to operate as a Comfort Suites and will be managed by ownership.

Sale #3
Best Western Plus Frontier Inn
Cheyenne, Wyoming
74 Rooms



Transaction Data

Date of Sale:	December-12
Interest Conveyed:	Fee Simple
Buyer:	Cheyenne Sundowner, LLC
Seller:	Frontier Hospitality, LLC
Sales Price:	\$5,750,000
Price per Room:	\$77,703
RevPAR:	Not Available
Rooms Revenue Multiplier:	Not Available
Reported Capitalization Rate:	Not Disclosed
Confirmation:	Broker

Property Data

Year Opened:	2007
Property Class:	Mid-Scale
Facilities:	# Stories: 3, # F&B Outlets: 1, Total SF Meeting Space: 625
Amenities:	Business Center, Laundry/Valet, Indoor Pool, Fitness Center, Whirlpool
Condition at Sale:	Good
Type of Location:	Suburban

This property is located off Interstate 80, eight miles from Warren Air Force Base. The hotel market area contains several businesses and demand generators including PepsiCo, Sapp Bros Travel Center, Lowe's Distribution Center, historic Downtown Cheyenne, Frontier Mall, the Taco Johns Event Center, and Laramie County Community College. This property was branded as a Sleep Inn & Suites at the time of sale. The new owners rebranded the property as a Best Western Plus following the sale.

Sale #4
Best Western University Inn
Fort Collins, Colorado
70 Rooms



Transaction Data

Date of Sale:	December-12
Interest Conveyed:	Fee Simple
Buyer:	Laubhan, LLC
Seller:	Stratborough Investors, Inc.
Sales Price:	\$4,325,000
Price per Room:	\$61,786
RevPAR:	Not Available
Rooms Revenue Multiplier:	Not Available
Reported Capitalization Rate:	Not Disclosed
Confirmation:	Costar

Property Data

Year Opened:	1961
Property Class:	Mid-Scale
Facilities:	# Stories: 2, Total SF Meeting Space: 1,200
Amenities:	Business Center, Laundry/Valet, Indoor Pool, Fitness Center, Whirlpool
Condition at Sale:	Good
Type of Location:	Suburban

This property is located on College Avenue, less than one mile from Colorado State University. The hotel market contains several businesses and demand generators including Old Town, the Fort Collins Museum of Discovery, Edora Pool Ice Center, Foothills Mall, the Fort Collins - Loveland Municipal Airport, the New Belgium Brewing Company, and Lincoln Center. The new owners planned to conduct upgrades to the property. The hotel will continue to operate as a Best Western.

The following table sets forth the adjustment grid used to account for differences between the transacted properties and the proposed subject property.

Elements of Comparison	<u>Sale #1</u>	<u>Sale #2</u>	<u>Sale #3</u>	<u>Sale #4</u>
	Hampton Inn & Suites Phoenix North Happy Valley, Phoenix, Arizona	Comfort Suites Fort Collins, Fort Collins, Colorado	Best Western Plus Frontier Inn, Cheyenne, Wyoming	Best Western University Inn, Fort Collins, Colorado
Sale Price	\$8,600,000	\$3,500,000	\$5,750,000	\$4,325,000
Number of Rooms	125	66	74	70
Price per Room	\$68,800	\$53,030	\$77,703	\$61,786
Date of Sale	July-13	November-12	December-12	December-12
Adjustments for Transaction Characteristics (Per Room)				
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment	0.0 %	0.0 %	0.0 %	0.0 %
Adjusted Sales Price	68,800	53,030	77,703	61,786
Financing Terms	Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent
Adjustment	0.0 %	0.0 %	0.0 %	0.0 %
Adjusted Sales Price	68,800	53,030	77,703	61,786
Conditions of Sale	Normal	Normal	Normal	Normal
Adjustment	0.0 %	0.0 %	0.0 %	0.0 %
Adjusted Sales Price	68,800	53,030	77,703	61,786
Market Conditions	Similar	Inferior	Inferior	Inferior
Adjustment	0.0 %	5.0 %	5.0 %	5.0 %
Adjusted Sales Price	68,800	55,682	81,588	64,875
Adjustments for Property Characteristics				
Location/Market	Similar	Similar	Similar	Similar
Direction of Adjustment	=	=	=	=
Physical Condition/Facilities	Similar	Inferior	Similar	Inferior
Direction of Adjustment	=	+	=	+
Other Revenue Sources	Similar	Similar	Similar	Similar
Direction of Adjustment	=	=	=	=
Final Adjusted Unit Price	\$69,000	\$61,500	\$82,000	\$74,500

Sales Adjustment Grid

Transaction Characteristics

The purpose of this assignment is the valuation of the fee simple interest in the proposed subject property. The "property rights conveyed" adjustment accounts for differences between the interests transferred for each of the comparable sales and that of the subject of the appraisal. The transactions listed as Sales #2 through #4 were adjusted for inferior market conditions given their dates of sale. Otherwise, the sales comparables were transacted in terms that were similar to the subject property; thus, no other adjustments were made for differences in transaction characteristics. The transaction price of a sale may be affected by the financing structure. When necessary, the "financing terms" adjustment converts extraordinary financing to market terms. The motivations of the buyer and/or seller may affect the price paid for a property. The "conditions of sale" adjustment reconciles any atypical aspects of the transaction, in conformance with the definition of market value.

The purpose of the market conditions adjustment is to account for significant changes in external economic conditions between the date of sale and the date of value. Therefore, this adjustment accounts for changes in tax laws, investor requirements, mortgage terms, and other factors that might affect real estate value.

Property Characteristics

Various qualitative factors are illustrated under the property characteristics heading. Generally speaking, these hotels are located in markets with similar demand attributes. Our adjustments are discussed as follows.

- Sale #1: This transaction was considered generally equitable; therefore, no qualitative adjustments were applied.
- Sale #2: An adjustment for physical condition was applied to this transaction given its earlier date of construction and aging physical plant, considered inferior to what the proposed subject property will offer upon opening.
- Sale #3: This transaction was considered generally equitable; therefore, no qualitative adjustments were applied.
- Sale #4: An adjustment for physical condition was applied to this transaction given its earlier date of construction and aging physical plant, considered inferior to what the proposed subject property will offer upon opening.

Conclusion

The following table illustrates our conclusions via this approach.

Estimate of Value via the Sales Approach	Unadjusted Price per Room Range:	\$53,030	to	\$77,703
	Adjusted Price per Room Range:	61,500	to	82,000
	Indicated Value Range:	\$2,800,000		\$3,800,000
	Concluded Value:			\$3,300,000

COST APPROACH

The cost approach reflects a set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of, or replacement for, the existing structure; deducting accrued depreciation from the reproduction or replacement cost; and adding the estimated land value plus an entrepreneurial profit. Adjustments may then be made to the indicated fee simple value of the proposed subject property to reflect the value of the property interest being appraised. Because the subject property is proposed, the cost approach has significant applicability. In this report section, we will estimate the replacement cost as new of the improvements, review the hotel's construction budget, estimate the market value of the site, and add an entrepreneurial profit incentive to arrive at the *total* cost new to develop the proposed subject property. The total cost new to build the facility is often used by hotel buyers as a benchmark against the income and sales indications, particularly for new hotels.

Site Valuation

Site value may be estimated in a variety of ways including the sales comparison approach and the allocation, extraction, or ground lease capitalization methods. For the majority of hostelry properties, the two primary methods used are the sales comparison approach and the ground lease capitalization approach. The following tables summarize a selection of leases from our database, showing the property, its room count, and its rental formula.

Lease #	Hotel and Location	Number of Rooms	Ground Lease Formula	Rental Based on Stabilized, Deflated Subject Property Revenues		
				Dollar Amount (+000)	% of Rooms Revenue	% of Total Revenue
25	Fairfield Inn Charlotte, NC	126	From and after the effective date through December 12/31/1994 90,000 annually, from 1/1/1995 through 12/31/1999 minimum rental will be 101,000, from 1/1/2000 and on 1/1 of each fifth year, rent will be adjusted to equal the percentage rental multiplied by 50% of the increase in Price Index, over such previous 5-year period. Minimum percentage rental is 3.0% in 89-94, 4.5% 95-02, 6.5 %, 03-88 of total room revenue	\$68	6.5%	6.4%
28	Days Inn Chico, CA	43	\$114,400 annually, increased every 30 months by the CPI set at 1989, plus 7% of gross total sales minus the base	-\$10	-1.0%	-1.0%
42	Fairfield Inn Des Moines, IA	135	From 1994 38,000 annually until 1995, then 58,000 until 2000, then adjusted by the average minimum rental multiplied by 50% of the CPI or 80% of the average actual annual rental paid during such previous five-year period. The percentage used to determine rental in any fiscal year shall be as follows: 1989-1994 3.0%, 1995-2002 4.5%, 2003-2088 6.5% of gross room revenue.	\$68	6.5%	6.4%
43	Fairfield Inn Lansing, IL	135	From 1994 80,000 annually until 1995, then 90,000 until 2000, then adjusted by the average minimum rental multiplied by 50% of the CPI or 80% of the average actual annual rental paid during such previous five-year period. The percentage used to determine rental in any fiscal year shall be as follows: 1989-1994 3.0%, 1995-2002 4.5%, 2003-2088 6.5% of gross room revenue.	\$68	6.5%	6.4%

Ground Lease Percentages

Ground Lease Percentages (Continued)

Lease #	Hotel and Location	Number of Rooms	Ground Lease Formula	Rental Based on Stabilized, Deflated Subject Property Revenues			
				Dollar Amount (+000)	% of Rooms Revenue	% of Total Revenue	
30	Courtyard	Marina del Rey, CA	276	\$11 per month for each sleeping unit, in addition to 3% of gross room revenues	\$31	3.0%	3.0%
31	Comfort Inn by the Bay	San Francisco, CA	138	\$21,700 min base monthly rent, adjusted yearly by CPI, and the excess over base rent of (i) 4% of gross sales, plus (ii) greater of 4% of food and beverage sales, or 40% of third party rentals of food and beverage operations, plus (iii) 40% of commercial space rentals	\$44	4.3%	4.2%
32	Ameristar Council Bluffs	Council Bluffs, IA	160	5,000 in monthly installments plus 5% of the annual gross sales	\$53	5.1%	5.0%
34	Fairfield Inn	Birmingham, AL	132	From 1994 75,000 annually until 1995, then 84,000 until 2000, then adjusted by the average minimum rental multiplied by 50% of the CPI or 80% of the average actual annual rental paid during such previous five-year period. The percentage used to determine rental in any fiscal year shall be as follows: 1989-1994 3.0%, 1995-2002 4.5%, 2003-2088 6.5% of gross revenue.	\$68	6.5%	6.4%
35	Fairfield Inn	Gainesville, FL	135	From 1994 45,000 annually until 1995, then 54,000 until 2000, then adjusted by the average minimum rental multiplied by 50% of the CPI or 80% of the average actual annual rental paid during such previous five-year period. The percentage used to determine rental in any fiscal year shall be as follows: 1989-1994 3.0%, 1995-2002 3.5%, 2003-2088 5.5% of gross room revenue.	\$58	5.6%	5.5%

Over the past 15 years, hotels and resorts have routinely been constructed on leased land. While the lease terms differ somewhat from property to property, the basis for the rental calculation is often tied to a percentage-of-revenue formula. Using the forecasted revenues for the proposed subject property and applying a typical hotel ground lease rental formula, the appraiser can determine the hotel's economic rental, or what can be termed the income attributed to the land. The land value can then be estimated by capitalizing the hypothetical ground rent. The self-adjusting aspect of this approach is a key element to its reliability. We have researched actual long-term ground leases encumbering hotels, looking in particular for rental formulas based on a combination of rooms, food and beverage, and resort and other revenues.

Our analysis of these ground lease rental formulas indicates that economic ground rents for hotels such as the proposed subject property typically range from approximately 3% to 6% of rooms revenue. Based on the revenue projections set forth for the proposed subject property as part of this appraisal, the following table shows how the economic ground rent has been calculated. Note that the stabilized revenue level has been deflated back to first projection year dollars.

Deflated Stabilized Rooms Revenue	\$1,109,045
Rental Percentage	2.5 %
Economic Ground Rent	\$27,726

Rent generated from an unsubordinated ground lease represents a low-risk flow of income. Because the tenant improvements typically amount to more than five times the value of the land, the risk of default is almost nonexistent. For hotel ground leases where rent is tied to revenue, the landlord is also protected from the adverse effects of inflation. Applying a positioned capitalization rate to the proposed subject property's economic ground rent results in the following estimate of land value.

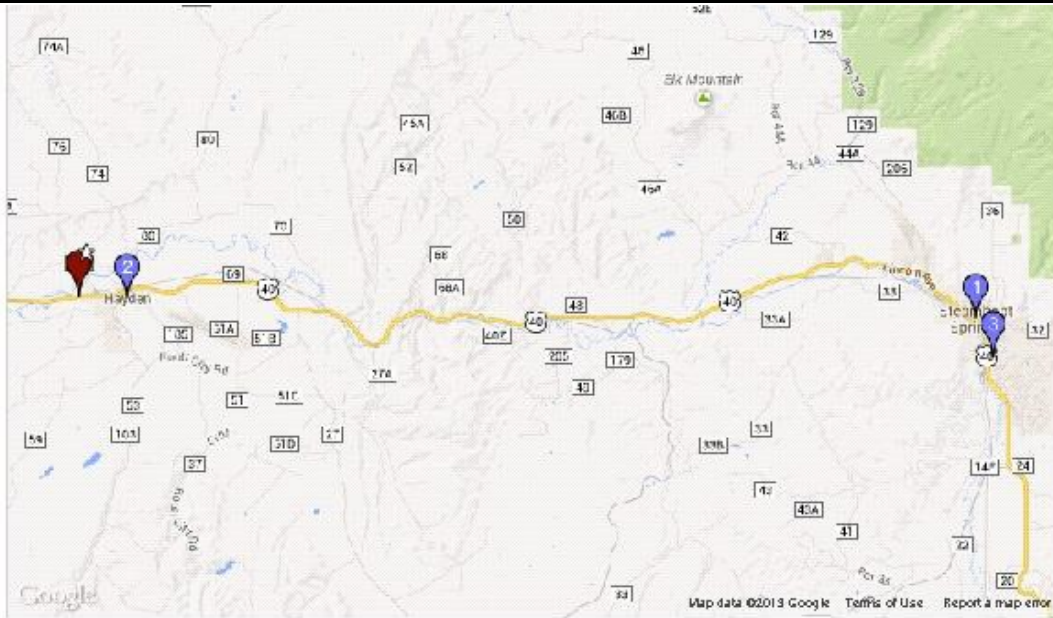
$$\frac{\text{Economic Ground Rent}}{\text{Capitalization Rate}} = \frac{\$27,726}{9.0\%} = \$308,068$$

The following sales support our conclusion of land value via the ground lease approach.

Selected Sales

Parcel	Seller	Buyer	Sale Date	Size (SF)	Sale Price	Price per SF
(R8173978) Lot 1 City South Subd, Steamboat Springs 80487	Alpine Bank	Pine Grove Investments, LLC	December-11	156,816	\$4,500,000	\$28.70
(R3528400) 260 North Poplar Street, Hayden 81639	James Denker	Hayden Heritage Center, Inc	November-11	8,276	30,000	3.62
(R8173979) 1440 Pine Grove Road, Steamboat Springs, CO 80487	Steamboat Crossing, LLC	Pine Grove Road, LLC	March-11	50,965	905,000	17.76

Map of Land Sales



Parcel	Sale Date	Sale Price	Size	Price/Unit
Subject Property				
Lot 1 City South Subd	Dec-2011	4,500,000.00 USD	156,816.00 sq ft	28.70 USD
260 North Poplar Street	Nov-2011	30,000.00 USD	8,276.00 sq ft	3.62 USD
1440 Pine Grove Road	Mar-2011	905,000.00 USD	50,965.00 sq ft	17.76 USD

The following table sets forth the adjustment grid used to account for differences between the transacted properties and the subject site.

Sales Adjustment Grid

Elements of Comparison	Sale #1	Sale #2	Sale #3
Sale Price	\$4,500,000	\$30,000	\$905,000
Size (SF)	156,816	8,276	50,965
Price per SF	\$28.70	\$3.62	\$17.76
Date of Sale	Dec-11	Nov-11	Mar-11
Adjustments for Transaction Characteristics			
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple
Adjustment	0.0%	0.0%	0.0%
Adjusted Sales Price	\$4,500,000	\$30,000	\$905,000
Financing Terms	Cash Equivalent	Cash Equivalent	Cash Equivalent
Adjustment	0.0%	0.0%	0.0%
Adjusted Sales Price	\$4,500,000	\$30,000	\$905,000
Conditions of Sale	Normal	Normal	Normal
Adjustment	0.0%	0.0%	0.0%
Adjusted Sales Price	\$4,500,000	\$30,000	\$905,000
Market Conditions	Inferior	Inferior	Inferior
Adjustment	10%	10%	10%
Adjusted Sales Price	\$4,950,000	\$33,000	\$995,500
Adjusted Unit Price	\$31.57	\$3.99	\$19.53
Adjustments for Site Characteristics			
Location	Superior	Similar	Superior
Adjustment	-	=	-
Functional Utility*	Similar	Inferior	Similar
Adjustment	=	+	=
Size	Larger	Smaller	Similar
Adjustment	+	-	=
Final Adjusted Unit Price	\$20.00	\$5.00	\$12.50

* Includes topography, configuration, and offsite availability/capacity

Based on our analyses, a range of \$5.00 to \$20.00 is reflected for the subject site, which supports the \$8.72/SF-per-square-foot result of the ground lease approach. We note that the subject site was purchased as part of a larger site in two transactions and then re-plotted at a later date. The first section was purchased in January of 2006 and the second portion was purchased in June of 2006. The total reported consideration for the larger 3.2-acre plot containing the subject site was \$600,000, or \$4.30 per square foot.

Replacement Cost

Replacement cost is the current construction cost of a building with the same utility as the proposed subject property, but built with modern materials and according to current construction and design standards. As a basis for estimating

the developmental costs, we have used a hotel development cost survey conducted by HVS International. This survey is published annually by HVS.

The survey presents the range of per-room costs associated with various components of hotel development, including improvements, furniture and equipment, pre-opening expenses, and operating capital. Statistics are compiled for budget/economy hotels, mid-scale hotels with and without food and beverage, extended-stay hotels, and full-service hotels. The results of this survey are presented in the following table.

HVS Cost Survey (per room)

	Land	Building and Site Improvements	Soft Costs	FF&E	Pre-Opening and Working Capital	Total
2011						
Budget/Economy Hotels	\$3,700 - \$25,800	\$31,900 - \$100,200	\$600 - \$13,000	\$4,600 - \$17,100	\$1,400 - \$7,100	\$40,900 - \$146,700
Mid-Scale Hotels w/o F&B	3,600 - 73,100	47,800 - 179,100	2,100 - 61,200	5,700 - 26,400	900 - 25,700	62,000 - 397,200
Extended-Stay Hotels	2,200 - 39,400	54,300 - 168,600	2,300 - 84,200	3,600 - 24,500	700 - 25,300	72,600 - 275,700
Mid-Scale Hotels with F&B	3,300 - 54,500	48,100 - 154,800	3,400 - 63,100	6,900 - 37,400	300 - 18,900	76,200 - 308,800
Full-Service Hotels	3,400 - 95,100	63,200 - 364,400	2,300 - 118,300	8,600 - 54,600	1,900 - 85,500	98,100 - 597,400
2010						
Budget/Economy Hotels	\$3,700 - \$25,800	\$31,000 - \$97,300	\$600 - \$13,000	\$4,500 - \$16,600	\$1,400 - \$7,100	\$40,100 - \$143,800
Mid-Scale Hotels w/o F&B	3,600 - 73,100	46,400 - 173,900	2,100 - 61,200	5,500 - 25,600	900 - 25,700	60,800 - 389,400
Extended-Stay Hotels	2,200 - 39,400	52,700 - 163,700	2,300 - 84,200	3,500 - 23,800	700 - 25,300	71,200 - 270,300
Mid-Scale Hotels with F&B	3,300 - 54,500	46,700 - 150,300	3,400 - 63,100	6,700 - 36,300	300 - 18,900	74,700 - 302,700
Full-Service Hotels	3,500 - 100,100	62,000 - 357,300	2,300 - 118,300	8,400 - 53,500	1,900 - 85,500	97,100 - 591,500
2008/09						
Budget/Economy Hotels	\$4,300 - \$30,400	\$30,100 - \$94,500	\$600 - \$13,000	\$4,600 - \$17,100	\$1,400 - \$7,100	\$39,300 - \$141,000
Mid-Scale Hotels w/o F&B	4,200 - 86,000	45,000 - 168,800	2,100 - 61,200	5,700 - 26,400	900 - 25,700	59,600 - 381,800
Extended-Stay Hotels	2,600 - 46,400	51,200 - 158,900	2,300 - 84,200	3,600 - 24,500	700 - 25,300	69,800 - 265,000
Mid-Scale Hotels with F&B	3,900 - 64,100	45,300 - 145,900	3,400 - 63,100	6,900 - 37,400	300 - 18,900	73,200 - 296,800
Full-Service Hotels	3,900 - 111,200	60,800 - 350,300	2,300 - 118,300	8,600 - 54,600	1,900 - 85,500	96,100 - 585,600

The proposed subject represents a hotel with 46 guestrooms and the appropriate public areas and back-of-the-house spaces for a hotel of this type. The proposed facility is further detailed in Chapter Three; please refer to this chapter for a full discussion of the proposed building(s).

Subject
 Cost
 Budget

Component	Cost	Cost per Room
General Requirements	\$117,180	\$2,547
Site and Special Construction	316,732	6,883
Concrete	37,833	1,301
masonry	34,640	733
Metals	13,880	343
Wood and Plastics	300,343	10,677
Thermal and Moisture Protection	111,773	2,430
Doors and Windows	103,761	2,304
Finishes	173,774	4,260
Specialties and Miscellaneous	163,200	3,548
Equipment	78,300	2,141
Furnishings	236,300	5,141
Mechanical	484,727	10,342
Electrical	261,000	5,674
Taxes	14,037	303
Overhead & Profit	216,176	4,700
Total, Without Land	\$2,932,684	\$63,754
Site Cost	\$277,664	\$6,036
Total, With Land	\$3,210,348	\$69,790

Upon our review of this budget, we found the stated costs to be reasonable based on our experience in the industry. We have further positioned per-room costs per category for the proposed subject property as follows.

Building
 Replacement
 Cost Summary

Item	Cost per Room	Cost
Building	\$45,000	\$2,070,000
Furniture, Fixtures, & Equipment	6,250	287,500
Pre-Opening & Working Capital	3,000	138,000
Soft Costs	6,250	287,500
Land	6,522	300,000
Total	\$67,022	\$3,083,000

Entrepreneurial Incentive

Entrepreneurial incentive represents the profit hotel developers expect to earn prior to commencing a new project. As a result of economic conditions in the hotel industry, actual earned developer's profit after the completion of the hotel has not always been in evidence. If the economic value of a new hotel does not exceed development cost, indicating that developers will not earn any profit from their effort, the project would most likely not be completed since the financial incentive is not present. We have considered an incentive of 5.0% in our analysis given the proposed nature of the hotel and current market dynamics.

Conclusion

In the estimation of development cost for the proposed subject property, the costs of several components of the total property were quantified. These components are summarized in the following table.

Summary of Results	Item	Cost per Room	Cost
	Building	\$45,000	\$2,070,000
	Furniture, Fixtures, & Equipment	6,250	287,500
	Pre-Opening & Working Capital	3,000	138,000
	Soft Costs	6,250	287,500
	Land	6,522	300,000
	Total	\$67,022	\$3,083,000
	Plus Developer's Incentive	\$3,351	\$154,150
	Total Cost New Estimate	\$70,373	\$3,237,150

Insurable Value

Only hard or direct construction costs should be reflected in the insurable value estimate. Therefore, exclusions typically constitute 3.0% to 6.0% of the replacement cost and include items such as landscaping, parking, other yard improvements, and the foundation or sub-structure. In this analysis, a 5.0% adjustment was made to the replacement cost new to account for these exclusions. The estimated personal property replacement cost is added to the improvements cost. Although generally reliable, the data used to compile this estimate provides only a rough indication of what the insurable value of the property may be. Individuals who require an accurate cost estimate should retain the services of a professional construction cost estimator.

Insurable Value	Building Replacement Cost	\$2,070,000
	Less Exclusions (10%)	207,000
	Insurable Value of Structures	\$1,863,000
	Plus Furniture, Fixtures, & Equipment	287,500
	Total Insurable Value	\$2,150,500
	Rounded to:	\$2,200,000

RECONCILIATION

The reconciliation, which is the last step in the appraisal process, involves summarizing and correlating the data and procedures employed throughout the analysis. The relative significance, applicability, and defensibility of each estimated value are considered, and the greatest weight is given to that approach deemed most appropriate for the property being appraised. Based on the parameters set forth and the analysis and factors presented in our report, our opinions of value via the three approaches to value are summarized as follows (as of September 1, 2014):

- Income Capitalization: \$3,300,000
- Sales Comparison: \$3,300,000
- Cost: \$3,200,000

To form the basis for all three approaches, we analyzed the property itself and the economic, demographic, political, physical, and environmental factors that influence real estate values; analyzed the local market for hotel accommodations; examined the competitive environment; projected occupancy and average rate levels; and developed a forecast of income and expense that reflects anticipated income trends and cost components through a stabilized year of operation. Our nationwide experience indicates that the procedures used in estimating market value by the income capitalization approach are comparable to those employed by the hotel investors who constitute the marketplace (even for proposed hotels). For this reason, we believe that the income capitalization approach produces the most supportable value estimate, and it is given the greatest weight in our final estimate of the proposed subject property's market value.

The sales comparison approach uses actual sales of similar properties to provide an indication of the proposed subject property's value. Although we have investigated a number of sales in an attempt to develop a range of value indications, several adjustments are necessary to render these sales prices applicable to the proposed subject property. The adjustments, which tend to be subjective, diminish the reliability of the sales comparison approach; furthermore, typical hotel investors employ a sales comparison procedure only to establish broad value parameters.

As discussed in the Cost Approach chapter, this methodology is applicable for this property, as it is proposed, and has been heavily considered in our reconciliation process.

Careful consideration has been given to the strengths and weaknesses of the three approaches to value discussed above. In recognition of the purpose of this appraisal, we have given primary weight to the value indicated by the income capitalization approach, with careful consideration to the cost approach because of the proposed nature of the hotel. By virtue of our inspection, investigation, and analyses, our value opinions are as follows:

Our opinion of "as is" market value for the fee simple interest in the subject property, as of May 21, 2013, is \$600,000.

Based on our analysis, it is our opinion that the "when complete" market value of the fee simple interest in the Proposed Limited-Service Hotel, as of September 1, 2014, will be:

\$3,300,000 (\$71,700 per room).

THREE MILLION THREE HUNDRED THOUSAND DOLLARS

We have also estimated the prospective market value of the subject property as of its projected date of stabilization. Our opinion of "when stabilized" prospective market value for the fee simple interest in the proposed subject property, as of September 1, 2017, will be:

\$3,700,000 (\$80,400 per room).

THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS

The estimates of value include the land, the improvements, and the furniture, fixtures, and equipment. The appraisal assumes that the hotel is open and operational.

Assignment Conditions

We have made no assumptions of hypothetical conditions in our report. The analysis is based on the extraordinary assumptions that the described improvements have been completed as of the prospective "when complete" date of value and that the Best Western Plus membership is granted. The reader should understand that the completed subject property does not yet, in fact, exist as of the date of appraisal. Furthermore, the reader should also understand that a Best Western Plus membership has not been granted at this time. Our appraisal assumes that the membership agreement would be granted by the opening date of the subject property and that the subject property would maintain this affiliation throughout our projection period. Our appraisal 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 date of prospective value. We have made no other extraordinary assumptions specific to this appraisal. However, several important general assumptions have been made that apply to this appraisal and our valuations of proposed hotels in general. These aspects are set forth in the Assumptions and Limiting Conditions chapter of this report.

Allocation of Real Property Value

The value of the going concern for hotels may be allocated into two primary components: the real estate (inclusive of real and personal property) and the business interest. The value of the business interest is defined as: "A value enhancement that results from items of intangible personal property such as marketing and management skill, an assembled work force, working capital, trade names, franchises, patents, trademarks, contracts, leases, and operating agreements."⁶ However, our appraisal assumes that all costs related to business interest have been removed with the payment of the management fee and the franchise fee, if applicable. Accordingly, our value opinion for the real estate does not include a business value component and does not represent the value of the going concern. The value of the personal property was estimated previously at the conclusion of the Cost Approach chapter. Accordingly, the real property value opinion that is set forth in this appraisal may be allocated as follows.

Allocation of Real Property Value	Property Value Component Represented	Allocation
	Real Property	\$3,000,000
	Building Allocation	\$2,700,000
	Land Allocation	300,000
	Personal Property	300,000
	Intangible Property	0
	Total "When Complete" Market Value	\$3,300,000

⁶ Appraisal Institute, The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: Appraisal Institute, 2002).

ASSUMPTIONS & LIMITING CONDITIONS

- 1) We note that the development of our value opinion(s) for the proposed subject property assumes this hypothetical condition: that the described improvements have been completed as of the date of value. The reader should understand that
 - a) the improved subject property does not yet, in fact, exist as of the date of appraisal;
 - b) our analyses performed to develop the opinion of value are based on a hypothesis, specifically that the improved subject property is assumed to exist when in fact it does not exist;
 - c) certain events need to occur, as disclosed in the report, before the property appraised with the proposed improvements will in fact exist; and
 - d) the appraisal does not address unforeseeable events that could alter the proposed property improvements and/or the market conditions reflected in the analyses. The estimated operating results presented in this report are based on an evaluation of the overall economy, and neither take into account nor make provision for the effect of any sharp rise or decline in local or national economic conditions. To the extent that wages and other operating expenses may advance during the economic life of the property, we expect that the prices of rooms, food, beverages, and services will be adjusted to at least offset those advances. We do not warrant that the estimates will be attained, but they have been prepared on the basis of information obtained during the course of this study and are intended to reflect the expectations of a typical hotel investor.
- 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. The property is valued as though free and clear unless otherwise stated.
- 4) We assume that there are no hidden or unapparent conditions of the sub-soil or structures (if any exist on the site), such as underground storage tanks, that would render the property more or less valuable. No responsibility is assumed for these conditions or for any engineering that may be required to discover them.
- 5) We have not considered the presence of potentially hazardous materials such as asbestos, urea-formaldehyde-foam insulation, PCBs, any form of toxic waste, polychlorinated biphenyls, pesticides, or lead-based paints. The appraisers are not qualified to detect hazardous substances, and we urge the client to retain an expert in this field if desired.
- 6) The Americans with Disabilities Act (ADA) became effective on January 26, 1992. We have conducted no specific compliance survey to determine whether the proposed subject property's plans conform to the various detailed requirements of the ADA. It is possible that the design does not conform to the requirements of the act, and such noncompliance could have an unfavorable effect on value. Because we have no direct evidence regarding this issue, our estimate of value does not consider possible noncompliance with the ADA.
- 7) We have made no survey of the property, and we assume no responsibility in connection with such matters. Sketches, photographs, maps, and other exhibits are included to assist the reader in visualizing the property. It is assumed that the use of the described real estate is within the boundaries of the property described and that there is no encroachment or trespass unless noted.
- 8) All information, financial operating statements, estimates, and opinions obtained from parties not employed by TS Worldwide, LLC are assumed to be true and correct. We can assume no liability resulting from misinformation.
- 9) Unless noted, we assume that there are no encroachments, zoning violations, or building violations (upon opening as well) encumbering the proposed subject property.
- 10) The property is assumed to be in full compliance with all applicable federal, state, local, and private codes, laws, consents, licenses, and regulations (including a liquor license where appropriate), and that all licenses, permits, certificates, franchises, and so forth can be freely renewed or transferred to a purchaser (pre- and post-opening).
- 11) All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless specified otherwise.
- 12) None of this material may be reproduced in any form without our written permission, and the report cannot be disseminated to the public through advertising or other media.

- 13) We are not required to give testimony or attendance in court by reason of this analysis without previous arrangements, and only when our standard per diem fees and travel costs are paid prior to the appearance.
- 14) If the reader is making a fiduciary or individual investment decision and has any questions concerning the material presented in this report, it is recommended that the reader contact us.
- 15) We take no responsibility for any events or circumstances that take place subsequent to either the date of value or the date of our field inspection, whichever occurs first.
- 16) The quality of a lodging facility's on-site management has a direct effect on a property's economic viability and value. The financial forecasts presented in this analysis assume responsible ownership and competent management. Any departure from this assumption may have a significant impact on the projected operating results and the value estimate.
- 17) The estimated operating results presented in this report are based on an evaluation of the overall economy, and neither take into account nor make provision for the effect of any sharp rise or decline in local or national economic conditions. To the extent that wages and other operating expenses may advance during the economic life of the property, we expect that the prices of rooms, food, beverages, and services will be adjusted to at least offset those advances. We do not warrant that the estimates will be attained, but they have been prepared based on information obtained during the course of this study and are intended to reflect the expectations of a typical hotel buyer.
- 18) This analysis assumes continuation of all Internal Revenue Service tax code provisions as stated or interpreted on either the date of value or the date of our field inspection, whichever occurs first.
- 19) Many of the figures presented in this report were generated using sophisticated computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity, most numbers have been rounded to the nearest tenth of a percent. Thus, these figures may be subject to small rounding errors.
- 20) It is agreed that our liability to the client is limited to the amount of the fee paid as liquidated damages. Our responsibility is limited to the client, and use of this report by third parties shall be solely at the risk of the client and/or third parties. The use of this report is also subject to the terms and conditions set forth in our engagement letter with the client.
- 21) Appraising hotels is both a science and an art. Although this analysis employs various mathematical calculations to provide value indications, the final estimate is subjective and may be influenced by our experience and other factors not specifically set forth in this report.
- 22) Any distribution of the total value between the land and improvements or between partial ownership interests applies only under the stated use. Moreover, separate allocations between components are not valid if this report is used in conjunction with any other analysis.
- 23) This study was prepared by U.S. Hotel Appraisals, LLC, and all opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of this company as employees, rather than as individuals.

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 our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- 3) we have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved;
- 4) we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- 5) our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- 6) our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- 7) our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice;
- 8) McKenna Luke and Brett E. Russell personally inspected the property described in this report;
- 9) McKenna Luke provided significant assistance to Brett E. Russell, and that no one other than those listed above and the undersigned prepared the analyses, conclusions, and opinions concerning the real estate that are set forth in this appraisal report; Brett E. Russell has performed one feasibility study on this property within the past three years;
- 10) the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute;
- 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, Brett E. Russell has completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.



Brett E. Russell, Senior Vice President
State Appraiser License (CO) CG100013757

ADDENDA

<i>Item</i>	<i>Title</i>
1	Glossary of Terms
2	Qualifications
3	Copy of Appraiser License(s)
4	Copy of Engagement Letter
5	Copy of Legal Description
6	Copy of Smith Travel Research Trend Report

GLOSSARY

Assessed Value: 1.) A value set on real estate and personal property by a government as a basis for levying taxes. 2.) The monetary amount for a property as officially entered on the assessment roll for purposes of computing the tax levy. Assessed values differ from the assessor's estimate of actual (market) value for three major reasons: fractional assessment ratios, partial exemptions, and decisions by assessing officials to override market value. The process of gathering and interpreting economic data to provide information that can be used by policymakers to formulate tax policy.

Average Daily Rate (ADR): A statistical unit that represents the total guest room revenue divided by the total number of occupied rooms.

Base Year: This is the historical year from which future projections are based. This could be a calendar year or a fiscal year.

Business Enterprise Value (BEV): A term applied to the concept of the value contribution of the total intangible assets of a continuing business enterprise, such as marketing and management skill, an assembled work force, working capital, trade names, franchises, patents, trademarks, contracts, leases, and operating agreements.

Capital Expenditure: Investments of cash or the creation of liability to acquire or improve an asset (e.g. land, buildings, building additions, site improvements, machinery, equipment), as distinguished from cash outflows for expense items that are normally considered part of the current period's operations.

Capital Deduction: A deduction made from the value opinion in order to account for future capital expenditures. These expenditures, and hence the deduction, are assumed to be required in order to achieve the forecast results. The deduction is also considered in the positioning of the capitalization rate and other investment parameters.

Chain Scales: According to Smith Travel Research, hotel brands are categorized under the following chain scale segments: Luxury, Upper-Upscale, Upscale, Mid-Scale with Food and Beverage, Mid-Scale without Food and Beverage, and Economy. Chain scales are based primarily on the average rate achieved across a particular hotel brand.

Chronological Age: The number of years elapsed since an original structure was built; also known as "actual age" or "historical age."

Departmental Expenses: The costs associated with the following departments: Rooms – Includes labor costs such as salaries, wages, and benefits for front desk, housekeeping, reservations, bell staff, and laundry employees. Other operating expenses in the rooms department include costs associated with the procurement and maintenance of linens, cleaning supplies, guest supplies, and employee uniforms; payment of central or franchise reservation fees, equipment leases, and travel agent commissions; and cost of providing a continental breakfast. Food and Beverage – A combination of food and beverage departmental expenses, which include the cost of goods, labor and related benefits, and other operating expenses. Labor costs include the employment of departmental management; cooks and kitchen personnel; and service, banquet, and bartending staff. Other food and beverage operating expenses include the procurement and maintenance of china, silverware, linens, restaurant and kitchen supplies, menus and printing, and special promotions. Telecommunications – Consists of all costs associated with the operation of a hotel's telephone department, including the cost of calls, the labor cost of the hotel's telephone operators, and other related expenses. It is important to note that the telecommunications expense excludes capital lease payments. Other Expenses - Comprises those expenses that offset the revenue generated by other hotel-operated (as opposed to leased) departments such as garage and parking, athletic facilities, gift shop, and equipment rental facilities.

Depreciation: 1.) In appraising, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. 2.) In accounting, an allowance made against the loss in value of an asset for a defined purpose and computed using a specified method.

Developer's Incentive: A market-derived figure that represents the amount a developer expects to receive for his or her contribution to a project and risk.

Direct Construction Costs: 1.) Expenditures for the labor and materials used in the construction of improvements. Also called "hard costs." 2.) The labor, material, subcontractor, and heavy equipment costs directly incorporated into the construction of physical improvements.

Economic Life: The period over which improvements to real property contribute to property value.

Effective Age: Age attributed to a property on the basis of the amount of observed deterioration and obsolescence it has sustained; a property's effective age may be different from its chronological age.

Entrepreneurial Incentive: See "developer's incentive."

Equity Yield Rate: A rate of return on equity capital as distinguished from the rate of return on debt capital; the equity investor's internal rate of return. The equity yield rate considers the effect of debt financing on the cash flow to the equity investor.

Excess Land: With regard to an improved site, the land not needed to serve or support the existing improvement. With regard to a vacant site or a site considered as though vacant, the land not needed to accommodate the site's highest and best use. Such land may be separated from the larger site to have its own highest and best use, or it may allow for future expansion of the existing or anticipated improvement. See also: "surplus land."

Exposure Time: 1.) The period during which a property remains on the market. 2.) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. See also: "marketing period."

Extraordinary Assumption: An assumption, directly related to a specific assignment, which if found to be false could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the proposed subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if: 1.) It is required to properly develop credible opinions and conclusions; 2.) The appraiser has a reasonable basis for the extraordinary assumption; 3.) Use of the extraordinary assumption results in a credible analysis; and 4.) The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.

Fair Share: That portion of total supply accounted for by the same property.

Fixed Charges/Expenses: Operating expenses that generally do not vary with occupancy and that prudent management will pay whether the property is occupied or vacant. Fixed charges include the following: Property Taxes – Typically include taxes on real estate, business and occupation, personal property, utilities, and other municipal taxes. Insurance – Cost of insuring the hotel building and its contents against fire and weather damage, as well as damage associated with equipment malfunction, such as sprinkler leakage. This expense includes all insurance except that for workers' compensation.

Full-Service Operation: A hotel operation that provides a more complete set of services than those offered at an extended-stay, select-service, or limited-service property. The services of a full-service operation may include room service, valet, concierge, transportation and tour services, entertainment facilities, barber shop, bellhop service, laundry service, free continental breakfast, restaurant and lounge, turn-down service, morning newspapers, fitness centers, and more extensive banquet and meeting space.

Going-Concern Value: 1.) The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate. 2.) Tangible and intangible elements of value in a business enterprise resulting from factors such as having a trained work force, an operational plant, and the necessary licenses, systems, and procedures in place. 3.) The value of an operating business enterprise. Goodwill (an intangible asset category usually composed of elements such as franchise reputation, customer patronage, location, products, and similar factors) may be separately measured but is an integral component of going-concern value.

Hard Costs: See "direct costs."

Hypothetical Condition: Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the proposed subject property, such as market conditions or trends, or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if: 1.) Use of the hypothetical condition is required for legal purposes, purposes of meaning, or purposes of comparison; 2.) Use of the hypothetical condition results in a credible analysis; and 3.) The appraiser complies with the disclosure requirements set for in USPAP for hypothetical conditions.

Indirect Construction Costs: Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs; professional fees; financing costs and the interest paid on construction loans; taxes and the builder's or developer's all-risk insurance during construction; and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called "soft costs."

Insurable Value: 1.) The value of an asset or asset group that is covered by an insurance policy. Insurable value can be estimated by deducting costs of non-insurable items (e.g., land value) from market value. 2.) Value used by insurance companies as the basis for insurance, which is often considered to be the replacement or reproduction cost plus allowances for debris removal or demolition less deterioration and non-insurable items; sometimes cash value or market value, but often entirely a cost concept.

Investment Value: The specific value of an investment to a particular investor or class of investors based on individual investment requirements; distinguished from market value, which is impersonal and detached. See also: "market value."

Limited-Service Operation: A hotel operation without a food and beverage department, which provides basic amenities at a reasonable price to guests.

Loan-to-Value Ratio (LTV): The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage.

Market Share: That portion of a market's total demand accommodated by a given property.

Market Value: The concept of market value varies slightly between jurisdictions and is being continually refined. The following definition incorporates the most widely accepted components of market value: The most probable price, as of a specified date, in cash, in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale. A fair determination of market value assumes that the buyer and seller are acting prudently, knowledgeably, and for self-interest, and that neither is under undue duress.

Marketing Period: The time it takes an interest in real property to sell on the market subsequent to the effective date of an appraisal. This includes the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. Marketing time differs from exposure time, which is always assumed to precede the effective date of an appraisal. See also: "exposure time."

Net Operating Income (NOI) (EBITDA): The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income, but before mortgage debt service and book depreciation are deducted; may be calculated before or after deducting replacement reserves. EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) is a term sometimes substituted for net operating income, especially as a measure of the performance of Real Estate Investment Trusts (REITs).

Penetration Factor (By Segment): A rating factor that shows how well each property in the market area competes for a particular market segment, calculated by dividing a given hotel's market share by its fair share.

Per Available Room (PAR): A basis of comparison that is calculated by dividing a revenue or expense category's total dollar amount by the hotel's room count. This point of comparison is most useful when reviewing operating and fixed expense categories.

Per Occupied Room (POR): A basis of comparison that is calculated by dividing a revenue or expense category's total dollar amount by the number of occupied rooms in a given year. This point of comparison is most useful when reviewing revenue and departmental expense categories.

Property Improvement Plan (PIP): A brand-mandated plan of required renovations that enable a hotel to meet competitive standards and also contribute to the owner's ability to attain a new or renewed franchise agreement.

Replacement Cost: The estimated cost to construct a building with utility equivalent to the building being appraised. Replacement cost assumes current prices as of the effective appraisal date and the use of modern materials and current standards, design, and layout.

RevPAR (Revenue Per Available Room): A unit of comparison applied in the appraisal of lodging facilities, RevPAR is calculated by multiplying a property's percentage of occupancy by its average room rate. RevPAR is used throughout the lodging industry to compare the revenue of competing facilities.

Renegotiable Rate Mortgage (RRM): An alternative mortgage loan in which the interest rate is renegotiated periodically. The loan may be either a long-term loan with periodic interest rate adjustments, or a short-term loan that is renewed periodically at new interest rates, but based on a long-term mortgage.

Select-Service Operation: A hotel operation designed to answer the market demand for a level of service and amenities beyond the limited-service segment, but less than the full-service hotel segment; select-service properties offer a limited degree of food and beverage options and typically fall within middle to upper-middle tiers within their respective markets.

Site Improvements: Improvements to a site that make it suitable for its intended use or development. Site improvements include, but are not limited to, sidewalks, parking lots, free-standing signage, and landscaping.

Soft Costs: See: "indirect costs."

Stability: A stage in a market area's life cycle in which the market area experiences equilibrium without marked gains or losses.

Stabilized Expense: A projected expense that is subject to change, but has been adjusted to reflect an equivalent, stable annual expense.

Stabilized Income: Income at that point in time when abnormalities in supply and demand or any additional transitory conditions cease to exist, and the existing conditions are those expected to continue over the economic life of the property; projected income that is subject to change, but has been adjusted to reflect an equivalent, stable annual income.

Stabilized Occupancy: Occupancy at that point in time when abnormalities in supply and demand or any additional transitory conditions cease to exist, and the existing conditions are those expected to continue over the economic life of the property; the optimum range of long-term occupancy that an income-producing real estate project is expected to achieve under competent management after exposure for leasing in the open market for a reasonable period of time at terms and conditions comparable to competitive offerings.

Stabilized Value: 1.) A value opinion that excludes from consideration any abnormal relationship between supply and demand such as is experienced in boom periods, when cost and sale price may exceed the long-term value, or during periods of depression, when cost and sale price may fall short of long-term value. 2.) A value opinion that excludes from consideration any transitory condition that may cause excessive construction costs (e.g., a bonus or premium for material), the abnormal inefficiency of labor, the cost of delay, or an excessive sale price.

Surplus Land: Land not necessary to support the highest and best use of the existing improvement but, because of physical limitations, building placement, or neighborhood norms, cannot be sold off separately. Such land may or may not contribute positively to value and may or may not accommodate future expansion of an existing or anticipated improvement. See also: "excess land."

Undistributed Operating Expenses: The costs associated with the following categories: Administrative and General (A&G) Expense – Includes all managerial and operational expenses that cannot be attributed to a particular department, including payroll and related expenses for the general manager, the human resources and training department, and security, clerical, and accounting operations. Other A&G expenses include office supplies, computer services, accounting and legal fees, cash overages and shortages, bad debt expenses, travel insurance, credit card commissions, transportation (non-guest), and travel and entertainment. Marketing Expense – Includes payroll and related expenses for the sales and marketing staff, direct sales expenses, advertising and promotion, travel expenses for the sales staff, and civic and community projects. Marketing expenses also include national advertising fees paid to a branded property's franchise company and the costs associated with frequent-stay programs. This expense category does not include royalty fees charged by the franchise company. Utility Expense – Utility expenses typically include electricity, fuel (oil, gas, and coal), purchased steam, and water. The utility costs include central plant and energy management systems. This category does not, however, include waste removal, which is included in Property Operation and Maintenance Expense. Property Operations and Maintenance Expense – This category includes payroll and related expenses for maintenance personnel; maintenance supplies; repairs to and maintenance of the building and grounds; furniture and equipment; and the removal of waste. Franchise Fee – Includes only the royalty fees charged by franchise companies. Other fees or assessments are categorized under Marketing Expense or Rooms-Other Expenses. Management Fees – Fees charged by management organizations for management services or supervision. This expense includes both base and incentive fees.

Use Value: In real estate appraisal, the value a specific property has for a specific use. This may be the highest and best use of the property or some other use specified as a condition of the appraisal, and may be used where legislation has been enacted to preserve farmland, timberland, or other open-space land on urban fringes.



Brett Russell

EMPLOYMENT

2001 to present	U.S. HOTEL APPRAISALS Denver, Colorado
1999 – 2001	EVOKE COMMUNICATIONS Louisville, Colorado
1997 – 1999	THARALDSON PROPERTY MANAGEMENT Canton, Ohio and Westminster, Colorado

EDUCATION AND OTHER TRAINING

Information Systems and Business, Mount Union College

Certified General Appraiser Classes Completed:

- NCRE-200 Registered Appraiser
- NCRE-202 Standards and Ethics
- NCRE-204 Basic Appraisal Application
- NCRE-304 Complex Appraisal Application
- NCRE-209 Small Residential Income
- NCRE-211 Certified Residential
- NCRE-215 Appraisal Principles and Advanced Applications
- NCRE-310 Basic Income Capitalization – 39 hours
- General Market Analysis and HBU – 30 hours
- Report Writing – 40 hours
- Business Practices and Ethics – 5 hours
- Advanced Income Capitalization – 40 hours
- Fundamentals of Separating Real, Personal Property, and Intangible Business Assets – 15 hours
- Small Hotel/Motel Valuation – 7 hours
- Condominiums, Co-ops, and PUDs – 7 hours
- USPAP Update – 2008, 2010, 2012

STATE CERTIFICATIONS

Colorado, Nebraska, New Mexico, South Dakota

STATE OF COLORADO
Department of Regulatory Agencies
Division of Real Estate

Active
Cert Gen Appraiser

Number	100013757	Issue Date	Jan 1 2011	Expires	Dec 31 2013
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PRINTED ON SECURE PAPER

BRETT E RUSSELL
ERE, CO 80516

Brett Russell
BRETT E RUSSELL

BRETT E RUSSELL

Type: CG Number: 100013757

AREA	---	HOME Phone	---
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HOME Address – Include City, State, Zip

▲ Use the area above for a HOME address change only

▲ PRINTED ON SECURE PAPER



Summary Engagement Letter

Date: July 30, 2013
Appraiser: U.S. Hotel Appraisals, Fort Collins, CO office
Attn: Brett E. Russell
Borrower: Hayden Hotel Properties
Legal: Lot 3, Dry Creek Subdivision, Hayden
Street: 151 South 6th Street, Hayden, CO

Dear : Mr. Russell;

You are hereby engaged by Gary Dawes, VP/Alpine Bank, to prepare a Self- Contained Commercial appraisal, on the above-referenced property, pursuant to the Master Engagement Agreement signed by you, on file with Alpine Bank. (Please see the attached Order Form for further details.)

In accordance with that Master Agreement, and USPAP, we expect that all three Approaches to value be considered, and if any are omitted, that a clear, logical, and supportable explanation for the omission be provided in the report.

Normally we expect the appraiser, to whom this letter is addressed, will perform the appraisal. At a minimum, we require that the addressee personally perform a thorough review of the appraisal, and personally affix their signature to the report.

Delivery of this appraisal is requested by August 20, 2013. Please contact David High at our Steamboat Springs location regarding any questions about the property. (970-871-1901).

Please email the appraisal and invoice to me at: loanappraisals@alpinebank.com.

If you have questions regarding the Scope Of Work, values, or methodology required in this engagement, please call me at (970) 257-5911. Please also refer to our RFP and Bid email attached.

Thank you,

Gary Dawes
by Annette LeBoyne

Gary Dawes
Alpine Bank, VP/Appraisal Review Officer
225 N. 5th Street, Grand Junction, CO 81501

CC: David High, Vice President
Alpine Bank, Steamboat Springs
Ph: (970) 871-1901
DavidHigh@alpinebank.com

Legal Summary:

LOT 3 CREEK VIEW PHASE 2 SUBD



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Blue Fin Building
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www.strglobal.com

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735 East Main Street
Hendersonville
TN 37075
Phone: +1 (615) 824 8664
Fax: +1 (615) 824 3848
www.str.com

Hayden Proposed Hotel - Selected Properties

January 2000 to April 2013

Currency: USD - US Dollar

Job Number: 498432_SADIM Staff: KD Created: May 24, 2013

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Tab 2 - Data by Measure

Hayden Proposed Hotel - Selected Properties

Job Number: 498432_SADIM Staff: KD Created: May 24, 2013

Occupancy (%)														Total Year	Apr YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2000	50.4	54.7	64.2	48.8	54.7	66.3	79.1	76.4	66.6	57.4	43.7	36.2	58.3	54.6	
2001	43.2	51.9	67.7	41.3	47.7	71.1	82.9	73.0	62.7	48.1	38.5	40.9	55.8	51.1	
2002	36.2	43.7	52.1	24.9	34.7	55.2	70.2	61.5	49.6	43.8	33.9	36.3	45.2	39.2	
2003	41.1	49.4	47.5	28.3	38.8	61.1	73.5	73.8	65.7	62.2	37.8	50.8	52.6	41.5	
2004	53.3	57.2	70.4	38.9	38.8	59.8	72.2	63.9	62.0	57.3	37.9	51.4	55.3	55.0	
2005	54.6	54.8	57.2	29.7	39.4	62.9	74.2	67.9	71.2	68.6	59.0	66.6	58.9	49.1	
2006	64.9	68.7	72.2	48.7	50.1	72.0	81.9	76.0	72.4	64.5	58.0	65.2	66.2	63.6	
2007	67.4	76.7	77.4	42.7	59.2	82.0	86.4	81.0	79.5	70.4	58.3	64.3	70.4	66.0	
2008	67.7	71.8	75.0	52.1	63.2	79.6	89.5	88.0	81.5	79.6	62.1	51.2	71.4	66.7	
2009	58.8	65.5	67.9	63.3	63.0	73.8	81.6	77.9	77.7	48.5	40.6	41.3	62.3	63.8	
2010	42.8	45.0	54.5	36.8	47.2	66.8	70.3	63.0	68.0	50.1	42.9	45.7	52.8	44.8	
2011	43.5	50.5	60.9	51.8	55.1	70.1	75.6	78.1	67.7	60.4	52.4	52.3	60.0	51.7	
2012	46.9	52.6	53.8	49.4	61.4	75.9	82.6	79.6	76.2	62.1	48.6	46.8	61.4	50.6	
2013	56.0	63.0	68.6	55.3										60.7	
Avg	51.6	57.2	63.0	44.6	50.9	69.3	78.2	73.9	69.7	59.1	47.2	49.8	59.3	54.1	

ADR (\$)														Total Year	Apr YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2000	73.90	78.48	79.41	56.50	55.38	67.06	72.77	72.13	60.66	57.33	61.48	70.92	67.55	72.75	
2001	68.19	79.14	70.27	49.34	54.12	69.53	77.80	73.49	65.14	60.66	58.74	78.41	68.22	67.68	
2002	75.25	84.57	78.92	61.10	65.34	75.00	85.73	78.45	67.04	63.52	62.40	89.93	75.25	76.69	
2003	84.14	82.13	80.15	55.43	62.31	69.73	73.78	70.74	56.30	54.83	55.70	79.15	68.95	77.51	
2004	72.91	74.26	70.62	53.93	60.18	78.46	85.55	78.75	69.82	64.03	59.87	83.04	72.38	69.13	
2005	77.40	84.82	81.95	62.91	66.63	81.01	92.15	85.38	76.18	73.90	72.01	81.01	79.21	78.52	
2006	80.71	89.33	85.70	68.49	72.74	89.55	102.30	93.29	82.46	82.25	82.91	95.71	86.59	82.01	
2007	96.96	102.82	101.33	77.53	79.39	97.84	105.81	100.67	88.79	89.08	89.24	102.56	95.49	96.73	
2008	108.48	115.07	107.53	83.98	86.88	104.87	113.91	110.22	100.16	101.30	90.98	101.66	103.12	105.07	
2009	104.40	104.57	94.91	84.69	84.46	93.39	98.12	94.44	89.50	89.24	88.72	94.18	93.47	96.95	
2010	94.87	96.36	94.33	84.12	82.78	92.02	95.61	90.69	84.86	82.29	80.19	89.75	89.32	92.84	
2011	91.40	91.56	87.92	82.04	79.62	89.39	94.57	94.91	88.96	85.22	86.02	90.41	88.84	88.03	
2012	93.42	92.29	91.01	79.09	80.39	95.63	98.39	94.68	90.61	90.96	87.81	95.32	91.30	88.98	
2013	97.35	97.55	93.69	84.12										93.32	
Avg	89.63	92.91	88.49	74.34	74.64	87.23	93.57	89.41	81.25	79.40	78.51	90.21	85.34	86.95	

RevPAR (\$)														Total Year	Apr YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2000	37.22	42.89	51.02	27.58	30.29	44.48	57.57	55.07	40.41	32.93	26.84	25.67	39.35	39.70	
2001	29.49	41.07	47.56	20.39	25.83	49.43	64.52	53.63	40.85	29.20	22.60	32.07	38.08	34.59	
2002	27.24	36.99	41.09	15.19	22.70	41.44	60.14	48.29	33.24	27.81	21.18	32.63	34.04	30.08	
2003	34.60	40.60	38.04	15.67	24.16	42.62	54.23	52.17	36.98	34.11	21.05	40.17	36.24	32.15	
2004	38.85	42.48	49.70	20.98	23.35	46.95	61.73	50.35	43.27	36.71	22.70	42.71	40.03	38.03	
2005	42.27	46.49	46.90	18.65	26.28	50.98	68.41	57.93	54.23	50.70	42.47	53.96	46.66	38.55	
2006	52.40	61.33	61.89	33.34	36.46	64.52	83.78	70.91	59.68	53.06	48.12	62.41	57.36	52.17	
2007	65.31	78.83	78.48	33.09	46.97	80.27	91.40	81.58	70.62	62.72	52.07	65.97	67.27	63.81	
2008	73.49	82.63	80.68	43.78	54.89	83.46	101.93	97.02	81.63	80.61	56.46	52.04	73.64	70.05	
2009	61.44	68.48	64.44	53.58	53.22	68.95	80.07	73.59	69.55	43.30	35.98	38.90	58.19	61.89	
2010	40.60	43.37	51.41	30.97	39.04	61.47	67.23	57.09	57.73	41.20	34.39	41.03	47.17	41.63	
2011	39.77	46.27	53.53	42.51	43.86	62.65	71.49	74.16	60.27	51.45	45.11	47.33	53.26	45.53	
2012	43.77	48.50	48.94	39.10	49.38	72.55	81.27	75.39	69.04	56.45	42.71	44.61	56.04	45.04	
2013	54.53	61.47	64.30	46.53										56.67	
Avg	46.23	53.11	55.75	33.13	37.98	60.44	73.16	66.04	56.65	46.91	37.10	44.95	50.60	47.02	

Supply														Total Year	Apr YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2000	7,781	7,028	7,781	7,530	7,781	7,530	7,781	7,781	7,530	7,781	7,530	7,781	91,615	30,120	
2001	7,781	7,028	7,781	7,530	7,781	7,530	7,781	7,781	7,530	7,781	7,530	7,781	91,615	30,120	
2002	10,044	9,072	10,044	9,720	10,044	9,720	10,044	10,044	9,720	10,044	9,720	10,044	118,260	38,880	
2003	10,044	9,072	10,044	9,720	10,044	9,720	10,044	10,044	9,720	10,044	9,720	10,044	118,260	38,880	
2004	10,044	9,072	10,044	9,720	10,044	9,720	10,044	10,044	9,720	10,044	9,720	10,044	118,260	38,880	
2005	10,044	9,072	10,044	9,720	10,044	9,720	10,044	10,044	9,720	10,044	9,720	10,044	118,260	38,880	
2006	10,044	9,072	10,044	9,720	10,044	9,720	10,044	10,044	9,720	10,044	9,720	10,044	118,260	38,880	
2007	10,044	9,072	10,044	9,720	10,044	9,720	10,044	10,044	9,720	10,044	9,720	10,044	118,260	38,880	
2008	10,044	9,072	10,044	9,720	10,044	9,720	10,044	10,044	9,720	10,044	9,720	12,400	120,616	38,880	
2009	12,400	11,200	12,400	12,000	12,400	12,000	12,400	12,400	12,000	15,159	14,670	15,159	154,188	48,000	

2010	15,159	13,692	15,159	14,670	15,159	14,670	15,159	15,159	14,670	15,159	14,670	15,159	178,485	58,680
2011	15,159	13,692	15,159	14,670	15,159	14,670	15,159	15,159	14,670	15,159	14,670	15,159	178,485	58,680
2012	15,159	13,692	15,159	14,670	15,159	14,670	15,159	15,159	14,670	15,159	14,670	15,159	178,485	58,680
2013	15,159	13,664	15,128	14,640										58,591
Avg	11,350	10,250	11,348	10,982	11,057	10,701	11,057	11,057	10,701	11,270	10,906	11,451	131,004	43,931

Demand														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Apr YTD
2000	3,919	3,841	4,999	3,676	4,255	4,994	6,156	5,941	5,017	4,469	3,288	2,817	53,372	16,435
2001	3,365	3,647	5,267	3,112	3,713	5,353	6,453	5,678	4,722	3,745	2,897	3,182	51,134	15,391
2002	3,635	3,968	5,230	2,416	3,489	5,370	7,046	6,182	4,819	4,397	3,299	3,645	53,496	15,249
2003	4,130	4,484	4,767	2,748	3,895	5,941	7,383	7,408	6,384	6,249	3,673	5,098	62,160	16,129
2004	5,352	5,189	7,068	3,782	3,898	5,816	7,247	6,422	6,023	5,759	3,685	5,166	65,407	21,391
2005	5,485	4,972	5,748	2,882	3,961	6,117	7,457	6,815	6,919	6,891	5,732	6,690	69,669	19,087
2006	6,521	6,228	7,253	4,732	5,034	7,003	8,225	7,634	7,034	6,479	5,641	6,550	78,334	24,734
2007	6,765	6,955	7,779	4,149	5,942	7,974	8,676	8,140	7,731	7,072	5,671	6,460	83,314	25,648
2008	6,804	6,515	7,536	5,067	6,346	7,735	8,988	8,841	7,922	7,992	6,032	6,348	86,126	25,922
2009	7,297	7,335	8,419	7,592	7,814	8,860	10,119	9,662	9,325	7,356	5,949	6,261	95,989	30,643
2010	6,487	6,163	8,262	5,402	7,149	9,799	10,659	9,543	9,981	7,589	6,291	6,929	94,254	26,314
2011	6,597	6,919	9,230	7,601	8,350	10,283	11,459	11,844	9,938	9,152	7,694	7,935	107,002	30,347
2012	7,102	7,196	8,151	7,253	9,311	11,129	12,522	12,070	11,179	9,407	7,136	7,094	109,550	29,702
2013	8,491	8,611	10,383	8,098										35,583
Avg	5,854	5,859	7,149	4,894	5,627	7,413	8,645	8,168	7,461	6,658	5,153	5,706	77,677	23,755

Revenue (\$)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Apr YTD
2000	289,617	301,450	396,961	207,700	235,652	334,910	447,978	428,512	304,319	256,220	202,130	199,773	3,605,222	1,195,728
2001	229,466	288,631	370,090	153,531	200,958	372,193	502,021	417,269	307,573	227,175	170,167	249,514	3,488,588	1,041,718
2002	273,549	335,590	412,743	147,608	227,967	402,769	604,054	484,991	323,081	279,307	205,867	327,781	4,025,307	1,169,490
2003	347,484	368,293	382,055	152,319	242,681	414,269	544,722	524,028	359,409	342,609	204,569	403,487	4,285,925	1,250,151
2004	390,189	385,353	499,148	203,970	234,577	456,350	620,006	505,748	420,537	368,738	220,617	428,999	4,734,232	1,478,660
2005	424,538	421,722	471,069	181,307	263,935	495,565	687,153	581,896	527,097	509,224	412,774	541,970	5,518,250	1,498,636
2006	526,283	556,341	621,612	324,078	366,176	627,137	841,438	712,204	580,049	532,926	467,685	626,876	6,782,805	2,028,314
2007	655,948	715,120	788,230	321,654	471,751	780,184	918,023	819,437	686,435	629,949	506,102	662,556	7,955,389	2,480,952
2008	738,131	749,652	810,321	425,506	551,331	811,183	1,023,822	974,487	793,442	809,621	548,782	645,327	8,881,605	2,723,610
2009	761,818	766,991	799,036	642,947	659,943	827,457	992,860	912,480	834,579	656,433	527,802	589,631	8,971,977	2,970,792
2010	615,446	593,886	779,370	454,397	591,813	901,745	1,019,131	865,415	846,942	624,508	504,496	621,908	8,419,057	2,443,099
2011	602,946	633,508	811,478	623,552	664,841	919,146	1,083,663	1,124,170	884,110	779,936	661,810	717,421	9,506,581	2,671,484
2012	663,485	664,089	741,822	573,630	748,495	1,064,269	1,231,991	1,142,832	1,012,879	855,680	626,629	676,172	10,001,973	2,643,026
2013	826,605	839,968	972,783	681,176										3,320,532
Avg	524,679	544,328	632,623	363,813	420,009	646,706	808,989	730,267	606,189	528,640	404,572	514,724	6,628,993	2,065,442

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Avg	5.8	5.7	5.7	5.7	6.2	6.2	6.2	6.2	6.2	6.7	6.7	6.2	6.2	5.7
Demand														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Apr YTD
2001	-14.1	-5.1	5.4	-15.3	-12.7	7.2	4.8	-4.4	-5.9	-16.2	-11.9	13.0	-4.2	-6.4
2002	8.0	8.8	-0.7	-22.4	-6.0	0.3	9.2	8.9	2.1	17.4	13.9	14.6	4.6	-0.9
2003	13.6	13.0	-8.9	13.7	11.6	10.6	4.8	19.8	32.5	42.1	11.3	39.9	16.2	5.8
2004	29.6	15.7	48.3	37.6	0.1	-2.1	-1.8	-13.3	-5.7	-7.8	0.3	1.3	5.2	32.6
2005	2.5	-4.2	-18.7	-23.8	1.6	5.2	2.9	6.1	14.9	19.7	55.5	29.5	6.5	-10.8
2006	18.9	25.3	26.2	64.2	27.1	14.5	10.3	12.0	1.7	-6.0	-1.6	-2.1	12.4	29.6
2007	3.7	11.7	7.3	-12.3	18.0	13.9	5.5	6.6	9.9	9.2	0.5	-1.4	6.4	3.7
2008	0.6	-6.3	-3.1	22.1	6.8	-3.0	3.6	8.6	2.5	13.0	6.4	-1.7	3.4	1.1
2009	7.2	12.6	11.7	49.8	23.1	14.5	12.6	9.3	17.7	-8.0	-1.4	-1.4	11.5	18.2
2010	-11.1	-16.0	-1.9	-28.8	-8.5	10.6	5.3	-1.2	7.0	3.2	5.7	10.7	-1.8	-14.1
2011	1.7	12.3	11.7	40.7	16.8	4.9	7.5	24.1	-0.4	20.6	22.3	14.5	13.5	15.3
2012	7.7	4.0	-11.7	-4.6	11.5	8.2	9.3	1.9	12.5	2.8	-7.3	-10.6	2.4	-2.1
2013	19.6	19.7	27.4	11.7										19.8
Avg	6.8	7.0	7.2	10.2	7.5	7.1	6.2	6.5	7.4	7.5	7.8	8.9	6.3	7.1

Revenue														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Apr YTD
2001	-20.8	-4.3	-6.8	-26.1	-14.7	11.1	12.1	-2.6	1.1	-11.3	-15.8	24.9	-3.2	-12.9
2002	19.2	16.3	11.5	-3.9	13.4	8.2	20.3	16.2	5.0	22.9	21.0	31.4	15.4	12.3
2003	27.0	9.7	-7.4	3.2	6.5	2.9	-9.8	8.0	11.2	22.7	-0.6	23.1	6.5	6.9
2004	12.3	4.6	30.6	33.9	-3.3	10.2	13.8	-3.5	17.0	7.6	7.8	6.3	10.5	18.3
2005	8.8	9.4	-5.6	-11.1	12.5	8.6	10.8	15.1	25.3	38.1	87.1	26.3	16.6	1.4
2006	24.0	31.9	32.0	78.7	38.7	26.5	22.5	22.4	10.0	4.7	13.3	15.7	22.9	35.3
2007	24.6	28.5	26.8	-0.7	28.8	24.4	9.1	15.1	18.3	18.2	8.2	5.7	17.3	22.3
2008	12.5	4.8	2.8	32.3	16.9	4.0	11.5	18.9	15.6	28.5	8.4	-2.6	11.6	9.8
2009	3.2	2.3	-1.4	51.1	19.7	2.0	-3.0	-6.4	5.2	-18.9	-3.8	-8.6	1.0	9.1
2010	-19.2	-22.6	-2.5	-29.3	-10.3	9.0	2.6	-5.2	1.5	-4.9	-4.4	5.5	-6.2	-17.8
2011	-2.0	6.7	4.1	37.2	12.3	1.9	6.3	29.9	4.4	24.9	31.2	15.4	12.9	9.3
2012	10.0	4.8	-8.6	-8.0	12.6	15.8	13.7	1.7	14.6	9.7	-5.3	-5.7	5.2	-1.1
2013	24.6	26.5	31.1	18.7										25.6
Avg	9.6	9.1	8.2	13.5	11.1	10.4	9.2	9.1	10.8	11.8	12.3	11.4	9.2	9.1

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Tab 4 - Percent Change from Previous Year - Detail by Year

Hayden Proposed Hotel - Selected Properties

Job Number: 498432_SADIM Staff: KD Created: May 24, 2013

	Jan 01	Feb 01	Mar 01	Apr 01	May 01	Jun 01	Jul 01	Aug 01	Sep 01	Oct 01	Nov 01	Dec 01	Total Year	Apr YTD
Occ	-14.1	-5.1	5.4	-15.3	-12.7	7.2	4.8	-4.4	-5.9	-16.2	-11.9	13.0	-4.2	-6.4
ADR	-7.7	0.8	-11.5	-12.7	-2.3	3.7	6.9	1.9	7.4	5.8	-4.5	10.6	1.0	-7.0
RevPAR	-20.8	-4.3	-6.8	-26.1	-14.7	11.1	12.1	-2.6	1.1	-11.3	-15.8	24.9	-3.2	-12.9
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	-14.1	-5.1	5.4	-15.3	-12.7	7.2	4.8	-4.4	-5.9	-16.2	-11.9	13.0	-4.2	-6.4
Revenue	-20.8	-4.3	-6.8	-26.1	-14.7	11.1	12.1	-2.6	1.1	-11.3	-15.8	24.9	-3.2	-12.9

	Jan 02	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Total Year	Apr YTD
Occ	-16.3	-15.7	-23.1	-39.9	-27.2	-22.3	-15.4	-15.7	-20.9	-9.0	-11.8	-11.3	-19.0	-23.2
ADR	10.4	6.9	12.3	23.8	20.7	7.9	10.2	6.8	2.9	4.7	6.2	14.7	10.3	13.3
RevPAR	-7.6	-9.9	-13.6	-25.5	-12.1	-16.2	-6.8	-10.0	-18.6	-4.8	-6.3	1.8	-10.6	-13.0
Supply	29.1	29.1	29.1	29.1	29.1	29.1	29.1	29.1	29.1	29.1	29.1	29.1	29.1	29.1
Demand	8.0	8.8	-0.7	-22.4	-6.0	0.3	9.2	8.9	2.1	17.4	13.9	14.6	4.6	-0.9
Revenue	19.2	16.3	11.5	-3.9	13.4	8.2	20.3	16.2	5.0	22.9	21.0	31.4	15.4	12.3

	Jan 03	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03	Aug 03	Sep 03	Oct 03	Nov 03	Dec 03	Total Year	Apr YTD
Occ	13.6	13.0	-8.9	13.7	11.6	10.6	4.8	19.8	32.5	42.1	11.3	39.9	16.2	5.8
ADR	11.8	-2.9	1.6	-9.3	-4.6	-7.0	-13.9	-9.8	-16.0	-13.7	-10.7	-12.0	-8.4	1.1
RevPAR	27.0	9.7	-7.4	3.2	6.5	2.9	-9.8	8.0	11.2	22.7	-0.6	23.1	6.5	6.9
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	13.6	13.0	-8.9	13.7	11.6	10.6	4.8	19.8	32.5	42.1	11.3	39.9	16.2	5.8
Revenue	27.0	9.7	-7.4	3.2	6.5	2.9	-9.8	8.0	11.2	22.7	-0.6	23.1	6.5	6.9

	Jan 04	Feb 04	Mar 04	Apr 04	May 04	Jun 04	Jul 04	Aug 04	Sep 04	Oct 04	Nov 04	Dec 04	Total Year	Apr YTD
Occ	29.6	15.7	48.3	37.6	0.1	-2.1	-1.8	-13.3	-5.7	-7.8	0.3	1.3	5.2	32.6
ADR	-13.3	-9.6	-11.9	-2.7	-3.4	12.5	16.0	11.3	24.0	16.8	7.5	4.9	5.0	-10.8
RevPAR	12.3	4.6	30.6	33.9	-3.3	10.2	13.8	-3.5	17.0	7.6	7.8	6.3	10.5	18.3
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	29.6	15.7	48.3	37.6	0.1	-2.1	-1.8	-13.3	-5.7	-7.8	0.3	1.3	5.2	32.6
Revenue	12.3	4.6	30.6	33.9	-3.3	10.2	13.8	-3.5	17.0	7.6	7.8	6.3	10.5	18.3

	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05	Aug 05	Sep 05	Oct 05	Nov 05	Dec 05	Total Year	Apr YTD
Occ	2.5	-4.2	-18.7	-23.8	1.6	5.2	2.9	6.1	14.9	19.7	55.5	29.5	6.5	-10.8
ADR	6.2	14.2	16.0	16.6	10.7	3.2	7.7	8.4	9.1	15.4	20.3	-2.4	9.4	13.6
RevPAR	8.8	9.4	-5.6	-11.1	12.5	8.6	10.8	15.1	25.3	38.1	87.1	26.3	16.6	1.4
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	2.5	-4.2	-18.7	-23.8	1.6	5.2	2.9	6.1	14.9	19.7	55.5	29.5	6.5	-10.8
Revenue	8.8	9.4	-5.6	-11.1	12.5	8.6	10.8	15.1	25.3	38.1	87.1	26.3	16.6	1.4

	Jan 06	Feb 06	Mar 06	Apr 06	May 06	Jun 06	Jul 06	Aug 06	Sep 06	Oct 06	Nov 06	Dec 06	Total Year	Apr YTD
Occ	18.9	25.3	26.2	64.2	27.1	14.5	10.3	12.0	1.7	-6.0	-1.6	-2.1	12.4	29.6
ADR	4.3	5.3	4.6	8.9	9.2	10.5	11.0	9.3	8.2	11.3	15.1	18.1	9.3	4.4
RevPAR	24.0	31.9	32.0	78.7	38.7	26.5	22.5	22.4	10.0	4.7	13.3	15.7	22.9	35.3
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	18.9	25.3	26.2	64.2	27.1	14.5	10.3	12.0	1.7	-6.0	-1.6	-2.1	12.4	29.6
Revenue	24.0	31.9	32.0	78.7	38.7	26.5	22.5	22.4	10.0	4.7	13.3	15.7	22.9	35.3

	Jan 07	Feb 07	Mar 07	Apr 07	May 07	Jun 07	Jul 07	Aug 07	Sep 07	Oct 07	Nov 07	Dec 07	Total Year	Apr YTD
Occ	3.7	11.7	7.3	-12.3	18.0	13.9	5.5	6.6	9.9	9.2	0.5	-1.4	6.4	3.7
ADR	20.1	15.1	18.2	13.2	9.1	9.3	3.4	7.9	7.7	8.3	7.6	7.2	10.3	18.0
RevPAR	24.6	28.5	26.8	-0.7	28.8	24.4	9.1	15.1	18.3	18.2	8.2	5.7	17.3	22.3
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	3.7	11.7	7.3	-12.3	18.0	13.9	5.5	6.6	9.9	9.2	0.5	-1.4	6.4	3.7
Revenue	24.6	28.5	26.8	-0.7	28.8	24.4	9.1	15.1	18.3	18.2	8.2	5.7	17.3	22.3

	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	Jul 08	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Total Year	Apr YTD
Occ	0.6	-6.3	-3.1	22.1	6.8	-3.0	3.6	8.6	2.5	13.0	6.4	-20.4	1.4	1.1
ADR	11.9	11.9	6.1	8.3	9.4	7.2	7.7	9.5	12.8	13.7	1.9	-0.9	8.0	8.6
RevPAR	12.5	4.8	2.8	32.3	16.9	4.0	11.5	18.9	15.6	28.5	8.4	-21.1	9.5	9.8
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	23.5	2.0	0.0
Demand	0.6	-6.3	-3.1	22.1	6.8	-3.0	3.6	8.6	2.5	13.0	6.4	-1.7	3.4	1.1

Revenue	12.5	4.8	2.8	32.3	16.9	4.0	11.5	18.9	15.6	28.5	8.4	-2.6		11.6	9.8
	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09		Total Year	Apr YTD
Occ	-13.1	-8.8	-9.5	21.4	-0.3	-7.2	-8.8	-11.5	-4.7	-39.0	-34.7	-19.3		-12.8	-4.2
ADR	-3.8	-9.1	-11.7	0.8	-2.8	-10.9	-13.9	-14.3	-10.6	-11.9	-2.5	-7.4		-9.4	-7.7
RevPAR	-16.4	-17.1	-20.1	22.4	-3.0	-17.4	-21.4	-24.2	-14.8	-46.3	-36.3	-25.3		-21.0	-11.6
Supply	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	50.9	50.9	22.3		27.8	23.5
Demand	7.2	12.6	11.7	49.8	23.1	14.5	12.6	9.3	17.7	-8.0	-1.4	-1.4		11.5	18.2
Revenue	3.2	2.3	-1.4	51.1	19.7	2.0	-3.0	-6.4	5.2	-18.9	-3.8	-8.6		1.0	9.1

	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10		Total Year	Apr YTD
Occ	-27.3	-31.3	-19.7	-41.8	-25.2	-9.5	-13.8	-19.2	-12.4	3.2	5.7	10.7		-15.2	-29.8
ADR	-9.1	-7.8	-0.6	-0.7	-2.0	-1.5	-2.6	-4.0	-5.2	-7.8	-9.6	-4.7		-4.4	-4.2
RevPAR	-33.9	-36.7	-20.2	-42.2	-26.6	-10.9	-16.0	-22.4	-17.0	-4.9	-4.4	5.5		-18.9	-32.7
Supply	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	0.0	0.0	0.0		15.8	22.3
Demand	-11.1	-16.0	-1.9	-28.8	-8.5	10.6	5.3	-1.2	7.0	3.2	5.7	10.7		-1.8	-14.1
Revenue	-19.2	-22.6	-2.5	-29.3	-10.3	9.0	2.6	-5.2	1.5	-4.9	-4.4	5.5		-6.2	-17.8

	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11		Total Year	Apr YTD
Occ	1.7	12.3	11.7	40.7	16.8	4.9	7.5	24.1	-0.4	20.6	22.3	14.5		13.5	15.3
ADR	-3.7	-5.0	-6.8	-2.5	-3.8	-2.9	-1.1	4.7	4.8	3.6	7.3	0.7		-0.5	-5.2
RevPAR	-2.0	6.7	4.1	37.2	12.3	1.9	6.3	29.9	4.4	24.9	31.2	15.4		12.9	9.3
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0
Demand	1.7	12.3	11.7	40.7	16.8	4.9	7.5	24.1	-0.4	20.6	22.3	14.5		13.5	15.3
Revenue	-2.0	6.7	4.1	37.2	12.3	1.9	6.3	29.9	4.4	24.9	31.2	15.4		12.9	9.3

	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12		Total Year	Apr YTD
Occ	7.7	4.0	-11.7	-4.6	11.5	8.2	9.3	1.9	12.5	2.8	-7.3	-10.6		2.4	-2.1
ADR	2.2	0.8	3.5	-3.6	1.0	7.0	4.0	-0.2	1.8	6.7	2.1	5.4		2.8	1.1
RevPAR	10.0	4.8	-8.6	-8.0	12.6	15.8	13.7	1.7	14.6	9.7	-5.3	-5.7		5.2	-1.1
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0
Demand	7.7	4.0	-11.7	-4.6	11.5	8.2	9.3	1.9	12.5	2.8	-7.3	-10.6		2.4	-2.1
Revenue	10.0	4.8	-8.6	-8.0	12.6	15.8	13.7	1.7	14.6	9.7	-5.3	-5.7		5.2	-1.1

	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13		Total Year	Apr YTD
Occ	19.6	19.9	27.6	11.9											20.0
ADR	4.2	5.7	2.9	6.4											4.9
RevPAR	24.6	26.7	31.4	19.0											25.8
Supply	0.0	-0.2	-0.2	-0.2											-0.2
Demand	19.6	19.7	27.4	11.7											19.8
Revenue	24.6	26.5	31.1	18.7											25.6

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2001	52,818	52,624	52,892	52,328	51,786	52,145	52,442	52,179	51,884	51,160	50,769	51,134
2002	51,404	51,725	51,688	50,992	50,768	50,785	51,378	51,882	51,979	52,631	53,033	53,496
2003	53,991	54,507	54,044	54,376	54,782	55,353	55,690	56,916	58,481	60,333	60,707	62,160
2004	63,382	64,087	66,388	67,422	67,425	67,300	67,164	66,178	65,817	65,327	65,339	65,407
2005	65,540	65,323	64,003	63,103	63,166	63,467	63,677	64,070	64,966	66,098	68,145	69,669
2006	70,705	71,961	73,466	75,316	76,389	77,275	78,043	78,862	78,977	78,565	78,474	78,334
2007	78,578	79,305	79,831	79,248	80,156	81,127	81,578	82,084	82,781	83,374	83,404	83,314
2008	83,353	82,913	82,670	83,588	83,992	83,753	84,065	84,766	84,957	85,877	86,238	86,126
2009	86,619	87,439	88,322	90,847	92,315	93,440	94,571	95,392	96,795	96,159	96,076	95,989
2010	95,179	94,007	93,850	91,660	90,995	91,934	92,474	92,355	93,011	93,244	93,586	94,254
2011	94,364	95,120	96,088	98,287	99,488	99,972	100,772	103,073	103,030	104,593	105,996	107,002
2012	107,507	107,784	106,705	106,357	107,318	108,164	109,227	109,453	110,694	110,949	110,391	109,550
2013	110,939	112,354	114,586	115,431								

Revenue (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2001	3,545,071	3,532,252	3,505,381	3,451,212	3,416,518	3,453,801	3,507,844	3,496,601	3,499,855	3,470,810	3,438,847	3,488,588
2002	3,532,671	3,579,630	3,622,283	3,616,360	3,643,369	3,673,945	3,775,978	3,843,700	3,859,208	3,911,340	3,947,040	4,025,307
2003	4,099,242	4,131,945	4,101,257	4,105,968	4,120,682	4,132,182	4,072,850	4,111,887	4,148,215	4,211,517	4,210,219	4,285,925
2004	4,328,630	4,345,690	4,462,783	4,514,434	4,506,330	4,548,411	4,623,695	4,605,415	4,666,543	4,692,672	4,708,720	4,734,232
2005	4,768,581	4,804,950	4,776,871	4,754,208	4,783,566	4,822,781	4,889,928	4,966,076	5,072,636	5,213,122	5,405,279	5,518,250
2006	5,619,995	5,754,614	5,905,157	6,047,928	6,150,169	6,281,741	6,436,026	6,566,334	6,619,286	6,642,988	6,697,899	6,782,805
2007	6,912,470	7,071,249	7,237,867	7,235,443	7,341,018	7,494,065	7,570,650	7,677,883	7,784,269	7,881,292	7,919,709	7,955,389
2008	8,037,572	8,072,104	8,094,195	8,198,047	8,277,627	8,308,626	8,414,425	8,569,475	8,676,482	8,856,154	8,898,834	8,881,605
2009	8,905,292	8,922,631	8,911,346	9,128,787	9,237,399	9,253,673	9,222,711	9,160,704	9,201,841	9,048,653	9,027,673	8,971,977
2010	8,825,605	8,652,500	8,632,834	8,444,284	8,376,154	8,450,442	8,476,713	8,429,648	8,442,011	8,410,086	8,386,780	8,419,057
2011	8,406,557	8,446,179	8,478,287	8,647,442	8,720,470	8,737,871	8,802,403	9,061,158	9,098,326	9,253,754	9,411,068	9,506,581
2012	9,567,120	9,597,701	9,528,045	9,478,123	9,561,777	9,706,900	9,855,228	9,873,890	10,002,659	10,078,403	10,043,222	10,001,973
2013	10,165,093	10,340,972	10,571,933	10,679,479								

High value is boxed.

Low value is boxed and italicized.

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Tab 6 - Day of Week Analysis

Hayden Proposed Hotel - Selected Properties

Job Number: 498432_SADIM Staff: KD Created: May 24, 2013

Occupancy (%)								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
May - 12	54.2	61.9	61.8	64.5	59.3	62.9	65.1	61.4
Jun - 12	58.0	75.1	79.3	77.0	81.2	78.4	80.2	75.9
Jul - 12	65.3	82.2	87.0	82.2	84.5	90.9	89.5	82.6
Aug - 12	59.4	80.4	84.1	84.6	80.3	81.4	85.4	79.6
Sep - 12	64.8	73.2	80.3	80.8	76.9	78.2	80.9	76.2
Oct - 12	47.2	66.3	69.8	67.5	64.3	57.2	57.6	62.1
Nov - 12	35.8	50.0	57.0	53.7	50.0	46.4	47.6	48.6
Dec - 12	37.2	46.8	50.0	48.6	52.7	51.5	44.0	46.8
Jan - 13	45.4	53.2	57.2	60.1	57.1	56.7	60.8	56.0
Feb - 13	56.1	60.0	65.1	62.2	59.5	66.6	71.7	63.0
Mar - 13	54.4	72.7	76.0	76.2	68.5	68.3	68.1	68.6
Apr - 13	45.1	58.0	60.5	62.3	56.4	52.6	50.3	55.3
Total Year	52.2	64.9	68.8	68.4	65.6	66.1	66.9	64.7

Three Year Occupancy (%)								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
May 10 - Apr 11	42.8	54.5	59.7	59.6	55.6	56.2	56.9	55.1
May 11 - Apr 12	46.3	59.7	66.9	65.0	59.9	59.0	60.6	59.6
May 12 - Apr 13	52.2	64.9	68.8	68.4	65.6	66.1	66.9	64.7
Total 3 Yr	47.1	59.7	65.2	64.3	60.4	60.5	61.4	59.8

ADR								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
May - 12	78.50	82.09	80.62	81.13	79.41	78.84	81.76	80.39
Jun - 12	90.77	91.18	103.59	93.79	94.57	96.01	97.38	95.63
Jul - 12	93.50	95.89	97.12	96.36	97.90	103.21	104.68	98.39
Aug - 12	91.00	94.15	92.63	93.70	93.92	97.13	98.98	94.68
Sep - 12	89.67	89.45	90.24	89.50	89.78	90.38	94.17	90.61
Oct - 12	89.40	92.34	92.89	91.59	91.96	88.50	87.74	90.96
Nov - 12	85.96	85.62	89.37	89.18	87.09	88.76	87.89	87.81
Dec - 12	97.24	96.41	89.48	92.30	94.13	99.77	97.48	95.32
Jan - 13	92.44	93.77	98.35	97.99	96.06	98.81	102.34	97.35
Feb - 13	96.35	92.16	92.81	92.19	92.79	105.10	108.88	97.55
Mar - 13	91.45	93.45	92.76	90.81	91.66	95.73	98.69	93.69
Apr - 13	82.68	87.15	87.03	84.66	83.40	80.47	80.60	84.12
Total Year	90.20	91.45	92.55	91.26	91.33	94.28	96.04	92.52

Three Year ADR								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
May 10 - Apr 11	85.26	87.70	89.01	88.63	88.12	87.81	88.56	87.98
May 11 - Apr 12	86.01	88.82	89.93	89.36	88.90	89.95	90.07	89.12
May 12 - Apr 13	90.20	91.45	92.55	91.26	91.33	94.28	96.04	92.52
Total 3 Yr	87.32	89.43	90.59	89.81	89.54	90.87	91.75	89.99

RevPAR								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
May - 12	42.51	50.83	49.82	52.29	47.07	49.58	53.26	49.38
Jun - 12	52.66	68.44	82.15	72.22	76.83	75.31	78.13	72.55
Jul - 12	61.07	78.86	84.48	79.21	82.68	93.81	93.65	81.27
Aug - 12	54.06	75.66	77.94	79.23	75.42	79.04	84.49	75.39
Sep - 12	58.09	65.49	72.48	72.35	69.06	70.67	76.14	69.04
Oct - 12	42.19	61.23	64.86	61.86	59.18	50.66	50.50	56.45
Nov - 12	30.80	42.85	50.98	47.91	43.56	41.20	41.87	42.71
Dec - 12	36.13	45.10	44.76	44.85	49.65	51.34	42.85	44.61
Jan - 13	41.95	49.93	56.21	58.93	54.86	56.04	62.18	54.53
Feb - 13	54.01	55.30	60.40	57.35	55.25	69.96	78.05	61.47
Mar - 13	49.78	67.91	70.50	69.20	62.80	65.40	67.18	64.30
Apr - 13	37.29	50.55	52.66	52.74	47.03	42.36	40.53	46.53
Total Year	47.06	59.31	63.72	62.40	59.89	62.36	64.22	59.86

Three Year RevPAR								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
May 10 - Apr 11	36.52	47.78	53.17	52.82	49.04	49.38	50.39	48.45
May 11 - Apr 12	39.82	53.07	60.13	58.08	53.24	53.09	54.55	53.10
May 12 - Apr 13	47.06	59.31	63.72	62.40	59.89	62.36	64.22	59.86
Total 3 Yr	41.13	53.39	59.04	57.77	54.06	54.94	56.35	53.80

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Tab 7 - Raw Data

Hayden Proposed Hotel - Selected Properties

Job Number: 498432_SADIM Staff: KD Created: May 24, 2013

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Jan 00	50.4		73.90		37.22		7,781		3,919		289,617		5	251	100.0
Feb 00	54.7		78.48		42.89		7,028		3,841		301,450		5	251	100.0
Mar 00	64.2		79.41		51.02		7,781		4,999		396,961		5	251	100.0
Apr 00	48.8		56.50		27.58		7,530		3,676		207,700		5	251	100.0
May 00	54.7		55.38		30.29		7,781		4,255		235,652		5	251	100.0
Jun 00	66.3		67.06		44.48		7,530		4,994		334,910		5	251	100.0
Jul 00	79.1		72.77		57.57		7,781		6,156		447,978		5	251	100.0
Aug 00	76.4		72.13		55.07		7,781		5,941		428,512		5	251	100.0
Sep 00	66.6		60.66		40.41		7,530		5,017		304,319		5	251	100.0
Oct 00	57.4		57.33		32.93		7,781		4,469		256,220		5	251	100.0
Nov 00	43.7		61.48		26.84		7,530		3,288		202,130		5	251	100.0
Dec 00	36.2		70.92		25.67		7,781		2,817		199,773		5	251	79.3
Jan 01	43.2	-14.1	68.19	-7.7	29.49	-20.8	7,781	0.0	3,365	-14.1	229,466	-20.8	5	251	100.0
Feb 01	51.9	-5.1	79.14	0.8	41.07	-4.3	7,028	0.0	3,647	-5.1	288,631	-4.3	5	251	100.0
Mar 01	67.7	5.4	70.27	-11.5	47.56	-6.8	7,781	0.0	5,267	5.4	370,090	-6.8	5	251	100.0
Apr 01	41.3	-15.3	49.34	-12.7	20.39	-26.1	7,530	0.0	3,112	-15.3	153,531	-26.1	5	251	100.0
May 01	47.7	-12.7	54.12	-2.3	25.83	-14.7	7,781	0.0	3,713	-12.7	200,958	-14.7	5	251	100.0
Jun 01	71.1	7.2	69.53	3.7	49.43	11.1	7,530	0.0	5,353	7.2	372,193	11.1	5	251	79.3
Jul 01	82.9	4.8	77.80	6.9	64.52	12.1	7,781	0.0	6,453	4.8	502,021	12.1	5	251	100.0
Aug 01	73.0	-4.4	73.49	1.9	53.63	-2.6	7,781	0.0	5,678	-4.4	417,269	-2.6	5	251	100.0
Sep 01	62.7	-5.9	65.14	7.4	40.85	1.1	7,530	0.0	4,722	-5.9	307,573	1.1	5	251	100.0
Oct 01	48.1	-16.2	60.66	5.8	29.20	-11.3	7,781	0.0	3,745	-16.2	227,175	-11.3	5	251	82.1
Nov 01	38.5	-11.9	58.74	-4.5	22.60	-15.8	7,530	0.0	2,897	-11.9	170,167	-15.8	5	251	82.1
Dec 01	40.9	13.0	78.41	10.6	32.07	24.9	7,781	0.0	3,182	13.0	249,514	24.9	5	251	82.1
Jan 02	36.2	-16.3	75.25	10.4	27.24	-7.6	10,044	29.1	3,635	8.0	273,549	19.2	6	324	86.1
Feb 02	43.7	-15.7	84.57	6.9	36.99	-9.9	9,072	29.1	3,968	8.8	335,590	16.3	6	324	86.1
Mar 02	52.1	-23.1	78.92	12.3	41.09	-13.6	10,044	29.1	5,230	-0.7	412,743	11.5	6	324	86.1
Apr 02	24.9	-39.9	61.10	23.8	15.19	-25.5	9,720	29.1	2,416	-22.4	147,608	-3.9	6	324	86.1
May 02	34.7	-27.2	65.34	20.7	22.70	-12.1	10,044	29.1	3,489	-6.0	227,967	13.4	6	324	86.1
Jun 02	55.2	-22.3	75.00	7.9	41.44	-16.2	9,720	29.1	5,370	0.3	402,769	8.2	6	324	86.1
Jul 02	70.2	-15.4	85.73	10.2	60.14	-6.8	10,044	29.1	7,046	9.2	604,054	20.3	6	324	86.1
Aug 02	61.5	-15.7	78.45	6.8	48.29	-10.0	10,044	29.1	6,182	8.9	484,991	16.2	6	324	86.1
Sep 02	49.6	-20.9	67.04	2.9	33.24	-18.6	9,720	29.1	4,819	2.1	323,081	5.0	6	324	86.1
Oct 02	43.8	-9.0	63.52	4.7	27.81	-4.8	10,044	29.1	4,397	17.4	279,307	22.9	6	324	86.1
Nov 02	33.9	-11.8	62.40	6.2	21.18	-6.3	9,720	29.1	3,299	13.9	205,867	21.0	6	324	86.1
Dec 02	36.3	-11.3	89.93	14.7	32.63	1.8	10,044	29.1	3,645	14.6	327,781	31.4	6	324	86.1
Jan 03	41.1	13.6	84.14	11.8	34.60	27.0	10,044	0.0	4,130	13.6	347,484	27.0	6	324	86.1
Feb 03	49.4	13.0	82.13	-2.9	40.60	9.7	9,072	0.0	4,484	13.0	368,293	9.7	6	324	86.1
Mar 03	47.5	-8.9	80.15	1.6	38.04	-7.4	10,044	0.0	4,767	-8.9	382,055	-7.4	6	324	86.1
Apr 03	28.3	13.7	55.43	-9.3	15.67	3.2	9,720	0.0	2,748	13.7	152,319	3.2	6	324	86.1
May 03	38.8	11.6	62.31	-4.6	24.16	6.5	10,044	0.0	3,895	11.6	242,681	6.5	6	324	86.1
Jun 03	61.1	10.6	69.73	-7.0	42.62	2.9	9,720	0.0	5,941	10.6	414,269	2.9	6	324	86.1
Jul 03	73.5	4.8	73.78	-13.9	54.23	-9.8	10,044	0.0	7,383	4.8	544,722	-9.8	6	324	86.1
Aug 03	73.8	19.8	70.74	-9.8	52.17	8.0	10,044	0.0	7,408	19.8	524,028	8.0	6	324	86.1
Sep 03	65.7	32.5	56.30	-16.0	36.98	11.2	9,720	0.0	6,384	32.5	359,409	11.2	6	324	86.1
Oct 03	62.2	42.1	54.83	-13.7	34.11	22.7	10,044	0.0	6,249	42.1	342,609	22.7	6	324	86.1
Nov 03	37.8	11.3	55.70	-10.7	21.05	-0.6	9,720	0.0	3,673	11.3	204,569	-0.6	6	324	86.1
Dec 03	50.8	39.9	79.15	-12.0	40.17	23.1	10,044	0.0	5,098	39.9	403,487	23.1	6	324	86.1
Jan 04	53.3	29.6	72.91	-13.3	38.85	12.3	10,044	0.0	5,352	29.6	390,189	12.3	6	324	86.1

Tab 7 - Raw Data

Hayden Proposed Hotel - Selected Properties

Job Number: 498432_SADIM Staff: KD Created: May 24, 2013

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Feb 04	57.2	15.7	74.26	-9.6	42.48	4.6	9,072	0.0	5,189	15.7	385,353	4.6	6	324	86.1
Mar 04	70.4	48.3	70.62	-11.9	49.70	30.6	10,044	0.0	7,068	48.3	499,148	30.6	6	324	86.1
Apr 04	38.9	37.6	53.93	-2.7	20.98	33.9	9,720	0.0	3,782	37.6	203,970	33.9	6	324	86.1
May 04	38.8	0.1	60.18	-3.4	23.35	-3.3	10,044	0.0	3,898	0.1	234,577	-3.3	6	324	86.1
Jun 04	59.8	-2.1	78.46	12.5	46.95	10.2	9,720	0.0	5,816	-2.1	456,350	10.2	6	324	86.1
Jul 04	72.2	-1.8	85.55	16.0	61.73	13.8	10,044	0.0	7,247	-1.8	620,006	13.8	6	324	86.1
Aug 04	63.9	-13.3	78.75	11.3	50.35	-3.5	10,044	0.0	6,422	-13.3	505,748	-3.5	6	324	86.1
Sep 04	62.0	-5.7	69.82	24.0	43.27	17.0	9,720	0.0	6,023	-5.7	420,537	17.0	6	324	86.1
Oct 04	57.3	-7.8	64.03	16.8	36.71	7.6	10,044	0.0	5,759	-7.8	368,738	7.6	6	324	86.1
Nov 04	37.9	0.3	59.87	7.5	22.70	7.8	9,720	0.0	3,685	0.3	220,617	7.8	6	324	86.1
Dec 04	51.4	1.3	83.04	4.9	42.71	6.3	10,044	0.0	5,166	1.3	428,999	6.3	6	324	86.1
Jan 05	54.6	2.5	77.40	6.2	42.27	8.8	10,044	0.0	5,485	2.5	424,538	8.8	6	324	86.1
Feb 05	54.8	-4.2	84.82	14.2	46.49	9.4	9,072	0.0	4,972	-4.2	421,722	9.4	6	324	86.1
Mar 05	57.2	-18.7	81.95	16.0	46.90	-5.6	10,044	0.0	5,748	-18.7	471,069	-5.6	6	324	86.1
Apr 05	29.7	-23.8	62.91	16.6	18.65	-11.1	9,720	0.0	2,882	-23.8	181,307	-11.1	6	324	86.1
May 05	39.4	1.6	66.63	10.7	26.28	12.5	10,044	0.0	3,961	1.6	263,935	12.5	6	324	86.1
Jun 05	62.9	5.2	81.01	3.2	50.98	8.6	9,720	0.0	6,117	5.2	495,565	8.6	6	324	86.1
Jul 05	74.2	2.9	92.15	7.7	68.41	10.8	10,044	0.0	7,457	2.9	687,153	10.8	6	324	86.1
Aug 05	67.9	6.1	85.38	8.4	57.93	15.1	10,044	0.0	6,815	6.1	581,896	15.1	6	324	86.1
Sep 05	71.2	14.9	76.18	9.1	54.23	25.3	9,720	0.0	6,919	14.9	527,097	25.3	6	324	86.1
Oct 05	68.6	19.7	73.90	15.4	50.70	38.1	10,044	0.0	6,891	19.7	509,224	38.1	6	324	100.0
Nov 05	59.0	55.5	72.01	20.3	42.47	87.1	9,720	0.0	5,732	55.5	412,774	87.1	6	324	100.0
Dec 05	66.6	29.5	81.01	-2.4	53.96	26.3	10,044	0.0	6,690	29.5	541,970	26.3	6	324	100.0
Jan 06	64.9	18.9	80.71	4.3	52.40	24.0	10,044	0.0	6,521	18.9	526,283	24.0	6	324	100.0
Feb 06	68.7	25.3	89.33	5.3	61.33	31.9	9,072	0.0	6,228	25.3	556,341	31.9	6	324	100.0
Mar 06	72.2	26.2	85.70	4.6	61.89	32.0	10,044	0.0	7,253	26.2	621,612	32.0	6	324	100.0
Apr 06	48.7	64.2	68.49	8.9	33.34	78.7	9,720	0.0	4,732	64.2	324,078	78.7	6	324	100.0
May 06	50.1	27.1	72.74	9.2	36.46	38.7	10,044	0.0	5,034	27.1	366,176	38.7	6	324	100.0
Jun 06	72.0	14.5	89.55	10.5	64.52	26.5	9,720	0.0	7,003	14.5	627,137	26.5	6	324	100.0
Jul 06	81.9	10.3	102.30	11.0	83.78	22.5	10,044	0.0	8,225	10.3	841,438	22.5	6	324	100.0
Aug 06	76.0	12.0	93.29	9.3	70.91	22.4	10,044	0.0	7,634	12.0	712,204	22.4	6	324	100.0
Sep 06	72.4	1.7	82.46	8.2	59.68	10.0	9,720	0.0	7,034	1.7	580,049	10.0	6	324	100.0
Oct 06	64.5	-6.0	82.25	11.3	53.06	4.7	10,044	0.0	6,479	-6.0	532,926	4.7	6	324	100.0
Nov 06	58.0	-1.6	82.91	15.1	48.12	13.3	9,720	0.0	5,641	-1.6	467,685	13.3	6	324	100.0
Dec 06	65.2	-2.1	95.71	18.1	62.41	15.7	10,044	0.0	6,550	-2.1	626,876	15.7	6	324	100.0
Jan 07	67.4	3.7	96.96	20.1	65.31	24.6	10,044	0.0	6,765	3.7	655,948	24.6	6	324	100.0
Feb 07	76.7	11.7	102.82	15.1	78.83	28.5	9,072	0.0	6,955	11.7	715,120	28.5	6	324	100.0
Mar 07	77.4	7.3	101.33	18.2	78.48	26.8	10,044	0.0	7,779	7.3	788,230	26.8	6	324	100.0
Apr 07	42.7	-12.3	77.53	13.2	33.09	-0.7	9,720	0.0	4,149	-12.3	321,654	-0.7	6	324	100.0
May 07	59.2	18.0	79.39	9.1	46.97	28.8	10,044	0.0	5,942	18.0	471,751	28.8	6	324	100.0
Jun 07	82.0	13.9	97.84	9.3	80.27	24.4	9,720	0.0	7,974	13.9	780,184	24.4	6	324	100.0
Jul 07	86.4	5.5	105.81	3.4	91.40	9.1	10,044	0.0	8,676	5.5	918,023	9.1	6	324	100.0
Aug 07	81.0	6.6	100.67	7.9	81.58	15.1	10,044	0.0	8,140	6.6	819,437	15.1	6	324	100.0
Sep 07	79.5	9.9	88.79	7.7	70.62	18.3	9,720	0.0	7,731	9.9	686,435	18.3	6	324	100.0
Oct 07	70.4	9.2	89.08	8.3	62.72	18.2	10,044	0.0	7,072	9.2	629,949	18.2	6	324	100.0
Nov 07	58.3	0.5	89.24	7.6	52.07	8.2	9,720	0.0	5,671	0.5	506,102	8.2	6	324	100.0
Dec 07	64.3	-1.4	102.56	7.2	65.97	5.7	10,044	0.0	6,460	-1.4	662,556	5.7	6	324	100.0
Jan 08	67.7	0.6	108.48	11.9	73.49	12.5	10,044	0.0	6,804	0.6	738,131	12.5	6	324	100.0
Feb 08	71.8	-6.3	115.07	11.9	82.63	4.8	9,072	0.0	6,515	-6.3	749,652	4.8	6	324	100.0

Tab 7 - Raw Data

Hayden Proposed Hotel - Selected Properties

Job Number: 498432_SADIM Staff: KD Created: May 24, 2013

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Mar 08	75.0	-3.1	107.53	6.1	80.68	2.8	10,044	0.0	7,536	-3.1	810,321	2.8	6	324	100.0
Apr 08	52.1	22.1	83.98	8.3	43.78	32.3	9,720	0.0	5,067	22.1	425,506	32.3	6	324	100.0
May 08	63.2	6.8	86.88	9.4	54.89	16.9	10,044	0.0	6,346	6.8	551,331	16.9	6	324	100.0
Jun 08	79.6	-3.0	104.87	7.2	83.46	4.0	9,720	0.0	7,735	-3.0	811,183	4.0	6	324	100.0
Jul 08	89.5	3.6	113.91	7.7	101.93	11.5	10,044	0.0	8,988	3.6	1,023,822	11.5	6	324	100.0
Aug 08	88.0	8.6	110.22	9.5	97.02	18.9	10,044	0.0	8,841	8.6	974,487	18.9	6	324	100.0
Sep 08	81.5	2.5	100.16	12.8	81.63	15.6	9,720	0.0	7,922	2.5	793,442	15.6	6	324	100.0
Oct 08	79.6	13.0	101.30	13.7	80.61	28.5	10,044	0.0	7,992	13.0	809,621	28.5	6	324	81.8
Nov 08	62.1	6.4	90.98	1.9	56.46	8.4	9,720	0.0	6,032	6.4	548,782	8.4	6	324	81.8
Dec 08	51.2	-20.4	101.66	-0.9	52.04	-21.1	12,400	23.5	6,348	-1.7	645,327	-2.6	7	400	85.3
Jan 09	58.8	-13.1	104.40	-3.8	61.44	-16.4	12,400	23.5	7,297	7.2	761,818	3.2	7	400	85.3
Feb 09	65.5	-8.8	104.57	-9.1	68.48	-17.1	11,200	23.5	7,335	12.6	766,991	2.3	7	400	85.3
Mar 09	67.9	-9.5	94.91	-11.7	64.44	-20.1	12,400	23.5	8,419	11.7	799,036	-1.4	7	400	85.3
Apr 09	63.3	21.4	84.69	0.8	53.58	22.4	12,000	23.5	7,592	49.8	642,947	51.1	7	400	85.3
May 09	63.0	-0.3	84.46	-2.8	53.22	-3.0	12,400	23.5	7,814	23.1	659,943	19.7	7	400	85.3
Jun 09	73.8	-7.2	93.39	-10.9	68.95	-17.4	12,000	23.5	8,860	14.5	827,457	2.0	7	400	85.3
Jul 09	81.6	-8.8	98.12	-13.9	80.07	-21.4	12,400	23.5	10,119	12.6	992,860	-3.0	7	400	85.3
Aug 09	77.9	-11.5	94.44	-14.3	73.59	-24.2	12,400	23.5	9,662	9.3	912,480	-6.4	7	400	85.3
Sep 09	77.7	-4.7	89.50	-10.6	69.55	-14.8	12,000	23.5	9,325	17.7	834,579	5.2	7	400	85.3
Oct 09	48.5	-39.0	89.24	-11.9	43.30	-46.3	15,159	50.9	7,356	-8.0	656,433	-18.9	8	489	87.9
Nov 09	40.6	-34.7	88.72	-2.5	35.98	-36.3	14,670	50.9	5,949	-1.4	527,802	-3.8	8	489	87.9
Dec 09	41.3	-19.3	94.18	-7.4	38.90	-25.3	15,159	22.3	6,261	-1.4	589,631	-8.6	8	489	87.9
Jan 10	42.8	-27.3	94.87	-9.1	40.60	-33.9	15,159	22.3	6,487	-11.1	615,446	-19.2	8	489	87.9
Feb 10	45.0	-31.3	96.36	-7.8	43.37	-36.7	13,692	22.3	6,163	-16.0	593,886	-22.6	8	489	87.9
Mar 10	54.5	-19.7	94.33	-0.6	51.41	-20.2	15,159	22.3	8,262	-1.9	779,370	-2.5	8	489	87.9
Apr 10	36.8	-41.8	84.12	-0.7	30.97	-42.2	14,670	22.3	5,402	-28.8	454,397	-29.3	8	489	87.9
May 10	47.2	-25.2	82.78	-2.0	39.04	-26.6	15,159	22.3	7,149	-8.5	591,813	-10.3	8	489	87.9
Jun 10	66.8	-9.5	92.02	-1.5	61.47	-10.9	14,670	22.3	9,799	10.6	901,745	9.0	8	489	87.9
Jul 10	70.3	-13.8	95.61	-2.6	67.23	-16.0	15,159	22.3	10,659	5.3	1,019,131	2.6	8	489	87.9
Aug 10	63.0	-19.2	90.69	-4.0	57.09	-22.4	15,159	22.3	9,543	-1.2	865,415	-5.2	8	489	87.9
Sep 10	68.0	-12.4	84.86	-5.2	57.73	-17.0	14,670	22.3	9,981	7.0	846,942	1.5	8	489	87.9
Oct 10	50.1	3.2	82.29	-7.8	41.20	-4.9	15,159	0.0	7,589	3.2	624,508	-4.9	8	489	87.9
Nov 10	42.9	5.7	80.19	-9.6	34.39	-4.4	14,670	0.0	6,291	5.7	504,496	-4.4	8	489	87.9
Dec 10	45.7	10.7	89.75	-4.7	41.03	5.5	15,159	0.0	6,929	10.7	621,908	5.5	8	489	87.9
Jan 11	43.5	1.7	91.40	-3.7	39.77	-2.0	15,159	0.0	6,597	1.7	602,946	-2.0	8	489	87.9
Feb 11	50.5	12.3	91.56	-5.0	46.27	6.7	13,692	0.0	6,919	12.3	633,508	6.7	8	489	87.9
Mar 11	60.9	11.7	87.92	-6.8	53.53	4.1	15,159	0.0	9,230	11.7	811,478	4.1	8	489	87.9
Apr 11	51.8	40.7	82.04	-2.5	42.51	37.2	14,670	0.0	7,601	40.7	623,552	37.2	8	489	87.9
May 11	55.1	16.8	79.62	-3.8	43.86	12.3	15,159	0.0	8,350	16.8	664,841	12.3	8	489	87.9
Jun 11	70.1	4.9	89.39	-2.9	62.65	1.9	14,670	0.0	10,283	4.9	919,146	1.9	8	489	87.9
Jul 11	75.6	7.5	94.57	-1.1	71.49	6.3	15,159	0.0	11,459	7.5	1,083,663	6.3	8	489	87.9
Aug 11	78.1	24.1	94.91	4.7	74.16	29.9	15,159	0.0	11,844	24.1	1,124,170	29.9	8	489	87.9
Sep 11	67.7	-0.4	88.96	4.8	60.27	4.4	14,670	0.0	9,938	-0.4	884,110	4.4	8	489	87.9
Oct 11	60.4	20.6	85.22	3.6	51.45	24.9	15,159	0.0	9,152	20.6	779,936	24.9	8	489	87.9
Nov 11	52.4	22.3	86.02	7.3	45.11	31.2	14,670	0.0	7,694	22.3	661,810	31.2	8	489	87.9
Dec 11	52.3	14.5	90.41	0.7	47.33	15.4	15,159	0.0	7,935	14.5	717,421	15.4	8	489	87.9
Jan 12	46.9	7.7	93.42	2.2	43.77	10.0	15,159	0.0	7,102	7.7	663,485	10.0	8	489	87.9
Feb 12	52.6	4.0	92.29	0.8	48.50	4.8	13,692	0.0	7,196	4.0	664,089	4.8	8	489	87.9
Mar 12	53.8	-11.7	91.01	3.5	48.94	-8.6	15,159	0.0	8,151	-11.7	741,822	-8.6	8	489	87.9

Tab 7 - Raw Data

Hayden Proposed Hotel - Selected Properties

Job Number: 498432_SADIM Staff: KD Created: May 24, 2013

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Apr 12	49.4	-4.6	79.09	-3.6	39.10	-8.0	14,670	0.0	7,253	-4.6	573,630	-8.0	8	489	87.9
May 12	61.4	11.5	80.39	1.0	49.38	12.6	15,159	0.0	9,311	11.5	748,495	12.6	8	489	87.9
Jun 12	75.9	8.2	95.63	7.0	72.55	15.8	14,670	0.0	11,129	8.2	1,064,269	15.8	8	489	87.9
Jul 12	82.6	9.3	98.39	4.0	81.27	13.7	15,159	0.0	12,522	9.3	1,231,991	13.7	8	489	87.9
Aug 12	79.6	1.9	94.68	-0.2	75.39	1.7	15,159	0.0	12,070	1.9	1,142,832	1.7	8	489	87.9
Sep 12	76.2	12.5	90.61	1.8	69.04	14.6	14,670	0.0	11,179	12.5	1,012,879	14.6	8	489	87.9
Oct 12	62.1	2.8	90.96	6.7	56.45	9.7	15,159	0.0	9,407	2.8	855,680	9.7	8	489	87.9
Nov 12	48.6	-7.3	87.81	2.1	42.71	-5.3	14,670	0.0	7,136	-7.3	626,629	-5.3	8	489	87.9
Dec 12	46.8	-10.6	95.32	5.4	44.61	-5.7	15,159	0.0	7,094	-10.6	676,172	-5.7	8	489	87.9
Jan 13	56.0	19.6	97.35	4.2	54.53	24.6	15,159	0.0	8,491	19.6	826,605	24.6	8	489	87.9
Feb 13	63.0	19.9	97.55	5.7	61.47	26.7	13,664	-0.2	8,611	19.7	839,968	26.5	8	488	87.9
Mar 13	68.6	27.6	93.69	2.9	64.30	31.4	15,128	-0.2	10,383	27.4	972,783	31.1	8	488	87.9
Apr 13	55.3	11.9	84.12	6.4	46.53	19.0	14,640	-0.2	8,098	11.7	681,176	18.7	8	488	87.9

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Tab 8 - Classic

Hayden Proposed Hotel - Selected Properties

Job Number: 498432_SADIM Staff: KD Created: May 24, 2013

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Jan 00	50.4		73.90		37.22		7,781		3,919		289,617		5	251	100.0
Feb 00	54.7		78.48		42.89		7,028		3,841		301,450		5	251	100.0
Mar 00	64.2		79.41		51.02		7,781		4,999		396,961		5	251	100.0
Apr 00	48.8		56.50		27.58		7,530		3,676		207,700		5	251	100.0
May 00	54.7		55.38		30.29		7,781		4,255		235,652		5	251	100.0
Jun 00	66.3		67.06		44.48		7,530		4,994		334,910		5	251	100.0
Jul 00	79.1		72.77		57.57		7,781		6,156		447,978		5	251	100.0
Aug 00	76.4		72.13		55.07		7,781		5,941		428,512		5	251	100.0
Sep 00	66.6		60.66		40.41		7,530		5,017		304,319		5	251	100.0
Oct 00	57.4		57.33		32.93		7,781		4,469		256,220		5	251	100.0
Nov 00	43.7		61.48		26.84		7,530		3,288		202,130		5	251	100.0
Dec 00	36.2		70.92		25.67		7,781		2,817		199,773		5	251	79.3
Apr YTD 2000	54.6		72.75		39.70		30,120		16,435		1,195,728				
Total 2000	58.3		67.55		39.35		91,615		53,372		3,605,222				
Jan 01	43.2	-14.1	68.19	-7.7	29.49	-20.8	7,781	0.0	3,365	-14.1	229,466	-20.8	5	251	100.0
Feb 01	51.9	-5.1	79.14	0.8	41.07	-4.3	7,028	0.0	3,647	-5.1	288,631	-4.3	5	251	100.0
Mar 01	67.7	5.4	70.27	-11.5	47.56	-6.8	7,781	0.0	5,267	5.4	370,090	-6.8	5	251	100.0
Apr 01	41.3	-15.3	49.34	-12.7	20.39	-26.1	7,530	0.0	3,112	-15.3	153,531	-26.1	5	251	100.0
May 01	47.7	-12.7	54.12	-2.3	25.83	-14.7	7,781	0.0	3,713	-12.7	200,958	-14.7	5	251	100.0
Jun 01	71.1	7.2	69.53	3.7	49.43	11.1	7,530	0.0	5,353	7.2	372,193	11.1	5	251	79.3
Jul 01	82.9	4.8	77.80	6.9	64.52	12.1	7,781	0.0	6,453	4.8	502,021	12.1	5	251	100.0
Aug 01	73.0	-4.4	73.49	1.9	53.63	-2.6	7,781	0.0	5,678	-4.4	417,269	-2.6	5	251	100.0
Sep 01	62.7	-5.9	65.14	7.4	40.85	1.1	7,530	0.0	4,722	-5.9	307,573	1.1	5	251	100.0
Oct 01	48.1	-16.2	60.66	5.8	29.20	-11.3	7,781	0.0	3,745	-16.2	227,175	-11.3	5	251	82.1
Nov 01	38.5	-11.9	58.74	-4.5	22.60	-15.8	7,530	0.0	2,897	-11.9	170,167	-15.8	5	251	82.1
Dec 01	40.9	13.0	78.41	10.6	32.07	24.9	7,781	0.0	3,182	13.0	249,514	24.9	5	251	82.1
Apr YTD 2001	51.1	-6.4	67.68	-7.0	34.59	-12.9	30,120	0.0	15,391	-6.4	1,041,718	-12.9			
Total 2001	55.8	-4.2	68.22	1.0	38.08	-3.2	91,615	0.0	51,134	-4.2	3,488,588	-3.2			
Jan 02	36.2	-16.3	75.25	10.4	27.24	-7.6	10,044	29.1	3,635	8.0	273,549	19.2	6	324	86.1
Feb 02	43.7	-15.7	84.57	6.9	36.99	-9.9	9,072	29.1	3,968	8.8	335,590	16.3	6	324	86.1
Mar 02	52.1	-23.1	78.92	12.3	41.09	-13.6	10,044	29.1	5,230	-0.7	412,743	11.5	6	324	86.1
Apr 02	24.9	-39.9	61.10	23.8	15.19	-25.5	9,720	29.1	2,416	-22.4	147,608	-3.9	6	324	86.1
May 02	34.7	-27.2	65.34	20.7	22.70	-12.1	10,044	29.1	3,489	-6.0	227,967	13.4	6	324	86.1
Jun 02	55.2	-22.3	75.00	7.9	41.44	-16.2	9,720	29.1	5,370	0.3	402,769	8.2	6	324	86.1
Jul 02	70.2	-15.4	85.73	10.2	60.14	-6.8	10,044	29.1	7,046	9.2	604,054	20.3	6	324	86.1
Aug 02	61.5	-15.7	78.45	6.8	48.29	-10.0	10,044	29.1	6,182	8.9	484,991	16.2	6	324	86.1
Sep 02	49.6	-20.9	67.04	2.9	33.24	-18.6	9,720	29.1	4,819	2.1	323,081	5.0	6	324	86.1
Oct 02	43.8	-9.0	63.52	4.7	27.81	-4.8	10,044	29.1	4,397	17.4	279,307	22.9	6	324	86.1
Nov 02	33.9	-11.8	62.40	6.2	21.18	-6.3	9,720	29.1	3,299	13.9	205,867	21.0	6	324	86.1
Dec 02	36.3	-11.3	89.93	14.7	32.63	1.8	10,044	29.1	3,645	14.6	327,781	31.4	6	324	86.1
Apr YTD 2002	39.2	-23.2	76.69	13.3	30.08	-13.0	38,880	29.1	15,249	-0.9	1,169,490	12.3			
Total 2002	45.2	-19.0	75.25	10.3	34.04	-10.6	118,260	29.1	53,496	4.6	4,025,307	15.4			
Jan 03	41.1	13.6	84.14	11.8	34.60	27.0	10,044	0.0	4,130	13.6	347,484	27.0	6	324	86.1
Feb 03	49.4	13.0	82.13	-2.9	40.60	9.7	9,072	0.0	4,484	13.0	368,293	9.7	6	324	86.1
Mar 03	47.5	-8.9	80.15	1.6	38.04	-7.4	10,044	0.0	4,767	-8.9	382,055	-7.4	6	324	86.1
Apr 03	28.3	13.7	55.43	-9.3	15.67	3.2	9,720	0.0	2,748	13.7	152,319	3.2	6	324	86.1
May 03	38.8	11.6	62.31	-4.6	24.16	6.5	10,044	0.0	3,895	11.6	242,681	6.5	6	324	86.1
Jun 03	61.1	10.6	69.73	-7.0	42.62	2.9	9,720	0.0	5,941	10.6	414,269	2.9	6	324	86.1
Jul 03	73.5	4.8	73.78	-13.9	54.23	-9.8	10,044	0.0	7,383	4.8	544,722	-9.8	6	324	86.1
Aug 03	73.8	19.8	70.74	-9.8	52.17	8.0	10,044	0.0	7,408	19.8	524,028	8.0	6	324	86.1
Sep 03	65.7	32.5	56.30	-16.0	36.98	11.2	9,720	0.0	6,384	32.5	359,409	11.2	6	324	86.1
Oct 03	62.2	42.1	54.83	-13.7	34.11	22.7	10,044	0.0	6,249	42.1	342,609	22.7	6	324	86.1

Tab 8 - Classic

Hayden Proposed Hotel - Selected Properties

Job Number: 498432_SADIM Staff: KD Created: May 24, 2013

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Nov 03	37.8	11.3	55.70	-10.7	21.05	-0.6	9,720	0.0	3,673	11.3	204,569	-0.6	6	324	86.1
Dec 03	50.8	39.9	79.15	-12.0	40.17	23.1	10,044	0.0	5,098	39.9	403,487	23.1	6	324	86.1
Apr YTD 2003	41.5	5.8	77.51	1.1	32.15	6.9	38,880	0.0	16,129	5.8	1,250,151	6.9			
Total 2003	52.6	16.2	68.95	-8.4	36.24	6.5	118,260	0.0	62,160	16.2	4,285,925	6.5			
Jan 04	53.3	29.6	72.91	-13.3	38.85	12.3	10,044	0.0	5,352	29.6	390,189	12.3	6	324	86.1
Feb 04	57.2	15.7	74.26	-9.6	42.48	4.6	9,072	0.0	5,189	15.7	385,353	4.6	6	324	86.1
Mar 04	70.4	48.3	70.62	-11.9	49.70	30.6	10,044	0.0	7,068	48.3	499,148	30.6	6	324	86.1
Apr 04	38.9	37.6	53.93	-2.7	20.98	33.9	9,720	0.0	3,782	37.6	203,970	33.9	6	324	86.1
May 04	38.8	0.1	60.18	-3.4	23.35	-3.3	10,044	0.0	3,898	0.1	234,577	-3.3	6	324	86.1
Jun 04	59.8	-2.1	78.46	12.5	46.95	10.2	9,720	0.0	5,816	-2.1	456,350	10.2	6	324	86.1
Jul 04	72.2	-1.8	85.55	16.0	61.73	13.8	10,044	0.0	7,247	-1.8	620,006	13.8	6	324	86.1
Aug 04	63.9	-13.3	78.75	11.3	50.35	-3.5	10,044	0.0	6,422	-13.3	505,748	-3.5	6	324	86.1
Sep 04	62.0	-5.7	69.82	24.0	43.27	17.0	9,720	0.0	6,023	-5.7	420,537	17.0	6	324	86.1
Oct 04	57.3	-7.8	64.03	16.8	36.71	7.6	10,044	0.0	5,759	-7.8	368,738	7.6	6	324	86.1
Nov 04	37.9	0.3	59.87	7.5	22.70	7.8	9,720	0.0	3,685	0.3	220,617	7.8	6	324	86.1
Dec 04	51.4	1.3	83.04	4.9	42.71	6.3	10,044	0.0	5,166	1.3	428,999	6.3	6	324	86.1
Apr YTD 2004	55.0	32.6	69.13	-10.8	38.03	18.3	38,880	0.0	21,391	32.6	1,478,660	18.3			
Total 2004	55.3	5.2	72.38	5.0	40.03	10.5	118,260	0.0	65,407	5.2	4,734,232	10.5			
Jan 05	54.6	2.5	77.40	6.2	42.27	8.8	10,044	0.0	5,485	2.5	424,538	8.8	6	324	86.1
Feb 05	54.8	-4.2	84.82	14.2	46.49	9.4	9,072	0.0	4,972	-4.2	421,722	9.4	6	324	86.1
Mar 05	57.2	-18.7	81.95	16.0	46.90	-5.6	10,044	0.0	5,748	-18.7	471,069	-5.6	6	324	86.1
Apr 05	29.7	-23.8	62.91	16.6	18.65	-11.1	9,720	0.0	2,882	-23.8	181,307	-11.1	6	324	86.1
May 05	39.4	1.6	66.63	10.7	26.28	12.5	10,044	0.0	3,961	1.6	263,935	12.5	6	324	86.1
Jun 05	62.9	5.2	81.01	3.2	50.98	8.6	9,720	0.0	6,117	5.2	495,565	8.6	6	324	86.1
Jul 05	74.2	2.9	92.15	7.7	68.41	10.8	10,044	0.0	7,457	2.9	687,153	10.8	6	324	86.1
Aug 05	67.9	6.1	85.38	8.4	57.93	15.1	10,044	0.0	6,815	6.1	581,896	15.1	6	324	86.1
Sep 05	71.2	14.9	76.18	9.1	54.23	25.3	9,720	0.0	6,919	14.9	527,097	25.3	6	324	86.1
Oct 05	68.6	19.7	73.90	15.4	50.70	38.1	10,044	0.0	6,891	19.7	509,224	38.1	6	324	100.0
Nov 05	59.0	55.5	72.01	20.3	42.47	87.1	9,720	0.0	5,732	55.5	412,774	87.1	6	324	100.0
Dec 05	66.6	29.5	81.01	-2.4	53.96	26.3	10,044	0.0	6,690	29.5	541,970	26.3	6	324	100.0
Apr YTD 2005	49.1	-10.8	78.52	13.6	38.55	1.4	38,880	0.0	19,087	-10.8	1,498,636	1.4			
Total 2005	58.9	6.5	79.21	9.4	46.66	16.6	118,260	0.0	69,669	6.5	5,518,250	16.6			
Jan 06	64.9	18.9	80.71	4.3	52.40	24.0	10,044	0.0	6,521	18.9	526,283	24.0	6	324	100.0
Feb 06	68.7	25.3	89.33	5.3	61.33	31.9	9,072	0.0	6,228	25.3	556,341	31.9	6	324	100.0
Mar 06	72.2	26.2	85.70	4.6	61.89	32.0	10,044	0.0	7,253	26.2	621,612	32.0	6	324	100.0
Apr 06	48.7	64.2	68.49	8.9	33.34	78.7	9,720	0.0	4,732	64.2	324,078	78.7	6	324	100.0
May 06	50.1	27.1	72.74	9.2	36.46	38.7	10,044	0.0	5,034	27.1	366,176	38.7	6	324	100.0
Jun 06	72.0	14.5	89.55	10.5	64.52	26.5	9,720	0.0	7,003	14.5	627,137	26.5	6	324	100.0
Jul 06	81.9	10.3	102.30	11.0	83.78	22.5	10,044	0.0	8,225	10.3	841,438	22.5	6	324	100.0
Aug 06	76.0	12.0	93.29	9.3	70.91	22.4	10,044	0.0	7,634	12.0	712,204	22.4	6	324	100.0
Sep 06	72.4	1.7	82.46	8.2	59.68	10.0	9,720	0.0	7,034	1.7	580,049	10.0	6	324	100.0
Oct 06	64.5	-6.0	82.25	11.3	53.06	4.7	10,044	0.0	6,479	-6.0	532,926	4.7	6	324	100.0
Nov 06	58.0	-1.6	82.91	15.1	48.12	13.3	9,720	0.0	5,641	-1.6	467,685	13.3	6	324	100.0
Dec 06	65.2	-2.1	95.71	18.1	62.41	15.7	10,044	0.0	6,550	-2.1	626,876	15.7	6	324	100.0
Apr YTD 2006	63.6	29.6	82.01	4.4	52.17	35.3	38,880	0.0	24,734	29.6	2,028,314	35.3			
Total 2006	66.2	12.4	86.59	9.3	57.36	22.9	118,260	0.0	78,334	12.4	6,782,805	22.9			
Jan 07	67.4	3.7	96.96	20.1	65.31	24.6	10,044	0.0	6,765	3.7	655,948	24.6	6	324	100.0
Feb 07	76.7	11.7	102.82	15.1	78.83	28.5	9,072	0.0	6,955	11.7	715,120	28.5	6	324	100.0
Mar 07	77.4	7.3	101.33	18.2	78.48	26.8	10,044	0.0	7,779	7.3	788,230	26.8	6	324	100.0
Apr 07	42.7	-12.3	77.53	13.2	33.09	-0.7	9,720	0.0	4,149	-12.3	321,654	-0.7	6	324	100.0
May 07	59.2	18.0	79.39	9.1	46.97	28.8	10,044	0.0	5,942	18.0	471,751	28.8	6	324	100.0
Jun 07	82.0	13.9	97.84	9.3	80.27	24.4	9,720	0.0	7,974	13.9	780,184	24.4	6	324	100.0

Tab 8 - Classic

Hayden Proposed Hotel - Selected Properties

Job Number: 498432_SADIM Staff: KD Created: May 24, 2013

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Jul 07	86.4	5.5	105.81	3.4	91.40	9.1	10,044	0.0	8,676	5.5	918,023	9.1	6	324	100.0
Aug 07	81.0	6.6	100.67	7.9	81.58	15.1	10,044	0.0	8,140	6.6	819,437	15.1	6	324	100.0
Sep 07	79.5	9.9	88.79	7.7	70.62	18.3	9,720	0.0	7,731	9.9	686,435	18.3	6	324	100.0
Oct 07	70.4	9.2	89.08	8.3	62.72	18.2	10,044	0.0	7,072	9.2	629,949	18.2	6	324	100.0
Nov 07	58.3	0.5	89.24	7.6	52.07	8.2	9,720	0.0	5,671	0.5	506,102	8.2	6	324	100.0
Dec 07	64.3	-1.4	102.56	7.2	65.97	5.7	10,044	0.0	6,460	-1.4	662,556	5.7	6	324	100.0
Apr YTD 2007	66.0	3.7	96.73	18.0	63.81	22.3	38,880	0.0	25,648	3.7	2,480,952	22.3			
Total 2007	70.4	6.4	95.49	10.3	67.27	17.3	118,260	0.0	83,314	6.4	7,955,389	17.3			
Jan 08	67.7	0.6	108.48	11.9	73.49	12.5	10,044	0.0	6,804	0.6	738,131	12.5	6	324	100.0
Feb 08	71.8	-6.3	115.07	11.9	82.63	4.8	9,072	0.0	6,515	-6.3	749,652	4.8	6	324	100.0
Mar 08	75.0	-3.1	107.53	6.1	80.68	2.8	10,044	0.0	7,536	-3.1	810,321	2.8	6	324	100.0
Apr 08	52.1	22.1	83.98	8.3	43.78	32.3	9,720	0.0	5,067	22.1	425,506	32.3	6	324	100.0
May 08	63.2	6.8	86.88	9.4	54.89	16.9	10,044	0.0	6,346	6.8	551,331	16.9	6	324	100.0
Jun 08	79.6	-3.0	104.87	7.2	83.46	4.0	9,720	0.0	7,735	-3.0	811,183	4.0	6	324	100.0
Jul 08	89.5	3.6	113.91	7.7	101.93	11.5	10,044	0.0	8,988	3.6	1,023,822	11.5	6	324	100.0
Aug 08	88.0	8.6	110.22	9.5	97.02	18.9	10,044	0.0	8,841	8.6	974,487	18.9	6	324	100.0
Sep 08	81.5	2.5	100.16	12.8	81.63	15.6	9,720	0.0	7,922	2.5	793,442	15.6	6	324	100.0
Oct 08	79.6	13.0	101.30	13.7	80.61	28.5	10,044	0.0	7,992	13.0	809,621	28.5	6	324	81.8
Nov 08	62.1	6.4	90.98	1.9	56.46	8.4	9,720	0.0	6,032	6.4	548,782	8.4	6	324	81.8
Dec 08	51.2	-20.4	101.66	-0.9	52.04	-21.1	12,400	23.5	6,348	-1.7	645,327	-2.6	7	400	85.3
Apr YTD 2008	66.7	1.1	105.07	8.6	70.05	9.8	38,880	0.0	25,922	1.1	2,723,610	9.8			
Total 2008	71.4	1.4	103.12	8.0	73.64	9.5	120,616	2.0	86,126	3.4	8,881,605	11.6			
Jan 09	58.8	-13.1	104.40	-3.8	61.44	-16.4	12,400	23.5	7,297	7.2	761,818	3.2	7	400	85.3
Feb 09	65.5	-8.8	104.57	-9.1	68.48	-17.1	11,200	23.5	7,335	12.6	766,991	2.3	7	400	85.3
Mar 09	67.9	-9.5	94.91	-11.7	64.44	-20.1	12,400	23.5	8,419	11.7	799,036	-1.4	7	400	85.3
Apr 09	63.3	21.4	84.69	0.8	53.58	22.4	12,000	23.5	7,592	49.8	642,947	51.1	7	400	85.3
May 09	63.0	-0.3	84.46	-2.8	53.22	-3.0	12,400	23.5	7,814	23.1	659,943	19.7	7	400	85.3
Jun 09	73.8	-7.2	93.39	-10.9	68.95	-17.4	12,000	23.5	8,860	14.5	827,457	2.0	7	400	85.3
Jul 09	81.6	-8.8	98.12	-13.9	80.07	-21.4	12,400	23.5	10,119	12.6	992,860	-3.0	7	400	85.3
Aug 09	77.9	-11.5	94.44	-14.3	73.59	-24.2	12,400	23.5	9,662	9.3	912,480	-6.4	7	400	85.3
Sep 09	77.7	-4.7	89.50	-10.6	69.55	-14.8	12,000	23.5	9,325	17.7	834,579	5.2	7	400	85.3
Oct 09	48.5	-39.0	89.24	-11.9	43.30	-46.3	15,159	50.9	7,356	-8.0	656,433	-18.9	8	489	87.9
Nov 09	40.6	-34.7	88.72	-2.5	35.98	-36.3	14,670	50.9	5,949	-1.4	527,802	-3.8	8	489	87.9
Dec 09	41.3	-19.3	94.18	-7.4	38.90	-25.3	15,159	22.3	6,261	-1.4	589,631	-8.6	8	489	87.9
Apr YTD 2009	63.8	-4.2	96.95	-7.7	61.89	-11.6	48,000	23.5	30,643	18.2	2,970,792	9.1			
Total 2009	62.3	-12.8	93.47	-9.4	58.19	-21.0	154,188	27.8	95,989	11.5	8,971,977	1.0			
Jan 10	42.8	-27.3	94.87	-9.1	40.60	-33.9	15,159	22.3	6,487	-11.1	615,446	-19.2	8	489	87.9
Feb 10	45.0	-31.3	96.36	-7.8	43.37	-36.7	13,692	22.3	6,163	-16.0	593,886	-22.6	8	489	87.9
Mar 10	54.5	-19.7	94.33	-0.6	51.41	-20.2	15,159	22.3	8,262	-1.9	779,370	-2.5	8	489	87.9
Apr 10	36.8	-41.8	84.12	-0.7	30.97	-42.2	14,670	22.3	5,402	-28.8	454,397	-29.3	8	489	87.9
May 10	47.2	-25.2	82.78	-2.0	39.04	-26.6	15,159	22.3	7,149	-8.5	591,813	-10.3	8	489	87.9
Jun 10	66.8	-9.5	92.02	-1.5	61.47	-10.9	14,670	22.3	9,799	10.6	901,745	9.0	8	489	87.9
Jul 10	70.3	-13.8	95.61	-2.6	67.23	-16.0	15,159	22.3	10,659	5.3	1,019,131	2.6	8	489	87.9
Aug 10	63.0	-19.2	90.69	-4.0	57.09	-22.4	15,159	22.3	9,543	-1.2	865,415	-5.2	8	489	87.9
Sep 10	68.0	-12.4	84.86	-5.2	57.73	-17.0	14,670	22.3	9,981	7.0	846,942	1.5	8	489	87.9
Oct 10	50.1	3.2	82.29	-7.8	41.20	-4.9	15,159	0.0	7,589	3.2	624,508	-4.9	8	489	87.9
Nov 10	42.9	5.7	80.19	-9.6	34.39	-4.4	14,670	0.0	6,291	5.7	504,496	-4.4	8	489	87.9
Dec 10	45.7	10.7	89.75	-4.7	41.03	5.5	15,159	0.0	6,929	10.7	621,908	5.5	8	489	87.9
Apr YTD 2010	44.8	-29.8	92.84	-4.2	41.63	-32.7	58,680	22.3	26,314	-14.1	2,443,099	-17.8			
Total 2010	52.8	-15.2	89.32	-4.4	47.17	-18.9	178,485	15.8	94,254	-1.8	8,419,057	-6.2			
Jan 11	43.5	1.7	91.40	-3.7	39.77	-2.0	15,159	0.0	6,597	1.7	602,946	-2.0	8	489	87.9
Feb 11	50.5	12.3	91.56	-5.0	46.27	6.7	13,692	0.0	6,919	12.3	633,508	6.7	8	489	87.9

Tab 8 - Classic

Hayden Proposed Hotel - Selected Properties

Job Number: 498432_SADIM Staff: KD Created: May 24, 2013

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Mar 11	60.9	11.7	87.92	-6.8	53.53	4.1	15,159	0.0	9,230	11.7	811,478	4.1	8	489	87.9
Apr 11	51.8	40.7	82.04	-2.5	42.51	37.2	14,670	0.0	7,601	40.7	623,552	37.2	8	489	87.9
May 11	55.1	16.8	79.62	-3.8	43.86	12.3	15,159	0.0	8,350	16.8	664,841	12.3	8	489	87.9
Jun 11	70.1	4.9	89.39	-2.9	62.65	1.9	14,670	0.0	10,283	4.9	919,146	1.9	8	489	87.9
Jul 11	75.6	7.5	94.57	-1.1	71.49	6.3	15,159	0.0	11,459	7.5	1,083,663	6.3	8	489	87.9
Aug 11	78.1	24.1	94.91	4.7	74.16	29.9	15,159	0.0	11,844	24.1	1,124,170	29.9	8	489	87.9
Sep 11	67.7	-0.4	88.96	4.8	60.27	4.4	14,670	0.0	9,938	-0.4	884,110	4.4	8	489	87.9
Oct 11	60.4	20.6	85.22	3.6	51.45	24.9	15,159	0.0	9,152	20.6	779,936	24.9	8	489	87.9
Nov 11	52.4	22.3	86.02	7.3	45.11	31.2	14,670	0.0	7,694	22.3	661,810	31.2	8	489	87.9
Dec 11	52.3	14.5	90.41	0.7	47.33	15.4	15,159	0.0	7,935	14.5	717,421	15.4	8	489	87.9
Apr YTD 2011	51.7	15.3	88.03	-5.2	45.53	9.3	58,680	0.0	30,347	15.3	2,671,484	9.3			
Total 2011	60.0	13.5	88.84	-0.5	53.26	12.9	178,485	0.0	107,002	13.5	9,506,581	12.9			
Jan 12	46.9	7.7	93.42	2.2	43.77	10.0	15,159	0.0	7,102	7.7	663,485	10.0	8	489	87.9
Feb 12	52.6	4.0	92.29	0.8	48.50	4.8	13,692	0.0	7,196	4.0	664,089	4.8	8	489	87.9
Mar 12	53.8	-11.7	91.01	3.5	48.94	-8.6	15,159	0.0	8,151	-11.7	741,822	-8.6	8	489	87.9
Apr 12	49.4	-4.6	79.09	-3.6	39.10	-8.0	14,670	0.0	7,253	-4.6	573,630	-8.0	8	489	87.9
May 12	61.4	11.5	80.39	1.0	49.38	12.6	15,159	0.0	9,311	11.5	748,495	12.6	8	489	87.9
Jun 12	75.9	8.2	95.63	7.0	72.55	15.8	14,670	0.0	11,129	8.2	1,064,269	15.8	8	489	87.9
Jul 12	82.6	9.3	98.39	4.0	81.27	13.7	15,159	0.0	12,522	9.3	1,231,991	13.7	8	489	87.9
Aug 12	79.6	1.9	94.68	-0.2	75.39	1.7	15,159	0.0	12,070	1.9	1,142,832	1.7	8	489	87.9
Sep 12	76.2	12.5	90.61	1.8	69.04	14.6	14,670	0.0	11,179	12.5	1,012,879	14.6	8	489	87.9
Oct 12	62.1	2.8	90.96	6.7	56.45	9.7	15,159	0.0	9,407	2.8	855,680	9.7	8	489	87.9
Nov 12	48.6	-7.3	87.81	2.1	42.71	-5.3	14,670	0.0	7,136	-7.3	626,629	-5.3	8	489	87.9
Dec 12	46.8	-10.6	95.32	5.4	44.61	-5.7	15,159	0.0	7,094	-10.6	676,172	-5.7	8	489	87.9
Apr YTD 2012	50.6	-2.1	88.98	1.1	45.04	-1.1	58,680	0.0	29,702	-2.1	2,643,026	-1.1			
Total 2012	61.4	2.4	91.30	2.8	56.04	5.2	178,485	0.0	109,550	2.4	10,001,973	5.2			
Jan 13	56.0	19.6	97.35	4.2	54.53	24.6	15,159	0.0	8,491	19.6	826,605	24.6	8	489	87.9
Feb 13	63.0	19.9	97.55	5.7	61.47	26.7	13,664	-0.2	8,611	19.7	839,968	26.5	8	488	87.9
Mar 13	68.6	27.6	93.69	2.9	64.30	31.4	15,128	-0.2	10,383	27.4	972,783	31.1	8	488	87.9
Apr 13	55.3	11.9	84.12	6.4	46.53	19.0	14,640	-0.2	8,098	11.7	681,176	18.7	8	488	87.9
Apr YTD 2013	60.7	20.0	93.32	4.9	56.67	25.8	58,591	-0.2	35,583	19.8	3,320,532	25.6			

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Methodology

While virtually every chain in the United States provides STR with data on almost all of their properties, there are still some hotels that don't submit data. But we've got you covered.

Every year we examine guidebook listings and hotel directories for information on hotels that don't provide us with data. We don't stop there. We call each hotel in our database every year to obtain "published" rates for multiple categories. Based on this information we group all hotels - those that report data and those that don't - into groupings based off of price level and geographic proximity. We then estimate the non-respondents based off of nearby hotels with similar price levels.

Similarly, we sometimes obtain monthly data from a property, but not daily data. We use a similar process. We take the monthly data that the property has provided, and distribute it to the individual days based on the revenue and demand distribution patterns of similar hotels in the same location.

We believe it imperative to perform this analysis in order to provide interested parties with our best estimate of total lodging demand and room revenue on their areas of interest. Armed with this information a more informed decision can be made.

Glossary

ADR (Average Daily Rate)

Room revenue divided by rooms sold, displayed as the average rental rate for a single room.

Affiliation Date

Date the property affiliated with current chain/flag

Census (Properties and Rooms)

The number of properties and rooms that exist within the selected property set or segment.

Change in Rooms

Indicator of whether or not an individual hotel has added or removed rooms from their inventory.

Exchange Rate

The factor used to convert revenue from U.S. Dollars to the local currency. The exchange rate data is obtained from Oanda.com. Any aggregated number in the report (YTD, Running 3 month, Running 12 month) uses the exchange rate of each relative month when calculating the data.

Extended Historical Trend

Data on selected properties or segments starting in 2000.

Demand (Rooms Sold)

The number of rooms sold (excludes complimentary rooms).

Full Historical Trend

Data on selected properties or segments starting in 1987.

Occupancy

Rooms sold divided by rooms available. Occupancy is always displayed as a percentage of rooms occupied.

Open Date

Date the property opened as a lodging establishment.

Percent Change

Amount of growth, up, flat, or down from the same period last year (month, ytd, three months, twelve months). Calculated as $((TY-LY)/LY) * "100"$.

Revenue (Room Revenue)

Total room revenue generated from the sale or rental of rooms.

RevPAR (Revenue Per Available Room)

Room revenue divided by rooms available

Sample % (Rooms)

The % of rooms from which STR receives data. Calculated as $(\text{Sample Rooms}/\text{Census Rooms}) * "100"$.

Standard Historical Trend

Data on selected properties or segments starting in 2005.

STR Code

Smith Travel Research's proprietary numbering system. Each hotel in the lodging census has a unique STR code.

Supply (Rooms Available)

The number of rooms times the number of days in the period.

Twelve Month Moving Average

The value of any given month is computed by taking the value of that month and the values of the eleven preceding months, adding them together and dividing by twelve.

Year to Date

Tab 11 - Terms and Conditions

Before purchasing this product you agreed to the following terms and conditions.

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2.3 Limitation of Liability. STR's total liability to licensee for any reason and upon any cause of action including without limitation, infringement, breach of contract, negligence, strict liability, misrepresentations, and other torts, shall be limited to all fees paid to STR by the licensee during the twelve month period preceding the date on which such cause of action first arose.

3. MISCELLANEOUS

3.1 Liquidated Damages. In the event of a violation of Section 1.5 of these Standard Terms and Conditions, Licensee shall be required to pay STR an amount equal to the sum of (i) the highest aggregate price that STR, in accordance with its then-current published prices, could have charged the unauthorized recipients for the Licensed Materials that are the subject of the violation, and (ii) the full price of the lowest level of republishing rights that Licensee would have been required to purchase from STR in order to have the right to make the unauthorized distribution, regardless of whether Licensee has previously paid for any lower level of republishing rights, and (iii) fifteen percent (15%) of the total of the previous two items. This provision shall survive indefinitely the expiration or termination of this Agreement for any reason.

all copies of the Licensed Materials and all other information relating thereto in Licensee's possession or control as of the such date. This provision shall survive indefinitely the expiration or termination of this Agreement for any reason.

claims or actions regarding or arising out of this Agreement shall be brought exclusively in a court of competent jurisdiction located in Nashville, Tennessee, and the parties expressly consent to personal jurisdiction thereof. The parties also expressly waive any objections to venue.

3.4 Assignment. Licensee is prohibited from assigning this Agreement or delegating any of its duties under this Agreement without the prior written consent of STR.

venture relationship.

mail, at the time of transmission (provided, however, that notice delivered by facsimile transmission shall only be effective if such notice is also delivered by hand or deposited in the United States mail, postage prepaid, registered, certified or express mail or by courier service within two (2) business days after its delivery by facsimile transmission); iii) when delivered by a courier service or by express mail, at the time of receipt; or iv) five (5) business days after being deposited in the United States mail, postage prepaid, registered or certified mail, addressed (in any such case) to the addresses listed on the first page of this Agreement or to such other address as either party may notify the other in writing.

3.7 Waiver. No waiver of any breach of this Agreement will be deemed to constitute a waiver of any subsequent breach of the same or any other provision.

3.8 Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the matters described herein, superseding in all respects any and all prior proposals, negotiations, understandings and other agreements, oral or written, between the parties.

3.9 Amendment. This Agreement may be amended only by the written agreement of both parties.

the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

3.11 Injunctive Relief. The parties agree that, in addition to any other rights or remedies which the other or STR may have, any party alleging breach or threatened breach of this Agreement will be entitled to such equitable and injunctive relief as may be available from any court of competent jurisdiction to restrain the other from breaching or threatening to breach any of the provisions of this Section, without posting bond or other surety.

3.12 Notice of Unauthorized Access. Licensee shall notify STR immediately upon Licensee's becoming aware of any facts indicating that a third party may have obtained or may be about to obtain unauthorized access to the Licensed Materials, and shall fully cooperate with STR in its efforts to mitigate the damages caused by any such breach or potential breach.

3.13 Conflicting Provisions. In the event that any provision of these Standard Terms and Conditions directly conflicts with any other provision of the Agreement, the conflicting terms of such other provision shall control.

3.14 Remedies. In addition to any other rights or remedies that STR may have, in the event of any termination by STR on account of a breach by Licensee, STR may, without refund, immediately terminate and discontinue any right of Licensee to receive additional Licensed Materials from STR.