

INVESTMENT DECK



HOTEL

ARRO

KANAB

UTAH

&  
RESIDENCES

VOL. 3  
NOVEMBER 2025

MARRIOTT TRIBUTE PORTFOLIO



HOTEL  
**ARRO**  
KANAB UTAH



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*Executive Summary*

## PROJECT SUMMARY

Mountain West Development (“MWD”) is excited to introduce a \$14M equity investment opportunity for the development of a Marriott Tribute hotel and rental program for branded residences (“The Project”) situated in the scenic locale of Kanab, Utah.

### PROJECT:

Hotel Arro is envisioned as a premier destination for outdoor enthusiasts. The resort will feature a 120-key Marriott Tribute hotel with a full suite of amenities, including a signature restaurant, spa, fitness center, outfitter, and entertainment pavilion.

Augmenting the resort is a vacation village offering an additional 200-keys as branded residential units (“Townhomes”) to be nightly rented in conjunction with the hotel.

### LOCATION:

Hotel Arro is located just 30 minutes from the east gate of Zion National Park in Kanab, Utah. The park, visited by over 4.5 million guests annually, is famed for its stunning rock formations, rugged canyons, rushing rivers, and pine-covered peaks. Kanab, the basecamp for many, is nestled amidst towering Navajo sandstone cliffs and expansive vistas of sagebrush, attracting filmmakers and outdoor enthusiasts alike. The area is a favorite among road cyclists, rock climbers, hikers, off-road adventurers, and hot air balloonists who enjoy the vast public lands.

### INVESTMENT OPPORTUNITY:

Sponsor is seeking a 14M investment to complete the capital stack in the financing of Hotel Arro. This investment is projected to yield a project level IRR of 35% with a gross equity multiple of 5x over a span of six years (capital returned in operational year 4).

### NEW DEMAND:

Zion National Park is undertaking a multi-year effort to enhance its East Entrance near Kanab, transforming it into a fully developed visitor gateway. This initiative—led by the National Park Service, the Utah Department of Transportation, and local partners—is designed to alleviate congestion at the heavily trafficked West (Springdale) entrance while expanding access and amenities on the park’s east side. The improvements directly position Kanab, Utah as the natural lodging and service hub for visitors entering from the east.

# INVESTMENT OVERVIEW



## Investment Snapshot

Total Capitalization	\$80,362,672
Investment Offering	\$14,032,804
Investment Period	6 Years
Exit Year NOI <sup>1</sup>	\$13,133,783
Exit Price <sup>1</sup>	\$154,515,089
Exit Price Key <sup>1</sup>	\$1,287,626
Exit Cap	8.5%
Gross Townhome Sales	Excluded

## Exit Assumptions

Exit Date	04/01/2031
Cap Rate	8.50%
Cost of Sale	4.00%
Exit Year NOI	\$13,133,783
Gross Sales Price <sup>1</sup>	\$154,515,089
Debt Payoff	(\$42,144,856)
Cost of Sale	(\$6,180,604)
Net Sales Proceeds <sup>3</sup>	\$106,189,629

## Net Projected Returns

IRR	35.74%
EM	5.03x
Profit <sup>3</sup>	\$106,263,873

<sup>1</sup> Excludes Cost of Sale; Includes NOI from rentals

<sup>2</sup> The Rental Program includes 200 branded townhomes at a 90% participation rate (180-keys).

<sup>3</sup> Before fees paid to SITLA (14.6% of hotel rooms only)

A photograph of a person standing in a desert canyon. The canyon walls are made of layered, reddish-brown sandstone. In the foreground, there is a small pool of water reflecting the sky. The person is standing on a sandy path in the middle of the canyon, looking towards the distance. The sky is a pale, hazy blue.

# ARRO

HOTEL

## *Location Overview*

## LOCAL ATTRACTIONS

Kanab, often referred to as “Little Hollywood” due to its rich history in film-making, serves as the commercial center of a vast farming, ranching, and recreational community. As the county seat of Kane County, this charming city of 4,300 residents sits at the heart of the southwest’s national parks, offering thrilling vacation opportunities throughout the year.

Strategically located **7 miles north of the Arizona border** on U.S. Alternate 89, Kanab is centrally situated between several major cities, including Las Vegas, NV, Phoenix, AZ, Albuquerque, NM, Denver, CO, and Salt Lake City, UT.

In addition to its strategic location, Kanab boasts close proximity to a myriad of natural attractions. Within a **30-minute drive**, you can find yourself exploring the breathtaking **Zion National Park** or the **Coral Pink Sand dunes**. An hour’s journey will lead you to the stunning Lake Powell, and with just an additional half an hour, you can reach the picturesque Kanarraville Falls, Bryce Canyon, and the North Rim of the Grand Canyon.



## LOCAL ATTRACTIONS

Nestled in the heart of Utah's enchanting natural wonderland, you'll find the idyllic Hotel Arro Resort & Residences. Perfectly positioned, we offer instant access to a plethora of thrilling outdoor activities. Experience the ultimate fusion of luxury and leisure at Hotel Arro.

### **SIDE BY SIDE TOURS**

Craving adventure? Our side by side tours will ignite your adrenaline, as you explore the stunning landscapes of Kanab in an exciting new way. This off-road experience beautifully marries exhilaration with scenery.

### **HIKING**

Traverse through extraordinary trails, where each turn unveils a fresh perspective of Utah's awe-inspiring beauty. Kanab caters to all hiking levels, from beginners to seasoned pros.

### **MOUNTAIN BIKING**

Feel the rush of navigating rugged terrains, whilst drinking in breathtaking panoramic views. This is not merely a ride, it's an unforgettable adventure.

### **NATIONAL PARKS**

Marvel at the allure of Utah's famed National Parks - the Glen Canyon, Zion, Bryce, and Grand Canyon National Parks. Just a 45-minute journey away, you'll discover the majestic Grand Staircase/Escalante National Monument and the vibrant Lake Powell NRA. Each offering its own unique landscapes, and memories to last a lifetime.

Moreover, Kanab is just a few hours away from major metropolitan areas:

Salt Lake City, Utah: 4.5 hrs  
Las Vegas, Nevada: 3 hrs  
Phoenix, Arizona: 5.5 hrs  
Albuquerque, New Mexico: 7 hrs  
Los Angeles, California: 7.5 hrs  
Denver, Colorado: 9.5 hrs

Investing in Kanab means investing in a city that combines the charm of a small town with the conveniences and opportunities of its strategic location. Join us as we continue to grow and thrive.

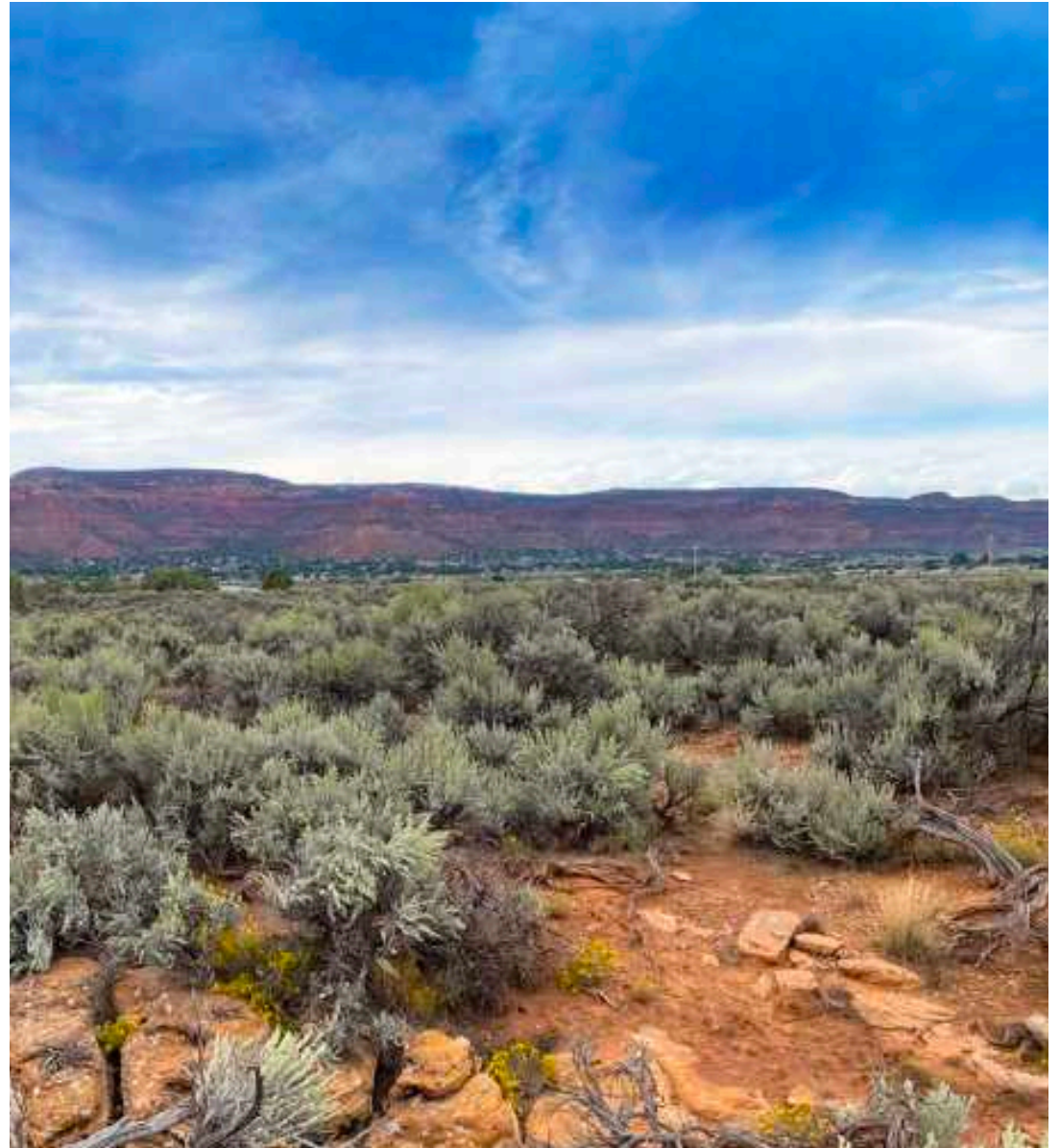


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HOTEL

*Concept Design*

The resort is designed to put nature on display. Architecture that uses neutral and natural building materials to blend in with the surrounding landscape. Buildings positioned to face toward the red sandstone cliffs in the distance, not a bad view on property. Walking trails, a tiered resort pool, and townhomes that all work with the topography to immerse you in nature at every turn. From the design to the endless activities accessible from the hotel outfitter, everything at the resort is intended to connect you to what Kanab is known for, breathtaking views and access to adventure.









# AR RO HOTEL

*Facilities Program*

# THE HOTEL

Hotel Arro and Residences will propel the ascent of guests through intentional design, service inspired by a guide mentality, and programming that connects guests to nature and welcomes them back. Not only will the hotel be the only full-service overnight option in Kanab, it will be the only option for the affluent Bonvoy traveler looking for the trusted Marriott experience for miles.





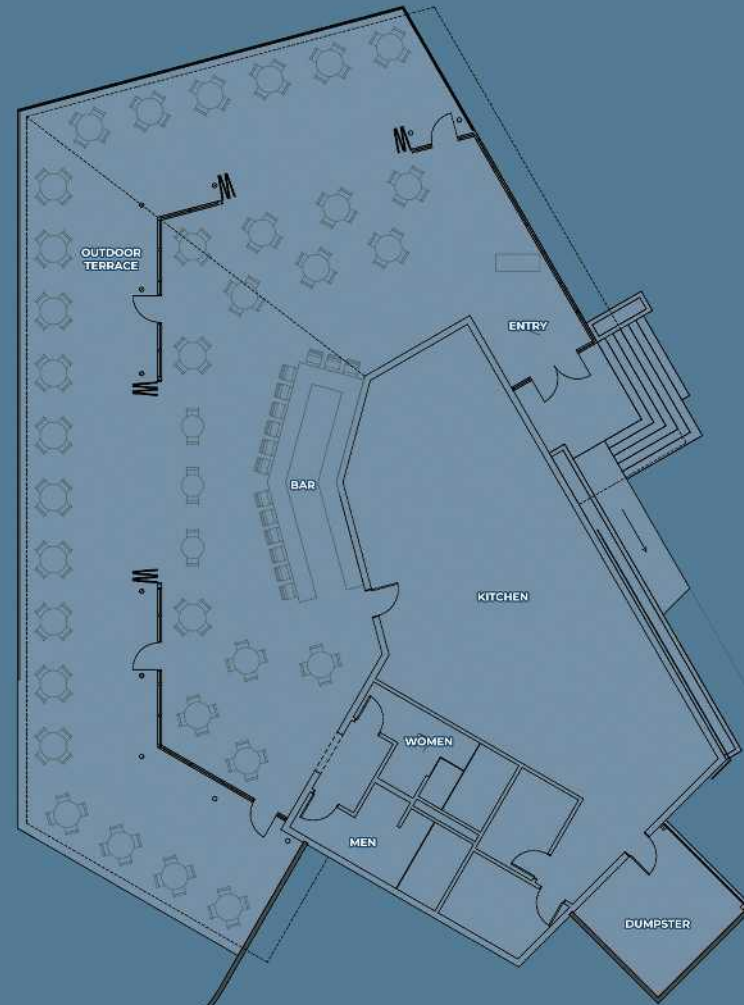
We're proud to partner with Lucas Lagoons — the award-winning custom pool design and build firm whose visionary work has been featured on the hit television series *Insane Pools: Off the Deep End*. With more than 50 design awards, a design-team boasting over 100 years of combined experience, and an unmistakable signature style that transforms ordinary landscapes into exotic, resort-style waterscapes, Lucas Lagoons sees each project as a work of art.

Their founder, Lucas Congdon, brought a lifelong background in stone masonry and landscaping to this niche, redefining what a custom pool can be. From sand-bottom lagoons to dramatic waterfall grottos, fire & water features, outdoor kitchens and themed cabanas — every detail is engineered to exceed expectations. Choosing Lucas Lagoons means choosing more than a pool; it means choosing a destination.

- **Featured on TV:** Seen on *Insane Pools* (Animal Planet and other networks).
- **Award-Winning:** Over 50 design awards, including multiple Florida Swimming Pool Association honors (Sarasota Magazine).
- **Signature Style:** Nature-inspired "lagoon" designs with boulders, waterfalls, and tropical landscapes
- **Nationwide Reach:** Expanding nationally through their Authorized Contractor program.







**RESTAURANT  
FLOOR PLAN**

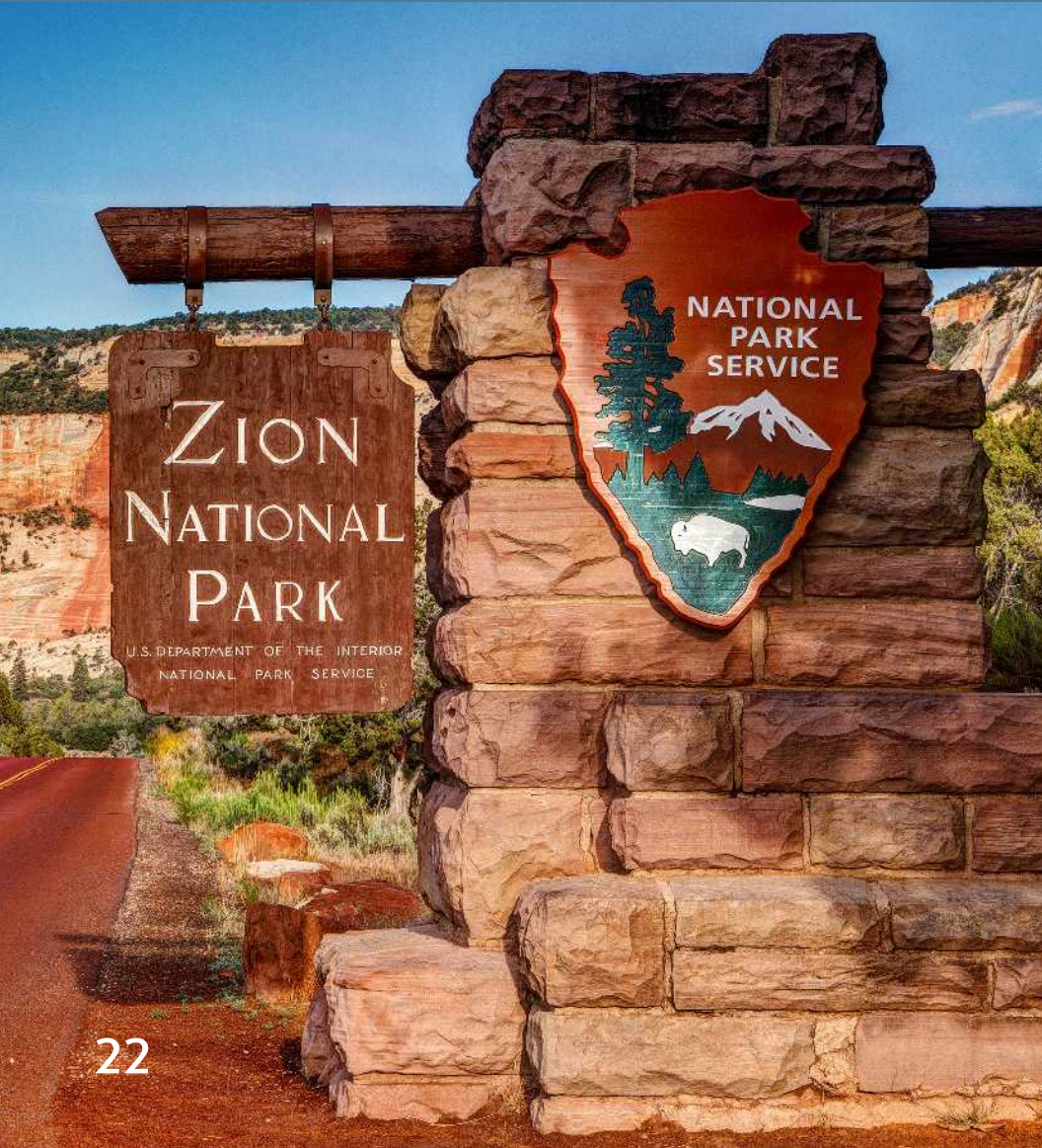
# RENTAL PROGRAM

Each of the 200 townhome units will be sold fully furnished, complete with a comprehensive, high-quality furniture package carefully selected and approved by the hotel brand. This turnkey offering ensures that owners can immediately enjoy the property without the hassle of furnishing their residence. Additionally, residential owners have the exclusive opportunity to participate in a short-term rental program, managed by a Marriott approved hotel operator ("Rental Program"). Through this program, their units will be integrated into the hotel's rental pool, marketed, serviced, and rented out alongside the hotel's guestrooms, providing a seamless and consistent guest experience. Townhome owner also gain access to the resort's world-class amenities, and can stay in their unit up to 60 days out of each calendar year.

As the hotel building is designed exclusively with traditional King and Queen room types, there is an inherent demand for larger, more spacious suites, which will naturally be directed to the rental units. This creates a unique opportunity for owners to capitalize on the high demand for these larger accommodations, ensuring a lucrative income potential through the rental program.

The townhome unit construction and sales are financed separately from the hotel. However, the revenue generated from the rental units is captured within this investment opportunity. After all expenses are paid, including a rental management fee of 15%, townhome owners and the hotel owners split the rental program net revenue 50/50. Participation in the hotel's professionally managed rental program further elevates these properties, offering an attractive investment opportunity with the backing of a proven hospitality management company.





## 11 million park visitors

In 2022, nearly 11 million people graced the four national parks in our vicinity. Among these parks are Zion, Springdale, UT with 4.69 million visitors, Glen Canyon, Page, AZ with 2.8 million visitors, Bryce Canyon, Bryce, UT with 2.3 million visitors, and Capitol Reef, Torrey, UT with 1.2 million visitors.

– This data is sourced from the National Park Service SSRS Reports.

## ranked destination

Kanab stands second in the highest Average Daily Rate (ADR) within the State of Utah and ranks third for the highest Revenue Per Available Room (RevPAR).

– This ranking was as of September 2021, sourced from [travel.Utah.gov](http://travel.Utah.gov).

## 23.5% increase

In 2021, non-resident travelers significantly contributed to our visitor volume. The visitor volume experienced an increase of over 2 million, which is a 23.5% increase compared to the numbers in 2020.

– This information is pulled from the 2021 Utah Visitor Profile & Insights Report provided by the Utah Office of Tourism.

# ZION NATIONAL PARK MARKET PERFORMANCE

Zion National Park comprises 43 hotel properties containing approximately 2,900 rooms. Among the subtypes, there are about 710 Luxury & Upper Upscale rooms, 1,300 Upscale & Upper Midscale rooms, and 890 Midscale & Economy rooms within the Zion National Park area.

As of November, Zion National Park's 12-month occupancy is 61.8%, with a 12-month ADR of \$192 and a 12-month RevPAR of \$118. Year-over-year, 12-month occupancy has increased by 1.7%, ADR has declined by 2.9%, and RevPAR has decreased by 1.3%.

Among Upscale & Upper Midscale assets, the 12-month occupancy is 69.8% and ADR is \$181, resulting in a 12-month RevPAR of \$127. On a year-over-year basis, occupancy increased by 0.5%, ADR increased by 0.4%, and RevPAR increased by 0.8%.



# ARRO HOTEL

# Master Plan

Hotel Arro and Residences is envisioned as a haven for outdoor enthusiasts. Central to the resort is a sophisticated 120-key Marriott Tribute hotel which accommodates a restaurant, spa, fitness center, outfitter, entertainment pavilion, and pools. Additionally, a surrounding vacation village presents an additional 200-keys, structured as branded residential units ("Townhomes") available for purchase. These units boast access to trails, open spaces, a dedicated event center, and generous parking facilities suitable for trailers, off-road vehicles and other large recreational equipment. For those seeking a more secluded experience, future home sites are in the planning stages.





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*Project Performance*

# CAP TABLE + RETURN SUMMARY

Cap Table						Share of Promotes			
	Cash Contribution	Real Property Contribution	Total Contributions	Preferred Units	% of Preferred	Common Units	% of Common	Total Units	Total % Units
General Partner(s)	\$4,350,000	\$8,000,000	\$12,350,000	468.1079	46.81%	100.0000	100.00%	568.1079	51.65%
Limited Partner(s)	\$14,032,804	\$-	\$14,032,804	531.8921	53.19%	-	0.00%	531.8921	48.35%
<b>Total</b>	<b>\$18,382,804</b>	<b>\$8,000,000</b>	<b>\$26,382,804</b>	<b>1,000</b>	<b>100.00%</b>	<b>100</b>	<b>100.00%</b>	<b>1,100</b>	<b>100.00%</b>

Return Summary	Contribution	Profit	IRR	MOIC
General Partner(s)	(12,350,000)	69,931,766	42.2%	6.66x
Limited Partner(s)	(14,032,804)	36,332,106	28.4%	3.59x
<b>Total</b>	<b>(26,382,804)</b>	<b>106,263,873</b>	<b>35.74%</b>	<b>5.03x</b>

# PROJECT TIMELINE

The project is fully entitled for the hotel resort and residences and their nightly rental use, complete with will serve letters for all required utilities. These efforts began in 2021 with the partnership of the State Institutional Trust Land Administration (SITLA) which led to a joint development agreement with the city by the end of 2022. Without the SITLA partnership, and the land being located in an area where the property is surrounded by BLM, SITLA, and a public reservoir restricting adjacent future development, these entitlements would not have been possible.

The city and county have expressed their opposition to sizable growth and continued pressure in southern Utah for water conservation is causing changes to how future developments move forward. Since the approval of the development, the county has passed a law that as soon as State Trust Lands changes hands, it is zoned agricultural and would require a lengthy process to get zoning changed with no guarantee that the new applied for use would be approved, adding additional barriers to market.

