



FEASIBILITY STUDY
with
FINANCIAL PROJECTIONS
for the proposed
The Inn at the Locks
a Member of the Ascend Collection



affiliated with Choice Hotels International

Lockport, New York
for the
City of Lockport, New York





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December 22, 2014

Mr. Chuck Bell, Director of
Planning and Development
City of Lockport
One Locks Plaza
Lockport, New York 14094

Via Federal Express

Dear Mr. Bell:

This report, entitled "Feasibility Study with Financial Projections for the development of the proposed Inn at the Locks Hotel of the Ascend Collection of Choice Hotels International" at 57 Richmond Avenue in Lockport, New York, has been prepared pursuant to our agreement of October 10, 2014.

The report consists of a survey of the site and surrounding areas regarding the suitability for hotel development; a market study of the Lockport, New York area pertaining to transient lodging facilities; and based on these studies, estimates and assumptions, discussed in this report, the Financial Projections for the proposed hotel.

The scope of our work is described in the attached report and includes, among other things, the following steps: We discuss the demand for the facilities with representatives of government, commerce, and industry. We revisited economic and demographic data and industrial growth statistics of the area. Existing and planned travel patterns, area approaches, hotels, restaurants, and lounges were surveyed and analyzed as they pertain to the site.

In accordance with our engagement letter, we did not ascertain the legal and regulatory requirements applicable to this project, including zoning, permits, licenses, and other state and local government regulations. No effort has been made to determine the possible effect on this project of present or future federal, state, and local legislation, including any regarding environmental or ecological matters, nor an analysis of the potential impact of possible energy shortages.

Our study is based on information developed from research of the market, knowledge of the industry, and conversations with you during which we were provided certain information. The sources of information and bases of our estimates and assumptions are stated in the body of this report. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying projections are based on estimates and assumptions developed in connection with the Feasibility Study. However, certain assumptions may not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the projection period may vary from the forecasts, and the variations may be material.

The Author and Interim Hospitality Consultants will not be liable for errors and omissions in judgment, negligence, or other fault in connection with this Feasibility Study, except for acts of gross negligence, willful malfeasance, and fraud.

We acknowledge that the hotel will be financed through one or more loans with financial institutions, and said financial institutions may rely on the Feasibility Study when determining whether to extend financial credit and the terms thereof. In addition, we understand that you plan to offer ownership interests in the hotel to accredited investors in a private placement under various rules and regulations of the Securities Acts (Offering), and that investors may rely on the Feasibility Study as part of their investment analysis.

Further, we acknowledge that you and others may utilize the Feasibility Study to evaluate the market potential for the proposed hotel, planning the composition of the hotel, projecting levels of market penetration, occupancy, and average room rate, preparing cash flow and financial projections, and other purposes.

In your multiple capacities as developer of the hotel, you and your agents and assigns, are hereby authorized to utilize the Feasibility Study for its intended purposes and in pursuance of the matters described herein. As such, you and your agents and assigns, are authorized to disclose the Feasibility Study to any and all third parties and their attorneys, accountants, and employees who need access in order to analyze aspects of the hotel. These authorizations may not and will not be revoked. Neither you nor third parties to which you disclose the Feasibility Study have a duty to maintain the confidentiality of the Feasibility Study. We acknowledge that the Feasibility Study is owned by you, and you may utilize it as your sole property.

Thank you for allowing Interim Hospitality Consultants to be of service to you.

Regards,

A handwritten signature in cursive script, reading "Edward L. Xanders".

Edward L. Xanders, CHA
Its Manager

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INTRODUCTION

Interim Hospitality Consultants was engaged to conduct a Feasibility Study with Financial Projections for a proposed Inn at the Locks Hotel to be located at 57 Richmond Avenue in Lockport, New York. The proposed hotel is to have all the amenities commensurate with an upscale, boutique hotel.

Objectives of Study

The basic objectives of the study were to:

1. Evaluate the market potential for the proposed hotel based on an analysis of the market support for a lodging facility on the subject site.
2. Comment on the appropriate number, types, and sizes of guest rooms and other amenities which would best serve the needs of the market.
3. Project levels of market penetration, occupancy, and average room rate for the proposed hotel for the first five years of operations.
4. Prepare detailed projections of Cash Flow from operations before fixed charges for the hotel for the first five years of operations.
5. Provide a written report containing the conclusions of the Feasibility Study and present Financial Projections for the proposed hotel.

Scope of Study

The Feasibility Study included a variety of work steps which enabled us to evaluate historic trends and project the future competitive supply of and demand for lodging accommodations in the area. The scope of the work included, but was not necessarily limited to, the following:

1. An analysis and economic evaluation of the Lockport, New York, market area based on interviews with area businessmen and government officials, compilation of pertinent market data, and a review of those economic indices which would be most relevant to the success of the proposed project.
2. An inspection of the site and surrounding area to determine their suitability for the proposed hotel, taking into consideration such factors as accessibility, visibility, and proximity to demand generators.
3. An inspection and analysis of the hotels in Lockport, New York, that would provide the primary competition to the proposed hotel. Our census of the competitive facilities included existing hotels as well as those under construction, planned, or rumored.
4. A determination of the current overall market demand and rooms in the subject area and the share of market demand that is generated by tourists, commercial travelers, and group meetings/ convention delegates.
5. A projection of growth rates for the various market segments based on the factors that should impact the future demand for hotel rooms.
6. An evaluation of the projected hotel supply and demand relationship in the market area to reach conclusions regarding the market support for the proposed hotel.
7. Comment on the proposed facilities in terms of number, mix, and type of guest rooms, and recreational amenities.
8. Comment on the proposed facilities in terms of style and size.
9. Projections of occupancy and average room rate for the proposed hotel, including projected market mix of guests.
10. Projections of cash flow from operations before fixed charges for the first five years of operations.

CONCLUSIONS

The Market research and analysis, as described in this report, indicate that the composition, strength, and projected demand for lodging accommodations in Lockport, New York, are sufficient to support the proposed upscale boutique hotel, Inn at the Locks by the Ascend Collection Hotel of Choice Hotels International.

Market Area Analysis (Section C)

Lockport, New York in Niagara County is the county seat and the location of a number of historical and operational locks of the Erie Canal. The Erie Canal was the major transportation waterway for nearly one hundred years. Now it is a pleasure craft route across northern New York State.

The new ice arena with two national Hockey league-size rinks opened in late 2014. The year-round facility will serve as an economic catalyst in its downtown location.

The Business First Book of Lists of 2014, by American City Business Journal lists 23 industries in Lockport as leaders in various businesses. These firms provide the solid base of employment and economic growth for Lockport.

Site and Area Evaluation

(Section D)

The growing year-round recreational visitor market and the stable business travel market have created a significant demand for new hotel rooms in the City of Lockport. There are viable and appealing sites for hotel developments in the 100-150 total room range in the City. Specifically, the vacant Dussault site lends itself well to a conference-type hotel adjacent to the new Cornerstone CFCU Hockey Arena.

A total of three locations for Hotel Development were identified in the central business district of Lockport. See map on Page D-14:

- Site A: Adjacent to the new Ice Arena and the Erie Canal.
- Site B: Along the Erie Canal and Transit Street, Southwest Quadrant
- Site C: At 57 Richmond Avenue in the conversion of an existing office building adjacent to the multi-lock system of the Erie Canal.

Due to the results of the findings of the Market Field Research, Site C has been identified as the initial location for Hotel Development.

This historic and picturesque location is adjacent to a city park with a gazebo.

A first-class boutique hotel will be successful at this unique location as the findings of this Feasibility Study come to fruition.

Supply and Demand Analysis

(Section E)

As the City of Lockport does not have a first class hotel, the following hotels were combined to report their historical Occupancy and Average Daily Rate from January 2008 through October 2014.

<i>Hotel</i>	<i>City</i>	<i>Franchise Date</i>	<i>Date Opened</i>	<i>Number of Rooms</i>
Comfort Inn Buffalo	Lockport, NY	Oct 1989	Oct 1989	50
Best Western Plus Lockport Hotel	Lockport, NY	Jul 2013	Jun 1971	95
Hampton Inn Buffalo Wiliamsville	Williamsville, NY	Jul 2002	Jul 2002	80
DoubleTree Buffalo Amherst	Amherst, NY	Jun 2012	May 1987	187
Comfort Inn University Amherst	Amherst, NY	Mar 2005	Jan 1986	102
Candlewood Suites Buffalo Amherst	Amherst, NY	Jun 2009	Jun 2009	76
Staybridge Suites Buffalo Amherst	Amherst, NY	Nov 2013	Nov 2013	102
Holiday Inn Buffalo Amherst	Amherst, NY	Apr 1967	Apr 1967	199
Total				891

Source: Smith Travel Research, Hendersonville, Tennessee

Market Trend Lockport, New York Competitive Market Set		
Year	Occupancy	Average Daily Rate
2008	59.3%	\$103.95
2009	55.5%	\$ 95.90
2010	60.7%	\$ 90.12
2011	64.2%	\$ 94.17
2012	69.3%	\$ 94.08
2013	66.5%	\$100.12
2014*	64.0%	\$100.00

Source: Smith Travel Research, Hendersonville, Tennessee

*By factoring the 2013 November and December actual data, an occupancy of 64% for 2014 is projected at an Average Daily Rate of \$100.00.

This represents the past three years' Average Occupancy of 66.7% at \$98.67 ADR for the Lockport hotel market.

The uniqueness of the upscale boutique hotel will have a marketing draw from Toronto, Canada to Syracuse, New York, to Pittsburgh, Pennsylvania to Cleveland, Ohio and all points within.

Proposed Facilities and Services (Section F)

The Market Research for this Feasibility Study has revealed that there is sufficient demand for a 40-room upscale, full-service hotel. The Market Research has selected the Inn

at the Locks by the Ascend Collection, of Choice Hotels International. Other “soft” franchise firms include:

- Autograph by Marriott
- Curio by Hilton
- Premier Collection by Best Western
- RL Hotels by Red Lion

Site Plan

The 40-room Inn at the Locks to be located at 57 Richmond Avenue in Lockport, New York, will be oriented to provide ease of guest usage and feature a 40-person Meeting Room, an indoor swimming pool along with a Sun Deck, and an evening fire pit.

The existing building is a three story structure, with a partial basement. Plans call for utilization of the basement and the addition of two stories to present five-story boutique hotel.

The west side of the building will provide a motor entrance with a one-lane porte-cochère. The east side of the building, adjacent to a city park with a gazebo will have a street level dining patio designed to provide access to the park.

The north side of the property is the parking lot. The south side is the Erie Canal locks.

Hotel Features

- **Elevator.** A new elevator from the basement to the fifth floor is required.
- **Basement on lower level.** The basement is under the oldest part of the structure on the west side. Adjacent space seems to be available for the hotel housekeeping department, laundry drop from each floor, and building maintenance shop.
- **Ground Floor.** The ground floor will feature:
 1. Hotel Lobby
 2. Guest Registration at two office desks
 3. Lobby Bar
 4. Hotel Restaurant, open to the east side park
 5. 40-person Meeting Room
 6. Administrative offices
 7. Hotel kitchen
 8. The hotel “back door” is to the north parking lot

- **Second, Third and Fourth Floors**

Architectural Resources of Buffalo, New York, has proposed twelve rooms on each floor, of adequate size for:

6 Queen bedrooms

1 Queen/Queen Bedroom

5 King bedrooms

The guest room layout of a typical transient hotel. Possible consideration should be given to update the design to eliminate the bathtub/shower in lieu of walk-in dual showers for two, added bath vanity counter space, hospitality center of refrigerator/freezer, microwave and coffee maker. In essence, design the guest rooms to emulate Curio by Hilton, Even by IHG, or Edition by Marriott.

A guest lobby is illustrated on each floor, which is an excellent space for a Guest Library, Billiards Room, or Business Center on the three floors.

- **Fifth Floor, Roof Top**

The top floor will feature four king bedrooms/sofa parlor Executive Suites.

An Aquatic Center of indoor pool, fitness center and sauna, all open to a rooftop sun deck and evening fire pit facing to the southwest to feature the sunset.

Room Mix

The Market Research for this Study revealed that 50% of the market is the commercial guest and 50% is leisure, as discussed in the Supply and Demand Section of this study.

Inn at the Locks by the Ascend Collection Lockport, New York Proposed Room Mix	
18	Queen Room
3	Queen/Queen Room
15	King Room
4	King Sofa Suite
40	Total Rooms

Source: Interim Hospitality Consultants

Ascend Collection Hotel Membership

The Ascend Collection program, as with all “soft” hotel brands, is not a traditional franchise concept. Ascend Collection is an upscale membership program that

enables the individual hotel to retain its own name and signage, while utilizing the specific Choice Hotels resources which work best for the Inn at The Locks in Lockport, New York.

The Ascend Collection Unique product class is a collection of properties which are as diverse as the collection itself. These upscale niche hotels are found in all markets from urban centers to small towns, and resort locations. They offer themed experiences (i.e., water park, log cabins, and ski lodge) that permeate through the entire property and includes themed-styled amenities with energetic guest service.

The guest room FF&E packages are styled consistently with the themed experience with case goods and complete décor. The common area spaces reflect the local area and property's identity, which includes design elements that are representative of this local feel.

In addition to existing properties with significant local brand equity, there can be new construction properties in this class. These properties must have created their own brand identity and local marketing plans, such as the Inn at the Locks in Lockport, New York.

Projected Utilization of the Proposed Hotel (Section G)

Based upon the occupancy of the Inn at the Locks Hotel, the proposed hotel's Total Market Penetration and underlying assumptions are summarized as follows:

1. *Leisure:* Due to the hotel being marketed as the number one quality product in the upscale, full-service boutique hotel classification, the hotel's projected penetration of fair market share will be at 100.0% over the five-year projection period.
2. *Commercial:* The fair market share of commercial business is projected to be at 100.0%. This can be achieved with a professional sales marketing effort. If for any reason the tourist business declines through seasonality or energy shortages, state and local commercial solicitation must be made to offset the decline.
3. *Occupancy:* The projected occupancy should be attainable if the property is built as described, professionally operated in all facets, and business of the area continues to be positive. In years 3 to 5, additional competition may materialize to substantially reduce the projections.

These projections are based on estimates and assumptions developed in connection with the Feasibility Study. However, certain assumptions may not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the projection period may vary from the forecasts, and the variations may be material.

Proposed Inn at the Locks by the Ascend Collection Lockport, New York			
<i>Year</i>	<i>Occupancy</i>	<i>Average Daily Rate</i>	<i>Room Revenue</i>
2017	60.0%	\$175.00	\$1,537,200
2018	63.0%	\$180.00	\$1,655,640
2019	65.0%	\$185.00	\$1,755,650
2020	68.0%	\$191.00	\$1,901,440
2021	70.0%	\$197.00	\$2,013,340

Source: Interim Hospitality Consultants

Financial Analysis

(Section H)

Projections of annual operating returns for the Inn at the Locks Hotel were prepared for five years, 2017 through 2021. The projections are based on the results of operations of comparable facilities and our conclusions regarding the environment in which the hotel would operate.

Proposed Inn at the Locks by Ascend Collection Lockport, New York			
<i>Year</i>	<i>Total Revenue</i>	<i>Net Operating Income Before Debt Service</i>	
2017	\$2,572,880	\$ 902,420	35.1%
2018	\$2,740,130	\$ 995,930	36.3%
2019	\$2,874,570	\$1,078,550	37.5%
2020	\$3,073,820	\$1,175,060	38.2%
2021	\$3,218,340	\$1,249,750	38.8%

Source: Interim Hospitality Consultants

Choice Hotels International

Information on the Choice Hotels International brand is presented on the following pages.



keep your local identity.
gain our global presence.



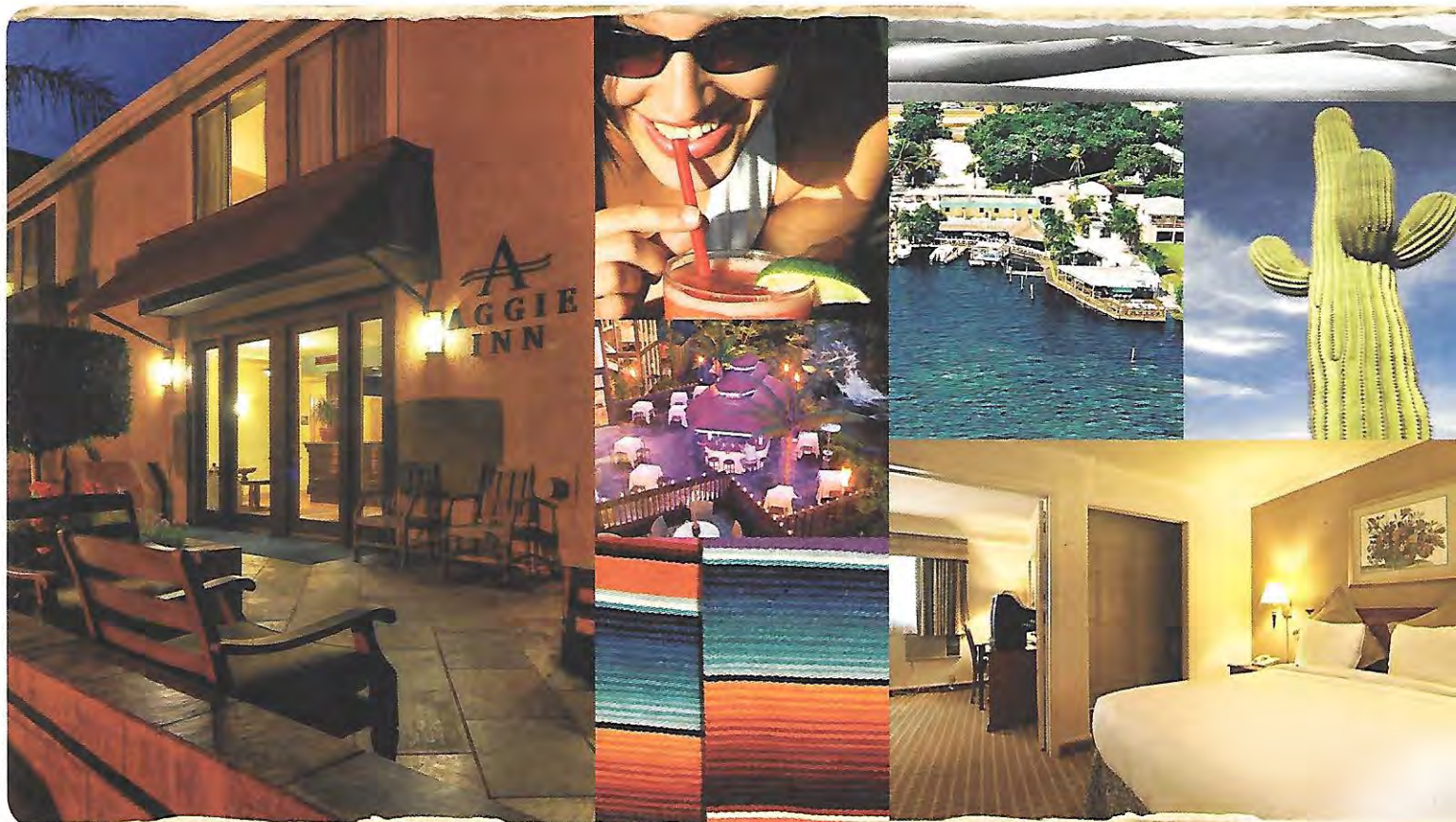
let the destination reach you.

your goal is to attract more guests and our strength is connecting your hotel to millions of potential loyal customers.

You are authentic, independent and distinctive, and so are your guests. Everything you do at your hotel reflects your unique point of view as a hotelier, from your building's architecture and décor to your attentive service culture.

Ascend Hotel Collection™ was created exclusively for you.

An innovative membership program by Choice Hotels International®.



what is Ascend Hotel Collection?

- A membership program that allows upscale independent hotels to keep their name, signage, and unique identity, but enhance sales by tapping into the **Choice Hotels global reservations and distribution system that generated \$2.4 billion system-wide in 2011.***
- A growing network of proud hoteliers that give discerning guests a one-of-a-kind native experience and an authentic taste of the local flavor when they travel.
- An innovative cost saving membership program that does **not** require:
 - Signage changes or conformities to brand standard PIPs
 - Brand identifiers for operations or specific brand deliverables
 - Annual property inspections
 - Mandatory owner training

member benefits:

- **Strong reservations contribution** through Choice Hotels Reservation System (CRS) and other CRS marketing channels
- **Award winning property management system** that simplifies inventory and rate management
- **Dedicated team** to provide a range of support services and optimize performance
- Gain enhanced online **presence on ChoiceHotels.com** while keeping your own website
- Participation in the **Choice Privileges®** guest loyalty program, one of the **fastest-growing rewards program** in the hotel industry **

* Source: Figure reflects the revenues delivered through the Choice Hotels Central Reservations System (CRS) and other non-CRS marketing channels in 2011. The spend figure is based on accounting records of the System Fee in 2011 and has been compiled in a manner consistent with generally acceptable accounting principles. See Ascend Collection Franchise Disclosure Document dated April 1, 2012.

** Source: Internal Data as of 6/30/2012



more support for your property from a large and growing hospitality company

Choice Hotels® is one of the largest hotel companies in the world. We have 70 years of experience in development services, field support, property management systems and ongoing training that are designed to optimize hotel performance.*

Working in conjunction with your sterling reputation, Ascend Hotel Collection connects your highly regarded property to our powerful Choice Hotels worldwide reservations system, programs and promotions designed to increase consumer awareness and drive hotel reservations.

- **ChoiceHotels.com** – one of the most visited lodging websites in the industry
- **800.4CHOICE** – dedicated toll-free number with high conversion rates and commission free reservations
- **Internet Distribution** – high visibility on major 3rd party websites
- **Choice Distribution System** – preferred status with influential travel agencies



"Ascend Hotel Collection and Choice Hotels go a long way in reaching that goal of providing tools and resources while allowing us to keep our individuality with a Property Management system that, in my opinion, leads the industry. choiceADVANTAGE is built for those on the front line, allowing hoteliers to manage and make real-time decisions with the latest information quickly and easily."

*Jennifer Rota, General Manager
The Distrikt, New York, NY*



TM

ascendmembership.com

For more information on how Ascend Hotel Collection can help your hotel, contact a Director of Membership Development:

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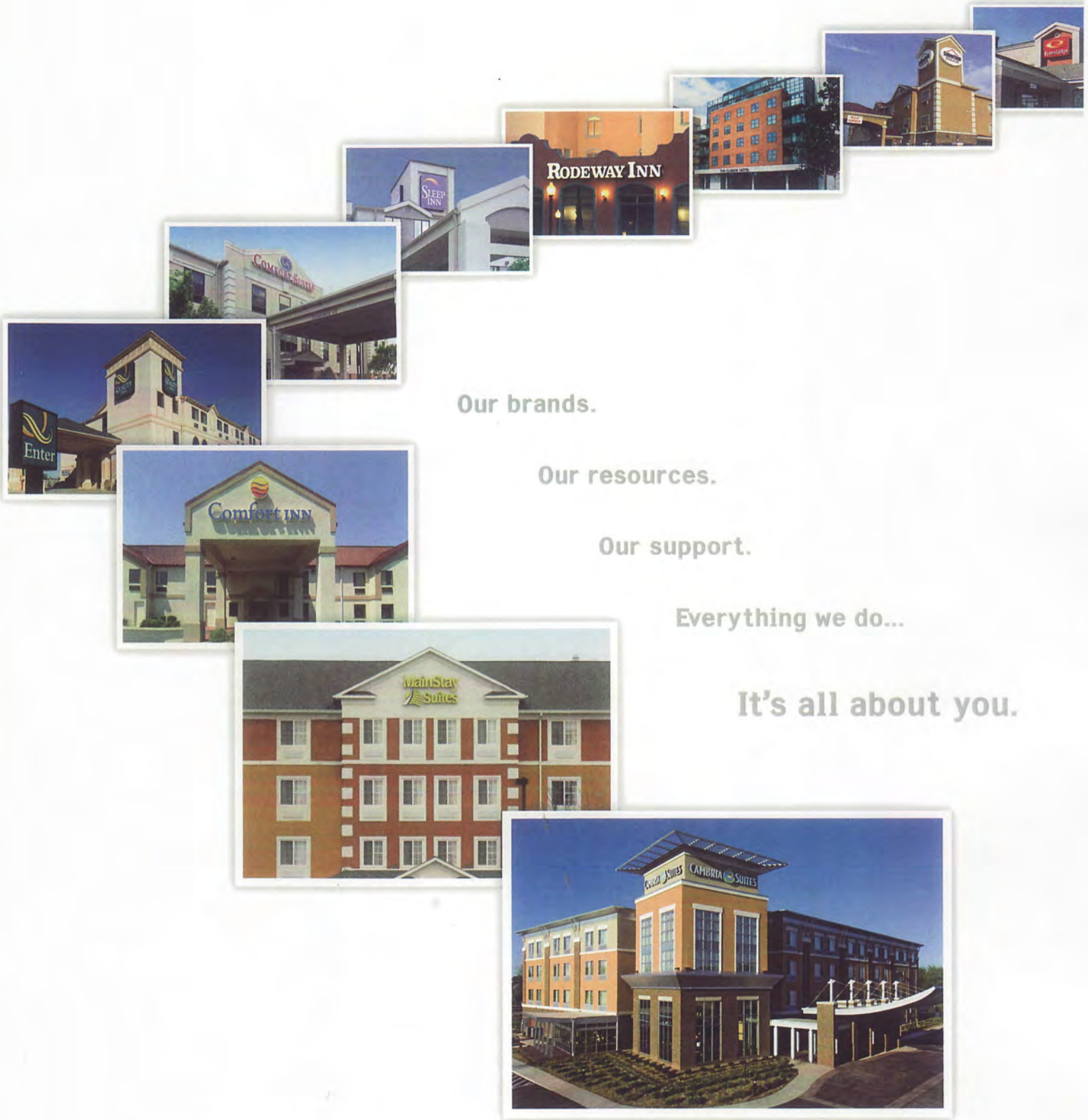
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Our brands.

Our resources.

Our support.

Everything we do...

It's all about you.



CHOICE HOTELS INTERNATIONAL®



"I am very excited about Choice's significant growth opportunities, both domestically and internationally, with a stable of well-segmented brands."

Stephen P. Joyce, President and Chief Executive Officer, Choice Hotels International

"Strong brands make for strong investments and being associated with Choice Hotels strengthens our investment portfolio."

Al Patel
Baywood Hotels

Choice Hotels International® recognizes a great hotel franchise needs...

A Strong Brand

Choice Hotels® has 10 popular brands, ranging from select-service upscale to economy, to a hotel membership program. All value-engineered to make your investment as cost efficient as possible. All well positioned to maximize your return.

New Build

Upscale



Midscale



Extended Stay



Conversion

Full Service



Midscale



Economy



Membership





Comfort Suites Guestroom

Reservations Delivered

Our worldwide reservations system uses every available distribution channel to make it easy for guests to find your hotel and make reservations. In 2008, our central reservations system provided more than \$2 billion system-wide in gross room revenue.*

Collaborative Support

Resources, services, systems, technology, training, operational and field support – all designed to help you run your hotel franchise smoothly and efficiently, so you can create a positive guest experience.

Powerful Marketing

We cover national marketing channels in the industry with a bold, coordinated effort that includes aggressive sales programs, strategic partnerships, an award-winning guest loyalty program and promotions backed by national advertising. All designed to drive reservations to your hotel.

An Experienced Franchisor, Focused on *Your* Interests

We are one of the largest franchise organizations in the world, with over 6,800 hotels open and under development. We have over 65 years experience developing a franchise system that is dedicated entirely to you, your hotel... your bottom line.

Our management team, our support staff at corporate, our field personnel, every person you call and everyone who visits your property... our job is to listen to you, respond to your needs, develop new and better ways to assist you.

We work together with your performance in mind.



Sleep Inn Guestroom

* Figure is based on our accounting records and has been compiled in a manner consistent with generally acceptable accounting principles. It reflects the revenues delivered through our Central Reservations System in 2008. See applicable FDD dated April 1, 2009.



"Our size, scale and distribution – along with our market reach – enable us to help lower your costs and increase your revenue by providing centralized services, which include comprehensive reservations delivery, innovative technologies, and robust property-level operational support."

Bruce Haase, Executive Vice President, Global Brand Operations, Choice Hotels International

"Choice Hotels has powerful, recognized brands that deliver good reservations."

Bimal Patel
CEO, Sheenal, Inc.

Reservations

Choice Hotels central reservation system (CRS) is designed to make it easy for any individual, business or group to find information, get assistance and to make bookings at all our hotels. Rates, availability and hotel specifics are automatically updated to all distribution systems on a real-time basis through our property operations system, ChoiceADVANTAGE®.

choicehotels.com – Our comprehensive, multilingual website allows guests to make reservations at any Choice brand hotel and provides instant access to searchable information about your hotel, points of interest, address, amenities, route planning and more. Considered one of the best lodging sites in the U.S., it also offers a Best Internet Rate Guarantee to encourage online booking.

In 2008, our worldwide reservation system booked over \$2 billion system-wide in gross room revenue.*

*Choicehotels.com consistently ranks in Hitwise's Top 10 most popular U.S. lodging sites.***

800.4CHOICE – We have proprietary call centers located around the world. With 24/7 translation services for more than 100 languages, they are staffed with trained sales agents who deliver solid conversion rates.

Internet Distributors – Choice Hotels has negotiated agreements with leading third-party Internet travel websites. This provides expanded reach and priority positioning for our hotels on leading websites such as Expedia.com, Hotels.com, Travelocity.com, Orbitz.com, Priceline.com and more.

Global Distribution Systems (GDS) – We also offer superior connectivity with traditional distribution channels, including the major GDSs: SABRE®, Worldspan®, Amadeus® and Galileo®, which enables travel agents around the world to find and book your hotel. Our vast GDS relationships and technology enable us to maximize delivery, minimize complexity and reduce costs.



* Figure is based on our accounting records and has been compiled in a manner consistent with generally acceptable accounting principles. It reflects the revenues delivered through our Central Reservations System in 2008. See applicable FDD dated April 1, 2009.

** Source: Hitwise, February 2008
The leading online competitive intelligence service, Hitwise captures the usage and behavior of 25 million Internet users through



MainStay Suites Guestroom

Operations Support

ChoiceADVANTAGE® – Our property system combines our over 65 years experience in developing intelligent operations with state-of-the-art technology to provide you with the resources you need to run an efficient hotel. Our system automates and improves everything from reservations to accounting. ChoiceCentral.com is our intranet site that enables you to access Choice systems and resources 24/7.

Procurement Services – Choice Hotels created Procurement Services to help franchisees perform by providing purchasing services that enhance brand consistency, help hotel owners navigate the complex purchasing process, and strive to improve owner performance. Procurement Services helps Choice Hotels franchisees simplify their decisions by selecting qualified vendors who guarantee their products and services. We also provide field support of procurement managers that guide franchisees through large projects such as renovations and new construction.

Training

Bottom line, your management and staff need to know how to effectively run your hotel, maximize bookings, ensure guest satisfaction and enhance return. We offer these exceptional training options at our corporate training facility as well as training in your market or at your hotel:

- Hospitality Operations Success Training (HOST)
- Choice Training Days – we provide professional trainers who focus on a variety of subjects, from sales to service recovery and more within your region.
- ResCoach – a self-paced online program that trains your staff in reservation sales.
- Drivers Ed – a hotel training system designed to put managers in the drivers seat. Program focuses on the key drivers of guest satisfaction and likelihood to recommend.
- ChoiceUniversity.net featuring online classes for Choice Systems and other hotel related content.
- Training Hotline Number – 888.540.6345.

*For the last 4 years, Choice Hotels took home a Training magazine Top 125 Best Practice Award for its sales training program, which goes beyond recording guest orders to understanding and responding to their needs.**

Field Support

Choice Hotels provides support through Brand Performance Consultants (BPCs), who can assist your property in understanding brand requirements and deliver advice for improving hotel performance. These skilled professionals offer purpose driven consultations customized to your hotel needs, with a focus on raising guest service levels; strengthening revenues; and helping you take full advantage of the many programs and initiatives Choice Hotels provides to increase the value of your franchise.

“A call to my BPC (Brand Performance Consultant) and my problem is solved... the support is there.”

David Andersen
Vice President
Dominion Lodging Inc.

* Awarded in 2006, 2007, 2008 and 2009. Training magazine is a development magazine that advocates training and workforce



“Our marketing programs and advertising strategy are designed to increase our brand strength and performance in the marketplace.”

Bill Carlson, Senior Vice President, Marketing, Choice Hotels International

Advertising & Marketing

National Advertising & Promotions – We use a national, multi-brand campaign that makes the most of our advertising budget to reinforce our image and increase reservations. Our multi-branded promotional efforts focus on big-impact national TV, radio and consumer magazines to reach the most people and make the greatest impression, as well as national banner and keyword buys on major Internet sites targeted to potential guests.

We also plan a number of effective national promotions each year, often around our popular rewards program- **Choice Privileges®**- to drive incremental business to our hotels.

Marketing Support – We drive awareness and reservations through a number of campaigns, including regional co-op ad programs, email and direct mail programs, worldwide directories, gift cards, Yellow Page discounts and special rate programs targeting special market segments.

Choice Hotels high-profile multibrand promotional activity is balanced with creative single-brand national promotions that highlight the unique benefits and key travel occasions that each brand delivers.

Rewards Programs – Our award-winning guest loyalty program is designed to generate repeat business:

CHOICEprivileges®

REWARDS PROGRAM

*Choice Privileges® is one of the fastest growing loyalty programs in the industry, with over 8 million members globally.***

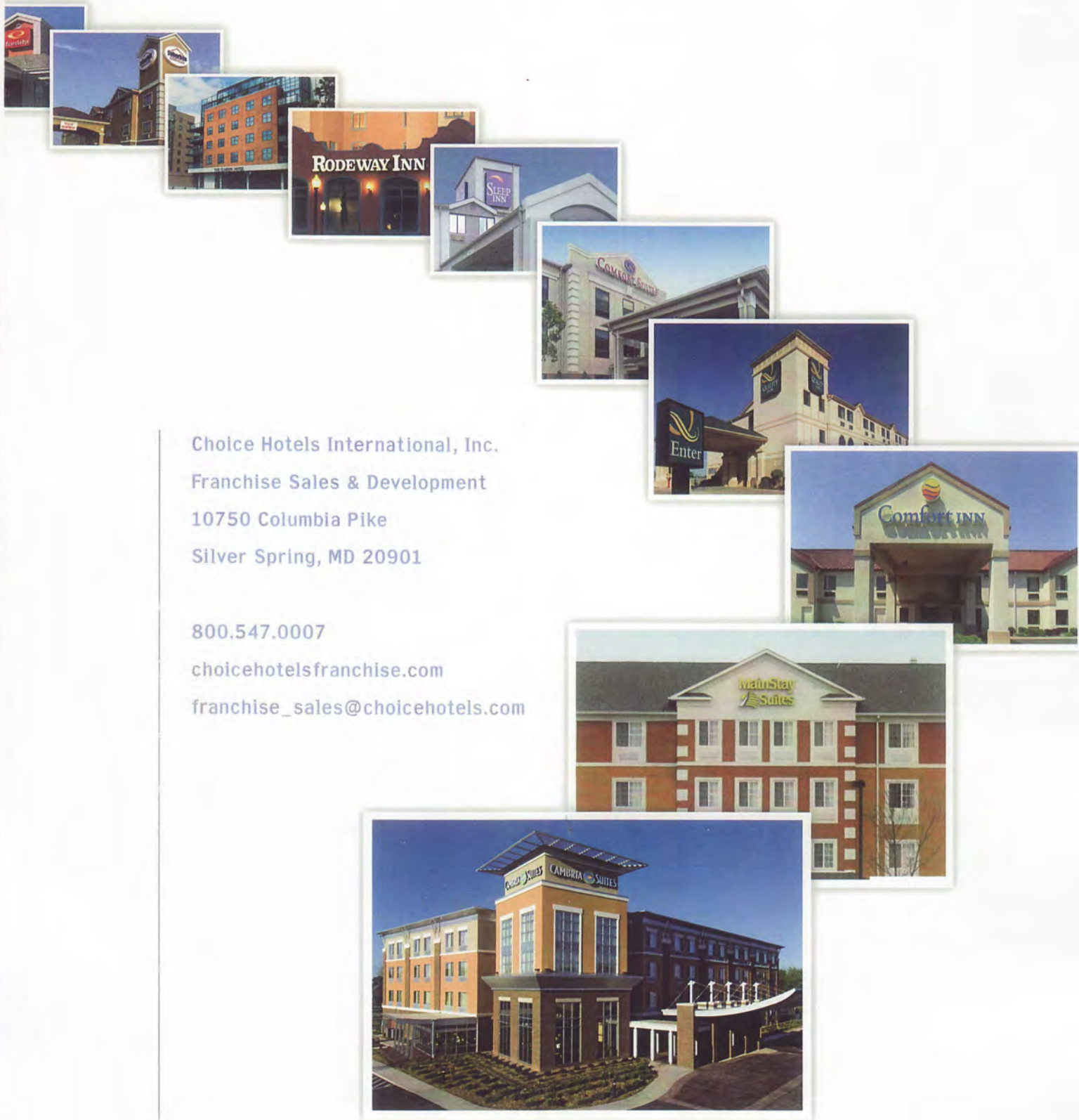
In addition, airline rewards for 15 airline partners are available at Choice Hotel properties.

Sales Programs – Our worldwide sales division focuses on high-volume accounts such as tour operators, travel agents, meeting planners and corporate accounts.

In 2008, Choice Hotels owners were backed by \$195 million in marketing support system-wide designed to maximize hotel performance.*

* Figure is based on our accounting records and has been compiled in a manner consistent with generally acceptable accounting principles. It reflects the System Fee in 2008. See applicable FDD dates April 1, 2009

** Choice hotels in U.S., Canada, Europe, Mexico, Australasia and the Caribbean participate in these programs.



Choice Hotels International, Inc.
Franchise Sales & Development
10750 Columbia Pike
Silver Spring, MD 20901

800.547.0007

choicehotelsfranchise.com

franchise_sales@choicehotels.com



CHOICE HOTELS INTERNATIONAL®

CHOICE HOTELS® NEW BUILD BRANDS

Upscale

Cambria Suites®

Our premier upscale, all-suites brand

Cambria Suites is the 100% new-construction, upscale, all-suites hotel brand from Choice Hotels®. With one of the best designed prototypes in the segment at a competitive cost per key, the Cambria Suites brand's unique blend of effortless sophistication and smart design meets the expectations of a wide array of guests. Cambria Suites hotels offer the right mix of amenities such as flat panel TVs, state-of-the-art fitness centers and healthy F&B options—all within a stylish and contemporary atmosphere.



Midscale

Comfort Suites®

Our dominant all-suites brand in the upper midscale segment

Comfort Suites is one of the leading performers in lodging today. The value-engineered prototype offers an all-suites product with attractive investment and operating costs. Comfort Suites hotels offer an inviting design and modern amenities all designed to enhance returns, including 100% non-smoking suites. The strong name recognition and track record of high guest satisfaction makes for an attractive, new construction development opportunity.



Comfort Inn®

One of the leading and most valued brands in the midscale segment

Comfort Inn is the largest Choice Hotels brand and is one of the industry's most valued brands. It offers our owners and developers a strong potential return on investment and continued growth through the enduring equity of our flagship brand and the low development and operating cost models. Comfort Inn is designed to make the most of your investment.



Sleep Inn®

Capitalizing on vast opportunity in the lower midscale market

Sleep Inn represents a strong return on investment proposition for owners and developers looking for a new construction opportunity. Its fresh product and attractive value are what guests are looking for but what our competitors aren't developing. Sleep Inn is a simply stylish, unique brand that sets itself apart from competitive brands, attracting valued guests and owners alike.



Extended Stay

MainStay Suites®

Our strong midscale, extended stay brand

MainStay Suites is one of the industry's first franchised midscale, extended stay hotel with residential amenities. It provides a residential atmosphere and value-added amenities for the special needs of long term guests at a reasonable cost. MainStay Suites is positioned to help maximize the return on investment due to the occupancy premiums. In addition, the value-engineered prototype is designed to help deliver a competitive per room cost.



Suburban Extended Stay Hotel®

One of the largest economy extended stay franchise systems in the U.S.

Suburban Extended Stay Hotel is well positioned to lead the expansion of the upper economy extended stay hotel segment. Offering the essentials of home at attractive long-term rates. This creates an appealing value designed to help keep occupancy rates high and operating costs low.



CHOICE HOTELS CONVERSION BUILD BRANDS

Midscale



Clarion®

Our full service conversion brand

Clarion is a full-service conversion hotel chain that offers travelers a variety of hotel styles and locations, including major city centers. Developers earn a sense of distinction through the full spectrum of superior facilities, services and amenities at an affordable price to business and leisure travelers.



Quality®

Our premier conversion midscale brand without food and beverage

Quality is one of the most recognized brands in the lodging industry. It represents a cost effective conversion opportunity for owners looking to strengthen their position in their markets and drive returns on existing assets by becoming a part of an enduring and respected brand. Known for its well-established properties that provide everything guests expect, it appeals to both leisure and business travelers.



Econo Lodge®

Our premier economy brand

Econo Lodge is our premier economy brand and one of the nation's largest economy hotel chains. It delivers a great conversion opportunity with reasonable flexibility. It offers guests comfortable, fresh, and affordable lodging and provides developers with a well-established, high value brand.



Rodeway Inn®

Our featured budget brand

Rodeway Inn is our premier budget brand. It provides owners/developers with a great entry conversion opportunity into the Choice Hotels system. Its fee structure has been designed to allow for the greatest flexibility for our franchisees offering annual early termination rights and straightforward fees. First-time and experienced owners appreciate ease of ownership with Rodeway Inn hotels.

HOTEL MEMBERSHIP



A Network of Historic,
Boutique and Unique Hotels

Ascend Collection®

A Network of Historic, Boutique, and Unique hotels

The Ascend Collection hotel membership program by Choice Hotels represents a distinct ownership opportunity for independent hoteliers. Unlike traditional franchise concepts, the Ascend Collection members are able to retain their local identity, individuality and signage while benefiting from Choice Hotels strong global distribution system. Member hotels must embody one of the three distinct categories - Historic, Boutique or Unique.



CHOICE HOTELS INTERNATIONAL®

This advertisement is not an offering. For New York: an offering can only be made by a prospectus filed first with the Department of Law in the State of New York. Such filing does not constitute approval by the Department of Law. For Minnesota: Comfort Inn and Comfort Suites #F-3577; Quality Inn #F-48; Sleep Inn #F-1799; Clarion #F-1673; MainStay Suites #F-3269; Econo Lodge #F-3576; Rodeway Inn #F-2691; Cambria #F-4986; Suburban Extended Stay #F-5274; Ascend Collection #F5980. For California: THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF CORPORATIONS NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING. A copy of the Franchise Disclosure Document may be obtained through contacting Choice Hotels International at 10750 Columbia Pike, Silver Spring, MD 20901.
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CH-11BRS

CHOICE'S MARKETING POWER

Like most brand company conventions in this era of slow growth, Choice Hotels conference in Las Vegas last month was short on a lot of hard news. However, fascinating presentations by Choice executives Alexandra Jaritz and Pat Pacious pulled back the curtain on the company's multi-layered, all-encompassing distribution and marketing efforts.

Pacious, Choice's executive vice president of global strategy and operations, shared with the audience of franchisees the technology and strategies behind the company's distribution platform that processed more than one billion shopping and booking transactions in April, up 49% over the previous April.

Using the conference theme, Pacious showed how Choice is "all in" when it comes to developing and promoting its online booking presence. In particular, the company is betting heavily on mobile transactions. Choice, which was the first hotel chain to introduce an iPhone app, released its app for the iPad last month.

According to Pacious, those moves and others in



Senior Vice President Alexandra Jaritz details Choice's multi-layered marketing program.

mobile technology are paying dividends: more than one million smartphone owners have download the Choice app, and revenues through mobile platforms increased by 250% last year. Of course, the system backbone is ChoiceHotels.com, which hosted 100 million visitors last year and generated \$1 billion in revenues.

Pacious also outlined plans for investment in new technologies and programs. In April, the chain joined IHG as the two hotel companies with best Internet rate guarantees, and last month it launched a pay-for-performance search marketing program.

While Pacious outlined the ways Choice customers interact with its brands, Jaritz shared the rationale and economic case for the company's marketing programs that produce a billion marketing impressions each year.

"The power of marketing isn't just in the eyes it reaches; it's in the number behind the eyes," said Jaritz, senior vice president of brand strategy and marketing, in explaining how Choice takes a statistics-based approach to marketing. "It doesn't work to get in front of as many people as possible. You need to get the right product in front of as many of the right people at the right time through the right device at the right price, all with a limited budget."

The company taps into the psychographics of its target audience to craft its marketing messages and vehicles. And while each of Choice's brand appeals to a slightly different audience, there exists a target psychographic the company seeks to influence. According to Jaritz, the Choice target guest is "the practical traveler." They range in age from 35 to 60; they're middle income with 47% of them college graduates and most are married. Not surprisingly, they're budget and value conscious, which is why Choice marketing messages stress value-added amenities like free breakfast and Internet access.

"Choice target guests are more likely than average hotel guests to be 'do it yourselfers' and they shop at Home Depot and Lowes more than the average hotel guest," said Jaritz, revealing why Choice buys TV time on DIY shows like "Sell This House" and "I Hate My Kitchen."

She said the company uses a statistical tool called Media Mix Modeling to determine the best return on investment for its spend in five mediums: TV, print, radio, search and digital banner ads.

The marketing plan is built in layers: multi-brand TV ads create the base, which combined with paid search and digital banner ads produce the highest return on investment for the company. In addition, each hotel contributes its own marketing efforts, and the guest experience properties provide each customer helps bring them back.

TV is no longer the all-powerful brand marketing tool it once was. As Jaritz explained, today there are even two kinds of TV: the TV we all grew up with and TV online, which is growing explosively. — **Ed Watkins**

MARKET AREA ANALYSIS*

Overview

Lockport is a city in Niagara County, New York. The name is derived from a set of Erie Canal locks within the city. Lockport is the county seat of Niagara County and is surrounded by the town of Lockport. It is part of the Buffalo-Niagara Falls Metropolitan Statistical Area.

*The majority of the material contained in this section was obtained from:

1. Wikipedia Encyclopedia
2. City of Lockport, New York
3. Buffalo Business First, Western New York's Business Newspaper

History

The construction of the Erie Canal was authorized by the New York State Legislature in April 1816. The route proposed by surveyors was to traverse an area in central Niagara County, New York, which was then “uncivilized” and free of White settlers. At the time, the nearest settlers were located in nearby Cold Springs, New York. As it became known where the proposed canal was to be built, land speculators began to buy large plots along and near the proposed route of the canal. By December 1820, when the location of the stop locks had been determined, the whole area of what would eventually become Lockport was owned by only fifteen men, many of who were Quakers.

The canal reached Lockport in 1824, but the locks were not completed until 1825. By 1829, Lockport had become an established village. The community was centered on the locks, and consisted mainly of immigrant Scottish and Irish canal workers, brought in as labor. The workers remained in Lockport after the completion of the locks, giving the city a heavy Celtic influence still discernible today, especially in the neighborhoods of Lowertown and North Lockport.

The city of Lockport was officially incorporated in 1865.

The Erie Canal was supplanted by the larger New York State Barge Canal in 1918, and the famous five “flight of five” locks was replaced by two much larger locks E34 and E35. The north “flight of five” lock chambers still remain as a spillway.

In recent years public officials and private business have made an effort to incorporate Lockport history into regional if not a national tourist attraction. This includes the completion of the Canal Discovery Center. The Lockport Cave and Underground Boat Ride tour, and The Lockport Locks and Erie Canal Cruises. Currently, local officials are seeking state grants to reconstruct the historic “flight of five” and make it a living history site complete with boat rides and re-enactors. Published reports state that a living history site in Lockport marketed as a day trip from Niagara Falls could draw thousands to Lockport yearly.

The city has a number of properties on the National Register of Historic Places.

Geography

According to the United States Census Bureau, the city has a total area of 8.6 square miles, of which, 8.5 square miles of it is land and 0.1 square miles of it is water.

The Erie Canal passes through the center of the city, turning south toward Tonawanda Creek. It climbs the Niagara Escarpment through a series of two modern locks. Originally, a double set of five combined smaller locks were used.











43° 10 min, 78° 42 minutes
716-433-6155 • 800-378-0352
www.lockportlocks.com
210 Market Street • Lockport, NY 14094
RESERVATIONS RECOMMENDED

Saturday, May 3 - Monday, October 13, 2014
SPRING
Saturday, May 3 - Sunday, June 22, 2014
Every Day 12:30 pm & 3 pm. Additional Cruise Saturdays at 10 am
SUMMER
Monday, June 23 - Monday, September 1, 2014
Every Day 10 am, 12:30 pm, & 3 pm.
Also Cruises Monday - Thursdays at 5:30 pm
FALL
Tuesday, September 2 - Monday, October 13, 2014
Every Day 12:30 pm & 3 pm. Additional Cruise Saturdays at 10 am.

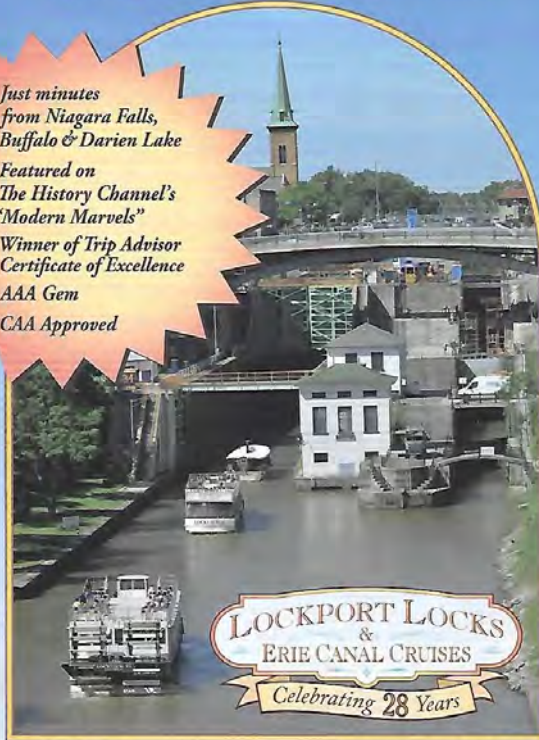
Adult: \$17.50 • Kids (4 -10): \$9 • Under 4: Free
AAA & CAA & Group Discounts Available
Special School, Scout, Youth, Group
& Charter Times and Rates.







“LOW BRIDGE, EVERYBODY DOWN!”
 Come aboard for a relaxing & informative ride on the 19th-century engineering marvel which opened the American Frontier.

- Just minutes from Niagara Falls, Buffalo & Darien Lake
- Featured on The History Channel's "Modern Marvels"
- Winner of Trip Advisor Certificate of Excellence
- AAA Gem
- CAA Approved





www.Lockportlocks.com • 1(800)378-0352
210 Market Street • Lockport, NY 14094

Lockport is at the junction of several major truck roads, including NY Route 78 (Transit Road), NY Route 31, NY Route 77 and NY Route 93. It is 17 miles north of Interstate 90 via NY Route 78.

Demographics

At the census of 2010, there were 21,165 people, 9,153 households, and 5,172 families residing in the city. There were 10,092 housing units. The racial makeup of the city was 87.5% White, 7.2% Black or African American, 0.5% Native American, 0.5% Asian, 0.02% Pacific Islander, 0.8% from other races, and 3.5% from two or more races. Hispanic or Latino of any race were 3.2% of the population.

Government

The city is governed by a Mayor and a City Council. The Mayor is elected to a four-year term, the Aldermen to two-year terms. There are five wards in the city, resulting in five alderman plus one alderman-at-large, who is elected by the entire city.

Economy

Lockport's largest employer is General Motors Components, the former Harrison Radiator Corporation, which was founded locally in 1912 and which became a division of General Motors Corporation in 1918. Following 10 years of ownership by Delphi Corporation as Delphi Thermal Systems, it returned to General Motors in October 2009.

First Niagara Bank, founded in 1870 as Farmers & Mechanics Savings Bank, has grown to include branches throughout New York and Pennsylvania, and with the acquisition of New Alliance Bank based in New Haven, Connecticut in April 2011 became one of the largest regional banks in the country.

Economic Development

Lockport, New York is a dynamic community, with a progressive outlook and a business-friendly approach that makes locating your business or developing your project in the community a rewarding experience.

Within a 10-mile radius of Lockport, there are:

- 130,612 residents
- 50,872 households
- \$80,211 average household income

The residential market in the Lockport marketplace has continued to be strong. Anchored by quality public and private school systems, Lockport's diverse housing market offers affordable, quality housing, which is becoming increasingly attractive to Erie County households. Among the most active subdivisions is the 127-unit Heather Woods Subdivision, located in the southern section of Lockport. Proposed for construction is the 70-unit Clarkview Estates, with another 38 units planned for Woods Hollow.

Lockport's manufacturing base has its roots in its Erie Canal heritage. As the long-time home of General Motors, the Lockport Industrial Development Agency established the Lockport Industrial Park in 1984 primarily as a means of attracting General Motors suppliers to locate closer to their customer, General Motors, as part of a just-in-time management philosophy.

Today, the Town of Lockport Industrial Park consists of 400 acres. Of the 203 fully improved acres, approximately 52 acres are currently available for sale.

The Lockport Industrial Park is owned by the Town of Lockport Industrial Development Agency, which is able to facilitate the site plan approval process as well as the sale of reasonably priced industrial-zoned land. The Industrial Park is a certified "Build Now – New York" site, and houses 16 small and medium size employers, which account for approximately 400 jobs including the new Yahoo! Datacenter project.

Anchored by strong industrial and residential sectors, Lockport seeks to expand its retail sector.

Lockport's retail sector is in transition; the former 400,000 SF Lockport Mall is being replaced by a new WalMart Supercenter, located on Transit Road. Other major retail centers include the Home Depot Plaza, Big Lots Plaza, Tops Plaza and Office Max Plaza.

The vision for the future of Lockport's retail sector can be summed up in two words: Transit North. Transit North is a multi-community, architecturally-themed historic shopping district, which embraces the entire Transit Road Corridor, from the Erie County line north to Main Street in the City of Lockport.

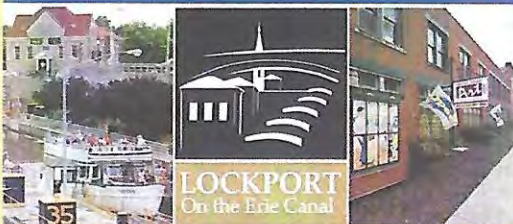


ERIE CANAL FLIGHT of FIVE

With the Flight of Five locks at the center, the Canal and Pine Streets Locks Heritage and Entertainment District is bustling with activity.

VISITOR GUIDE 2014

Historic LOCKPORT



For more information:
www.elockport.com
www.LockportontheErieCanal.com



Lake Effect Ice Cream and Sweet Ride Rentals are just two of the many destinations in the Locks District including Flight of Five Winery and others.



Visit us at elockport.com or
LockportontheErieCanal.com
for more great Lockport destinations.

Welcome to Historic LOCKPORT



Lockport offers the premier Erie Canal experience.

Begin your visit to Lockport at the Erie Canal Discovery Center. Adults and children will be captivated by this interactive, multimedia facility, which simulates locking through the historic Flight of Five locks and offers many hands-on exhibits depicting life on the Erie Canal. Enjoy the offerings at the "Lock, Stock and Barrel" Gift Shop before departing for your tour of the Canal Street District and the famous Lockport Locks themselves.

After a satisfying, self-guided walking tour along Riley's Way, which graphically depicts landmark canal structures and events in Lockport's Erie Canal past, relax with a narrated cruise aboard the "Lockview V" operated by Lockport Locks & Erie Canal Cruises that includes "locking through" and being raised the entire elevation of the Niagara Escarpment. Continue your Erie Canal experience with the unique Lockport Cave & Underground Boat Ride, which features Lockport's industrial heritage made possible by the 19th Century man-made waterway connecting Albany to Buffalo.



Did you know the Niagara Wine Trail runs right through the heart of downtown Lockport?

Flight of Five Winery, located in Old City Hall, is the newest winery on the trail and offers wines named after the historic Lockport Locks.

Want to experience the Niagara Wine Trail in a whole new way?

Sweet Ride Rentals offers bicycle rentals and directions to some nearby wineries on the trail. When you get back, treat yourself to some dessert from Lake Effect Ice Cream while you relax and enjoy the view of the canal.

Take a stroll through Lockport's historic downtown and visit the numerous gift shops and local attractions. Market Street Art Studios houses art galleries, artist studios and a unique gift shop perfect for finding that Lockport souvenir. Thinking about finding a place for dinner? Lockport offers a number of great restaurants for you to enjoy while you prepare for the next day in this canalside community. Whether you are visiting one of the area wineries, Lake Ontario's recreational waterfront, Buffalo's architectural wonders or the majesty of Niagara Falls, there is always more to explore--so stay a while.

Attractions along the Historic Erie Canal

Lockport Cave & Underground Boat Ride

The Underground Boat Ride through the Lockport Cave offers an historic, fun, one-of-a-kind, 70-minute guided tour through America's past that includes viewing Erie Canal Locks 34 & 35, the Flight of Five; walking through a 1,600 foot tunnel blasted in the mid 1800's used for water power; and riding on an underground boat. See geologic cave formations and old mill ruins. Daily tours
5 Gooding Street • Lockport, NY • (716) 438-0174 • LockportCave.com



Lockport Locks & Erie Canal Cruises

Experience a unique, narrated two-hour cruise which includes "locking through" and being raised the 49-foot elevation of the Niagara Escarpment in the only double set of locks on the Erie Canal. AAA GEM Attraction, featured on the History Channel. Cruises daily from May to October. Gift shop, free parking, and handicapped accessible. 210 Market Street • Lockport NY
(716) 433-6155 • LockportLocks.com



The Kenan Center

One of Lockport's architectural treasures that today serves as a regional center for arts, education and recreation. The 1850's house features a year-round gallery that is free to the public and is surrounded by beautifully landscaped gardens that visitors are welcome to stroll during the warm weather months. 433 Locust Street • Lockport, NY
(716) 433-2617 • KenanCenter.org



Market Street Studios

This renovated old factory is now home to two art galleries, thirty artist studios and one unique gift shop. Original paintings (landscapes, portraits, still life), photography, pottery, wood carving, stained glass, hand-crafted jewelry and more. Open daily and always free admission.

247 Market Street • Lockport, NY
(716) 478-0248 • MarketStreetStudios.com



Historic Palace Theatre

Built in 1925, the Historic Palace Theatre is the cultural gem of downtown Lockport and is reminiscent of days gone by. The proscenium-arch style theater is one of the most elegant show houses in the region. Come watch a movie or a live performance in the beauty of this majestic theatre.

2 East Ave. • Lockport, NY (716) 438-1130 • LockportPalaceTheatre.com



Niagara County Historical Society

Five buildings trace the history of Niagara County including Native Americans, pioneer settlers, agriculture and industry, the Civil War and Victorian period rooms. Exhibits are housed in two 19th century homes, an old carriage house, an 1835 land/law office and a reproduction barn. The nearby Bond/Jesse Hawley House is an 1824 National Register brick home, fully furnished to the mid 19th century period. 215 Niagara St. • Lockport, NY • (716) 434-7433 • NiagaraHistory.org



The Erie Canal Discovery Center

A multi-media museum devoted to the Erie Canal, particularly the Flight of Five locks constructed to lift the canal over the Niagara Escarpment. During your visit you can see the 20' x 13' Raphael Beck mural, "Opening of the Erie Canal", view a short film about the history of the locks, "ride" a virtual reality canal boat, hear the stories of the "canawlers," try an interactive computer game, "hammer" away at a rock wall and test your navigational skills at moving a boat through the locks! 24 Church Street • Lockport NY
(716) 439-0431 • NiagaraHistory.org



The Flight of Five Locks

The Lockport Locks are in the heart of downtown and are surrounded by activity. By summer of 2014 the first two locks (69 & 70) of the Flight of Five will be fully restored to their 1842 condition. The best views of the locks are from either Canal Street or the Pine Street Bridge.

Facebook.com/ErieCanalFlightofFive



Tiffany Windows

First Presbyterian Church is home to a stunning collection of six original windows made by the Tiffany Company and an additional six windows made of Tiffany glass, representing Louis Comfort Tiffany's unique method of glassmaking.

21 Church Street • Lockport, NY
(716) 433-5905
1stpreslockport.org



SHOPPING & GIFTS

Pallister House Florist: 41 East Avenue
Scirto's Awards and Gifts: 458 Walnut Street
Scirto's Jewelers: 1 Main Street
The Warehouse: 60 Chestnut Street
Walnut Street Liquor Store: 251 Walnut Street
Windsor Village: 43 Stevens Street

RESTAURANTS & BARS

Cousins Cafe: Bewley Building, 20 Market Street
Cream & Sugar Ice Cream Cafe: 179 East Avenue
Danny Sheehan's Steak House: 491 West Avenue
Dee's Sugar Shack: 460 West Avenue
DeFlippo's Restaurant and B&B: 326 West Avenue
DiCenso Ristorante: 436 West Avenue
Donna Eick's: 7 Charles Street
Davison Road Inn: 383 Davison Road
Fitzgerald's Irish Pub: 390 Ohio Street
Garlock's Restaurant: 35 South Transit Road
Gonzo's Bar: 7 Main Street
Groff's Tavern: 92 Union Street
Josie's Place: 482 West Avenue
K.M. Treats: 36-A Main Street
Lake Effect Ice Cream: 79 Canal Street
La Ports Pine Restaurant: 48 Pine Street
Lock 34 Bar & Grill: 80 Main Street
Lockport Pub: 1191 Lincoln Avenue
Mericana: 80 Main Street
Molinaro's Ristorante: 90 Walnut Street
Old City Hall Tea Parlor / Barker Chocolate Box: 2 Pine Street
Papa Leo's: 36 Main Street
Pot O' Gold Bar and Grill: 20 West Genesee Street
Reid's Drive-in: 150 Lake Avenue
Scripts Cafe: 12 East Avenue
Shamus Restaurant: 98 West Avenue
Sub Delicious: 15 Locust Street
Subway: 21 Main Street
Sweet Melodies: 2 Pine Street
Sweet Ride Rentals: 51 Canal Street
The Niagara Hotel: 58 N. Transit Street
Tom's Diner: 11 Main Street
Tuscarora Inn: 128 Walnut Street
Village Eatery Italian Bistro: 429 Davison Road
Wagner's Restaurant: 246 Park Avenue
21st Amendment: 1 Locust Street

WINERIES

Arrowhead Spring Vineyards: 4746 Town Line Road
Flight of Five Winery: 2 Pine Street
Freedom Run Winery: 5138 Lower Mountain Road
Honeymoon Trail Winery: 4120 Ridge Road
Niagara Landing Wine Cellars: 4434 Van Dusen Road
Spring Lake Winery: 7373 Rochester Road

GOLF COURSES

Gothic Hill Golf Course: 5477 Niagara Street
Lockport Town & Country Club: 717 East Avenue
Niagara County Parks & Golf Course: 304 Davison Road
Oak Run Golf Club: 4185 Lake Avenue
Willowbrook Golf Course: 4200 Lake Avenue

Lockport Cave and Underground Boat Ride

The Lockport Cave and Underground Boat Ride will take you on one of the most unique tours in all America. Visitors will walk through a 1,700+ water power tunnel blasted out of solid rock and see artifacts left by miners on the Erie Canal over a century ago.

The Hydraulic Race Company's tunnel provided water power to three industries:

- Lockport Pulp Mill
- Richmond Company
- Holly Co.

The tunnel was the invention of Birdsill Holly, a mechanical genius, whose inventions were manufactured using the water power from the tunnel. Holly's many inventions include the life-saving fire hydrant, central steam heat, and the rotary pump. Holly held over 150 patents.

Lockport Erie Canal Museum

The Lockport Erie Canal Museum is located in an old lock control structure between the modern Locks 34 and 35, and the remaining original "Flight of Five" Locks spillway and contains historic photographs, maps, engineering drawings, and antique machinery.

Canal Discovery Center

The Canal Discovery Center is housed in an old church about 100 yards to the west of the locks.

Lockport Ice Arena

The Lockport Ice Area opened in November 2014. The arena features:

Two National Hockey League-sized ice rinks
Seating for 630 fans
Performance Training Center
Lockport Community Room

The excellent facility is positioned for year-round use and is only three blocks from the hotel site. The arena development flyer is printed on the following pages.



Capital Campaign
2014



Lockport Ice Arena



Lockport Ice Arena

VISION STATEMENT

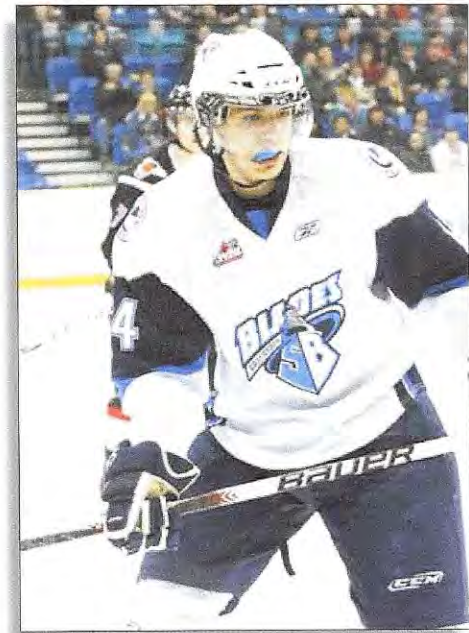
To enhance quality-of-life in the greater Lockport community through construction and operation of a public skating rink and sports center.

MISSION STATEMENT

To combat juvenile delinquency and community deterioration, promote social welfare and physical fitness, lessen the burdens of government and promote the development of good sportsmanship through the conduct of supervised athletic games.

Not-for-profit corporation:	Lockport Ice Arena & Sports Center, Inc. is a not-for-profit 501(c)(3) corporation, formed 02/11/08
Facility Size:	93,500 sq. ft.
Location:	34 Chestnut Street, Lockport, NY
Features:	<ul style="list-style-type: none">• Two (2) NHL-sized ice rinks• Spectator seating for 630• Performance Training Center• Community Room
Tenant Space:	Dedicated space to attract food service providers serving rink audience and downtown workers
Timetable:	Fall 2013: Begin Demolition / Remediation Fall 2014: Grand opening
WEBSITE:	www.lockportice.org

OVERVIEW



our in-house programming will enhance
the quality of ice sport instruction in the community

OVERVIEW



Lockport Ice Arena

► Lack of sufficient ice capacity in Niagara County

- Many existing rinks (within a 20 mile radius of our site) are aging, yet operate at capacity.
- The Kenan Center has not provided ice skating to the community in quite some time.
- Tremendous growth of ice hockey in high schools throughout Niagara County.

► Programming strategy

The **Lockport Ice Arena and Sports Center** will administer the following programs: Youth and Adult hockey leagues, Group skating lessons, Youth and Adult hockey clinics, Hockey and skating day camps. The programming schedule will provide ample opportunities for open skate, birthday parties, special events, and special needs skaters.

► Professional supervision

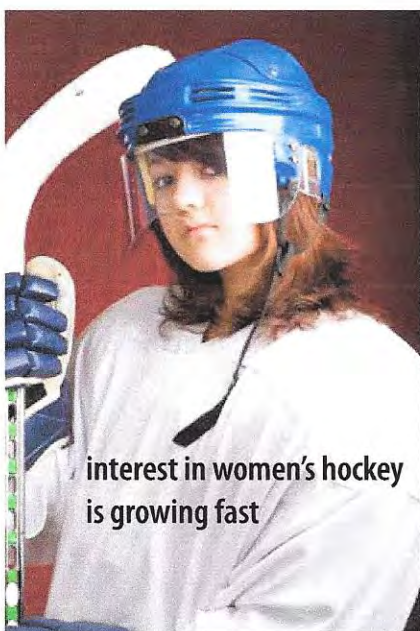
In order to successfully achieve the programming strategy, an appropriate staffing plan has been developed. There will be six (6) full-time staff and about 20 part-time employees by years 2-3.

“The Grigg-Lewis Foundation is thrilled to invest \$4 million in philanthropic support for this exciting project in downtown Lockport. I strongly believe this not-for-profit project will help lead the way in modernization of our City.”

Ben May, Executive Director
• Grigg-Lewis Foundation

rapid achievement of financial stability ...

FINANCIALS



interest in women's hockey
is growing fast

"These women are hard-working, humble,
great players, and all are former leaders on
their high school teams."

► Josh Brandwene (09/13/13)
▪ Women's hockey coach, Penn State



Lockport Ice Arena

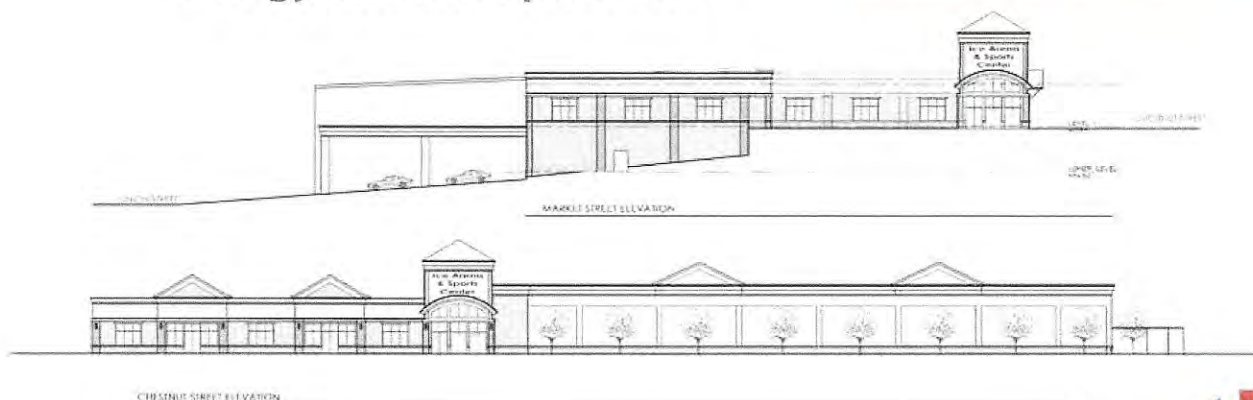
PRO FORMA INCOME STATEMENT SUMMARY					
YEAR	2014 START-UP	2015	2016	2017	2018
INCOME					
RINK REVENUE	429,000	1,147,000	1,330,000	1,398,000	1,466,000
OTHER REVENUE	201,000	563,000	638,000	662,000	687,000
TOTAL =	630,000	1,710,000	1,968,000	2,060,000	2,153,000
EXPENSES					
COST OF GOODS SOLD	45,000	111,000	130,000	134,000	138,000
LABOR	222,000	562,000	599,000	618,000	636,000
UTILITIES	100,000	240,000	240,000	247,000	255,000
OTHER OPERATING EXPENSES	127,000	255,000	255,000	263,000	271,000
TOTAL =	494,000	1,168,000	1,224,000	1,262,000	1,300,000
EBITDA	136,000	542,000	744,000	798,000	853,000
L/T DEBT SERVICE	172,000	344,000	344,000	344,000	344,000

Notes:

1. We project hard construction costs of \$12 million.
2. We anticipate long-term borrowing of \$4 million at 6% interest over 20 years.
3. Long-term debt is approx. 1/3 of total project funding; <40% loan-to-value.
4. 2014 figures represent a partial year of operation.
5. In year 3, long-term debt is 6x projected gross earnings (typical of similar project financing).
6. In year 3, EBITDA is more than 2x annual debt service.

experienced management,
energy-efficient operations

OPERATION



► **Proven Rink Operator: Firland Management** (www.icerinks.com/Home-01.html)

Assistance in planning for and operating **The Lockport Ice Arena and Sports Center** has been provided by Firland Management, a proven rink operator with a strong track record of ownership, leasing and fee-based operating agreements.

Firland Management currently serves as a consultant to the Sabres HARBORCENTER rink development project in downtown Buffalo.

► **We are actively exploring ways to collaborate with HARBORCENTER to raise the level of hockey and skating participation. We want to help make WNY a hockey destination.**

► **Energy Efficient Operations**

We have taken steps to locate and install a state-of-the-art refrigeration system. The **CIMCO ECO CHILL** integrated system provides significant operating savings through energy conservation, lower maintenance costs and reduced conventional HVAC equipment.



Lockport Ice Arena

SOURCES & USES



We are moving quickly and much is already in place ...



SOURCES & USES OF PROJECT CAPITAL

SOURCES		USES	
BANK DEBT	\$4 MILLION	CONSTRUCTION	\$11.35 MILLION
GRIGG-LEWIS GRANT	\$4 MILLION	FURNITURE, FIXTURES, EQUIPT.	\$ 0.35 MILLION
PUBLIC, PVT, GOVT.	\$5 MILLION	DEMOLITION/REMEDATION	\$ 0.20 MILLION
		TRANSACTION EXPENSES	\$ 1.1 MILLION
TOTAL = \$13 MILLION		TOTAL = \$13 MILLION	

ANTICIPATED PUBLIC, PRIVATE, GOVERNMENT FUNDING

SOURCE	EST. RANGE
EMPIRE STATE DEVELOPMENT CORP.	\$1-2 MILLION
NYSEG	\$0.5 MILLION
NYS DORMITORY AUTHORITY	\$0.4 MILLION
NYSERDA	\$0.2 MILLION
JOHN R. OISHEI FOUNDATION	\$1 MILLION
CAPITAL CAMPAIGN	\$2 MILLION
TOTAL = \$5.1 - 6.1 MILLION	



Lockport Ice Arena

Capital Campaign Goal:
\$2 Million

located in the heart of downtown,

Lockport Ice will be a truly significant draw of new traffic

ECONOMIC IMPACT



Lockport Ice Arena

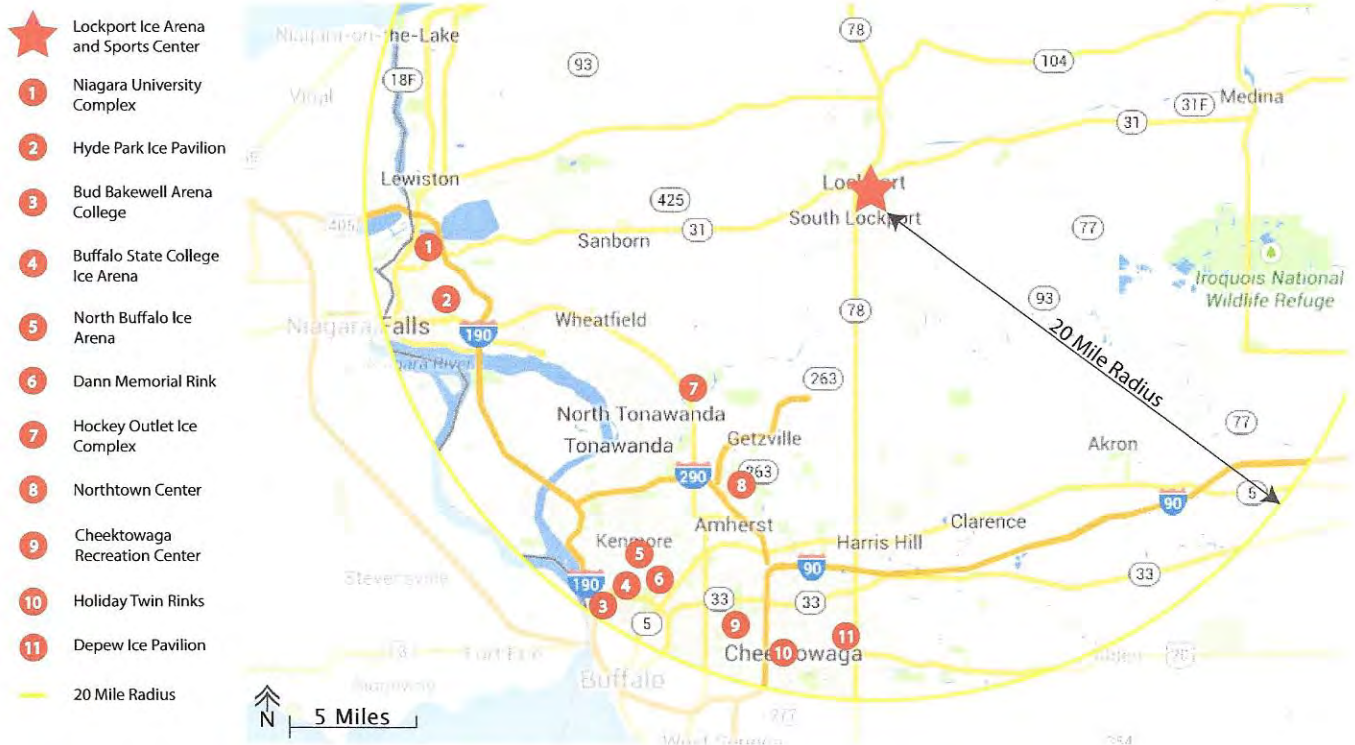
Hotel Site

REGIONAL MAP



The Lockport Ice Arena

is well-positioned to address unmet demand



Lockport Ice Arena

hotel room demand potential

for an ice arena with comparable demographics in the northeast US

ECONOMIC IMPACT



Arena Area Economic Impact - Current Year Projection (2014)					
Area/Business Driver	Occasions	Rooms	Teams	Days	Extension
Hockey Tournaments	7	11	15	2	2310
Families of above	7	5	15	2	1050
Concerts	12	10	1	1	120
Special Events	1	60	1	3	180
Camps/Clinics	10	10	1	3	300
Hockey Team	14	11	1	2	308
Fans of above	14	5	1	2	140
Hockey "Game" weekends	50	5	1	1	250
Skating Events/Competitions	2	30	1	2	120

Total Rooms: 4778

On a normal hockey tournament weekend we often deliver over 400 room nights to the area.

Lockport Ice

Anticipated Annual Visitors: 150,000*

* Figure includes skaters, their parents, coaches and spectators, and is based on business plan forecast developed by our project planning consultants - Firland Management.



Lockport Ice Arena



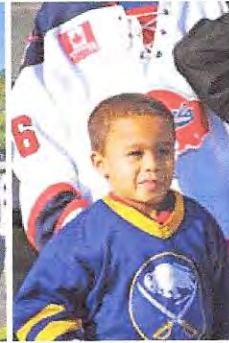
October 29, 2013

GROUND BREAKING



Above and right: John R. Koelmel, President of HARBORCENTER LLC, addresses an audience of 150. In the foreground are members and friends of the Lockport High School hockey team.

“ I see Lockport as integral to the overall goal of making WNY a hockey destination. ”
- John R. Koelmel



Left: William "Ben" May, Executive Director of the Grigg-Lewis Foundation, which has provided a lead gift of \$4 million in project support.

Center: Wrecking crew begins demolition of vacant building to make way for construction of the Lockport Ice Arena and Civic Center.

Right: Young hockey player looks forward to exciting times on the ice beginning in 2014.

...
This project
is listed as one of 16 priority projects
recommended for NYS economic development funding
by
The WNY Regional Economic Development Council



Lockport Ice Arena

LEADERSHIP

Board and Volunteers



board of directors

John J. Ottaviano, Esq. • *Chair*
R. Charles Bell • *Vice-Chair*
Henry W. Schmidt, Esq. • *Secretary*
Michael E. White • *Treasurer*

Patricia D. Barry
Rocco J. DelGrosso
Patrick Kilcullen
John T. Pitrello
Brian Smith
Todd Sukdolak
James B. Sullivan

staff

John F. Dunbar, Jr. • *General Manager*
Diane L. McFarland • *Administrative Assistant*



Lockport Ice Arena

campaign cabinet

John J. Ottaviano, Esq.
Patricia D. Barry
R. Charles Bell
Jodie Chesko
Jack Martin
John T. Pitrello
Steven M. Sinclair
James B. Sullivan

“

We have a seasonal outdoor single pad facility in East Aurora and it has turned into both an economic driver and a community hub. Skaters and their families are now flocking to our downtown during the winter months and the Friday, Saturday and Sunday public skates are consistently packed. Our member restaurants and shops all rave about the positive impact on their bottom line!

”

Gary Grote, Executive Director
• *East Aurora Chamber of Commerce*

NIAGARA COUNTY HISTORICAL SOCIETY

Five building museum complex including the Outwater House (1863), the Washington Hunt Law office (1835), the Kandt House (1880), the Pioneer/Transportation Building (1900) and the Yates Barn. Also includes the "Outwater Emporium" Gift Shop.

Monday – Saturday 9 a.m. – 5 p.m.
Open all year around - Closed Holidays
Admission: \$2.00 adults/\$1.00 children

ERIE CANAL DISCOVERY CENTER

Opened in 2005, this interactive, multi-media facility is devoted to the history of the Erie Canal, particularly the building of the "Flight of Five" locks at Lockport. Home of the Raphael Beck mural, "The Opening of the Erie Canal," featured on the front of this brochure, also includes the "Lock, Stock and Barrel" Gift Shop.

Open May 1st – October 31st 9 a.m. – 5 p.m.
Admission \$6.00 adults/\$3.00 children

COL. WILLIAM BOND/JESSE HAWLEY HOUSE 1923 National Register Home

Built as the first brick home in Lockport for Col. William Bond, this house was once owned by Jesse Hawley whose early writings inspired DeWitt Clinton to build the Erie Canal. Fully furnished reflecting the years c.1820 - c.1900.



The Past Lives On In Lockport, NY at **The History Center of Niagara**




The History Center of Niagara is a three site campus of historic buildings, artifacts, and interactive exhibits that relates the history of Niagara County, Lockport and the Erie Canal.

Niagara County Historical Society

215 Niagara Street
716-434-7433
history11@verizon.net

Erie Canal Discovery Center (located in the Lockport Visitors' Center)

24 Church Street 
716-439-0431
canaldiscovery@aol.com

Col. William Bond/Jesse Hawley House

143 Ontario Street
716-434-7433

Niagara County, New York Overview

Niagara County is a county located in the State of New York. As of the 2010 census, the population was 216,469. The county seat is Lockport. The county name is from the Iroquois word *Onguiaahra*; meaning *the strait or thunder of waters*. It is the location of Niagara Falls and Fort Niagara, and has many parks and lake shore recreation communities.

Niagara County is part of the Buffalo-Cheektowaga-Niagara Falls Metropolitan Statistical Area. Its Canadian border is the province of Ontario.

History

When counties were established in the New York colony in 1683, the present Niagara County was part of Albany County. This was an enormous county, including the northern part of New York State as well as all of the present State of Vermont and, in theory, extending westward to the Pacific Ocean. This county was reduced in size on July 3, 1766 by the creation of Cumberland County, and further on March 16, 1770 by the creation of Gloucester County, both containing territory now in Vermont.

On March 12, 1772, what was left of Albany County was split into three parts, one remaining under the name Albany County. One of the other pieces, Tryon County, contained the western portion (and thus, since no western boundary was specified, theoretically still extended west to the Pacific). The eastern boundary of Tryon County was approximately five miles west of the present city of Schenectady, and the county included the western part of the Adirondack Mountains and the area west of the West Branch of the Delaware River. The area then designated as Tryon County now includes 37 counties of New York State. The county was named for William Tryon, colonial governor of New York.

In the years prior to 1776, most of the Loyalists in Tryon County fled to Canada. In 1784, following the peace treaty that ended the American Revolutionary War, the name of Tryon County was changed to honor the general, Richard Montgomery, who had captured several places in Canada and died attempting to capture the city of Quebec, replacing the name of the hated British governor.

In 1789, Ontario County was split off from Montgomery. In turn, Genesee County was created from Ontario County in 1802.

Niagara County was created from Genesee County in 1808. It was, however, larger than the present Niagara County even though it consisted of only the Town of Cambria.

From 1814 to 1817, records of Cattaraugus County were divided between Belmont (the seat of Allegany County) and Buffalo (then in Niagara County).

In 1821, Erie County was created from Niagara County.

Tuscarora Reservation

The Tuscarora Reservation (*Nyučirhé'ę* in Tuscarora) is an Indian reservation in Niagara County, New York. The population was 1,152 at the 2010 census. The Tuscarora are a federally recognized tribe and the Sixth Nation of the *Haudenosaunee* or Iroquois Confederacy active before the American Revolutionary War.

The Tuscarora tribe had migrated in ancient times from the New York area to the South, where they were based in the Carolinas. After extended conflict with European settlers and other Native Americans at the beginning of the 18th century and defeat in the Tuscarora War, most of the tribe migrated North, beginning in 1722.

They first located in the territory of the Oneida tribe in central New York. By the early 1800s, they declared their tribe fully relocated and said that remnant Tuscarora who stayed in the South would no longer be considered part of the tribe. The Tuscarora and Oneida became allies of the American Continental cause during the American Revolution, and of the United States during the War of 1812. During both wars, they suffered attacks by British armed forces and their First Nations allies in central New York. The Tuscarora were given land from the Seneca tribe (territory which they had taken from the Neutral Nation) in 1797). In 1803, the US government granted the Tuscarora a reservation in Niagara County.

In 1960, through the efforts of the powerful appointed official, Robert Moses of New York City, New York State seized 550 acres of the Tuscarora reservation to form a reservoir for the Robert Moses Niagara Power Plant operated by the New York Power Authority. New York needed 1,350 acres but only received 550 acres and had to pay \$1,500 per acre per a United States Supreme Court Decision. This led to a displacement of tribal members and a serious disruption to their economy. After a lengthy court case and appeals, in 2003, the Power Authority agreed to compensate the tribe financially and return some unused land.

The reservation is a composite holding derived from (1) land given to the tribe by the Seneca tribe, land donated by the Holland Land Company, and (3) Trust territory held by the federal government.

Former University at Buffalo head football coach Frank Mount Pleasant was born on the reservation.

Tonawanda Indian Reservation

The Tonawanda Indian Reservation is an Indian reservation of the Tonawanda Band of Seneca Indians located in western New York State. The band is a federally recognized tribe and, in the 2010 census, had 693 people living on the reservation. Although most of the reservation lies in Genesee County, portions are within the boundaries of Erie and Niagara counties. It is bordered by the Towns of Alabama, Pembroke, Newstead, and Royalton.

The Tonawanda Reservation is also known as the Tonawanda Creek Reservation. Currently, it has more than a half dozen businesses located on Bloomingdale Road within the reservation. Several sell untaxed, low-price cigarettes and gasoline. Other businesses sell Seneca craft goods, groceries, and prepared food.

After various cultures of indigenous peoples succeeded each other in the Great Lakes area, in historic times, the five nations of the Iroquois coalesced. Before the mid-17th century, they had formed the Iroquois Confederacy. The Seneca were one of the Five Nations of the *Haudenosaunee*. The current location of the Tonawanda Reservation is believed to be close to the likely poorly-defined border between the historic Seneca homeland and its rivals, the Neutral Nation that occupied the Niagara Region at the time of French missionary Joseph de La Roche Daillon's arrival in the area in 1627. During the Beaver Wars of the 17th century, the Seneca invaded what is now Western New York, wiping out the Neutrals and other tribes in the region.

The Iroquois pledged allegiance to the British Crown in the Nanfan Treaty. During the French and Indian War, the Iroquois and British defeated New France; the Iroquois and other native territory was placed in a massive Indian Reserve. During the American Revolutionary War, most of the Iroquois sided with the British Crown, as they hoped to end colonial encroachment; to this effect, the Iroquois led several massacres on colonial settlements, which provoked the Continental Army to respond with the scorched-earth Sullivan Expedition, wiping out much of the Senecas' already destitute homelands. After the Crown's defeat, some of the Seneca, along with other Iroquois, migrated with Joseph Brant to the Grand River reservation in the still British-controlled territory of upper Canada (now known as the province of Ontario).

The majority of the Seneca People remained in what is now western New York, subsequently ceding lands through the Canandaigua Treaty of 1794 and the Treaty of Big Tree in 1797 which led to the reservations in western New York.

In 1848, the Seneca Nation of Indians was formed to represent the Seneca as a federally recognized tribe. Due to a dispute over one of the Treaties of Buffalo Creek, in which the Seneca Nation had attempted to sell the Tonawanda land to the Ogden Land Company without the residents' permission, the Tonawanda Band of Seneca Indians was formed in 1857 to represent the Tonawanda territory. In contrast to the Seneca Nation of Indians, which uses an American-style republican form of government, the Tonawanda Band of Seneca Indians preserves the traditional Seneca practices, including selection of life chiefs by heritage.

The Seneca of this reservation worked with self-taught anthropologist Lewis H. Morgan in mid-century to teach him about the Iroquois kinship and social structures. He published the results of his work in 1851 as *The League of the Ho-de-no-sau-nee or Iroquois*. His insights about the significance and details of kinship structure in Native American societies influenced much following anthropological and ethnological research. Much of the

information was provided by his colleague and friend Ely S. Parker, a Seneca born on the reservation in 1828. Morgan dedicated his book to Parker and credited him with their joint research.

Over the years, the size of the reservation has been reduced by sales of land to surrounding communities.

Geography

Niagara County is in the extreme western part of New York State, just north of Buffalo and adjacent to Lake Ontario on its northern border and the Niagara River and Canada on its western border.

The primary geographic feature of the county is Niagara Falls, the riverbed of which has eroded seven miles south over the past 12,000 years since the last Ice Age. The Niagara River and Niagara Falls, are in effect, the drainage ditch for four of the Great Lakes which constitute the largest supply of fresh water in the world. The water flows north from Lake Erie, then through the Niagara River, goes over Niagara Falls, and then on to Lake Ontario and the St. Lawrence River, eventually emptying into the North Atlantic Ocean. Today, tourists and visitors to the Falls see a diminished flow of water over the Falls, since a portion of the flow has been diverted for hydroelectric power purposes. Both the American and Canadian side of the Niagara River have massive electrical power plants.

The spectacular Niagara Gorge is the path Niagara Falls has taken over thousands of years as it continues to erode. Niagara Falls started at the Niagara Escarpment which cuts Niagara County in half in an East-West direction. North of the Escarpment lies the Lake Ontario plain, which is a fertile flatland that is used to grow grapes, apples, peaches and other fruits and vegetables. The grape variety Niagara, source of most American white grape juice but not esteemed for wine, was first grown in the county, in 1868. Viticulture, or wine culture has begun to take place, with several wineries below the escarpment. This has helped to improve the depressed economy of the region. To further capitalize on economic development, the state has created the Niagara Wine Trail.

According to the U.S. Census Bureau, the county has a total area of 1,140 square miles, of which 523 square miles is land and 617 square miles (54.12%) is water.

Demographics

As of the census of 2010, there were 216,469 people, 87,846 households, and 58,593 families residing in the county. The population density was 420 people per square mile. There were 95,715 housing units at an average density of 183 per square mile. The racial makeup of the county was 90.70% White, 6.15% Black or African American, 0.94% Native American, 0.58% Asian, 0.02% Pacific Islander, 0.40% from other races, and 1.21% from

two or more races. 1.33% of the population were Hispanic or Latino of any race. 23.6% were of German, 18.1% Italian, 11.3% Irish, 11.2% Polish and 8.3% English ancestry. 94.5% spoke English, 1.6% Spanish and 1.0% Italian as their first language.

There were 87,846 households out of which 30.90% had children under the age of 18 living with them, 50.30% were married couples living together, 12.30% had a female householder with no husband present, and 33.30% were non-families. 28.60% of all households were made up of individuals and 12.00% had someone living alone who was 65 years of age or older. The average household size was 2.45 and the average family size was 3.03.

In the county the population was spread out with 24.70% under the age of 18, 8.50% from 18 to 24, 28.40% from 25 to 44, 23.10% from 45 to 64, and 15.40% who were 65 years of age or older. The median age was 38 years. For every 100 females there were 93.30 males. For every 100 females age 18 and over, there were 89.50 males.

The median income for a household in the county was \$38,136, and the median income for a family was \$47,817. Males had a median income of \$37,468 versus \$24,668 for females. The per capita income for the county was \$19,219. About 8.20% of families and 10.60% of the population were below the poverty line, including 15.00% of those under age 18 and 7.30% of those aged 65 or over.

Education

Educational resources in Niagara County include ten public school districts, Niagara University, Niagara County Community College (NCCC), the NIOGA Public Library system, the Board of Cooperative Educational Services (BOCES) system, and 19 private schools, most of which are affiliated with religious institutions.

Many schools are located in the historically developed urban areas of the County in and around the cities of Niagara Falls, North Tonawanda and Lockport. Fewer schools are located in the rural towns, but as the County population continues to shift northward, the potential need for additional schools and related educational facilities in suburban and rural areas exists as well. As a result of shifting populations, urban school districts like those in Niagara Falls have accommodated the reuse of school facilities that are no longer needed due to decreases in local population and enrollment.

Niagara County provides financial support to Niagara County Community College and the NIOGA Library System, and operates several job training programs, the County Youth Bureau, education programs in public schools for children with disabilities, and recreation programs.

Higher Education

Niagara University

Niagara University is a Catholic university in the Vincentian tradition, located in Lewiston, New York. Niagara has 3,300 undergraduate students in 50 academic programs. Approximately half of the students are residents, while the other half commutes from the surrounding area. The college is known as a liberal arts school, but offers programs in technical and pre-professional disciplines as well.

Niagara County Community College

Niagara County Community College (NCCC) is located in Sanborn, New York. NCCC offers associate's degrees in many programs. Dual admissions programs facilitate transfer to four-year colleges upon completion of the two-year degree programs.

Many Niagara County residents also attend Erie and other Western New York County Schools. In the Buffalo Metro area there more than 20 public and private colleges and universities in Buffalo and its environs offer programs in technical and vocational training, graduate, and professional studies.

Healthcare

DeGraff Memorial Hospital

DeGraff Memorial Hospital was established in 1914 to serve the healthcare needs of Buffalo's Northtown Communities. Conveniently located in North Tonawanda on the border of Erie and Niagara Counties – and just five minutes from the city of Buffalo – the hospital has a team of skilled health care professionals dedicated to providing quality, compassionate, personalized care for patients with a broad range of inpatient and outpatient health needs.

DeGraff is dedicated to excellence through state of the art technology, exceptional physicians and staff, ranking the hospital among the best in the delivery of overall patient satisfaction. From critical to long term care, from orthopedics to rehabilitation, DeGraff provides a full spectrum of Services. Surgical specialities include retina, gastroenterology, orthopaedics, and urology. All part of the Kaleida Health System, the largest health care provider in western New York State, DeGraff has established an identity with a difference.

A chronological history

Early Years

- **June 13, 1913** — LeGrand Simson DeGraff unveiled a plan to construct a community hospital in North Tonawanda before the city council. By the end of the month, a board of trustees was named to oversee the planning and development of the hospital.
- **Feb. 14, 1914** — The design and construction plans were adopted by the trustees and the construction contract was awarded to Morris and Allen of North Tonawanda for \$37,578. The trustees accepted the motion that the hospital be named after LeGrand DeGraff's father, James H. DeGraff.
- **April 13, 1914** — Ground was broken on Tremont Street, the site for the hospital.
- **June 1914** — A board of trustees, later to be called the Board of Directors, was named, consisting of two mayors of the Twin Cities and one representative from each of the three banks of the Tonawandas.
- **Nov. 30, 1914** — DeGraff Memorial Hospital was unveiled to the public for the first time. That evening, a Benefit Ball made a huge impression on the residents of the Tonawandas who attended the gala event.
- **Dec. 4, 1914** — The first patient was admitted to DeGraff Hospital. The cost was \$1.30.
- **Jan. 5, 1914** — The first birth was recorded at DeGraff Hospital. The attending physician was Dr. Robert Reagan.

First Expansion

- **October 1949** — The new Board of Trustees decided it would be best to mount a campaign for funds to make necessary improvements to the hospital.
- A new addition, a connecting wing between the maternity and the annex, a new boiler house, and laundry, plus renovation of existing facilities were all part of the plan. The fundraising campaign was targeted at \$450,000.
- **June 13, 1950** — The hospital's first major fundraiser soared over the top and concluded with more than a half million dollars raised.
- **March 14, 1961** — DeGraff Memorial formally opened the new addition and maternity wing, built with funds from the 1950 drive, increasing the bed capacity to 115. The following year, the hospital was granted full accreditation by the American College of Surgeons for the first time in its history.

Continued Growth

- **Aug. 7, 1961** — The Board of Trustees entered into a contract with the architectural firm of Cannon, Thiele, Betz and Cannon of Niagara Falls to update and expand the hospital.
- A detailed plan was submitted in the summer of 1962, calling for a three-phase program that would increase the hospital's bed capacity to 190 by September 1965, completely remodel the annex into a support wing in the ensuing year and provide almost unlimited expansion possibilities in the future.
- **Nov. 8, 1962** — The hospital was awarded \$1,231,000 in federal aid to help fund the expansion project. This, coupled with the \$1,500,000 bequest from the late LeGrand Simson DeGraff and a fund built by the trustees over the previous 10 years, made it possible to move ahead on the building program estimated to cost \$2,800,000.
- **June 1964** — The first phase of the building project was completed and included a new main entrance and lobby, a new surgical suite with four operating rooms and support services, plus a total of 99 new bed locations.
- **July 21, 1964** — "T-Day" as it was affectionately known at DeGraff Hospital. This is the day the old DeGraff Memorial became a shell and the new DeGraff took life. In all, 54 patients were transferred that day from the old building into their new bright-colored, cheerful, television-equipped rooms in the new building.
- **November 1965** — The second phase of the building project was completed, which included the razing of the old hospital building and increasing the bed capacity in the new building to 166.
- The construction of the dietary and emergency wing was also completed. The final phase of the project was completed the following year when a new 5,000-square-foot laboratory wing was constructed and the bed capacity was expanded to 187.
- **Aug. 1, 1971** — Construction was completed on a 44-bed building at the south end of the hospital. The building was home to DeGraff Memorial's Extended Care facility — currently the DeGraff Rehabilitation and Skilled Nursing Facility.
- **June 1974** — DeGraff Hospital received approval from the State Health Department to construct a fifth floor to the main building and close two nursing units in the old south wing of the hospital. The fifth floor addition would house a new 36-bed acute care unit and a 15-bed coronary care and intensive care unit.

- **February 1977** — DeGraff Hospital's "Million Dollar Shot in the Arm" fundraising campaign surpassed its goal as it reached \$1.1 million. The money was used to fund the hospital's \$11.3 million building and renovation project.
- **July 1, 1977** — The new fifth floor was opened. At the same time, construction was completed on the east wing, where outpatient services were centered and where admission of all but emergency patients was handled.
- **February 1978** — The expansion of the emergency department was completed. Later this same year, construction was completed on the service tower and a new radiology department, pharmacy and a respiratory therapy unit were unveiled. The completion of these final projects represented the conclusion of DeGraff's largest building and renovation project.
- **June 1983** — The fundraising arm of DeGraff Hospital — The DeGraff Hospital Foundation — was incorporated.
- **July 1986** — DeGraff joined the Voluntary Hospitals of America — a national alliance of more than 600 locally owned, not-for-profit hospitals. The goal of VHA, which formed in 1977, was to strengthen the voluntary sector and to improve the competitive position of member institutions.
- **November, 1987** — The first strike in the history of DeGraff Memorial Hospital. The strike lasted 101 days.
- **March, 1988** — DeGraff assembled its resources to offer a special kind of care long ignored by traditional medical circles — a contract with Niagara Hospice provided two beds at DeGraff Hospital for caring treatment of the terminally ill.
- **September, 1988** — DeGraff Memorial Hospital continues its leadership role and becomes the first Niagara County Hospital to implement an institution-wide ban on smoking. Almost a year later, New York State recommends a state-wide ban on smoking in hospitals and other public and government buildings.



Rainbow over DeGraff circa 2014.

A New Partnership

- **March, 1998** — DeGraff partnered with Kaleida Health to become part of the largest health care system in Western New York, including Buffalo General Hospital, Millard Fillmore Gates Circle Hospital, Millard Fillmore Suburban Hospital, and Women's and Children's Hospital of Buffalo. The board of trustees of DeGraff felt at the time that this was necessary in order for the hospital to survive as an acute care facility in the long run. The transition turned out to be very smooth, and the board had a very high level of comfort with Kaleida.
- **Present** — For 100 years, DeGraff Memorial Hospital has been dedicated to promoting the health and wellness of the Tonawandas, southern Niagara County, and Erie County through the delivery of quality health care.
- Today, DeGraff is part of Kaleida Health, Western New York's largest health care system. This partnership allows DeGraff to link its patients with the most advanced health care services in Western New York.



Old entrance on Tremont Street circa 1970.

Personal messages



Hank Cole,
Senior Director
Hospital Operations

One hundred years of caring for our community

by HANK COLE

Senior Director of Hospital Operations

It is with pride that I am writing this. The accomplishments and achievements in healthcare since DeGraff Memorial Hospital opened are remarkable.

Through all the changes, DMH has been able to grow and develop to meet the needs of those it serves in the Northtowns.

Along with leaders before me, we have responded to the changing market for delivery of healthcare and continue to do so today.

As in the past, we continue to be a full-service hospital and are fortunate to be part of the Kaleida Health system and all it has to offer.

I would like to thank the employees, the volunteers, the physicians, the community and the Kaleida Health Board who have supported DeGraff over the years, making it possible to remain strong for those who seek us out in good health and bad. Here's to the next 100!



Mary Brown,
Director of Nursing

It's personal

by MARY BROWN, RN

Has anyone ever said to you, "Don't take this personally, but..."

It usually turns out that what comes next is very personal. This community hospital of ours, DeGraff Hospital, is just that — a hospital that staff and physicians who work here, and patients and visitors who come here see as very personal.

There are many staff members who have decades of service at DeGraff, and many patients and physicians who are loyal to this "little hospital with the big heart."

The culture of DeGraff is one of human kindness and compassion, high energy, focus on the patient first, best quality, and a drive to continually improve what we do and how we do it.

There have been huge changes in the complex healthcare delivery system over the years, and the changes are more rapid and more complex today than ever before.

The DeGraff team works diligently together to navigate this system and facilitate the very best outcome for our patients. DeGraff is vital in providing primary services, and in serving as a gateway to Kaleida facilities providing higher levels of care. Our team inspires each other to be better, work harder, do the right thing, and have a cheerful heart.

It is personal, very personal, this big heart of DeGraff. Together, we have the power to see our patients as people first, and make a personal connection to the seemingly small things that are hugely important.

Editorial Note: Mary Brown, RN, MSN, NP, has had a long, successful career spanning 38 years, all at DeGraff, where she has been a teacher, administrator, leader, advocate and above all, a nurse, passionate about nursing.

She is just one of many health care professionals that have dedicated their entire career at DeGraff, providing that special kind of care that indeed makes it "personal." If you ask Mary what her greatest accomplishments have been throughout her nursing career, she will respond "Just making a difference, one patient at a time."

She talks of great memories being on evenings as a nurse's aide and how she loved to give back rubs, foot soaks and even feed patients.

Although the face of healthcare has changed over the years, the heart has not. Mary holds on to the image of one of her patients who epitomized how a simple caring gesture can make such a difference. Bill's words echo in Mary's mind as she hears him say, "You gave me a warm blanket when I was so cold, on a morning after a night of crying and shivering."

CHAMBER of COMMERCE of the TONAWANDAS
Your Bridge to Success.

We Congratulate our Community Partner
DeGraff Memorial Hospital

as they celebrate **100 YEARS** of service

Congratulations
on a Century of Service.

The staff and management of Wynwood® Kenmore are pleased to recognize DeGraff Memorial Hospital as it celebrates 100 years of dedicated, compassionate service. Congratulations to our colleagues for your fine work and the legacy you build upon each day.

BROOKDALE
ALL THE PLACES LIFE CAN GO®

Wynwood® Kenmore
Enhanced Assisted Living
2971 Delaware Ave. | Kenmore, NY 14217
(716) 874-3200

brookdale.com

Economy

Power



**Hydroelectric power dam at the
Robert Moses Generating facility, Lewiston, New York**

The enormous energy of Niagara Falls has long been recognized as a potential source of power. The first known effort to harness the waters was in 1759, when Daniel Joncaire built a small canal above the falls to power his sawmill. Augustus and Peter Porter purchased this area and all of American Falls in 1805 from the New York state government, and enlarged the original canal to provide hydraulic power for their gristmill and tannery. In 1853, the Niagara Falls Hydraulic Power and Mining Company was chartered, which eventually constructed the canals that would be used to generate electricity. In 1881, under the leadership of Jacob Schoellkopf, Niagara River's first hydroelectric generating station was built. The water fell 86 feet and generated direct current electricity, which ran the machinery of local mills and lit up some of the village streets.

The Niagara Falls Power Company, a descendant of Schoellkopf's firm, formed the Cataract Company headed by Edward Dean Adams, with the intent of expanding Niagara Falls power capacity. In 1890, a five-member International Niagara Commission headed by Sir William Thomson among other distinguished scientists deliberated on the expansion of Niagara hydroelectric capacity based on seventeen proposals, but could not select any as the best combined project for hydraulic development and distribution. In 1893, Westinghouse Electric (who had built the smaller scale Ames Hydroelectric Generating Plant near Ophir, Colorado two years earlier) was hired to design a system to generate alternating current on Niagara Falls, and three years after that this large scale AC power system was created (activated on August 26, 1895). The Adams Power Plant Transformer House remains as a landmark of the original system.

By 1896, with financing from moguls like J.P. Morgan, John Jacob Astor IV, and the Vanderbilts, they had constructed giant underground conduits leading to turbines generating upwards of 100,000 horsepower, and were sending power as far as Buffalo, 20 miles away. Some of the original designs for the power transmission plants were created by the Swiss firm Faesch & Piccard, which also constructed the original 5,000 HP waterwheels.

Private companies on the Canadian side also began to harness the energy of the falls. The Government of the province of Ontario, Canada eventually brought power transmission operations under public control in 1906, distributing Niagara's energy to various parts of the Canadian province.

Other hydropower plants were also being built along the Niagara River. But in 1956, disaster struck when the region's largest hydropower station was partially destroyed in a landslide. The landslide drastically reduced power production and tens of thousands of manufacturing jobs were at stake. In 1957, Congress passed the Niagara Redevelopment Act, which granted the New York Power Authority the right to fully develop the United States' share of the Niagara River's hydroelectric potential.

In 1961, when the Niagara Falls hydroelectric project first went on line, it was the largest hydropower facility in the Western world. Today, Niagara is still the largest electricity producer in New York State, with a generating capacity of 2.4 gigawatts (million kilowatts). Up to 375,000 U.S. gallons of water a second is diverted from the Niagara River through conduits under the City of Niagara Falls to the Lewiston and Robert Moses power plants. Currently between 50% and 75% of the Niagara River's flow is diverted via four huge tunnels that arise far upstream from the waterfalls. The water then passes through hydroelectric turbines that supply power to nearby areas of Canada and the United States before returning to the river well past the falls. This water spins turbines that power generators, converting mechanical energy into electrical energy. When electricity demand is low, the Lewiston units can operate as pumps to transport water from the lower bay back up to the plant's reservoir, allowing this water to be used again during the daytime when electricity use peaks. During peak electrical demand, the same Lewiston pumps are reversed and actually become generators, similar to those at the Moses plant.

To preserve Niagara Falls' natural beauty, a 1950 treaty signed by the U.S. and Canada limited water usage by the power plants. The treaty allows higher summertime diversion at night when tourists are fewer and during the winter months when there are even fewer tourists. This treaty, designed to ensure an "unbroken curtain of water" is flowing over the falls, states that during daylight time during the tourist season (April 1 to October 31) there must be 100,000 cubic feet per second of water flowing over the falls, and during the night and off-tourist season there must be 50,000 cubic feet per second of water flowing over the falls. This Treaty is monitored by the International Niagara Control Board. During winter the Power Authority of New York works with Ontario Power Generation, to prevent ice on the Niagara River from interfering with power production or causing flooding of shoreline property. One of their joint efforts is an 8,800-foot long ice boom, which prevents the buildup of ice, yet allows water to continue flowing downstream.

The most powerful hydroelectric stations on the Niagara River are the Sir Adam Beck 1 and 2 on the Canadian side and the Robert Moses Niagara Power Plant and the Lewiston Pump Generating Plant on the American side. Together, Niagara's generating stations can produce about 4.4 gigawatts of power.

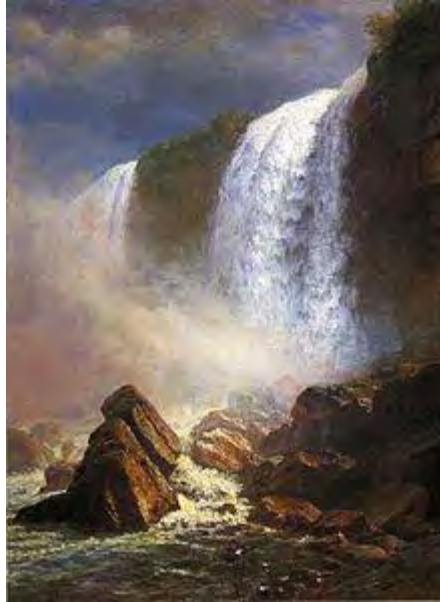
In August 2005 Ontario Power Generation, which is responsible for the Sir Adam Beck stations, started a major civil engineering project, called the Niagara Tunnel Project, to increase power production by building a new 42-foot diameter, 6.3 mile-long water diversion tunnel. It was officially placed into service in March 2013, helping to increase the generating complex's nameplate capacity by 150 megawatts. It did so by tapping water from farther up the Niagara River than was possible with the preexisting arrangement. The tunnel provided new hydroelectricity for approximately 160,000 homes.

Preservation of the Falls

Niagara Falls has long been a source of inspiration for explorers, travelers, artists, authors, filmmakers, residents and visitors, few of whom realize that the falls were nearly to be solely devoted to industrial and commercial use. In the 1870s, sightseers had limited access to Niagara Falls and often had to pay merely for a glimpse, and industrialization threatened to carve up Goat Island in an effort to further expand commercial development. Other industrial encroachments and lack of public access led to a conservation movement in the U.S. known as *Free Niagara*, led by such notables as Hudson River school artist Frederic Edwin Church, landscape designer Frederick Law Olmsted, and architect Henry Hobson Richardson. Mr Church approached Lord Dufferin, governor-general of Canada, with a proposal for international discussions on the establishment of a public park.



***Niagara Fülle. Les chûtes du Niagara. Niagara Falls (circa 1832):
aquatint by Karl Bodmer from the book "Maximilian,
Prince of Wied's Travels in the Interior of North America,
during the years 1832–1834"***



**Albert Bierstadt's (1830–1902)
oil painting of Niagara Falls**

Goat Island was one of the inspirations for the American side of the effort. William Dorsheimer, moved by the scene from the island, brought Olmsted to Buffalo in 1868 to design a city park system and helped promote Olmsted's career. Later, in 1879, the New York state legislature commissioned Olmsted and James T. Gardner to survey the falls and to create the single most important document in the Niagara preservation movement, a Special Report on the preservation of Niagara Falls. The report advocated for State purchase, restoration and preservation through public ownership of the scenic lands surrounding Niagara Falls. Restoring the former beauty of the falls was described in the report as a "sacred obligation to mankind." In 1883, Governor Grover Cleveland drafted legislation authorizing acquisition of lands for a state reservation at Niagara and *The Niagara Falls Association*, a private citizens group founded in 1882, mounted a great letter writing campaign and petition drive in support of the park. Professor Charles Eliot Norton and Olmsted were among the leaders of the public campaign, while New York Governor Alonzo Cornell opposed.

Preservationists' efforts were rewarded on April 30, 1885, when Governor David B. Hill signed legislation creating the Niagara Reservation, New York's first state park. New York State began to purchase land from developers, under the charter of the Niagara Reservation State Park. In the same year, the province of Ontario established the Queen Victoria Niagara Falls Park for the same purpose. On the Canadian side, the Niagara Parks Commission governs land usage along the entire course of the Niagara River, from Lake Erie to Lake Ontario.

In 1887, Olmsted and Calvert Vaux issued a supplemental report detailing plans to restore the falls. Their intent was "to restore and conserve the natural surroundings of the Falls of Niagara, rather than to attempt to add anything thereto", and the report anticipated fundamental questions. How would preservationists provide access without destroying the

beauty of the falls? How would they restore natural landscapes damaged by man? They planned a park with scenic roadways, paths and a few shelters designed to protect the landscape while allowing large numbers of visitors to enjoy the falls. Commemorative statues, shops, restaurants, and a 1959 glass and metal observation tower were added later. Preservationists continue to strive to strike a balance between Olmsted's idyllic vision, and the realities of administering a popular scenic attraction.

Preservation efforts continued well into the 20th century. J. Horace McFarland, the Sierra Club, and the Appalachian Mountain Club persuaded the United States Congress in 1906 to enact legislation to preserve the falls by regulating the waters of Niagara River. The act sought, in cooperation with the Canadian government, to restrict diversion of water, and a treaty resulted in 1909 that limited the total amount of water diverted from the falls by both nations to approximately 56,000 cubic feet per second. That limitation remained in effect until 1950.

Erosion control efforts have always been of extreme importance. Underwater weirs redirect the most damaging currents, and the top of the falls have also been strengthened. In June 1969, the Niagara River was completely diverted away from the American Falls for several months through construction of a temporary rock and earth dam. While the Horseshoe Falls absorbed the extra flow, the U.S. Army Corps of Engineers studied the riverbed and mechanically bolted and strengthened any faults they found; faults that would, if left untreated, have hastened the retreat of the American Falls. A plan to remove the huge mound of talus deposited in 1954 was abandoned owing to cost, and in November 1969, the temporary dam was dynamited, restoring flow to the American Falls. Even after these undertakings, Luna Island, the small piece of land between the main waterfall and the Bridal Veil, remained off limits to the public for years owing to fears that it was unstable and could collapse into the gorge at any time.

Commercial interests have continued to encroach on the land surrounding the state park, including the construction of several tall buildings (most of them hotels) on the Canadian side. The result is a significant alteration and urbanization of the landscape. One study indicated it has caused the airflow near the falls to change direction. Students at the University of Guelph demonstrated, using scale models that as air passes over the top of the new hotels it causes a breeze to roll down the south sides of the buildings and spill into the gorge below the falls, where it feeds into a whirlpool of moisture and air. The inference was that a documented rise in the number of "mist days" was a result of these breezes, where mist days refers to the mist plume of the falls reaching landside. In 1996 there were 29 mist days recorded, but by 2003 that number had risen to 68. Another study has discounted this opinion and linked mist production primarily to the difference in air and water temperature at the falls. However, this study does not offer opinion as to why mist days have been increasing, just that the hotel breezes are an unlikely cause.

In 2013 New York State initiated an effort to renovate The Sisters Islands located on Goat Island. New York State used funds secured from the re-licensing of the New York Power Authority hydro electric plant down river in Lewiston New York to re-do walking

paths on the Three Sisters Islands and plant native vegetation on the islands. The State also renovated the area around Prospect Point at the brink of the American Falls in the State Park.

Workforce

Buffalo Niagara Enterprise as an organization is responsible for attracting companies to the eight counties comprising Western New York, including Niagara County. By focusing on key industries that complement the region's strengths the organization is able to translate its business development and marketing efforts into real jobs and investments.

The following companies form an integral part of this organization and contribute to the economic development of Niagara County and the county seat of Lockport.

Advertising Agencies:		
Name	Employees	Primary Clientele or Products
J. Fitzgerald Group 12 W. Main Street Lockport, NY 14094 \$1.51 million 2012 gross income	12 full-time	UB Orthopaedics, Eastern Niagara Health System, Crosby's Stores
Web Design Firms		
J. Fitzgerald Group 12 W. Main Street Lockport, NY 14094		UB Orthopaedics and Sports Medicine Volvo Construction Equipment Delta Air Lines
Printers		
Gooding Co., Inc. 5568 Davison Road Lockport, NY 14094	36 full-time	GMP/FDA compliant inserts, outserts, instruction sheets and manuals for pharmaceutical, medical devices
The Zenger Group, Inc. 777 East Park Drive Tonawanda, NY 14150	110 full-time 9 part-time	Direct mail, catalogs, brochures, publications, packaging, secure variable-data direct mail
Trucking and Logistics Firms		
Productive Transportation, In. 530 Grand Island Boulevard Tonawanda, NY 14150	45 full-time	Complete transportation and logistics services, freight brokerage, trucking, warehousing, LTL, flatbed, truckload
Double Down Transport NY, Inc. 701 Ensinger Road Tonawanda, NY 14150	24 full-time	Reefer, van, flatbed transportation company
Energy Companies		
NOCO Energy Corp. 2440 Sheridan Drive Tonawanda, NY 14150	625	Natural gas, electricity, heating oil, propane, gasoline, diesel, motor oils and lubricants, heating and cooling
NRG Energy, Inc. 3500 River Road Tonawanda, NY 14150	160	Electricity
Building Controls & Services, Inc. 4 Pequet Parkway Tonawanda, NY 14150	90	Electricity, natural gas, solar, wind, energy conservation services, performance contracting, smart/green building solutions and building commissioning

<i>Environmental Services Companies</i>		
The Environmental Service Group 177 Wales Avenue Tonawanda, NY 14150	35	Hazardous waste, specialty material recycling, construction remediation
Rubberform Recycled Products, LLC 75 Michigan Street Lockport, NY 14094	22	Manufacturer of green products made from recycled scrap-tire rubber and recycled plastic
<i>Manufacturers</i>		
GM Components Holdings, LLC 200 Upper Mountain Road Lockport, NY 14094	1,411	Climate control and powertrain cooling systems and components
Praxair, Inc. 175 East Park Drive Tonawanda, NY 14150	1,125	Supplies atmospheric, process and speciality gases and high-performance coatings
Goodyear Dunlop Tires/North America Ltd 10 Sheridan Road Tonawanda, NY 14150	1,100	Original equipment and replacement tires
<i>Staffing Agencies</i>		
Remedy Intelligent Staffing 2309 Eggert Road Tonawanda, NY 14150	44	Manufacturing, logistics/distribution, administrative, call center, customer service
<i>Mortgage Bankers and Brokers</i>		
Cornerstone Community FCU 6485 S. Transit Road Lockport, NY 14094	232	
<i>Credit Unions</i>		
Cornerstone Community FCU 6485 S. Transit Road Lockport, NY 14094	232	
<i>Life Science Companies</i>		
IMA Life North America, Inc. 2175 Military Road Tonawanda, NY 14150	136	Liquid powder, aseptic and non-aseptic processing machinery
SR Instruments, Inc. 600 Young Street Tonawanda, NY 14150	60	OEM manufacturer of patient weighing systems; manufacturer of scales for hospitals, clinics, vet practices, zoos, aquariums and water parks
<i>Multi-generation Family Businesses</i>		
William C. Rott & Son, Inc. 454 Young Street Tonawanda, NY 14150	35-45	Roofing, roof cleaning, siding, replacement and storm windows and doors, gutters, and gutter cleaning
Finger Lakes Technologies Group, Inc. 908 Niagara Falls Boulevard North Tonawanda, NY 14120	105	Voice services, fiber internet services, Cisco solutions, networking, video, paper record storage, data center solutions, disaster recovery services
Scapelliti's Super Store 7084 Chestnut Ridge Road Lockport, NY 14094	11	Fresh meats, cold cuts, pastries, pizza, wings, subs, fish fry, beer, soda, lottery and gas
<i>Hospitals</i>		
Eastern Niagara Hospital 521 East Avenue Lockport, NY 14094		

<i>Hospital Emergency Departments</i>		
DeGraff Memorial Hospital 445 Tremont Street North Tonawanda, NY 14120		
<i>Nursing Homes</i>		
Northgate Health Care Facility 7264 Nash Road North Tonawanda, NY 14120		
Sheridan Manor Nursing Home, LLC 2799 Sheridan Drive Tonawanda, NY 14150		
Briody Health Care Facility 909 Lincoln Avenue Lockport, NY 14094		
<i>Retirement Communities</i>		
Woodlands Residential Village 3959 Forest Parkway North Tonawanda, NY 14120		Independent Living
People, Inc. Senior Living Pine Apartments 6231 Tonawanda Creek North Lockport, NY 14094		
Pinegrove Estates 5726 Bowmiller Road Lockport, NY 14094		Independent Adult Living Villas
<i>Physical Therapy Facilities</i>		
DeGraff Memorial Hospital 445 Tremont Street North Tonawanda, NY 14120		
Eastern Niagara Health System 521 East Avenue Lockport, NY 14094		
Odd Fellow & Rebekah Rehabilitation Center 104 Old Niagara Road Lockport, NY 14094		
<i>Public Companies</i>		
First Niagara Financial Group, Inc. 6940 S. Transit Road Lockport, NY 14095	5,927	
Taylor Devices, Inc. 90 Taylor Drive N. Tonawanda, NY 14120	106	
Ronco Communications 595 Sheridan Drive Tonawanda, NY 14150	145	Communication Specialists
Superior Lubricants Co., Inc. 32 Ward Road North Tonawanda, NY 14120	98	Distribution of motor oil, lubricants, automotive parts and washer solvents
Intertech Digital Entertainment, Inc. 6523 S. Transit Road Lockport, NY 14094	295	Satellite sales, real estate development
Safespan Platform Systems, Inc. 252 Fillmore Avenue Tonawanda, NY 14150	82	Sale and rental of bridge platforms and scaffolding

Aero Instruments & Avionics, Inc. 7290 Nash Road North Tonawanda, NY 14120	107	Repair and certification of avionics componenets
Audubon Machinery Corp. 814 Wurlitzer Drive North Tonawanda, NY 14120	48	Manufacturer of oxygen systems and industrial washing equipment
<i>Largest Employers</i>		
The County of Niagara 175 Hawley Street Lockport, NY 14094	1,554	County government
GM Components Holdings, LLC 300 Upper Mountain Road Lockport, NY 14094	1,411	Manufactures climate control and powertrain cooling systems and components
Praxair, Inc. 174 E. Park Drive Tonawanda, NY 14150	1,125	Atmospheric process and specialty gases and high-performance coatings
Goodyear Dunlap Tires North America LTD 10 Sheridan Road Tonawanda, NY 14150	1,110	Original equipment and replacement tires
NOCO Energy Corp. 2440 Sheridan Drive Tonawanda, NY 14150	650	Family-owned and locally operated energy supplier and distributor
North Tonawanda City School District 175 Humphrey Street North Tonawanda, NY 14120	565	Public school district
John W. Danforth Co. 300 Colvin Woods Parkway Tonawanda, NY 14150	550	General contractor for mechanical systems
<i>Women-Owned Businesses</i>		
Weydman Electric, Inc. 747 Young Street Tonawanda, NY 14150	196	Electrical and communications contractor
Innovative Mechanical Systems, Inc. 633 Young Street Tonawanda, NY 14150	26	Mechanical contractor, sheet metal fabrication, design, build, HVAC service, temperature controls
Productive Transportation, Inc. 530 Grand Island Boulevard Tonawanda, NY 14150	25	Freight brokerage specializing in truckload, LTL, flatbed, refrigerated freight, and warehousing
Botanicus, Inc. 523 Fillmore Avenue Tonawanda, NY 14150	12	Interior landscaping
Grandview Construction, Inc. 167 Young Street Tonawanda, NY 14151	12	General contractor
Wheatfield Family Dentistry 3349 Niagara Falls Boulevard North Tonawanda, NY 14120	12	Family dental practice
BXI Consultants 33 Peuquet Parkway Tonawanda, NY 14150	10	Sales and service of printers/scanners/copiers, managed print services
<i>Fast Track Companies</i>		
Jameson Electric Heating & Air 525 Wheatfield Street North Tonawanda, NY 14120	12	

John W. Danforth Co. 300 Colvin Woods Parkway Tonawanda, NY 14150	450	
Audubon Machinery Corp. 814 Wurlitzer Drive North Tonawanda, NY 14120	48	
Million-Dollar Nonprofits		
New Directions Youth & Family Services, Inc. 6395 Old Niagara Road Lockport, NY 14094	519	Social welfare
Large Commercial Space		
Young Street Commons 555-740 Young Street Tonawanda, NY 14150		Warehouse/industrial
Weinheimers 1888 Niagara Falls Boulevard Tonawanda, NY 14150		Warehouse distribution center
Top Contractors		
D.R. Chamberlain Corp. 50 Simonds Street Lockport, NY 14094	30	Towne Mini dealership; Trek, Inc.
Grandview Construction, Inc. 167 Young Street Tonawanda, NY 14150	12	
Economic Development Agencies		
Lumber City Development Corp. 500 Wheatfield Street North Tonawanda, NY 14120	25	
City of Niagara Falls Economic Development 745 Main Street Niagara Falls, NY 14305		
Greater Lockport Development Corp. One Locks Plaza Lockport, NY 14094	112	
Commercial Developers		
TM Montante Development, LLC 2760 Kenmore Avenue Tonawanda, NY 14150		
Architectural Firms		
DesignSynergies Architecture PC 7 Danbury Lane Tonawanda, NY 14217	1	Interiors consulting
Office Parks		
Colvin Woods Business Park Colvin Boulevard @ I-290 Tonawanda, NY 14150		
Riverview Solar Technology 5201 River Road Tonawanda, NY 14150		
LEED-Certified Buildings		
South Lockport Medical Campus 5842 Snyder Drive Lockport, NY 14095		

Office Furniture and Equipment Cos.		
BXI Consultants 33 Peuquet Parkway Tonawanda, NY 14150	9	Printer, copier sales and service
TC Technologies, Inc. 1000 Young Street Tonawanda, NY 14150	13	MFPs, printers, copiers, scanners, fax machines, document technology
Telecommunications Companies		
Finger Lakes Technologies Group, Inc. 908 Niagara Falls Boulevard North Tonawanda, NY 14120	65	Voice and fiber optic Internet services, IP telephony services, data center services, conferencing solutions
COMTEL 750 Ensminger Road Tonawanda, NY 14150	41	VoIP hosted and premise systems broadband, contact centers, datacabling, NYS contract
Cloud Computing Companies		
US itek 1016 Niagara Falls Boulevard Tonawanda, NY 14150	6	Virtual desktops, infrastructure as a service, hosted applications
Technology Companies		
Copeland Data Systems, Inc. 550 Fillmore Avenue Tonawanda, NY 14150	12	Application software for distributors, networking services/support and web development
Corporate Philanthropists		
NRG Energy, Inc. 3500 River Road Tonawanda, NY 14150		
Top Foundations		
Grigg-Lewis Foundation, Inc. 76 West Avenue Lockport, NY 14094		
Chambers of Commerce		
Chamber of Commerce of the Tonawandas 15 Webster Street North Tonawanda, NY 14120	2	
Banquet Facilities		
The Tonawanda Castle 69 Delaware Avenue Tonawanda, NY 14150		

Source: *Business First Book of Lists 2014*, by American City Business Journals, Inc.

Transportation

Airports

Niagara Falls International Airport (IATA: IAG, ICAO: KIAG, FAA LID: IAG) is four miles east of downtown Niagara Falls, in Niagara County, New York. Owned and operated by the Niagara Frontier Transportation Authority, the airport shares its runways with the Niagara Falls Air Reserve Station. A new terminal building opened in 2009. The airport is in Class D airspace and has a FAA control tower. The airport covers 1,067 acres and has three paved runways:

In 2011 Niagara Falls International served an estimated 200,000 passengers. In the first 11 months of 2011, 87,942 outbound passengers boarded flights, a 190 percent increase from the same period in 2010. As per Federal Aviation Administration records, the airport had 23,849 passenger boardings (enplanements) in calendar year 2010.

In the year ending May 31, 2011 the airport had 29,816 aircraft operations, average 82 per day: 65% general aviation, 26% military, 7% air taxi and 3% airline.

The FAA's National Plan of Integrated Airport Systems for 2011–2015 classified Niagara Falls International as a reliever airport. An estimated 80% of the passenger traffic at the airport comes from Canadians.

Busiest domestic routes from Niagara Falls International Airport (July 2013 – June 2014)^[14]

Rank	Airport	Passengers	Carriers
1	Fort Lauderdale, Florida	33,000	Spirit
2	Orlando, Florida	20,000	Allegiant
3	St. Petersburg, Florida	17,000	Allegiant
4	Myrtle Beach, South Carolina	17,000	Spirit
5	Punta Gorda, Florida	15,000	Allegiant

Other Nearby airports

- 0G0 – North Buffalo Suburban Airport (11 nm E)
- KBUF – Buffalo Niagara International Airport (14 nm SE)
- 9G0 – Buffalo Airfield (18 nm SE)
- 9G3 – Akron Airport (21 nm E)
- 9G6 – Pine Hill Airport (30 nm E)

Shopping

Niagara County offers many shopping venues from small boutiques, a designer outlet mall and farmers markets. Whether you are just browsing or looking for great deals, shopping in Niagara County is an absolute must.

One of the top ten rated outlet malls in the country, the Fashion Outlets of Niagara has over 150 stores to suit everyone's shopping needs and is situated only 10 minutes away from one of the world's natural wonders.

Discover local boutiques and antique shops and their one-of-a-kind finds. Check out the privately owned shops and boutiques that feature unique items including clothing, decorative items, housewares, art or shoes.

Media

Newspapers

Niagara Falls Gazette

From its inception in 1854, the Niagara Falls Gazette has been the record of local news and events in and around Niagara Falls. The Gazette's early editions, as they do today, reach across international borders and reported news of the early daredevils and Falls-related stories, stories of heroic rescues and tragic mishaps, stories of romantic dalliances, honeymoon excursions and lovers leaps of despair. Those reports appeared in newspapers across the country and in Europe. Today, daily editions of the Niagara Gazette are mailed from Vermont to California and Alaska to Florida, reaching into 25 of our nation's 50 states.

Tourist Attractions

Niagara Wine Trail

Located along the lower river below the roaring waters of the Falls, is the Niagara Wine Trail. These delightful Niagara wineries offer selections for all tastes. The fertile soil and adequate rainfall of the Niagara region contribute to the excellent growing conditions on the vineyards. The Niagara USA region has a unique microclimate for the production of world class wines, along with a beautiful countryside situated on the Niagara Escarpment.

Niagara wine tours, events and festivals are held year-round to offer the wine tasting experience to all visitors of Niagara Falls. Limos and bus tour packages are also available to make experiencing the Niagara wine trail and Niagara wine tours more enjoyable.

Niagara Falls State Park

Niagara Falls State Park is home to over 400 acres of lush landscape and wildlife, the beautiful Falls themselves, and many famous attractions. Niagara USA offers a breathtaking view of one of nature's marvels and an experience that will last a lifetime.

First discovered in 1678, by French explorer Father Louis Hennepin, Niagara Falls was one of America's first icons, luring explorers, daredevils and millions of visitors with its untamed beauty, thundering roar and tremendous power.

World-class attractions such as the Maid of the Mist and Cave of the Winds, offer the eight million visitors each year an opportunity to feel, see and experience the rush of Niagara's waters. At the Frederick Law Olmsted designed park, the oldest state park in the nation, a natural splendor allows the park to be seen as nature intended it to be seen.

Each year, millions of people don sandals and ponchos to take part in a close up view of the American and Bridal Veil Falls on the Cave of the Winds. What most people don't know is that the very decks they stand on are torn down and re-built each and every year. Due to frigid waters in the spring, teams of park employees work for only 20 minutes at a time re-building the famous decks.

The State Park is open 365 days a year, 24-hours a day. You can walk through the park or take the Niagara Scenic Trolley ride.

Niagara Falls (/nar'ægrə/, Cayuga: *Gahnawehta* or *Tgahnawehta*) is the collective name for three waterfalls that straddle the international border between Canada and the United States; more specifically, between the province of Ontario and the state of New York. They form the southern end of the Niagara Gorge.

From largest to smallest, the three waterfalls are the Horseshoe Falls, the American Falls and the Bridal Veil Falls. The Horseshoe Falls lie mostly on the Canadian side and the American Falls entirely on the American side, separated by Goat Island. The smaller Bridal Veil Falls are also located on the American side, separated from the other waterfalls by Luna Island. The international boundary line was originally drawn through Horseshoe Falls in 1819, but the boundary has long been in dispute due to natural erosion and construction.

Located on the Niagara River, which drains Lake Erie into Lake Ontario, the combined falls form the highest flow rate of any waterfall in the world, with a vertical drop of more than 165 feet. Horseshoe Falls is the most powerful waterfall in North America, as measured by vertical height and also by flow rate. The falls are located 17 miles north-

northwest of Buffalo, New York and 75 miles south-southeast of Toronto, between the twin cities of Niagara Falls, Ontario, and Niagara Falls, New York.

Niagara Falls were formed when glaciers receded at the end of the Wisconsin glaciation (the last ice age), and water from the newly formed Great Lakes carved a path through the Niagara Escarpment en-route to the Atlantic Ocean. While not exceptionally high, the Niagara Falls are very wide. More than six million cubic feet of water falls over the crest line every minute in high flow, and almost four million cubic feet on average.

The Niagara Falls are renowned both for their beauty and as a valuable source of hydroelectric power. Managing the balance between recreational, commercial, and industrial uses has been a challenge for the stewards of the falls since the 19th century.



Niagara Falls

Lockport Locks and Erie Canal Cruises

The Lockport Locks and Erie Canal Cruises is a relaxing and informative ride on the 19th-century engineering marvel which opened the American Frontier. Boat rides are offered on the Erie Canal, with one proceeding upward through the modern locks for a short cruise, and returning to pass downstream under two lift bridges and then returning to the docks.

LOCKPORT SPECIAL EVENTS - 2014

All events subject to change. Visit www.LockportontheErieCanal.com for more information.

All Summer Events:

Weekends August through October: Wine tasting, fall foliage, and other train excursions running every weekend. For more information visit railroadmuseum.net

Walking tours of the Flight of Five Locks

Every Monday night from May 5 through Sept. 8: Lockport Car Cruise, Ida Fritz Park.

Rock the Locks, public art project

May

5/3: Evening with the Stars, Historic Palace Theatre
5/3: Canal Opening Celebration – 1825 Family Fun, Niagara Historical Society

5/4: Canal Opening Celebration – 9th Annual Key to the Locks Award, Step Back in Time Players

5/4-6/15: Rita Argen Auerbach: Chronicle of 40-Year Career in Watercolor exhibit, Kenan Center

5/5: American Graffiti the Movie, Historic Palace Theatre 7pm Fundraiser for Lockport Car Cruise

5/8-5/10: History in Your Backyard, Niagara Historical Society

5/9-5/12: Wine Trail Blossoms, Niagara Wine Trail

5/10: 5th Annual DeSales Race for Fitness 5K and 1 Mile Fun Run

5/10: Niagara Art Guild Spring Show, Niagara Historical Society

5/11: Annual Mother's Day Breast Cancer Canal Walk, Widewaters Marina

5/17: Cystic Fibrosis Foundation Great Strides Walk

5/26: Lockport Memorial Day Parade, Main Street
5/24-5/26: Memorial Day weekend Outdoor Geography Bee, 51 Canal Street

5/30-6/1: 44th Annual 100 American Craftsmen, Kenan Center

June

6/1: 44th Annual 100 American Craftsmen, Kenan Center

Through 6/15: Rita Argen Auerbach: Chronicle of 40-Year Career in Watercolor exhibit, The Kenan Center

Every Saturday June through August,

Sweet Art Alive, Canal Street

6/8: Tea and Tour in the Gallery, Kenan Center

6/13-6/15: Wine and Cheese, Niagara Wine Trail

6/14-6/15: Relay for Life of Lockport, Emmet

Belknap Immediate School Track

6/22- 7/20: Buffalo Niagara Art Association

Exhibit, Kenan Center

6/28 & 6/29: 39th Annual Lockport Outdoor Arts and Crafts Festival, Main Street

July

Community Market, Canal Street

Each Saturday July-September

7/2-7/13: Erie Canal Fishing Derby

7/3: Independence Day Parade

7/4: Independence Day Fireworks

Through 7/20: Buffalo Niagara Art Association

Exhibit, Kenan Center.

Every Saturday in July and August,

Sweet Art Alive, Canal Street

7/10-7/13 & 7/17-7/20: Peter Pan, Historic

Palace Theatre

7/11: Color and Light, Challenger Learning Center

7/12 & 7/13: Lockport in Bloom

7/13: Evening Garden Walk, Lockport in Bloom

7/13: Cold Springs Cemetery Walking Tour, The

Step Back in Time Players

7/18: Constellations, Challenger Learning Center

7/25: Native American Sky Lore, Challenger

Learning Center

7/27-8/31: Niagara Frontier Art Exhibit,

Kenan Center

7/30-8/3: Niagara County Fair

August

Community Market, Canal Street

Each Saturday through September

Through 8/3: Niagara County Fair

Through 8/31: Niagara Frontier Art Exhibit, Kenan Center.

Every Saturday in August

Sweet Art Alive, Canal Street

8/9: Summer Beast of Burden Ultra Race, Widewaters Marina

8/10: Molinaro's Italian Fest

8/14: Follow the Drinking Gourd, Challenger Learning Center

8/16: Discovery Gala, Erie Canal Discovery Center

8/16 & 8/17: Sweet Chalk Festival

8/17: Taste of Lockport, Ida Fritz Park

8/21: What's New from Space?

Challenger Learning Center

8/23 & 8/24: Quilt Bee, Canal Street

8/30: Lowertown Canal Festival & Duck Race

September

Community Market, Canal Street

Each Saturday through September

9/7- 10/12 Coni Minneci: A Decade in Art,

Kenan Center

9/13: Autumn in the Arena Antique Show

9/19-21 Harvest Fest, Niagara Wine Trail

October

Through 10/12: Coni Minneci: A Decade in Art, Kenan Center

10/17-10/19: Halloween – Murder Mystery

Weekend! Niagara Wine Trail

10/18: Oktoberfest, Niagara County

Historical Society

10/19-11/16: Niagara Frontier Watercolor Exhibit, Kenan Center

November

Through 11/16: Niagara Frontier Watercolor Exhibit, Kenan Center

11/7-11/20: Share the Bounty, Niagara Wine Trail

11/21-11/23: Gifts and décor by juried designers

and artisans in 3 historic buildings,

Kenan Center

11/21-11/23: Niagara Art Trail, Holiday

Open Houses

11/29: Christmas on the Canal, Main Street

11/29: COTC Lighted Parade

December

12/5-12/7 & 12/12-12/14: Holiday Happening, Niagara Wine Trail

12/6-1/3/15: The Winter Wonderland Project, Main Street and Market Street

Summary

Lockport, New York in Niagara County is the county seat and the location of a number of historical and operational locks of the Erie Canal. The Erie Canal was the major transportation waterway for nearly one hundred years. Now it is a pleasure craft route across northern New York State.

The new ice arena with two national Hockey league-size rinks opened in late 2014. The year-round facility will serve as an economic catalyst in its downtown location.

The Business First Book of Lists of 2014, by American City Business Journal lists 23 industries in Lockport as leaders in various businesses. These firms provide the solid base of employment and economic growth for Lockport.

SITE AND AREA EVALUATION

The Site

The City of Lockport has identified an existing office building at 57 Richmond Avenue in Lockport, New York for the development of an Inn at the Locks of the Ascend Collection of the Choice Hotel International Group.

Highways

Lockport is at the junction of several major truck roads, including NY Route 78 (Transit Road), NY Route 31, NY Route 77 and NY Route 93. It is 17 miles north of Interstate 90 via NY Route 78.

NY Route 78

New York State Route 78 (NY 78) is a 73.49-mile state highway in western New York State. While it is signed north–south, the southern portion runs in an east–west direction across Wyoming and Erie counties, from its beginning at a junction with NY 19

north of the village of Gainesville to the village of East Aurora. The part of the route north of East Aurora follows a generally north-south alignment to an intersection with NY 18 in the Niagara County town of Newfane (at the hamlet of Olcott), just south of the Lake Ontario shoreline. The route is most closely identified in the region with Transit Road, a major north-south trunk road through the center of Erie and Niagara counties; however, NY 78 does not follow Transit Road for its entire length, nor does Transit Road comprise more than half its length. The highway joins Transit Road north of East Aurora and stays with the road to its end in the city of Lockport.

After crossing Tonawanda Creek, NY 78 and Transit Road enter the town of Lockport as a four-lane boulevard. Intersecting with the western terminus of CR 117 and the eastern terminus of CR 60 (both North Tonawanda Creek Road), NY 78 and Transit Road continue north as the four-lane commercial boulevard through Lockport. The route remains four lanes, but becomes a boulevard through wide fields for a distance, passing runway 28 of North Buffalo Suburban Airport. Now in the town of Pendleton for a short distance, NY 78 and Transit Road cross through a long stretch of fields, becoming a commercial boulevard to the north.

After an intersection with CR 12 (Rapids Road), NY 78 and Transit Road continue north through Pendleton, soon crossing into the town of Lockport once again. In the town of Lockport, NY 78 changes monikers to South Transit Road, passing several commercial businesses, intersecting with NY 93 (Robinson Road). The four-lane boulevard continues north from NY 93 through the town of Lockport, passing a stretch of residences and homes as it enters the city of Lockport. Now a four-lane commercial boulevard, it passes several strip malls along South Transit Road. Now in the South Lockport hamlet outside of the city, in the town of Lockport, NY 78 and South Transit Road continue north, passing several stretches of residences.

The route becomes a residential/commercial mix as it passes through the city of Lockport, passing Altro Park before entering the center of the city. In the center of the city, NY 78 intersects with NY 31 (West Genesee Street and Walnut Street) just over the Erie Canal. At this junction, NY 78 changes monikers to North Transit Street, becoming a two-lane residential street north of the city center. Crossing over an ex-Erie Railroad line, the route intersects with Grand Street, where NY 78 turns east off North Transit Street onto Grand. East on Grand Street, NY 78 intersects with Clinton Street, where NY 78 turns north. Passing northeast of Upson Park, NY 78 continues northeast through Lockport on Clinton Street. The route becomes a two-lane residential street, passing Dolan Park and turning north on Lake Avenue.

Crossing back into the town of Lockport, NY 78 continues north along Lake Avenue, intersecting with CR 31 (Old Niagara Road). A short distance to the north, it enters the hamlet of Highland Park, winding northward as a two-lane commercial roadway. After crossing the western terminus of CR 7 (Slayton Settlement Road), NY 78 enters the Ridgelea Heights section of Lockport, crossing over the East Branch and west of Oak Run Golf Club. After the golf club, NY 78 expands to four lanes in the town of Newfane. In Newfane,

NY 78 intersects with NY 104 east (Ridge Road) in the hamlet of Wrights Corners. NY 78 and NY 104 become concurrent northbound, becoming a four-lane commercial boulevard through the hamlet.

A short distance to the north, NY 78 and NY 104 fork in different directions, with NY 104 following Ridge Road to the northeast and NY 78 running along Lockport–Olcott Road to the northwest. Still in the town of Newfane, NY 78 proceeds northwest as a four-lane (quickly changing to two-lane) residential street. The route passes east of Bent-Wing Airport, continuing northwest through Newfane. The route remains residential for a distance, crossing over a brook on its way into the hamlet of Corwin. In Corwin, NY 78 remains a two-lane residential road, crossing over Conrail Shared Assets Operations tracks (heading for the Somerset Power Plant near Camp Kenan) north of Jacques Avenue. Now paralleling Eighteen Mile Creek, NY 78 intersects with the western terminus of CR 105 (Hatter Road). While winding northwest, the route soon enters the hamlet of Newfane.

NY Route 31

NY 31 begins at an intersection with NY 104 in northern Niagara Falls. After a short distance eastward through the northern fringe of the city as College Avenue, the road encounters NY 61 at the northeastern city line. NY 31 continues northeastward into the town of Niagara, following Witmer Road to an interchange with I-190 at exit 24. Past I-190, NY 31 meets NY 265 south of the Robert Moses Niagara Power Plant reservoir. At the intersection, NY 31 becomes Saunders Settlement Road, a name it retains for almost 15 miles. Continuing through Niagara County, NY 31 passes the south end of the Tuscarora Indian Reservation ahead of a brief overlap with NY 429. Past the east end of the concurrency, NY 429 travels north toward NY 104 while NY 31 continues east past Niagara County Community College to an intersection with NY 425, the final state route that NY 31 intersects before entering the Lockport area.

West of Lockport, NY 31 crosses NY 270 and NY 93. Continuing into the city, NY 31 meets NY 78 (Transit Street) at an intersection partially located over the Erie Canal. NY 31 heads eastward through Lockport, intersecting the northern terminus of NY 77 at the eastern edge of the city. While NY 77 continues along the right-of-way of NY 31, NY 31 exits, following a northeasterly alignment through Gasport to Middleport, where it acts as the western and southern terminus of NY 31E and NY 271, respectively. Just east of town, NY 31 crosses the first of nine county lines along its routing, entering Orleans County.

NY Route 77

New York State Route 77 (NY 77) is a north–south state highway in the western part of New York State. The highway runs for 46.28 miles across mostly rural areas from an intersection with NY 78 and NY 98 in the Wyoming County town of Java to a junction with NY 31 near the city of Lockport in Niagara County. It connects to several of the region's major east–west roads, including U.S. Route 20 (US 20) and the New York State Thruway (Interstate 90 or I-90). In southwestern Genesee County, the route takes on added importance

as it provides the most direct route between the Thruway and Darien Lake, Western New York's largest amusement park.

The route was assigned as part of the 1930 renumbering of state highways in New York to the portion of its modern routing north of US 20A. Over the next 30 years, NY 77 was truncated and extended several times, moving the south end of the route to various locations in Wyoming and Genesee counties. Throughout this time, NY 77 always extended at least as far south as Corfu. It arrived at its current alignment c. 1961.

NY Route 93

New York State Route 93 (NY 93) is a 43.08-mile state highway in western New York State. The route begins at an intersection with NY 18F in the village of Youngstown and runs in a general northwest–southeast direction across Niagara and Erie counties to its east end at an intersection with NY 5 in the town of Newstead, just south of the village of Akron. NY 93 serves as a connector between several major arterials, including NY 104 in Cambria, NY 31 just west of the city of Lockport, and NY 78 south of the city.

The route was assigned as part of the 1930 renumbering of state highways in New York. Although it began in Youngstown and ended in Newstead as it does today, the initial routing of NY 93 deviated from the modern path in the vicinity of the city of Lockport. From Cambria to Lockport's eastern suburbs, the highway originally used NY 425, Lower Mountain Road, Akron Road, and a series of streets in Lockport. NY 93 was moved onto NY 104 and Junction Road in Cambria in the 1940s, and altered to bypass Lockport to the south on a new highway and Robinson and Dysinger roads in 1991. In 2006, NY 93 was realigned west of Lockport to continue south on Junction Road to NY 31. The change removed NY 93 from Upper Mountain Road, a county-owned highway that had been part of the route since the 1930s.

The highway system of Niagara County, New York, comprises 1,673.2 miles of roads maintained by the New York State Department of Transportation, the county, and its towns and villages. 31 state-maintained highways enter the county, which account for a combined 267.0 miles of the state highway mileage in New York. 21 of the highways are signed state routes; the other 10 are unsigned reference routes. The state roads are supplemented by 283.2 miles of county-maintained highways, which carry unsigned county route designations. Niagara County is also served by three byways—the Seaway Trail, the Niagara Historic Trail, and the Niagara Wine Trail.

Interstate and US Highways

Niagara County is served by three nationally-assigned highways: I-190, an auxiliary Interstate Highway; US 62, a United States Numbered Highway; and US 62's business route through part of Niagara Falls. I-190 heads from Erie County to Niagara County by way of the North Grand Island Bridge over the Niagara River and immediately connects to NY 384, the Robert Moses State Parkway, and the LaSalle Expressway at a complex interchange on

the north side of the bridge in Niagara Falls. The section of I-190 south of NY 384 is also designated as NY 324; however, that route is not signed north of Grand Island. Farther north, I-190 meets US 62 before leaving the city for the town of Lewiston. In Lewiston, the highway trends more to the northwest, crossing NY 31 and NY 104 on its way to the Lewiston-Queenston Bridge over the Niagara River. The bridge carries I-190 to the Canadian border, where it connects to Highway 405 in the province of Ontario.

US 62 enters Niagara County upon crossing Tonawanda Creek northeast of Lockport. It initially heads northwest through the town of Wheatfield as Niagara Falls Boulevard, intersecting NY 425 and NY 429 on its way to a junction with NY 182 near Niagara Falls International Airport. From there, the route takes on a more westerly track as it heads into Niagara Falls. Within the city, US 62 connects to NY 265 and I-190 before splitting into two one-way streets on the east side of downtown. US 62 follows the one-way couplet along Walnut and Ferry avenues (north and southbound, respectively) to its end at NY 104 near the Rainbow Bridge. US 62 Business runs one block to the north of US 62 in downtown Niagara Falls. It follows Pine Avenue from NY 104 just north of downtown to the east end of US 62's one-way couplet.

State touring routes

21 signed state routes—called touring routes by the New York State Department of Transportation—enter Niagara County at some point along their routing.

State reference routes

Niagara County is served by 10 reference routes, highways maintained by the New York State Department of Transportation (NYSDOT) that carry an unsigned route number for inventory purposes. These are typically highways that NYSDOT has determined are too minor to have a signed number; however, two are internal numbers for roads prominently signed with another name. Like all state-maintained roads, reference routes are inventoried in the field with reference markers, small, green signs posted every tenth-mile along the side of the road. The reference route number is displayed on the marker's first row.

LaSalle Expressway

The LaSalle Expressway is a short east-west highway located in the southeastern part of the city of Niagara Falls. It runs for 2.62 miles from I-190 north of the North Grand Island Bridge to Williams Road (unsigned NY 952V) east of the city in Wheatfield. The expressway has three exits along its length that serve the Robert Moses State Parkway, 77th Street, and NY 384. Its reference route designation is NY 951A, a number used by two separate highways in the Niagara Falls area. The other portion of NY 951A, not connected to the LaSalle Expressway, covers the section of Niagara Street between the Rainbow Bridge and Fifth Street in downtown Niagara Falls.

Robert Moses State Parkway

The Robert Moses State Parkway is a 19.58-mile north-south parkway in western Niagara County. It was originally a continuous highway between Niagara Falls and Porter; however, a section that passed through Niagara Falls State Park was removed due to low usage, splitting the highway into two segments. The southernmost of the two begins at an interchange with I-190 and the LaSalle Expressway east of downtown Niagara Falls and runs west along the Niagara River to Niagara Falls State Park and the adjacent downtown district.

The Robert Moses Parkway's north leg starts at NY 104 in downtown and heads north along the east side of the Niagara Gorge to NY 18 at Four Mile Creek State Park in Porter. A spur route connects the parkway to Fort Niagara, located west of the parkway at the point where the Niagara River flows into Lake Ontario.

The mainline of the Robert Moses State Parkway is designated as unsigned NY 957A. Its short spur into Fort Niagara State Park and to Fort Niagara is designated NY 958A. Both highways are owned by the New York State Office of Parks, Recreation and Historic Preservation but maintained by NYSDOT.

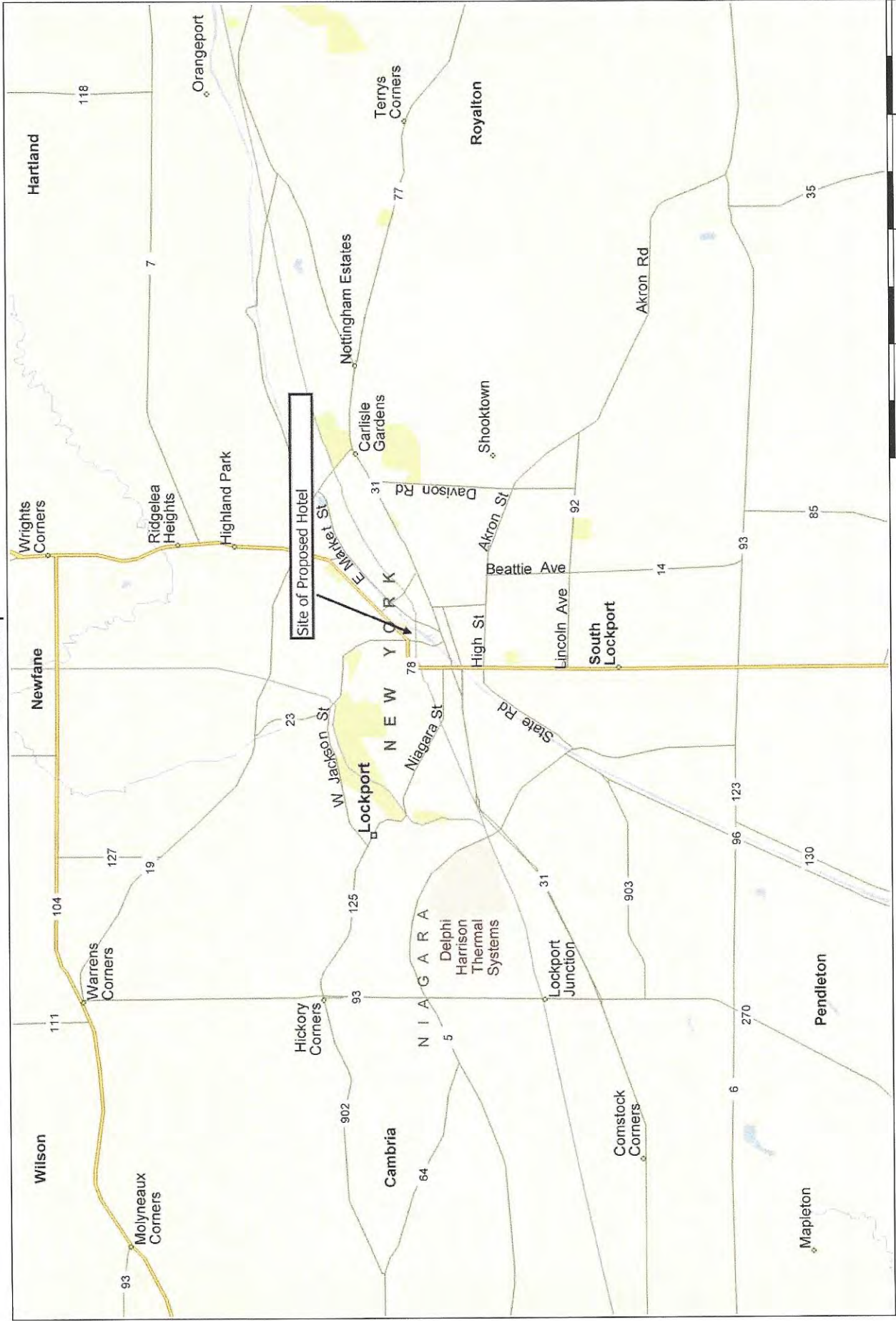
Maps and Site Pictures

Various maps, site pictures and illustrations are presented on the following pages to orient the site in Lockport, New York.

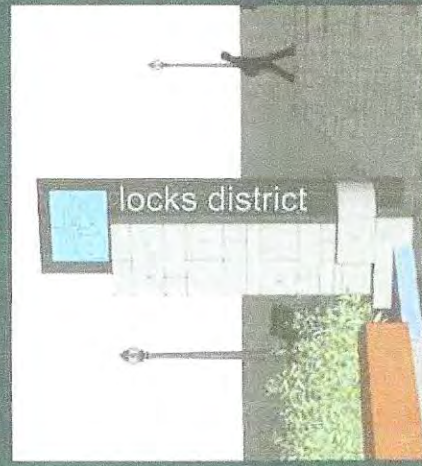
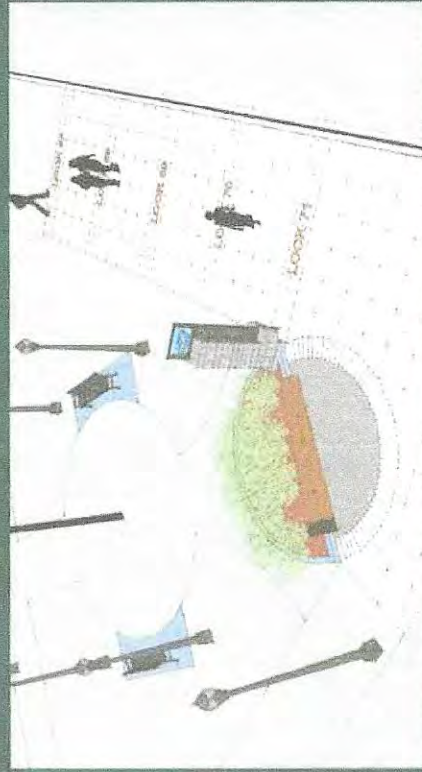
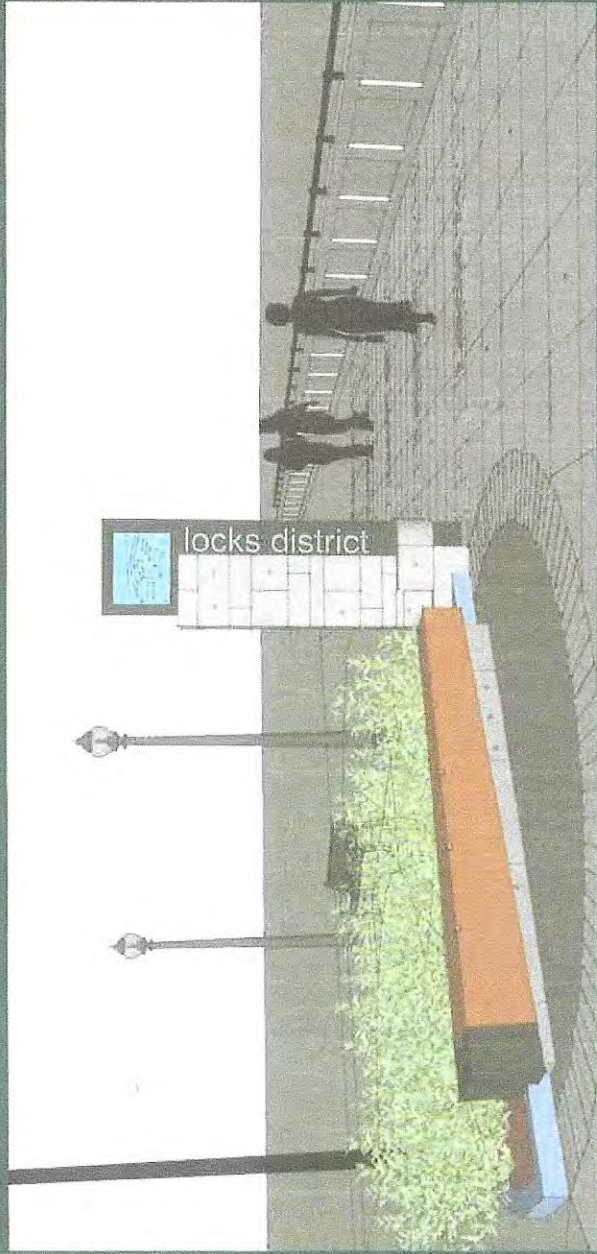
This is a detailed map of Eastern Canada and the Northeastern United States. The map shows the following:

- Geographical Features:** The Gulf of Maine, Atlantic Ocean, and Great Lakes (Superior, Michigan, Huron, Erie, Ontario) are visible.
- Provinces and States:**
 - Canada:** Quebec, Ontario, New Brunswick.
 - USA:** Maine, New Hampshire, Massachusetts, Vermont, New York, Connecticut, New Jersey, Pennsylvania.
- Major Cities:** Montreal, Quebec, Ottawa, Toronto, New York, Philadelphia, Boston, and many others.
- Infrastructure:** Major highways (Interstates and numbered roads) are shown in red and yellow.
- Other Labels:** "Site of Proposed Hotel" is marked near Toronto. "Lac-Mégantic" is labeled in Quebec.

Area Map



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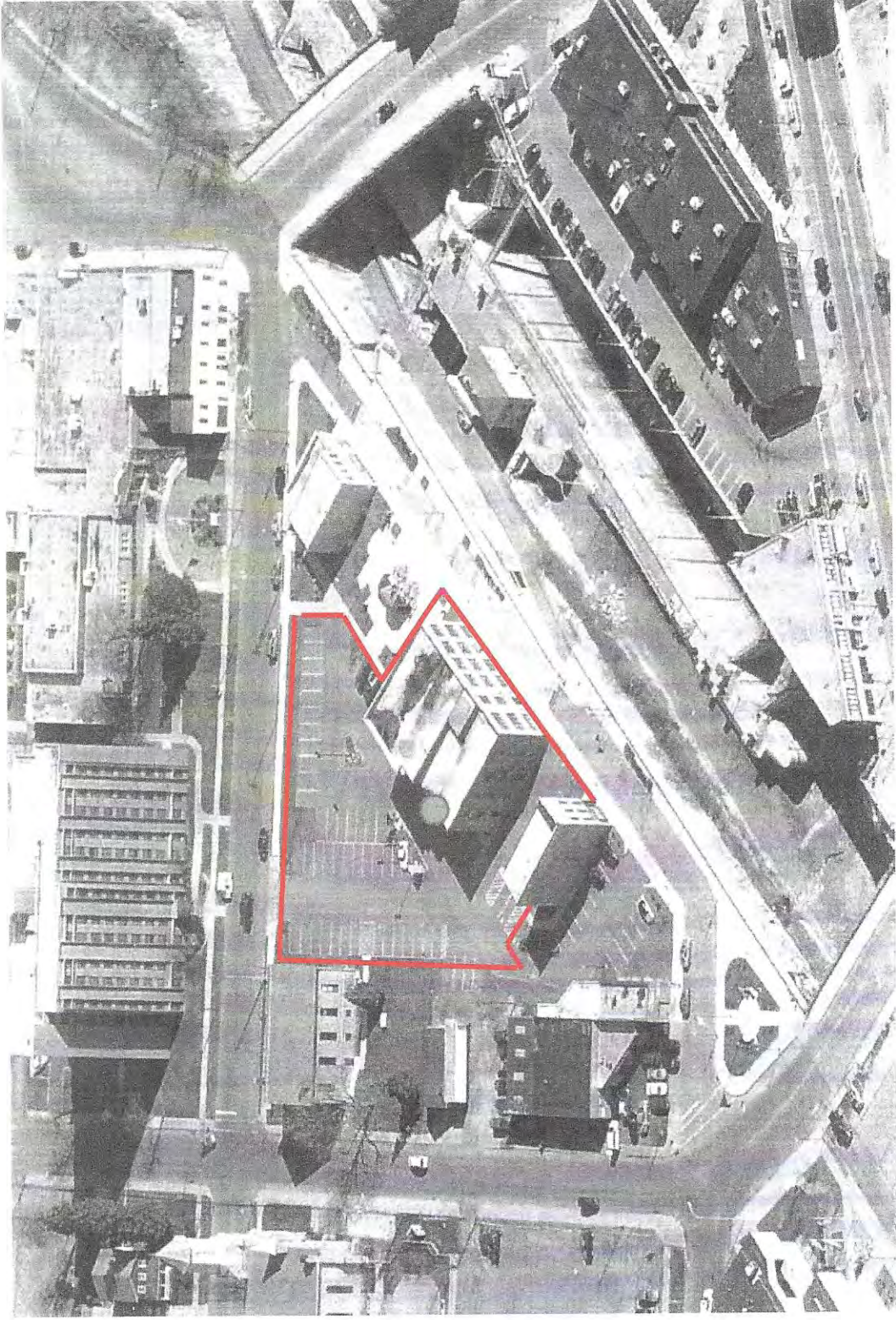


Final Concept

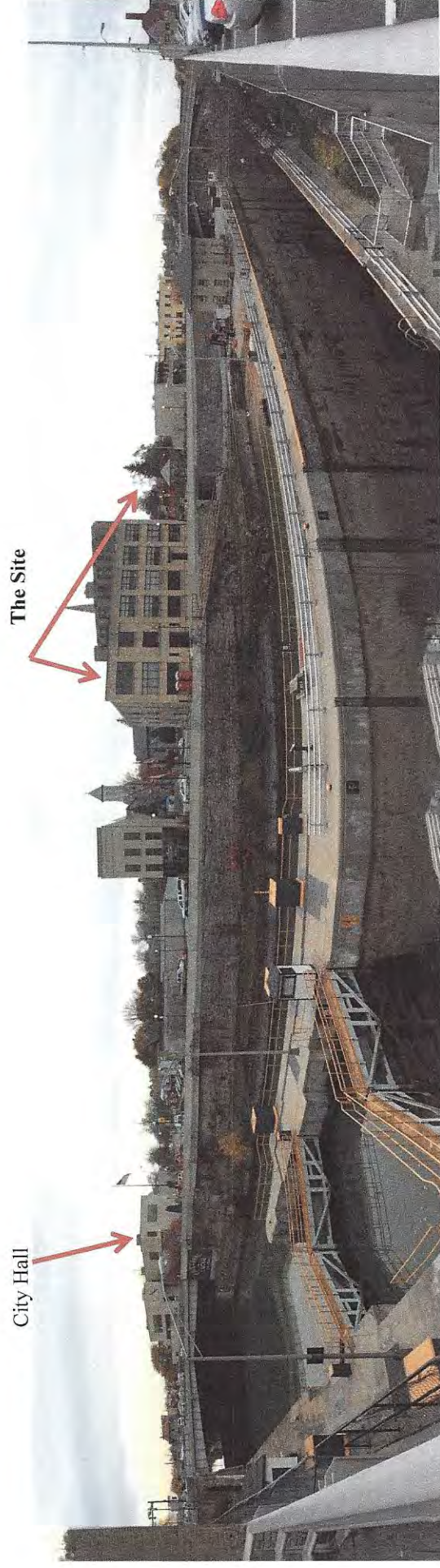


Inspiration Photos

Locks District Gateway City of Lockport New York



Hotel Site
57 Canal Street
Lockport, New York



View to the North of the Inn at the Locks
Lockport, New York

Additional Hotel Development Sites

During the Field Research of this Hotel Feasibility Study, two sites were identified for potential future development:

Site A: Adjacent to the new Lockport Ice Arena and the Erie Canal.

Site B: On Transit Street at the Erie Canal

Both locations are very good for future hotel development. Site A is a good site as it is adjacent to the Ice Arena.

Site B is also good as it is located on Transit Street, a major neighborhood street from Lockport south to southeast Buffalo at Jewett-Holmwood Road.



Sites A and B – Potential Hotel Development Sites
Site C – Site of the Inn at the Locks Hotel
Lockport, New York



Site A of possible Hotel Development
Lockport, New York

Hotel Signage

As the subject site is located inside the city limits of Lockport, various sign ordinances must be reviewed concurrently with the development of a signage program. It is recommended that the development obtain the following signs:

1. A monument sign at the drive entrance;
2. A large logo sign mounted on the front of the hotel;

Utilities

With the site being inside the City of Lockport, all public utilities of water, sewer, electricity, natural gas, telephone, and cable television systems are available to the subject hotel. The site will require an on-site sanitary waste processing facility. Satellite television and propane gas will be provided by the hotel.

Summary

The growing year-round recreational visitor market and the stable business travel market have created a significant demand for new hotel rooms in the City of Lockport. There are viable and appealing sites for hotel developments in the 100-150 total room range in the City. Specifically, the vacant Dussault site lends itself well to a conference-type hotel adjacent to the new Cornerstone CFCU Hockey Arena.

A total of three locations for Hotel Development were identified in the central business district of Lockport. See map on Page D-14:

- Site A: Adjacent to the new Ice Arena and the Erie Canal.
- Site B: Along the Erie Canal and Transit Street, Southwest Quadrant
- Site C: At 57 Richmond Avenue in the conversion of an existing office building adjacent to the multi-lock system of the Erie Canal.

Due to the results of the findings of the Market Field Research, Site C has been identified as the initial location for Hotel Development.

This historic and picturesque location is adjacent to a city park with a gazebo.

A first-class boutique hotel will be successful at this unique location as the findings of this Feasibility Study come to fruition.

SUPPLY AND DEMAND ANALYSIS

The objectives of the supply and demand analysis are to:

1. Identify those hotels that constitute direct competition to the proposed hotel.
2. Estimate the occupancy levels, average room rates, and market mixes of the competitive hotels.
3. Project growth rates for each identifiable market segment.
4. Determine the existing relationship of supply to demand for the competitive hotels and to project these relationships for the first five years of operation.

In addition, this section represents a review of both existing and proposed lodging facilities in the competitive market area.

Competitive Market Survey

There are two hotels in Lockport reporting their hotel data to Smith Travel Research. Interim Hospitality Consultants selected these hotels as an indication of Potential Market Demand for Lockport all based on the excellent demand generator of Niagara County, New York.

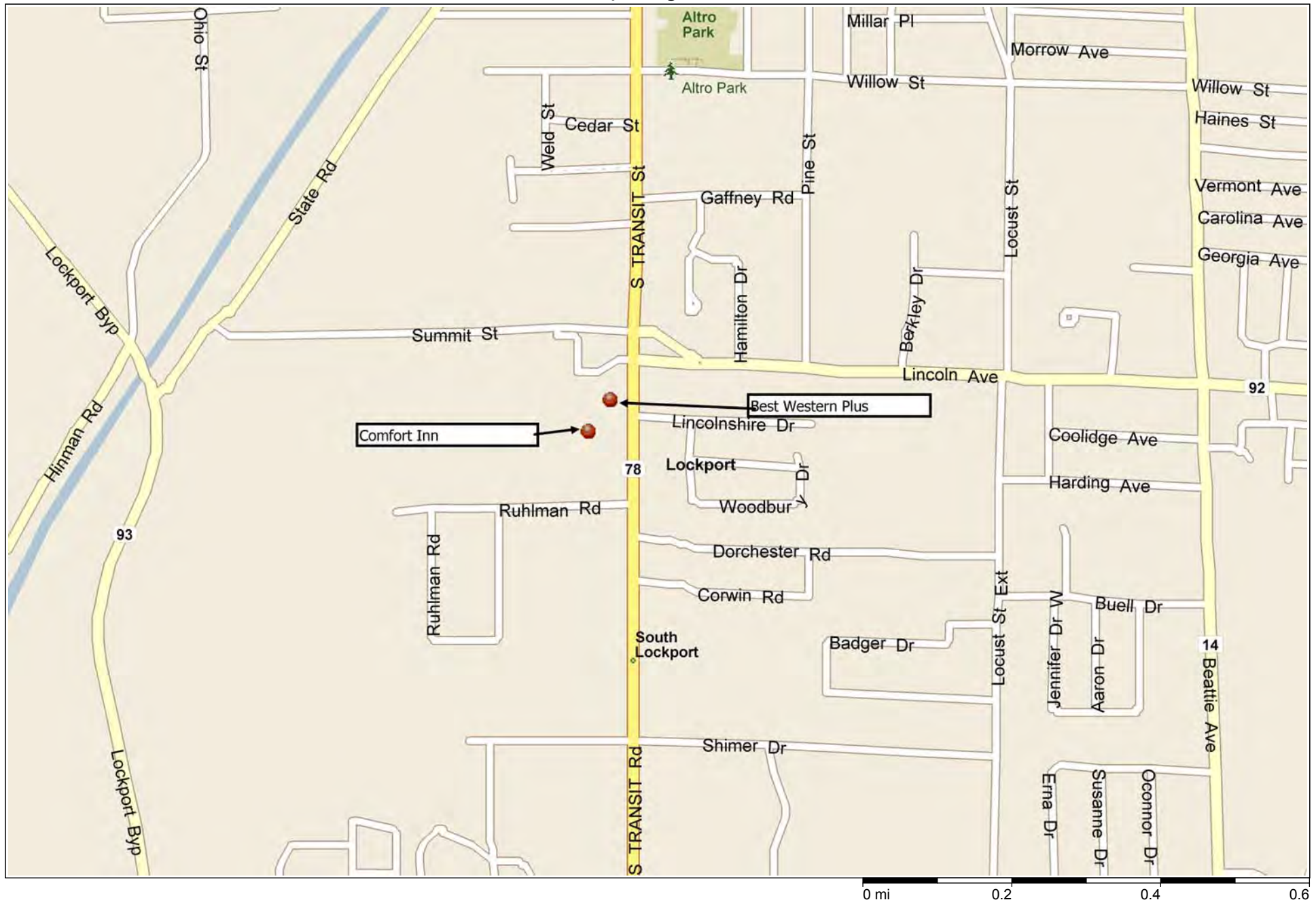
	City/State	Year Built	# of Rooms	Room Rate Dec 2014
Comfort Inn,	Lockport, NY	10/1989	50	\$90
Best Western Plus	Lockport, NY	06/1971	95	\$90

Source: Data compiled by Interim Hospitality Consultants

Hotels Under Construction, Announced or Rumored

The Field Research for this project did not reveal any hotels under construction, announced, or rumored within the Competitive Market Set that would compete with the proposed hotel.

Competing Hotels



Competing Hotels



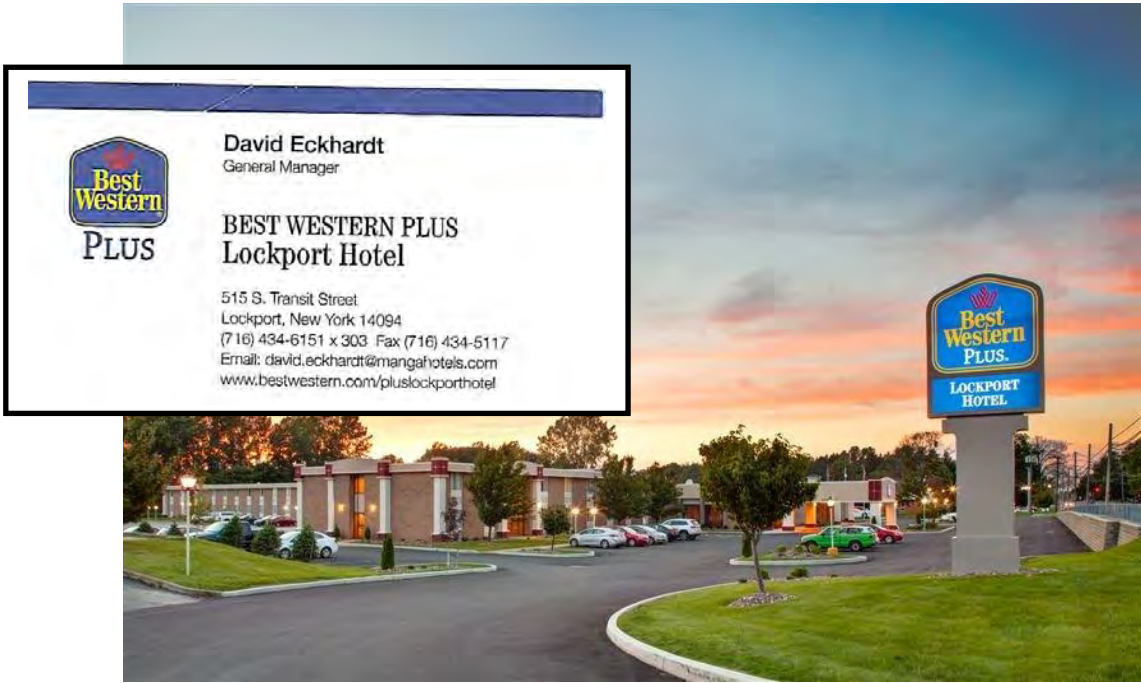
Lockport, New York

BY CHOICE HOTELS

Chet Patel, CHA
General Manager

551 South Transit St.
Lockport, NY 14094
Phone: (716) 434-4411
Fax: (716) 434-9649

Email: gm.ny098@choicehotels.com
www.comfortinnlockport.com




PLUS

David Eckhardt
General Manager

BEST WESTERN PLUS
Lockport Hotel

515 S. Transit Street
Lockport, New York 14094
(716) 434-6151 x 303 Fax (716) 434-5117
Email: david.eckhardt@mangahotels.com
www.bestwestern.com/pluslockporthotel

Smith Travel Research, Inc.

Smith Travel Research, Inc. (STR) is an American company based in Hendersonville, Tennessee, that tracks supply and demand data for the hotel industry and provides market share analysis for all major hotel chains and brands in the United States, Canada, Mexico and the Caribbean. STR is associated with STR Global. RRC Associates. STR Analytics and HotelNewsNow.com.

The hotel markets served are worldwide with more than 150 employees. Offices are located in:

- Hendersonville (Nashville), Tennessee
- Rocky River (Cleveland), Ohio
- Boulder, Colorado

History

STR was founded in 1985 by Randy and Carolyn Smith in Lancaster, Pennsylvania. The Smiths built the company with a focus on providing overall performance data and trends to the hotel industry. In the beginning, they developed a database with names, addresses and phone numbers of established hotel companies in the United States to create the Census Database. Randy Smith was contacted by Holiday Inn multiple times and urged to create a market share report. By 1988, the company launched the first Smith Travel Accommodations Report (STAR), a monthly report that includes data from hotels and measures each property's market share performance against a self-selected competitive set.

STAR currently tracks nearly 40,000 properties.

STR Family of Companies

STR Global

In 2008, STR combined its operations outside North America with Deloitte to form STR Global. STR continues serving the North American markets, while STR Global caters to a global audience.

STR Global has its main office in London, with regional offices in Italy, Singapore, Tokyo, Jakarta, Sydney and Beijing.

HotelNewsNow.com

STR launched HotelNewsNow.com in 2008. HotelNewsNow.com provides the global hotel industry with news coverage and hotel analysis that leverages its first access to data from the STR family of companies. This division comprises a multimedia website and collection of e-newsletters, including the Daily Update, Hotel Investment Barometer and Product Showcase.

HotelNewsNow.com also hosts The Baird/STR Hotel Stock Index, a co-branded index created by Robert W. Baird & Co. and STR. The Index tracks the stock price movements associated with U.S. focused and domestically-based hotel companies. HotelNewsNow.com is based in Rocky River, Ohio.

RRC Associates

STR acquired RRC Associates in 2008. RRC is a consulting firm that provides market research, strategic analysis, community and land use planning services. RRC specializes in the collection and analysis of customer feedback via web, internet, mail or phone surveys. In addition, RRC operates the Boulder Focus Center, a qualitative research facility designed for state of the art research including surveys and focus groups. RRC Associates is based in Boulder, Colorado.

STR Analytics

STR Analytics utilizes the STR database and cross-references it with other data to provide objective trend-based analysis and empirical data about the lodging industry. STR Analytics is based in Boulder, Colorado.

Trend Report

One of the more requested reports by hotel developers, investors and the financial community of the Hotel Industry is the STR Trend Report. This is because it is pure uncorrupted data.

Example: The night desk clerk at a hotel posts the room rate and appropriate taxes to each guest room folio. The total of the room revenue and number of occupied rooms is transmitted each day at 4:00 A.M. to the appropriate franchise corporate office, such as:

- Hilton Hotels to Memphis, Tennessee
- Holiday Inn to Atlanta Georgia, etc.

Each morning the franchise company knows how many hotel rooms were rented (occupancy) and the total of room revenue of each of their hotels – worldwide.

Every franchise hotel company, and many independent hotels, provide their room data to STR each day of the week,

STR then produces Occupancy and Daily Average Rates data of various hotel segments and locations worldwide.

Developers, consultants, financial executives and the general public can order a STR Trend Report of a specific set of hotels in specific locations. A report for the Competitive Market Set of Hotels ordered by Interim Hospitality Consultants follows.

Glossary

Terms used in the various Smith Travel Research reports of importance in this Study are defined as follows.

- *Occ (Occupancy)* Rooms sold divided by rooms available. Occupancy is always displayed as a percentage of rooms occupied.
- *ADR (Average Daily Rate)* Room revenue divided by rooms sold, displayed as the average rental rate for a single room.
- *RevPAR (Revenue Per Available Room)* Room revenue divided by rooms available.

See Tab 10 of the STR Report for additional definitions.

Smith Travel Research — Competitive Market Set

The following hotels were combined to report their historical Occupancy and Average Daily Rate from January 2008 through October 2014.

<i>Hotel</i>	<i>City</i>	<i>Franchise Date</i>	<i>Date Opened</i>	<i>Number of Rooms</i>
Comfort Inn Buffalo	Lockport, NY	Oct 1989	Oct 1989	50
Best Western Plus Lockport Hotel	Lockport, NY	Jul 2013	Jun 1971	95
Hampton Inn Buffalo Wiliamsville	Williamsville, NY	Jul 2002	Jul 2002	80
DoubleTree Buffalo Amherst	Amherst, NY	Jun 2012	May 1987	187
Comfort Inn University Amherst	Amherst, NY	Mar 2005	Jan 1986	102
Candlewood Suites Buffalo Amherst	Amherst, NY	Jun 2009	Jun 2009	76
Staybridge Suites Buffalo Amherst	Amherst, NY	Nov 2013	Nov 2013	102
Holiday Inn Buffalo Amherst	Amherst, NY	Apr 1967	Apr 1967	199
Total				891

Source: Smith Travel Research, Hendersonville, Tennessee

Note: Room counts in the Smith Travel Research Occupancy Data may vary from the room count reported by individual hotels due to usage of the rooms by the hotel management.

Competitive Market Set North Tonawanda, New York							
2008				2009			
<i>Month</i>	<i>Occupancy</i>	<i>ADR</i>	<i>RevPAR</i>	<i>Month</i>	<i>Occupancy</i>	<i>ADR</i>	<i>RevPAR</i>
Jan	40.7	92.22	37.55	Jan	34.2	93.42	31.94
Feb	44.9	92.66	41.57	Feb	52.5	101.83	53.47
Mar	48.4	97.00	46.91	Mar	43.7	95.89	41.89
Apr	54.6	99.55	54.35	Apr	48.5	92.71	44.96
May	60.3	105.51	63.63	May	57.1	98.17	56.06
Jun	71.0	102.75	72.95	Jun	55.5	97.44	54.12
Jul	82.9	117.20	97.19	Jul	72.9	102.82	74.99
Aug	83.8	118.65	99.40	Aug	71.0	100.47	71.31
Sep	62.7	101.76	63.85	Sep	65.0	92.47	60.13
Oct	63.8	101.39	64.67	Oct	69.2	91.11	63.08
Nov	58.6	99.01	57.98	Nov	54.5	91.74	49.99
Dec	38.6	97.15	37.49	Dec	37.6	87.74	32.99

Source: Smith Travel Research, Hendersonville, Tennessee

Competitive Market Set North Tonawanda, New York							
2010				2011			
Month	Occupancy	ADR	RevPAR	Month	Occupancy	ADR	RevPAR
Jan	31.9	87.85	28.06	Jan	41.7	81.97	34.22
Feb	38.4	88.67	34.04	Feb	49.2	81.93	40.32
Mar	47.8	90.22	43.14	Mar	57.3	86.75	49.72
Apr	50.4	90.40	45.59	Apr	62.4	86.04	53.68
May	64.9	94.50	61.32	May	69.3	93.70	64.91
Jun	70.3	88.44	62.19	Jun	70.9	96.38	68.35
Jul	84.5	97.41	82.31	Jul	84.7	106.48	90.21
Aug	84.9	94.41	80.17	Aug	81.6	106.74	87.13
Sep	73.3	86.25	63.20	Sep	71.7	99.15	71.11
Oct	67.3	88.10	59.27	Oct	69.1	94.72	65.45
Nov	64.5	85.46	55.13	Nov	61.8	91.54	56.58
Dec	48.5	83.02	40.24	Dec	50.0	85.25	42.66

Source: Smith Travel Research, Hendersonville, Tennessee

Competitive Market Set North Tonawanda, New York							
2012				2013			
Month	Occupancy	ADR	RevPAR	Month	Occupancy	ADR	RevPAR
Jan	46.5	85.01	38.55	Jan	46.6	88.40	41.15
Feb	52.7	87.18	45.92	Feb	55.4	90.16	49.98
Mar	62.9	91.31	57.47	Mar	60.4	94.34	57.00
Apr	62.2	88.82	55.22	Apr	62.9	90.90	57.17
May	73.4	95.60	70.16	May	73.2	100.08	73.26
Jun	83.8	95.25	79.86	Jun	77.6	103.39	80.19
Jul	88.4	101.06	89.36	Jul	86.1	111.45	95.95
Aug	91.2	105.08	95.85	Aug	87.8	113.86	99.99
Sep	77.6	94.56	73.40	Sep	76.4	98.31	75.15
Oct	73.2	93.19	68.19	Oct	69.6	101.20	70.47
Nov	66.4	90.94	60.38	Nov	62.0	99.76	61.84
Dec	51.4	87.11	44.82	Dec	43.3	92.20	39.88

Source: Smith Travel Research, Hendersonville, Tennessee

Standard Historical Trends North Tonawanda, New York Competitive Market Set			
2014*			
<i>Month</i>	<i>Occ</i>	<i>ADR</i>	<i>RevPAR</i>
January	41.6	93.36	38.88
February	44.8	92.37	41.40
March	56.4	98.18	55.35
April	59.1	95.53	56.42
May	68.8	101.76	70.05
June	76.1	101.53	77.27
July	86.7	115.83	100.37
August	88.9	114.65	101.96
September	70.7	103.50	73.21
October	69.3	101.95	70.63
November			
December			

January through October, 2014

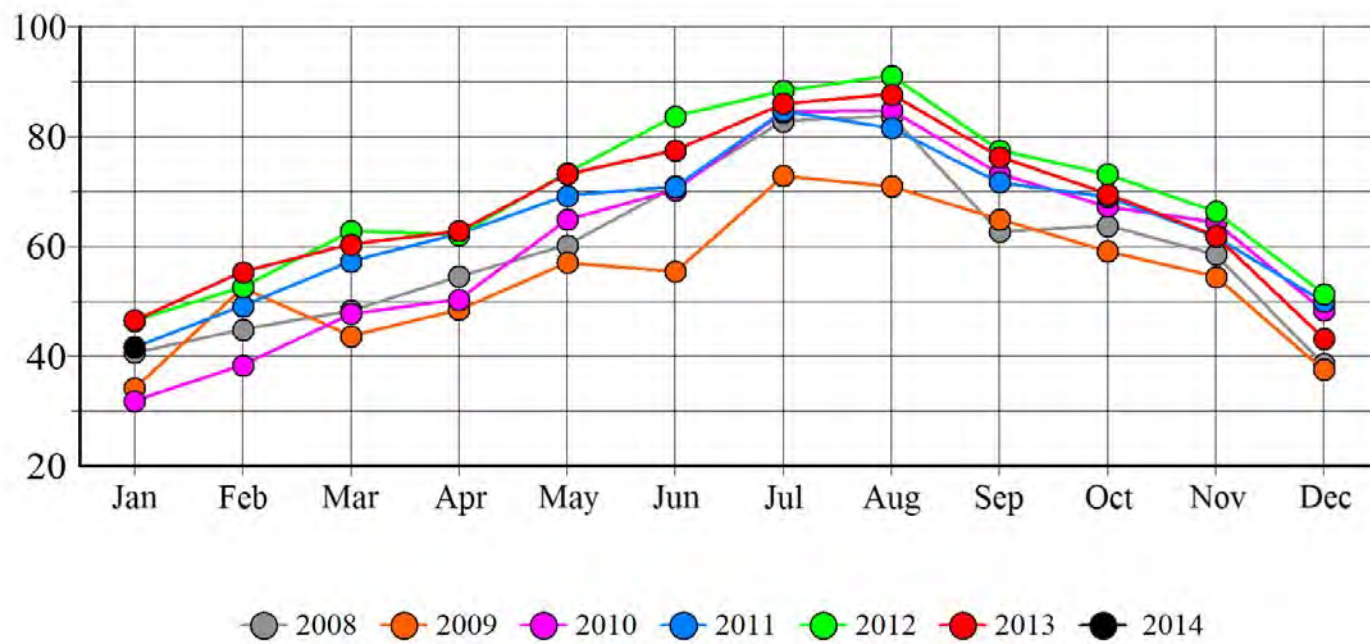
Source: Smith Travel Research, Hendersonville, Tennessee

Market Trend North Tonawanda, New York Competitive Market Set			
<i>Year</i>	<i>Occupancy</i>	<i>Average Daily Rate</i>	<i>RevPAR</i>
2008	59.3	103.95	61.62
2009	55.5	95.90	53.22
2010	60.7	90.12	54.70
2011	64.2	94.17	60.50
2012	69.3	94.08	65.15
2013	66.5	100.12	66.61

Source: Smith Travel Research, Hendersonville, Tennessee

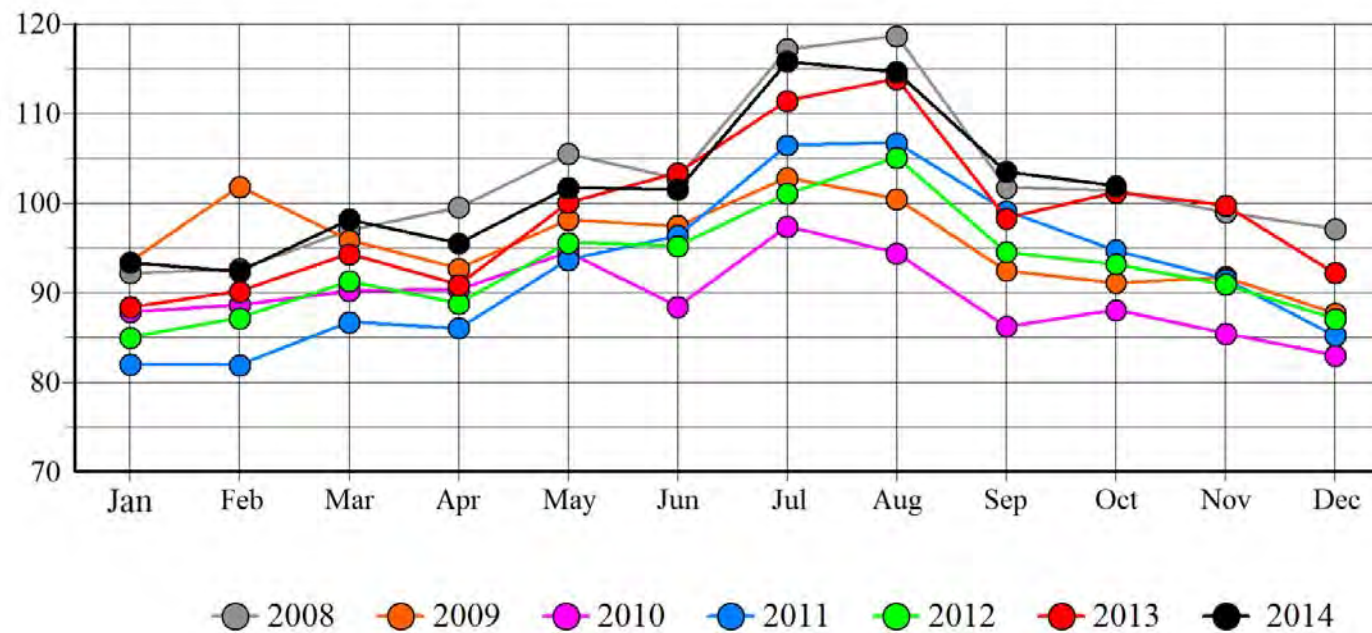
Hotel Occupancy

Lockport, NY, Market Set



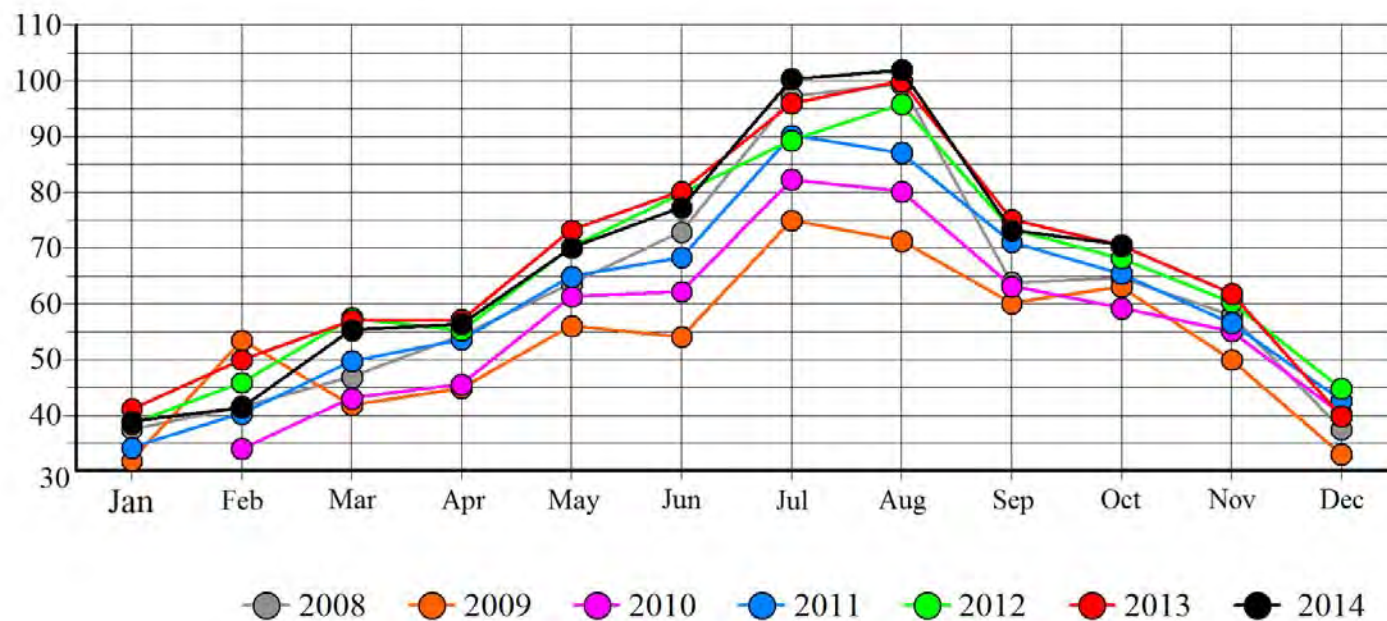
Source: Smith Travel Research, Hendersonville, Tennessee

Average Daily Rate Lockport, NY, Market Set



Source: Smith Travel Research, Hendersonville, Tennessee

Revenue Per Available Room Lockport, NY Market Set

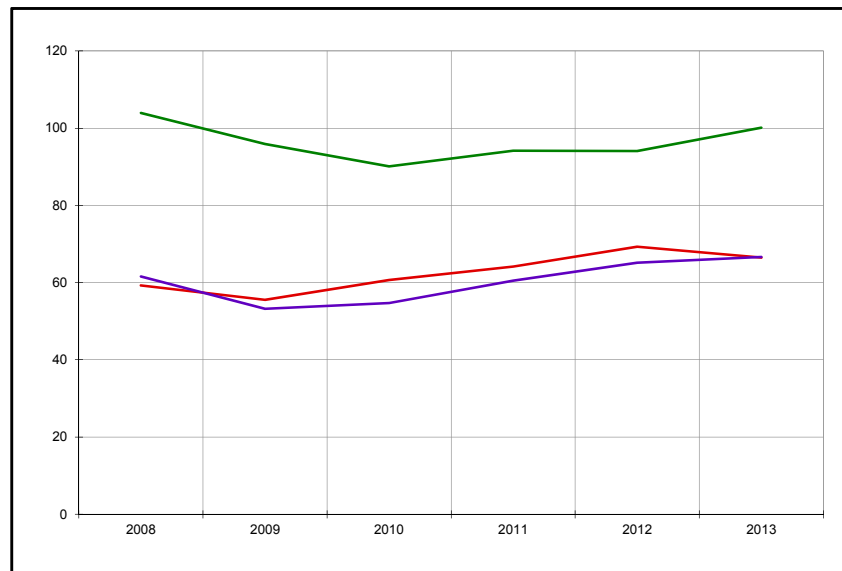


Source: Smith Travel Research, Hendersonville, Tennessee

Trend Report

Lockport, New York Market Set

Year	Occupancy	ADR	RevPAR
2008	59.3	103.95	61.62
2009	55.5	95.90	53.22
2010	60.7	90.12	54.70
2011	64.2	94.17	60.50
2012	69.3	94.08	65.15
2013	66.5	100.12	66.61



Source: Smith Travel Research, Hendersonville, Tennessee



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Amherst, NY Area Selected Properties

January 2008 to October 2014

Currency: USD - US Dollar

Job Number: 637011_SADIM Staff: MB Created: November 26, 2014

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Tab 2 - Data by Measure

Amherst, NY Area Selected Properties
Job Number: 637011_SADIM Staff: MB Created: November 26, 2014

Occupancy (%)														Total Year	Oct YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2008	40.7	44.9	48.4	54.6	60.3	71.0	82.9	83.8	62.7	63.8	58.6	38.6	59.3	61.5	
2009	34.2	52.5	43.7	48.5	57.1	55.5	72.9	71.0	65.0	69.2	54.5	37.6	55.5	57.5	
2010	31.9	38.4	47.8	50.4	64.9	70.3	84.5	84.9	73.3	67.3	64.5	48.5	60.7	61.6	
2011	41.7	49.2	57.3	62.4	69.3	70.9	84.7	81.6	71.7	69.1	61.8	50.0	64.2	65.9	
2012	46.5	52.7	62.9	62.2	73.4	83.8	88.4	91.2	77.6	73.2	66.4	51.4	69.3	71.3	
2013	46.6	55.4	60.4	62.9	73.2	77.6	86.1	87.8	76.4	69.6	62.0	43.3	66.5	69.7	
2014	41.6	44.8	56.4	59.1	68.8	76.1	86.7	88.9	70.7	69.3				66.4	
Avg	40.6	48.2	54.1	57.3	67.0	72.3	83.8	84.3	71.2	68.9	61.4	45.0	62.7	65.0	

ADR (\$)														Total Year	Oct YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2008	92.22	92.66	97.00	99.55	105.51	102.75	117.20	118.65	101.76	101.39	99.01	97.15	103.95	104.85	
2009	93.42	101.83	95.89	92.71	98.17	97.44	102.82	100.47	92.47	91.11	91.74	87.74	95.90	96.88	
2010	87.85	88.67	90.22	90.40	94.50	88.44	97.41	94.41	86.25	88.10	85.46	83.02	90.12	91.17	
2011	81.97	81.93	86.75	86.04	93.70	96.38	106.48	106.74	99.15	94.72	91.54	85.25	94.17	95.10	
2012	85.01	87.18	91.31	88.82	95.60	95.25	101.06	105.08	94.56	93.19	90.94	87.11	94.08	94.88	
2013	88.40	90.16	94.34	90.90	100.08	103.39	111.45	113.86	98.31	101.20	99.76	92.20	100.12	100.72	
2014	93.36	92.37	98.18	95.53	101.76	101.53	115.83	114.65	103.50	101.95				103.59	
Avg	88.70	90.60	93.27	91.80	98.35	97.96	107.56	107.88	96.55	95.95	93.03	88.33	96.25	98.21	

RevPAR (\$)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Oct YTD
2008	37.55	41.57	46.91	54.35	63.63	72.95	97.19	99.40	63.85	64.67	57.98	37.49	61.62	64.44
2009	31.94	53.47	41.89	44.96	56.06	54.12	74.99	71.31	60.13	63.08	49.99	32.99	53.22	55.72
2010	28.06	34.04	43.14	45.59	61.32	62.19	82.31	80.17	63.20	59.27	55.13	40.24	54.70	56.13
2011	34.22	40.32	49.72	53.68	64.91	68.35	90.21	87.13	71.11	65.45	56.58	42.66	60.50	62.71
2012	39.55	45.92	57.47	55.22	70.16	79.86	89.36	95.85	73.40	68.19	60.38	44.82	65.15	67.69
2013	41.15	49.98	57.00	57.17	73.26	80.19	95.95	99.99	75.15	70.47	61.84	39.88	66.61	70.22
2014	38.88	41.40	55.35	56.42	70.05	77.27	100.37	101.96	73.21	70.63				68.82
Avg	35.99	43.67	50.47	52.64	65.87	70.80	90.15	90.92	68.73	66.07	57.07	39.72	60.35	63.82

Supply														Total Year	Oct YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2008	22,103	19,964	22,103	21,390	22,103	21,390	22,103	22,103	21,390	22,103	21,390	22,103	260,245	216,752	
2009	22,103	19,964	22,103	21,390	22,103	23,670	24,459	24,459	23,670	24,459	23,670	24,459	276,509	228,380	
2010	24,459	22,092	24,459	23,670	24,459	23,670	24,459	24,459	23,670	24,459	23,670	24,459	287,985	239,856	
2011	24,459	22,092	24,459	23,670	24,459	23,670	24,459	24,459	23,670	24,459	23,670	24,459	287,985	239,856	
2012	24,459	22,092	24,459	23,670	24,459	23,670	24,459	24,459	23,670	24,459	23,670	24,459	287,985	239,856	
2013	24,459	22,092	24,459	23,670	24,459	23,670	24,459	24,459	23,670	24,459	26,730	27,621	294,207	239,856	
2014	27,621	24,948	27,621	26,730	27,621	26,730	27,621	27,621	26,730	27,621				270,864	
Avg	24,238	21,892	24,238	23,456	24,238	23,781	24,574	24,574	23,781	24,574	23,800	24,593	282,486	239,346	

Demand														Total Year	Oct YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2008	9,000	8,956	10,690	11,678	13,329	15,187	18,328	18,517	13,422	14,098	12,526	8,531	154,262	133,205	
2009	7,556	10,483	9,655	10,374	12,621	13,147	17,837	17,360	15,390	16,934	12,898	9,195	153,450	131,357	
2010	7,812	8,482	11,696	11,937	15,872	16,644	20,668	20,771	17,344	16,454	15,269	11,854	174,803	147,680	
2011	10,211	10,872	14,019	14,768	16,943	16,786	20,722	19,965	16,975	16,899	14,631	12,239	185,030	158,160	
2012	11,378	11,637	15,394	14,715	17,952	19,846	21,628	22,312	18,373	17,897	15,716	12,584	199,432	171,132	
2013	11,387	12,248	14,777	14,887	17,906	18,358	21,057	21,478	18,094	17,033	16,568	11,947	195,740	167,225	
2014	11,501	11,182	15,572	15,785	19,013	20,344	23,935	24,562	18,908	19,136				179,938	
Avg	9,835	10,551	13,115	13,449	16,234	17,187	20,596	20,709	16,929	16,922	14,601	11,058	177,120	155,528	

Revenue (\$)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Oct YTD
2008	829,989	829,879	1,036,907	1,162,545	1,406,395	1,560,503	2,148,102	2,197,132	1,365,758	1,429,439	1,240,256	828,750	16,035,655	13,966,649
2009	705,917	1,067,441	925,846	961,790	1,239,009	1,281,047	1,834,081	1,744,079	1,423,166	1,542,848	1,183,229	806,813	14,715,266	12,725,224
2010	686,257	752,088	1,055,236	1,079,057	1,499,874	1,472,066	2,013,209	1,960,967	1,495,923	1,449,622	1,304,912	984,141	15,753,352	13,464,299
2011	836,998	890,728	1,216,179	1,270,597	1,587,641	1,617,839	2,206,449	2,131,045	1,683,124	1,600,744	1,339,257	1,043,420	17,424,021	15,041,344
2012	967,297	1,014,465	1,405,633	1,307,003	1,716,132	1,890,400	2,185,688	2,344,475	1,737,422	1,667,764	1,429,236	1,096,236	18,761,751	16,236,279
2013	1,006,606	1,104,256	1,394,127	1,353,231	1,791,981	1,898,076	2,346,887	2,445,577	1,778,889	1,723,746	1,652,869	1,101,543	19,597,788	16,843,376
2014	1,073,774	1,032,841	1,528,820	1,507,994	1,934,809	2,065,471	2,772,354	2,816,104	1,956,953	1,950,832				18,639,952
Avg	872,405	955,957	1,223,250	1,234,602	1,596,549	1,683,629	2,215,253	2,234,197	1,634,462	1,623,571	1,358,293	976,817	17,047,972	15,273,875

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Tab 3 - Percent Change from Previous Year - Detail by Measure

Amherst, NY Area Selected Properties

Job Number: 637011_SADIM Staff: MB Created: November 26, 2014

Occupancy															Total Year	Oct YTD
	January	February	March	April	May	June	July	August	September	October	November	December				
2009	-16.0	17.1	-9.7	-11.2	-5.3	-21.8	-12.1	-15.3	3.6	8.5	-6.9	-2.6	-6.4	-6.4		
2010	-6.6	-26.9	9.5	4.0	13.6	26.6	15.9	19.6	12.7	-2.8	18.4	28.9	9.4	7.0		
2011	30.7	28.2	19.9	23.7	6.7	0.9	0.3	-3.9	-2.1	2.7	-4.2	3.2	5.9	7.1		
2012	11.4	7.0	9.8	-0.4	6.0	18.2	4.4	11.8	8.2	5.9	7.4	2.8	7.8	8.2		
2013	0.1	5.3	-4.0	1.2	-0.3	-7.5	-2.6	-3.7	-1.5	-4.8	-6.6	-15.9	-3.9	-2.3		
2014	-10.6	-19.2	-6.7	-6.1	-6.0	-1.9	0.7	1.3	-7.5	-0.5				-4.7		
Avg	1.5	1.9	3.1	1.9	2.5	2.4	1.1	1.6	2.2	1.5	1.6	3.3	2.5	1.5		

ADR															
	January	February	March	April	May	June	July	August	September	October	November	December		Total Year	Oct YTD
2009	1.3	9.9	-1.1	-6.9	-7.0	-5.2	-12.3	-15.3	-9.1	-10.1	-7.3	-9.7		-7.7	-7.6
2010	-6.0	-12.9	-5.9	-2.5	-3.7	-9.2	-5.3	-6.0	-6.7	-3.3	-6.8	-5.4		-6.0	-5.9
2011	-6.7	-7.6	-3.8	-4.8	-0.8	9.0	9.3	13.1	15.0	7.5	7.1	2.7		4.5	4.3
2012	3.7	6.4	5.3	3.2	2.0	-1.2	-5.1	-1.6	-4.6	-1.6	-0.6	2.2		-0.1	-0.2
2013	4.0	3.4	3.3	2.3	4.7	8.5	10.3	8.4	4.0	8.6	9.7	5.8		6.4	6.2
2014	5.6	2.4	4.1	5.1	1.7	-1.8	3.9	0.7	5.3	0.7					2.8
Avg	0.3	0.3	0.3	-0.6	-0.5	0.0	0.1	-0.1	0.6	0.3	0.4	-0.9		-0.6	-0.1

RevPAR														Total Year	Oct YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2009	-14.9	28.6	-10.7	-17.3	-11.9	-25.8	-22.8	-28.3	-5.8	-2.5	-13.8	-12.0	-13.6	-13.5	
2010	-12.1	-36.3	3.0	1.4	9.4	14.9	9.8	12.4	5.1	-6.0	10.3	22.0	2.8	0.7	
2011	22.0	18.4	15.3	17.8	5.9	9.9	9.6	8.7	12.5	10.4	2.6	6.0	10.6	11.7	
2012	15.6	13.9	15.6	2.9	8.1	16.8	-0.9	10.0	3.2	4.2	6.7	5.1	7.7	7.9	
2013	4.1	8.9	-0.8	3.5	4.4	0.4	7.4	4.3	2.4	3.4	2.4	-11.0	2.2	3.7	
2014	-5.5	-17.2	-2.9	-1.3	-4.4	-3.6	4.6	2.0	-2.6	0.2				-2.0	
Avg	1.5	2.7	3.2	1.2	1.9	2.1	1.3	1.5	2.5	1.6	1.7	2.0	1.9	1.4	

Supply														Total Year	Oct YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2009	0.0	0.0	0.0	0.0	0.0	10.7	10.7	10.7	10.7	10.7	10.7	10.7	6.2	5.4	
2010	10.7	10.7	10.7	10.7	10.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2	5.0	
2011	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	
2012	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	
2013	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.9	12.9	2.2	0.0	
2014	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9				12.9	
Avg	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	4.7	4.7	2.5	3.9	

Demand	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Oct YTD
2009	-16.0	17.1	-9.7	-11.2	-5.3	-13.4	-2.7	-6.2	14.7	20.1	3.0	7.8	-0.5	-1.4
2010	3.4	-19.1	21.1	15.1	25.8	26.6	15.9	19.6	12.7	-2.8	18.4	28.9	13.9	12.4
2011	30.7	28.2	19.9	23.7	6.7	0.9	0.3	-3.9	-2.1	2.7	-4.2	3.2	5.9	7.1
2012	11.4	7.0	9.8	-0.4	6.0	18.2	4.4	11.8	8.2	5.9	7.4	2.8	7.8	8.2
2013	0.1	5.3	-4.0	1.2	-0.3	-7.5	-2.6	-3.7	-1.5	-4.8	5.4	-5.1	-1.9	-2.3
2014	1.0	-8.7	5.4	6.0	6.2	10.8	13.7	14.4	4.5	12.3				7.6
Avg	5.1	5.0	7.1	5.7	6.5	5.9	4.8	5.3	6.1	5.6	6.0	7.5	5.0	5.3

Revenue													
	January	February	March	April	May	June	July	August	September	October	November	December	
2009	-14.9	28.6	-10.7	-17.3	-11.9	-17.9	-14.6	-20.6	4.2	7.9	-4.6	-2.6	Total Year
2010	-2.8	-29.5	14.0	12.2	21.1	14.9	9.8	12.4	5.1	-6.0	10.3	22.0	Oct YTD
2011	22.0	18.4	15.3	17.8	5.9	9.9	9.6	8.7	12.5	10.4	2.6	6.0	
2012	15.6	13.9	15.6	2.9	8.1	16.8	-0.9	10.0	3.2	4.2	6.7	5.1	
2013	4.1	8.9	-0.8	3.5	4.4	0.4	7.4	4.3	2.4	3.4	15.6	0.5	
2014	6.7	-6.5	9.7	11.4	8.0	8.8	18.1	15.2	10.0	13.2			
Avg	5.1	5.6	7.2	5.1	5.9	5.5	4.9	5.0	6.2	5.5	6.1	6.2	

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

Amherst, NY Area Selected Properties
Job Number: 637011_SADIM Staff: MB Created: November 26, 2014

	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	Oct YTD
Occ	-16.0	17.1	-9.7	-11.2	-5.3	-21.8	-12.1	-15.3	3.6	8.5	-6.9	-2.6	-6.4	-6.4
ADR	1.3	9.9	-1.1	-6.9	-7.0	-5.2	-12.3	-15.3	-9.1	-10.1	-7.3	-9.7	-7.7	-7.6
RevPAR	-14.9	28.6	-10.7	-17.3	-11.9	-25.8	-22.8	-28.3	-5.8	-2.5	-13.8	-12.0	-13.6	-13.5
Supply	0.0	0.0	0.0	0.0	0.0	10.7	10.7	10.7	10.7	10.7	10.7	10.7	6.2	5.4
Demand	-16.0	17.1	-9.7	-11.2	-5.3	-13.4	-2.7	-6.2	14.7	20.1	3.0	7.8	-0.5	-1.4
Revenue	-14.9	28.6	-10.7	-17.3	-11.9	-17.9	-14.6	-20.6	4.2	7.9	-4.6	-2.6	-8.2	-8.9

	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	Oct YTD
Occ	-6.6	-26.9	9.5	4.0	13.6	26.6	15.9	19.6	12.7	-2.8	18.4	28.9	9.4	7.0
ADR	-6.0	-12.9	-5.9	-2.5	-3.7	-9.2	-5.3	-6.0	-6.7	-3.3	-6.8	-5.4	-6.0	-5.9
RevPAR	-12.1	-36.3	3.0	1.4	9.4	14.9	9.8	12.4	5.1	-6.0	10.3	22.0	2.8	0.7
Supply	10.7	10.7	10.7	10.7	10.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2	5.0
Demand	3.4	-19.1	21.1	15.1	25.8	26.6	15.9	19.6	12.7	-2.8	18.4	28.9	13.9	12.4
Revenue	-2.8	-29.5	14.0	12.2	21.1	14.9	9.8	12.4	5.1	-6.0	10.3	22.0	7.1	5.8

	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	Oct YTD
Occ	30.7	28.2	19.9	23.7	6.7	0.9	0.3	-3.9	-2.1	2.7	-4.2	3.2	5.9	7.1
ADR	-6.7	-7.6	-3.8	-4.8	-0.8	9.0	9.3	13.1	15.0	7.5	7.1	2.7	4.5	4.3
RevPAR	22.0	18.4	15.3	17.8	5.9	9.9	9.6	8.7	12.5	10.4	2.6	6.0	10.6	11.7
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	30.7	28.2	19.9	23.7	6.7	0.9	0.3	-3.9	-2.1	2.7	-4.2	3.2	5.9	7.1
Revenue	22.0	18.4	15.3	17.8	5.9	9.9	9.6	8.7	12.5	10.4	2.6	6.0	10.6	11.7

	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	Oct YTD
Occ	11.4	7.0	9.8	-0.4	6.0	18.2	4.4	11.8	8.2	5.9	7.4	2.8	7.8	8.2
ADR	3.7	6.4	5.3	3.2	2.0	-1.2	-5.1	-1.6	-4.6	-1.6	-0.6	2.2	-0.1	-0.2
RevPAR	15.6	13.9	15.6	2.9	8.1	16.8	-0.9	10.0	3.2	4.2	6.7	5.1	7.7	7.9
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	11.4	7.0	9.8	-0.4	6.0	18.2	4.4	11.8	8.2	5.9	7.4	2.8	7.8	8.2
Revenue	15.6	13.9	15.6	2.9	8.1	16.8	-0.9	10.0	3.2	4.2	6.7	5.1	7.7	7.9

	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	Oct YTD
Occ	0.1	5.3	-4.0	1.2	-0.3	-7.5	-2.6	-3.7	-1.5	-4.8	-6.6	-15.9	-3.9	-2.3
ADR	4.0	3.4	3.3	2.3	4.7	8.5	10.3	8.4	4.0	8.6	9.7	5.8	6.4	6.2
RevPAR	4.1	8.9	-0.8	3.5	4.4	0.4	7.4	4.3	2.4	3.4	2.4	-11.0	2.2	3.7
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.9	12.9	2.2	0.0
Demand	0.1	5.3	-4.0	1.2	-0.3	-7.5	-2.6	-3.7	-1.5	-4.8	5.4	-5.1	-1.9	-2.3
Revenue	4.1	8.9	-0.8	3.5	4.4	0.4	7.4	4.3	2.4	3.4	15.6	0.5	4.5	3.7

	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Total Year	Oct YTD
Occ	-10.6	-19.2	-6.7	-6.1	-6.0	-1.9	0.7	1.3	-7.5	-0.5				-4.7
ADR	5.6	2.4	4.1	5.1	1.7	-1.8	3.9	0.7	5.3	0.7				2.8
RevPAR	-5.5	-17.2	-2.9	-1.3	-4.4	-3.6	4.6	2.0	-2.6	0.2				-2.0
Supply	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9				12.9
Demand	1.0	-8.7	5.4	6.0	6.2	10.8	13.7	14.4	4.5	12.3				7.6
Revenue	6.7	-6.5	9.7	11.4	8.0	8.8	18.1	15.2	10.0	13.2				10.7

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Tab 5 - Twelve Month Moving Average

Amherst, NY Area Selected Properties

Job Number: 637011_SADIM Staff: MB Created: November 26, 2014

Occupancy (%)												
	January	February	March	April	May	June	July	August	September	October	November	December
2009	58.7	59.3	58.9	58.4	58.1	56.9	56.2	55.2	55.5	56.1	55.7	55.5
2010	55.1	54.0	54.3	54.4	55.1	56.3	57.3	58.4	59.1	59.0	59.8	60.7
2011	61.5	62.4	63.2	64.2	64.5	64.6	64.6	64.3	64.2	64.3	64.1	64.2
2012	64.7	64.9	65.4	65.4	65.7	66.8	67.1	67.9	68.4	68.8	69.1	69.3
2013	69.3	69.5	69.3	69.3	69.3	68.8	68.6	68.3	68.2	67.9	67.5	66.5
2014	65.9	64.9	64.5	64.1	63.8	63.8	64.1	64.4	64.1	64.1		

ADR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2009	104.12	104.63	104.61	104.19	103.57	103.11	101.34	99.07	98.15	97.07	96.46	95.90
2010	95.61	94.79	94.37	94.18	93.89	93.05	92.54	91.95	91.32	91.03	90.48	90.12
2011	89.75	89.33	89.07	88.74	88.71	89.42	90.43	91.75	92.94	93.53	94.04	94.17
2012	94.28	94.55	94.87	95.09	95.26	95.16	94.61	94.57	94.17	94.03	93.97	94.08
2013	94.27	94.43	94.66	94.81	95.22	95.97	97.06	97.99	98.34	99.06	99.77	100.12
2014	100.41	100.59	100.87	101.20	101.35	101.18	101.84	102.12	102.58	102.63		

RevPAR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2009	61.14	62.05	61.63	60.86	60.21	58.62	56.92	54.72	54.47	54.42	53.76	53.22
2010	52.70	51.18	51.21	51.21	51.70	52.36	52.98	53.73	53.99	53.66	54.09	54.70
2011	55.23	55.71	56.27	56.93	57.24	57.74	58.41	59.00	59.65	60.18	60.30	60.50
2012	60.96	61.39	62.04	62.17	62.62	63.56	63.49	64.23	64.42	64.65	64.96	65.15
2013	65.28	65.60	65.56	65.72	65.98	66.01	66.57	66.92	67.06	67.26	67.32	66.61
2014	66.13	65.26	65.03	64.88	64.68	64.58	65.28	65.80	65.73	65.79		

Supply												
	January	February	March	April	May	June	July	August	September	October	November	December
2009	260,245	260,245	260,245	260,245	260,245	262,525	264,881	267,237	269,517	271,873	274,153	276,509
2010	278,865	280,993	283,349	285,629	287,985	287,985	287,985	287,985	287,985	287,985	287,985	287,985
2011	287,985	287,985	287,985	287,985	287,985	287,985	287,985	287,985	287,985	287,985	287,985	287,985
2012	287,985	287,985	287,985	287,985	287,985	287,985	287,985	287,985	287,985	287,985	287,985	287,985
2013	287,985	287,985	287,985	287,985	287,985	287,985	287,985	287,985	287,985	287,985	291,045	294,207
2014	297,369	300,225	303,387	306,447	309,609	312,669	315,831	318,993	322,053	325,215		

Demand												
	January	February	March	April	May	June	July	August	September	October	November	December
2009	152,818	154,345	153,310	152,006	151,298	149,258	148,767	147,610	149,578	152,414	152,786	153,450
2010	153,706	151,705	153,746	155,309	158,560	162,057	164,888	168,299	170,253	169,773	172,144	174,803
2011	177,202	179,592	181,915	184,746	185,817	185,959	186,013	185,207	184,838	185,283	184,645	185,030
2012	186,197	186,962	188,337	188,284	189,293	192,353	193,259	195,606	197,004	198,002	199,087	199,432
2013	199,441	200,052	199,435	199,607	199,561	198,073	197,502	196,668	196,389	195,525	196,377	195,740
2014	195,854	194,788	195,583	196,481	197,588	199,574	202,452	205,536	206,350	208,453		

Revenue (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2009	15,911,583	16,149,145	16,038,084	15,837,329	15,669,943	15,390,487	15,076,466	14,623,413	14,680,821	14,794,230	14,737,203	14,715,266
2010	14,695,606	14,380,253	14,509,643	14,626,910	14,887,775	15,078,794	15,257,922	15,474,810	15,547,567	15,454,341	15,576,024	15,753,352
2011	15,904,093	16,042,733	16,203,676	16,395,216	16,482,983	16,628,756	16,821,996	16,992,074	17,179,275	17,330,397	17,364,742	17,424,021
2012	17,554,320	17,678,057	17,867,511	17,903,917	18,032,408	18,304,969	18,284,208	18,497,638	18,551,936	18,618,956	18,708,935	18,761,751
2013	18,801,060	18,890,851	18,879,345	18,925,573	19,001,422	19,009,098	19,170,297	19,271,399	19,312,866	19,368,848	19,592,481	19,597,788
2014	19,664,956	19,593,541	19,728,234	19,882,997	20,025,825	20,193,220	20,618,687	20,989,214	21,167,278	21,394,364		

High value is boxed.

Low value is boxed and italicized.

Tab 6 - Twelve Month Moving Average with Percent Change

Amherst, NY Area Selected Properties

Job Number: 637011_SADIM Staff: MB Created: November 26, 2014

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue	
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg
Jan 09	58.7		104.12		61.14		260,245		152,818		15,911,583	
Feb 09	59.3		104.63		62.05		260,245		154,345		16,149,145	
Mar 09	58.9		104.61		61.63		260,245		153,310		16,038,084	
Apr 09	58.4		104.19		60.86		260,245		152,006		15,837,329	
May 09	58.1		103.57		60.21		260,245		151,298		15,669,943	
Jun 09	56.9		103.11		58.62		262,525		149,258		15,390,487	
Jul 09	56.2		101.34		56.92		264,881		148,767		15,076,466	
Aug 09	55.2		99.07		54.72		267,237		147,610		14,623,413	
Sep 09	55.5		98.15		54.47		269,517		149,578		14,680,821	
Oct 09	56.1		97.07		54.42		271,873		152,414		14,794,230	
Nov 09	55.7		96.46		53.76		274,153		152,786		14,737,203	
Dec 09	55.5	-6.4	95.90	-7.7	53.22	-13.6	276,509	6.2	153,450	-0.5	14,715,266	-8.2
Jan 10	55.1	-6.1	95.61	-8.2	52.70	-13.8	278,865	7.2	153,706	0.6	14,695,606	-7.6
Feb 10	54.0	-9.0	94.79	-9.4	51.18	-17.5	280,993	8.0	151,705	-1.7	14,380,253	-11.0
Mar 10	54.3	-7.9	94.37	-9.8	51.21	-16.9	283,349	8.9	153,746	0.3	14,509,643	-9.5
Apr 10	54.4	-6.9	94.18	-9.6	51.21	-15.9	285,629	9.8	155,309	2.2	14,626,910	-7.6
May 10	55.1	-5.3	93.89	-9.3	51.70	-14.1	287,985	10.7	158,560	4.8	14,887,775	-5.0
Jun 10	56.3	-1.0	93.05	-9.8	52.36	-10.7	287,985	9.7	162,057	8.6	15,078,794	-2.0
Jul 10	57.3	1.9	92.54	-8.7	52.98	-6.9	287,985	8.7	164,888	10.8	15,257,922	1.2
Aug 10	58.4	5.8	91.95	-7.2	53.73	-1.8	287,985	7.8	168,299	14.0	15,474,810	5.8
Sep 10	59.1	6.5	91.32	-7.0	53.99	-0.9	287,985	6.9	170,253	13.8	15,547,567	5.9
Oct 10	59.0	5.2	91.03	-6.2	53.66	-1.4	287,985	5.9	169,773	11.4	15,454,341	4.5
Nov 10	59.8	7.3	90.48	-6.2	54.09	0.6	287,985	5.0	172,144	12.7	15,576,024	5.7
Dec 10	60.7	9.4	90.12	-6.0	54.70	2.8	287,985	4.2	174,803	13.9	15,753,352	7.1
Jan 11	61.5	11.6	89.75	-6.1	55.23	4.8	287,985	3.3	177,202	15.3	15,904,093	8.2
Feb 11	62.4	15.5	89.33	-5.8	55.71	8.9	287,985	2.5	179,592	18.4	16,042,733	11.6
Mar 11	63.2	16.4	89.07	-5.6	56.27	9.9	287,985	1.6	181,915	18.3	16,203,676	11.7
Apr 11	64.2	18.0	88.74	-5.8	56.93	11.2	287,985	0.8	184,746	19.0	16,395,216	12.1
May 11	64.5	17.2	88.71	-5.5	57.24	10.7	287,985	0.0	185,817	17.2	16,482,983	10.7
Jun 11	64.6	14.7	89.42	-3.9	57.74	10.3	287,985	0.0	185,959	14.7	16,628,756	10.3
Jul 11	64.6	12.8	90.43	-2.3	58.41	10.3	287,985	0.0	186,013	12.8	16,821,996	10.3
Aug 11	64.3	10.0	91.75	-0.2	59.00	9.8	287,985	0.0	185,207	10.0	16,992,074	9.8
Sep 11	64.2	8.6	92.94	1.8	59.65	10.5	287,985	0.0	184,838	8.6	17,179,275	10.5
Oct 11	64.3	9.1	93.53	2.8	60.18	12.1	287,985	0.0	185,283	9.1	17,330,397	12.1
Nov 11	64.1	7.3	94.04	3.9	60.30	11.5	287,985	0.0	184,645	7.3	17,364,742	11.5
Dec 11	64.2	5.9	94.17	4.5	60.50	10.6	287,985	0.0	185,030	5.9	17,424,021	10.6

Tab 6 - Twelve Month Moving Average with Percent Change

Amherst, NY Area Selected Properties

Job Number: 637011_SADIM Staff: MB Created: November 26, 2014

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue	
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg
Jan 12	64.7	5.1	94.28	5.0	60.96	10.4	287,985	0.0	186,197	5.1	17,554,320	10.4
Feb 12	64.9	4.1	94.55	5.8	61.39	10.2	287,985	0.0	186,962	4.1	17,678,057	10.2
Mar 12	65.4	3.5	94.87	6.5	62.04	10.3	287,985	0.0	188,337	3.5	17,867,511	10.3
Apr 12	65.4	1.9	95.09	7.2	62.17	9.2	287,985	0.0	188,284	1.9	17,903,917	9.2
May 12	65.7	1.9	95.26	7.4	62.62	9.4	287,985	0.0	189,293	1.9	18,032,408	9.4
Jun 12	66.8	3.4	95.16	6.4	63.56	10.1	287,985	0.0	192,353	3.4	18,304,969	10.1
Jul 12	67.1	3.9	94.61	4.6	63.49	8.7	287,985	0.0	193,259	3.9	18,284,208	8.7
Aug 12	67.9	5.6	94.57	3.1	64.23	8.9	287,985	0.0	195,606	5.6	18,497,638	8.9
Sep 12	68.4	6.6	94.17	1.3	64.42	8.0	287,985	0.0	197,004	6.6	18,551,936	8.0
Oct 12	68.8	6.9	94.03	0.5	64.65	7.4	287,985	0.0	198,002	6.9	18,618,956	7.4
Nov 12	69.1	7.8	93.97	-0.1	64.96	7.7	287,985	0.0	199,087	7.8	18,708,935	7.7
Dec 12	69.3	7.8	94.08	-0.1	65.15	7.7	287,985	0.0	199,432	7.8	18,761,751	7.7
Jan 13	69.3	7.1	94.27	-0.0	65.28	7.1	287,985	0.0	199,441	7.1	18,801,060	7.1
Feb 13	69.5	7.0	94.43	-0.1	65.60	6.9	287,985	0.0	200,052	7.0	18,890,851	6.9
Mar 13	69.3	5.9	94.66	-0.2	65.56	5.7	287,985	0.0	199,435	5.9	18,879,345	5.7
Apr 13	69.3	6.0	94.81	-0.3	65.72	5.7	287,985	0.0	199,607	6.0	18,925,573	5.7
May 13	69.3	5.4	95.22	-0.0	65.98	5.4	287,985	0.0	199,561	5.4	19,001,422	5.4
Jun 13	68.8	3.0	95.97	0.8	66.01	3.8	287,985	0.0	198,073	3.0	19,009,098	3.8
Jul 13	68.6	2.2	97.06	2.6	66.57	4.8	287,985	0.0	197,502	2.2	19,170,297	4.8
Aug 13	68.3	0.5	97.99	3.6	66.92	4.2	287,985	0.0	196,668	0.5	19,271,399	4.2
Sep 13	68.2	-0.3	98.34	4.4	67.06	4.1	287,985	0.0	196,389	-0.3	19,312,866	4.1
Oct 13	67.9	-1.3	99.06	5.3	67.26	4.0	287,985	0.0	195,525	-1.3	19,368,848	4.0
Nov 13	67.5	-2.4	99.77	6.2	67.32	3.6	291,045	1.1	196,377	-1.4	19,592,481	4.7
Dec 13	66.5	-3.9	100.12	6.4	66.61	2.2	294,207	2.2	195,740	-1.9	19,597,788	4.5
Jan 14	65.9	-4.9	100.41	6.5	66.13	1.3	297,369	3.3	195,854	-1.8	19,664,956	4.6
Feb 14	64.9	-6.6	100.59	6.5	65.26	-0.5	300,225	4.3	194,788	-2.6	19,593,541	3.7
Mar 14	64.5	-6.9	100.87	6.6	65.03	-0.8	303,387	5.3	195,583	-1.9	19,728,234	4.5
Apr 14	64.1	-7.5	101.20	6.7	64.88	-1.3	306,447	6.4	196,481	-1.6	19,882,997	5.1
May 14	63.8	-7.9	101.35	6.4	64.68	-2.0	309,609	7.5	197,588	-1.0	20,025,825	5.4
Jun 14	63.8	-7.2	101.18	5.4	64.58	-2.2	312,669	8.6	199,574	0.8	20,193,220	6.2
Jul 14	64.1	-6.5	101.84	4.9	65.28	-1.9	315,831	9.7	202,452	2.5	20,618,687	7.6
Aug 14	64.4	-5.6	102.12	4.2	65.80	-1.7	318,993	10.8	205,536	4.5	20,989,214	8.9
Sep 14	64.1	-6.0	102.58	4.3	65.73	-2.0	322,053	11.8	206,350	5.1	21,167,278	9.6
Oct 14	64.1	-5.6	102.63	3.6	65.79	-2.2	325,215	12.9	208,453	6.6	21,394,364	10.5

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Tab 7 - Day of Week Analysis

Amherst, NY Area Selected Properties
Job Number: 637011_SADIM Staff: MB Created: November 26, 2014

Occupancy (%)								Total Month
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Nov - 13	38.4	61.5	65.6	63.6	59.8	68.9	71.8	62.0
Dec - 13	32.5	44.8	47.1	46.5	43.2	42.7	47.3	43.3
Jan - 14	26.6	44.7	52.7	42.9	40.3	40.7	43.8	41.6
Feb - 14	30.3	47.7	55.3	49.3	41.7	43.4	46.0	44.8
Mar - 14	31.6	51.7	65.9	65.4	60.7	63.6	61.7	56.4
Apr - 14	36.1	58.3	66.4	69.1	56.2	60.6	62.3	59.1
May - 14	56.1	62.6	72.3	74.2	66.3	70.1	78.2	68.8
Jun - 14	54.7	74.5	82.0	81.2	75.7	81.4	89.0	76.1
Jul - 14	68.2	90.7	89.2	85.8	83.1	95.2	94.9	86.7
Aug - 14	73.0	90.3	93.5	90.5	86.4	90.9	99.0	88.9
Sep - 14	48.5	65.1	78.3	75.0	65.8	73.3	88.8	70.7
Oct - 14	57.3	65.7	74.0	68.9	63.4	68.6	88.8	69.3
Total Year	46.3	62.8	70.2	67.6	62.0	66.7	73.0	64.1

Three Year Occupancy (%)								Total Year
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Nov 11 - Oct 12	50.2	65.8	74.7	72.4	66.8	71.9	79.3	68.8
Nov 12 - Oct 13	49.7	65.5	72.3	71.2	67.2	71.7	77.7	67.9
Nov 13 - Oct 14	46.3	62.8	70.2	67.6	62.0	66.7	73.0	64.1
Total 3 Yr	48.6	64.6	72.3	70.3	65.2	69.9	76.5	66.8

ADR								Total Month
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Nov - 13	94.62	97.79	103.13	104.49	101.51	97.72	98.31	99.76
Dec - 13	88.13	92.05	98.95	98.50	93.51	85.72	85.96	92.20
Jan - 14	89.49	93.95	96.49	93.56	96.22	91.05	90.53	93.36
Feb - 14	83.84	92.89	97.03	94.67	92.80	90.23	90.99	92.37
Mar - 14	89.02	96.95	100.55	97.00	102.16	100.07	98.19	98.18
Apr - 14	87.11	92.95	99.14	97.62	96.04	95.55	94.66	95.53
May - 14	95.02	95.04	98.56	98.85	96.58	107.19	114.04	101.76
Jun - 14	93.06	98.52	99.33	99.94	98.79	106.60	112.35	101.53
Jul - 14	103.63	108.71	108.21	108.74	112.27	133.12	134.92	115.83
Aug - 14	102.61	108.03	109.29	110.62	108.82	123.73	131.08	114.65
Sep - 14	94.77	99.97	100.82	102.32	97.58	109.05	115.26	103.50
Oct - 14	99.68	94.87	101.34	100.57	96.37	104.20	113.30	101.95
Total Year	95.18	98.69	101.71	101.41	100.55	106.89	110.58	102.63

Three Year ADR								Total Year
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Nov 11 - Oct 12	87.11	90.59	92.92	94.06	93.61	97.79	99.28	94.03
Nov 12 - Oct 13	91.18	97.30	99.07	98.07	96.81	102.53	105.26	99.06
Nov 13 - Oct 14	95.18	98.69	101.71	101.41	100.55	106.89	110.58	102.63
Total 3 Yr	91.22	95.61	97.94	97.89	97.04	102.51	105.12	98.64

RevPAR								Total Month
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Nov - 13	36.35	60.17	67.66	66.45	60.67	67.37	70.60	61.84
Dec - 13	28.63	41.28	46.57	45.77	40.41	36.60	40.69	39.88
Jan - 14	23.81	42.00	50.82	40.18	38.75	37.06	39.68	38.88
Feb - 14	25.41	44.35	53.68	46.68	38.68	39.15	41.86	41.40
Mar - 14	28.17	50.12	66.27	63.47	62.06	63.60	60.56	55.35
Apr - 14	31.41	54.19	65.85	67.47	54.00	57.88	58.99	56.42
May - 14	53.30	59.52	71.21	73.39	64.06	75.14	89.16	70.05
Jun - 14	50.93	73.42	81.43	81.18	74.76	86.74	99.99	77.27
Jul - 14	70.71	98.64	96.49	93.31	93.26	126.72	127.98	100.37
Aug - 14	74.88	97.51	102.15	100.07	93.98	112.46	129.82	101.96
Sep - 14	45.98	65.03	78.91	76.71	64.23	79.89	102.35	73.21
Oct - 14	57.11	62.34	75.04	69.28	61.14	71.43	100.55	70.63
Total Year	44.03	62.00	71.39	68.58	62.33	71.31	80.75	65.79

Three Year RevPAR								Total Year
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Nov 11 - Oct 12	43.74	59.62	69.43	68.09	62.55	70.27	78.71	64.65
Nov 12 - Oct 13	45.34	63.76	71.65	69.79	65.01	73.50	81.79	67.26
Nov 13 - Oct 14	44.03	62.00	71.39	68.58	62.33	71.31	80.75	65.79
Total 3 Yr	44.35	61.80	70.84	68.81	63.27	71.68	80.43	65.89

Tab 8 - Raw Data

Amherst, NY Area Selected Properties

Job Number: 637011_SADIM Staff: MB

Created: November 26, 2014

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 08	40.7		92.22		37.55		22,103		9,000		829,989		6	713	100.0
Feb 08	44.9		92.66		41.57		19,964		8,956		829,879		6	713	100.0
Mar 08	48.4		97.00		46.91		22,103		10,690		1,036,907		6	713	100.0
Apr 08	54.6		99.55		54.35		21,390		11,678		1,162,545		6	713	100.0
May 08	60.3		105.51		63.63		22,103		13,329		1,406,395		6	713	100.0
Jun 08	71.0		102.75		72.95		21,390		15,187		1,560,503		6	713	100.0
Jul 08	82.9		117.20		97.19		22,103		18,328		2,148,102		6	713	100.0
Aug 08	83.8		118.65		99.40		22,103		18,517		2,197,132		6	713	100.0
Sep 08	62.7		101.76		63.85		21,390		13,422		1,365,758		6	713	100.0
Oct 08	63.8		101.39		64.67		22,103		14,098		1,429,439		6	713	100.0
Nov 08	58.6		99.01		57.98		21,390		12,526		1,240,256		6	713	100.0
Dec 08	38.6		97.15		37.49		22,103		8,531		828,750		6	713	100.0
Jan 09	34.2	-16.0	93.42	1.3	31.94	-14.9	22,103	0.0	7,556	-16.0	705,917	-14.9	6	713	100.0
Feb 09	52.5	17.1	101.83	9.9	53.47	28.6	19,964	0.0	10,483	17.1	1,067,441	28.6	6	713	100.0
Mar 09	43.7	-9.7	95.89	-1.1	41.89	-10.7	22,103	0.0	9,655	-9.7	925,846	-10.7	6	713	100.0
Apr 09	48.5	-11.2	92.71	-6.9	44.96	-17.3	21,390	0.0	10,374	-11.2	961,790	-17.3	6	713	100.0
May 09	57.1	-5.3	98.17	-7.0	56.06	-11.9	22,103	0.0	12,621	-5.3	1,239,009	-11.9	6	713	100.0
Jun 09	55.5	-21.8	97.44	-5.2	54.12	-25.8	23,670	10.7	13,147	-13.4	1,281,047	-17.9	7	789	100.0
Jul 09	72.9	-12.1	102.82	-12.3	74.99	-22.8	24,459	10.7	17,837	-2.7	1,834,081	-14.6	7	789	100.0
Aug 09	71.0	-15.3	100.47	-15.3	71.31	-28.3	24,459	10.7	17,360	-6.2	1,744,079	-20.6	7	789	100.0
Sep 09	65.0	3.6	92.47	-9.1	60.13	-5.8	23,670	10.7	15,390	14.7	1,423,166	4.2	7	789	100.0
Oct 09	69.2	8.5	91.11	-10.1	63.08	-2.5	24,459	10.7	16,934	20.1	1,542,848	7.9	7	789	100.0
Nov 09	54.5	-6.9	91.74	-7.3	49.99	-13.8	23,670	10.7	12,898	3.0	1,183,229	-4.6	7	789	100.0
Dec 09	37.6	-2.6	87.74	-9.7	32.99	-12.0	24,459	10.7	9,195	7.8	806,813	-2.6	7	789	100.0
Jan 10	31.9	-6.6	87.85	-6.0	28.06	-12.1	24,459	10.7	7,812	3.4	686,257	-2.8	7	789	100.0
Feb 10	38.4	-26.9	88.67	-12.9	34.04	-36.3	22,092	10.7	8,482	-19.1	752,088	-29.5	7	789	100.0
Mar 10	47.8	9.5	90.22	-5.9	43.14	3.0	24,459	10.7	11,696	21.1	1,055,236	14.0	7	789	100.0
Apr 10	50.4	4.0	90.40	-2.5	45.59	1.4	23,670	10.7	11,937	15.1	1,079,057	12.2	7	789	100.0
May 10	64.9	13.6	94.50	-3.7	61.32	9.4	24,459	10.7	15,872	25.8	1,499,874	21.1	7	789	100.0
Jun 10	70.3	26.6	88.44	-9.2	62.19	14.9	23,670	0.0	16,644	26.6	1,472,066	14.9	7	789	100.0
Jul 10	84.5	15.9	97.41	-5.3	82.31	9.8	24,459	0.0	20,668	15.9	2,013,209	9.8	7	789	100.0
Aug 10	84.9	19.6	94.41	-6.0	80.17	12.4	24,459	0.0	20,771	19.6	1,960,967	12.4	7	789	100.0
Sep 10	73.3	12.7	86.25	-6.7	63.20	5.1	23,670	0.0	17,344	12.7	1,495,923	5.1	7	789	100.0
Oct 10	67.3	-2.8	88.10	-3.3	59.27	-6.0	24,459	0.0	16,454	-2.8	1,449,622	-6.0	7	789	100.0
Nov 10	64.5	18.4	85.46	-6.8	55.13	10.3	23,670	0.0	15,269	18.4	1,304,912	10.3	7	789	100.0
Dec 10	48.5	28.9	83.02	-5.4	40.24	22.0	24,459	0.0	11,854	28.9	984,141	22.0	7	789	100.0

Tab 8 - Raw Data

Amherst, NY Area Selected Properties

Job Number: 637011_SADIM Staff: MB

Created: November 26, 2014

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 11	41.7	30.7	81.97	-6.7	34.22	22.0	24,459	0.0	10,211	30.7	836,998	22.0	7	789	100.0
Feb 11	49.2	28.2	81.93	-7.6	40.32	18.4	22,092	0.0	10,872	28.2	890,728	18.4	7	789	100.0
Mar 11	57.3	19.9	86.75	-3.8	49.72	15.3	24,459	0.0	14,019	19.9	1,216,179	15.3	7	789	100.0
Apr 11	62.4	23.7	86.04	-4.8	53.68	17.8	23,670	0.0	14,768	23.7	1,270,597	17.8	7	789	100.0
May 11	69.3	6.7	93.70	-0.8	64.91	5.9	24,459	0.0	16,943	6.7	1,587,641	5.9	7	789	100.0
Jun 11	70.9	0.9	96.38	9.0	68.35	9.9	23,670	0.0	16,786	0.9	1,617,839	9.9	7	789	100.0
Jul 11	84.7	0.3	106.48	9.3	90.21	9.6	24,459	0.0	20,722	0.3	2,206,449	9.6	7	789	100.0
Aug 11	81.6	-3.9	106.74	13.1	87.13	8.7	24,459	0.0	19,965	-3.9	2,131,045	8.7	7	789	100.0
Sep 11	71.7	-2.1	99.15	15.0	71.11	12.5	23,670	0.0	16,975	-2.1	1,683,124	12.5	7	789	100.0
Oct 11	69.1	2.7	94.72	7.5	65.45	10.4	24,459	0.0	16,899	2.7	1,600,744	10.4	7	789	100.0
Nov 11	61.8	-4.2	91.54	7.1	56.58	2.6	23,670	0.0	14,631	-4.2	1,339,257	2.6	7	789	100.0
Dec 11	50.0	3.2	85.25	2.7	42.66	6.0	24,459	0.0	12,239	3.2	1,043,420	6.0	7	789	100.0
Jan 12	46.5	11.4	85.01	3.7	39.55	15.6	24,459	0.0	11,378	11.4	967,297	15.6	7	789	100.0
Feb 12	52.7	7.0	87.18	6.4	45.92	13.9	22,092	0.0	11,637	7.0	1,014,465	13.9	7	789	100.0
Mar 12	62.9	9.8	91.31	5.3	57.47	15.6	24,459	0.0	15,394	9.8	1,405,633	15.6	7	789	100.0
Apr 12	62.2	-0.4	88.82	3.2	55.22	2.9	23,670	0.0	14,715	-0.4	1,307,003	2.9	7	789	100.0
May 12	73.4	6.0	95.60	2.0	70.16	8.1	24,459	0.0	17,952	6.0	1,716,132	8.1	7	789	100.0
Jun 12	83.8	18.2	95.25	-1.2	79.86	16.8	23,670	0.0	19,846	18.2	1,890,400	16.8	7	789	100.0
Jul 12	88.4	4.4	101.06	-5.1	89.36	-0.9	24,459	0.0	21,628	4.4	2,185,688	-0.9	7	789	100.0
Aug 12	91.2	11.8	105.08	-1.6	95.85	10.0	24,459	0.0	22,312	11.8	2,344,475	10.0	7	789	100.0
Sep 12	77.6	8.2	94.56	-4.6	73.40	3.2	23,670	0.0	18,373	8.2	1,737,422	3.2	7	789	100.0
Oct 12	73.2	5.9	93.19	-1.6	68.19	4.2	24,459	0.0	17,897	5.9	1,667,764	4.2	7	789	100.0
Nov 12	66.4	7.4	90.94	-0.6	60.38	6.7	23,670	0.0	15,716	7.4	1,429,236	6.7	7	789	100.0
Dec 12	51.4	2.8	87.11	2.2	44.82	5.1	24,459	0.0	12,584	2.8	1,096,236	5.1	7	789	100.0
Jan 13	46.6	0.1	88.40	4.0	41.15	4.1	24,459	0.0	11,387	0.1	1,006,606	4.1	7	789	100.0
Feb 13	55.4	5.3	90.16	3.4	49.98	8.9	22,092	0.0	12,248	5.3	1,104,256	8.9	7	789	100.0
Mar 13	60.4	-4.0	94.34	3.3	57.00	-0.8	24,459	0.0	14,777	-4.0	1,394,127	-0.8	7	789	100.0
Apr 13	62.9	1.2	90.90	2.3	57.17	3.5	23,670	0.0	14,887	1.2	1,353,231	3.5	7	789	100.0
May 13	73.2	-0.3	100.08	4.7	73.26	4.4	24,459	0.0	17,906	-0.3	1,791,981	4.4	7	789	100.0
Jun 13	77.6	-7.5	103.39	8.5	80.19	0.4	23,670	0.0	18,358	-7.5	1,898,076	0.4	7	789	100.0
Jul 13	86.1	-2.6	111.45	10.3	95.95	7.4	24,459	0.0	21,057	-2.6	2,346,887	7.4	7	789	100.0
Aug 13	87.8	-3.7	113.86	8.4	99.99	4.3	24,459	0.0	21,478	-3.7	2,445,577	4.3	7	789	100.0
Sep 13	76.4	-1.5	98.31	4.0	75.15	2.4	23,670	0.0	18,094	-1.5	1,778,889	2.4	7	789	100.0
Oct 13	69.6	-4.8	101.20	8.6	70.47	3.4	24,459	0.0	17,033	-4.8	1,723,746	3.4	7	789	100.0
Nov 13	62.0	-6.6	99.76	9.7	61.84	2.4	26,730	12.9	16,568	5.4	1,652,869	15.6	8	891	88.6
Dec 13	43.3	-15.9	92.20	5.8	39.88	-11.0	27,621	12.9	11,947	-5.1	1,101,543	0.5	8	891	100.0

Tab 8 - Raw Data

Amherst, NY Area Selected Properties

Job Number: 637011_SADIM Staff: MB Created: November 26, 2014

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 14	41.6	-10.6	93.36	5.6	38.88	-5.5	27,621	12.9	11,501	1.0	1,073,774	6.7	8	891	100.0
Feb 14	44.8	-19.2	92.37	2.4	41.40	-17.2	24,948	12.9	11,182	-8.7	1,032,841	-6.5	8	891	100.0
Mar 14	56.4	-6.7	98.18	4.1	55.35	-2.9	27,621	12.9	15,572	5.4	1,528,820	9.7	8	891	100.0
Apr 14	59.1	-6.1	95.53	5.1	56.42	-1.3	26,730	12.9	15,785	6.0	1,507,994	11.4	8	891	100.0
May 14	68.8	-6.0	101.76	1.7	70.05	-4.4	27,621	12.9	19,013	6.2	1,934,809	8.0	8	891	100.0
Jun 14	76.1	-1.9	101.53	-1.8	77.27	-3.6	26,730	12.9	20,344	10.8	2,065,471	8.8	8	891	100.0
Jul 14	86.7	0.7	115.83	3.9	100.37	4.6	27,621	12.9	23,935	13.7	2,772,354	18.1	8	891	100.0
Aug 14	88.9	1.3	114.65	0.7	101.96	2.0	27,621	12.9	24,562	14.4	2,816,104	15.2	8	891	100.0
Sep 14	70.7	-7.5	103.50	5.3	73.21	-2.6	26,730	12.9	18,908	4.5	1,956,953	10.0	8	891	100.0
Oct 14	69.3	-0.5	101.95	0.7	70.63	0.2	27,621	12.9	19,136	12.3	1,950,832	13.2	8	891	100.0

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Tab 9 - Classic

Amherst, NY Area Selected Properties

Job Number: 637011_SADIM Staff: MB Created: November 26, 2014

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 08	40.7		92.22		37.55		22,103		9,000		829,989		6	713	100.0
Feb 08	44.9		92.66		41.57		19,964		8,956		829,879		6	713	100.0
Mar 08	48.4		97.00		46.91		22,103		10,690		1,036,907		6	713	100.0
Apr 08	54.6		99.55		54.35		21,390		11,678		1,162,545		6	713	100.0
May 08	60.3		105.51		63.63		22,103		13,329		1,406,395		6	713	100.0
Jun 08	71.0		102.75		72.95		21,390		15,187		1,560,503		6	713	100.0
Jul 08	82.9		117.20		97.19		22,103		18,328		2,148,102		6	713	100.0
Aug 08	83.8		118.65		99.40		22,103		18,517		2,197,132		6	713	100.0
Sep 08	62.7		101.76		63.85		21,390		13,422		1,365,758		6	713	100.0
Oct 08	63.8		101.39		64.67		22,103		14,098		1,429,439		6	713	100.0
Nov 08	58.6		99.01		57.98		21,390		12,526		1,240,256		6	713	100.0
Dec 08	38.6		97.15		37.49		22,103		8,531		828,750		6	713	100.0
Oct YTD 2008	61.5		104.85		64.44		216,752		133,205		13,966,649				
Total 2008	59.3		103.95		61.62		260,245		154,262		16,035,655				
Jan 09	34.2	-16.0	93.42	1.3	31.94	-14.9	22,103	0.0	7,556	-16.0	705,917	-14.9	6	713	100.0
Feb 09	52.5	17.1	101.83	9.9	53.47	28.6	19,964	0.0	10,483	17.1	1,067,441	28.6	6	713	100.0
Mar 09	43.7	-9.7	95.89	-1.1	41.89	-10.7	22,103	0.0	9,655	-9.7	925,846	-10.7	6	713	100.0
Apr 09	48.5	-11.2	92.71	-6.9	44.96	-17.3	21,390	0.0	10,374	-11.2	961,790	-17.3	6	713	100.0
May 09	57.1	-5.3	98.17	-7.0	56.06	-11.9	22,103	0.0	12,621	-5.3	1,239,009	-11.9	6	713	100.0
Jun 09	55.5	-21.8	97.44	-5.2	54.12	-25.8	23,670	10.7	13,147	-13.4	1,281,047	-17.9	7	789	100.0
Jul 09	72.9	-12.1	102.82	-12.3	74.99	-22.8	24,459	10.7	17,837	-2.7	1,834,081	-14.6	7	789	100.0
Aug 09	71.0	-15.3	100.47	-15.3	71.31	-28.3	24,459	10.7	17,360	-6.2	1,744,079	-20.6	7	789	100.0
Sep 09	65.0	3.6	92.47	-9.1	60.13	-5.8	23,670	10.7	15,390	14.7	1,423,166	4.2	7	789	100.0
Oct 09	69.2	8.5	91.11	-10.1	63.08	-2.5	24,459	10.7	16,934	20.1	1,542,848	7.9	7	789	100.0
Nov 09	54.5	-6.9	91.74	-7.3	49.99	-13.8	23,670	10.7	12,898	3.0	1,183,229	-4.6	7	789	100.0
Dec 09	37.6	-2.6	87.74	-9.7	32.99	-12.0	24,459	10.7	9,195	7.8	806,813	-2.6	7	789	100.0
Oct YTD 2009	57.5	-6.4	96.88	-7.6	55.72	-13.5	228,380	5.4	131,357	-1.4	12,725,224	-8.9			
Total 2009	55.5	-6.4	95.90	-7.7	53.22	-13.6	276,509	6.2	153,450	-0.5	14,715,266	-8.2			
Jan 10	31.9	-6.6	87.85	-6.0	28.06	-12.1	24,459	10.7	7,812	3.4	686,257	-2.8	7	789	100.0
Feb 10	38.4	-26.9	88.67	-12.9	34.04	-36.3	22,092	10.7	8,482	-19.1	752,088	-29.5	7	789	100.0
Mar 10	47.8	9.5	90.22	-5.9	43.14	3.0	24,459	10.7	11,696	21.1	1,055,236	14.0	7	789	100.0
Apr 10	50.4	4.0	90.40	-2.5	45.59	1.4	23,670	10.7	11,937	15.1	1,079,057	12.2	7	789	100.0
May 10	64.9	13.6	94.50	-3.7	61.32	9.4	24,459	10.7	15,872	25.8	1,499,874	21.1	7	789	100.0
Jun 10	70.3	26.6	88.44	-9.2	62.19	14.9	23,670	0.0	16,644	26.6	1,472,066	14.9	7	789	100.0
Jul 10	84.5	15.9	97.41	-5.3	82.31	9.8	24,459	0.0	20,668	15.9	2,013,209	9.8	7	789	100.0
Aug 10	84.9	19.6	94.41	-6.0	80.17	12.4	24,459	0.0	20,771	19.6	1,960,967	12.4	7	789	100.0
Sep 10	73.3	12.7	86.25	-6.7	63.20	5.1	23,670	0.0	17,344	12.7	1,495,923	5.1	7	789	100.0
Oct 10	67.3	-2.8	88.10	-3.3	59.27	-6.0	24,459	0.0	16,454	-2.8	1,449,622	-6.0	7	789	100.0
Nov 10	64.5	18.4	85.46	-6.8	55.13	10.3	23,670	0.0	15,269	18.4	1,304,912	10.3	7	789	100.0
Dec 10	48.5	28.9	83.02	-5.4	40.24	22.0	24,459	0.0	11,854	28.9	984,141	22.0	7	789	100.0
Oct YTD 2010	61.6	7.0	91.17	-5.9	56.13	0.7	239,856	5.0	147,680	12.4	13,464,299	5.8			
Total 2010	60.7	9.4	90.12	-6.0	54.70	2.8	287,985	4.2	174,803	13.9	15,753,352	7.1			

Tab 9 - Classic

Amherst, NY Area Selected Properties

Job Number: 637011_SADIM Staff: MB Created: November 26, 2014

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 11	41.7	30.7	81.97	-6.7	34.22	22.0	24,459	0.0	10,211	30.7	836,998	22.0	7	789	100.0
Feb 11	49.2	28.2	81.93	-7.6	40.32	18.4	22,092	0.0	10,872	28.2	890,728	18.4	7	789	100.0
Mar 11	57.3	19.9	86.75	-3.8	49.72	15.3	24,459	0.0	14,019	19.9	1,216,179	15.3	7	789	100.0
Apr 11	62.4	23.7	86.04	-4.8	53.68	17.8	23,670	0.0	14,768	23.7	1,270,597	17.8	7	789	100.0
May 11	69.3	6.7	93.70	-0.8	64.91	5.9	24,459	0.0	16,943	6.7	1,587,641	5.9	7	789	100.0
Jun 11	70.9	0.9	96.38	9.0	68.35	9.9	23,670	0.0	16,786	0.9	1,617,839	9.9	7	789	100.0
Jul 11	84.7	0.3	106.48	9.3	90.21	9.6	24,459	0.0	20,722	0.3	2,206,449	9.6	7	789	100.0
Aug 11	81.6	-3.9	106.74	13.1	87.13	8.7	24,459	0.0	19,965	-3.9	2,131,045	8.7	7	789	100.0
Sep 11	71.7	-2.1	99.15	15.0	71.11	12.5	23,670	0.0	16,975	-2.1	1,683,124	12.5	7	789	100.0
Oct 11	69.1	2.7	94.72	7.5	65.45	10.4	24,459	0.0	16,899	2.7	1,600,744	10.4	7	789	100.0
Nov 11	61.8	-4.2	91.54	7.1	56.58	2.6	23,670	0.0	14,631	-4.2	1,339,257	2.6	7	789	100.0
Dec 11	50.0	3.2	85.25	2.7	42.66	6.0	24,459	0.0	12,239	3.2	1,043,420	6.0	7	789	100.0
Oct YTD 2011	65.9	7.1	95.10	4.3	62.71	11.7	239,856	0.0	158,160	7.1	15,041,344	11.7			
Total 2011	64.2	5.9	94.17	4.5	60.50	10.6	287,985	0.0	185,030	5.9	17,424,021	10.6			
Jan 12	46.5	11.4	85.01	3.7	39.55	15.6	24,459	0.0	11,378	11.4	967,297	15.6	7	789	100.0
Feb 12	52.7	7.0	87.18	6.4	45.92	13.9	22,092	0.0	11,637	7.0	1,014,465	13.9	7	789	100.0
Mar 12	62.9	9.8	91.31	5.3	57.47	15.6	24,459	0.0	15,394	9.8	1,405,633	15.6	7	789	100.0
Apr 12	62.2	-0.4	88.82	3.2	55.22	2.9	23,670	0.0	14,715	-0.4	1,307,003	2.9	7	789	100.0
May 12	73.4	6.0	95.60	2.0	70.16	8.1	24,459	0.0	17,952	6.0	1,716,132	8.1	7	789	100.0
Jun 12	83.8	18.2	95.25	-1.2	79.86	16.8	23,670	0.0	19,846	18.2	1,890,400	16.8	7	789	100.0
Jul 12	88.4	4.4	101.06	-5.1	89.36	-0.9	24,459	0.0	21,628	4.4	2,185,688	-0.9	7	789	100.0
Aug 12	91.2	11.8	105.08	-1.6	95.85	10.0	24,459	0.0	22,312	11.8	2,344,475	10.0	7	789	100.0
Sep 12	77.6	8.2	94.56	-4.6	73.40	3.2	23,670	0.0	18,373	8.2	1,737,422	3.2	7	789	100.0
Oct 12	73.2	5.9	93.19	-1.6	68.19	4.2	24,459	0.0	17,897	5.9	1,667,764	4.2	7	789	100.0
Nov 12	66.4	7.4	90.94	-0.6	60.38	6.7	23,670	0.0	15,716	7.4	1,429,236	6.7	7	789	100.0
Dec 12	51.4	2.8	87.11	2.2	44.82	5.1	24,459	0.0	12,584	2.8	1,096,236	5.1	7	789	100.0
Oct YTD 2012	71.3	8.2	94.88	-0.2	67.69	7.9	239,856	0.0	171,132	8.2	16,236,279	7.9			
Total 2012	69.3	7.8	94.08	-0.1	65.15	7.7	287,985	0.0	199,432	7.8	18,761,751	7.7			
Jan 13	46.6	0.1	88.40	4.0	41.15	4.1	24,459	0.0	11,387	0.1	1,006,606	4.1	7	789	100.0
Feb 13	55.4	5.3	90.16	3.4	49.98	8.9	22,092	0.0	12,248	5.3	1,104,256	8.9	7	789	100.0
Mar 13	60.4	-4.0	94.34	3.3	57.00	-0.8	24,459	0.0	14,777	-4.0	1,394,127	-0.8	7	789	100.0
Apr 13	62.9	1.2	90.90	2.3	57.17	3.5	23,670	0.0	14,887	1.2	1,353,231	3.5	7	789	100.0
May 13	73.2	-0.3	100.08	4.7	73.26	4.4	24,459	0.0	17,906	-0.3	1,791,981	4.4	7	789	100.0
Jun 13	77.6	-7.5	103.39	8.5	80.19	0.4	23,670	0.0	18,358	-7.5	1,898,076	0.4	7	789	100.0
Jul 13	86.1	-2.6	111.45	10.3	95.95	7.4	24,459	0.0	21,057	-2.6	2,346,887	7.4	7	789	100.0
Aug 13	87.8	-3.7	113.86	8.4	99.99	4.3	24,459	0.0	21,478	-3.7	2,445,577	4.3	7	789	100.0
Sep 13	76.4	-1.5	98.31	4.0	75.15	2.4	23,670	0.0	18,094	-1.5	1,778,889	2.4	7	789	100.0
Oct 13	69.6	-4.8	101.20	8.6	70.47	3.4	24,459	0.0	17,033	-4.8	1,723,746	3.4	7	789	100.0
Nov 13	62.0	-6.6	99.76	9.7	61.84	2.4	26,730	12.9	16,568	5.4	1,652,869	15.6	8	891	88.6
Dec 13	43.3	-15.9	92.20	5.8	39.88	-11.0	27,621	12.9	11,947	-5.1	1,101,543	0.5	8	891	100.0
Oct YTD 2013	69.7	-2.3	100.72	6.2	70.22	3.7	239,856	0.0	167,225	-2.3	16,843,376	3.7			
Total 2013	66.5	-3.9	100.12	6.4	66.61	2.2	294,207	2.2	195,740	-1.9	19,597,788	4.5			

Tab 9 - Classic

Amherst, NY Area Selected Properties
Job Number: 637011_SADIM Staff: MB Created: November 26, 2014

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 14	41.6	-10.6	93.36	5.6	38.88	-5.5	27,621	12.9	11,501	1.0	1,073,774	6.7	8	891	100.0
Feb 14	44.8	-19.2	92.37	2.4	41.40	-17.2	24,948	12.9	11,182	-8.7	1,032,841	-6.5	8	891	100.0
Mar 14	56.4	-6.7	98.18	4.1	55.35	-2.9	27,621	12.9	15,572	5.4	1,528,820	9.7	8	891	100.0
Apr 14	59.1	-6.1	95.53	5.1	56.42	-1.3	26,730	12.9	15,785	6.0	1,507,994	11.4	8	891	100.0
May 14	68.8	-6.0	101.76	1.7	70.05	-4.4	27,621	12.9	19,013	6.2	1,934,809	8.0	8	891	100.0
Jun 14	76.1	-1.9	101.53	-1.8	77.27	-3.6	26,730	12.9	20,344	10.8	2,065,471	8.8	8	891	100.0
Jul 14	86.7	0.7	115.83	3.9	100.37	4.6	27,621	12.9	23,935	13.7	2,772,354	18.1	8	891	100.0
Aug 14	88.9	1.3	114.65	0.7	101.96	2.0	27,621	12.9	24,562	14.4	2,816,104	15.2	8	891	100.0
Sep 14	70.7	-7.5	103.50	5.3	73.21	-2.6	26,730	12.9	18,908	4.5	1,956,953	10.0	8	891	100.0
Oct 14	69.3	-0.5	101.95	0.7	70.63	0.2	27,621	12.9	19,136	12.3	1,950,832	13.2	8	891	100.0
Oct YTD 2014	66.4	-4.7	103.59	2.8	68.82	-2.0	270,864	12.9	179,938	7.6	18,639,952	10.7			

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Tab 10 - Response Report

Amherst, NY Area Selected Properties
Job Number: 637011_SADIM Staff: MB Created: November 26, 2014

STR Code	Name of Establishment	City & State	Zip Code	Class	Aff Date	Open Date	Rooms	Chg in Rms	2012												2013												2014																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
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18684	Comfort Inn Buffalo	Lockport, NY	14094	Upper Midscale Class	Oct 1989	Oct 1989	50		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•

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Tab 10 - Help

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

Average or sum of values starting January 1 of the given year.

Tab 11 - Terms and Conditions

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

In consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Smith Travel Research, Inc. ("STR") and purchaser of this product ("Licensee") agree as follows:

1. LICENSE

1.1 Definitions.

(a) "Agreement" means these Standard Terms and Conditions and any additional terms specifically set out in writing in the document(s) (if any) to which these Standard Terms and Conditions are attached or in which they are incorporated by reference, and, if applicable, any additional terms specifically set out in writing in any Schedule attached hereto.

(b) "Licensed Materials" means the newsletters, reports, databases or other information resources, and all lodging industry data contained therein, provided to Licensee hereunder.

1.2 Grant of License. Subject to the terms and conditions of this Agreement, and except as may be expressly permitted elsewhere in this Agreement, STR hereby grants to Licensee a non-exclusive, non-transferable, indivisible, non-sublicensable license to use, copy, manipulate and extract data from the Licensed Materials for its own INTERNAL business purposes only.

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1.5 No Distribution to Third Parties. Except as expressly permitted in this Agreement, Licensee is prohibited from distributing, republishing or otherwise making the Licensed Materials or any part thereof (including any excerpts of the data and any manipulations of the data) available in any form whatsoever to any third party, other than Licensee's accountants, attorneys, marketing professionals or other professional advisors who are bound by a duty of confidentiality not to disclose such information.

1.6 Security. Licensee shall use commercially reasonable efforts to protect against unauthorized access to the Licensed Materials.

1.7 Reservation of Rights. Licensee has no rights in connection with the Licensed Materials other than those rights expressly enumerated herein. All rights to the Licensed Materials not expressly enumerated herein are reserved to STR.

2. DISCLAIMERS AND LIMITATIONS OF LIABILITY

2.1 Disclaimer of Warranties. The licensed materials are provided to the licensee on an "as is" and "as available" basis. STR makes no representations or warranties of any kind, express or implied, with respect to the licensed materials, the services provided or the results of use thereof. Without limiting the foregoing, STR does not warrant that the licensed materials, the services provided or the use thereof are or will be accurate, error-free or uninterrupted. STR makes no implied warranties, including without limitation, any implied warranty of merchantability, noninfringement or fitness for any particular purpose or arising by usage of trade, course of dealing, course of performance or otherwise.

2.2 Disclaimers. STR shall have no liability with respect to its obligations under this agreement or otherwise for consequential, exemplary, special, incidental, or punitive damages even if STR has been advised of the possibility of such damages. Furthermore, STR shall have no liability whatsoever for any claim relating in any way to any decision made or action taken by licensee in reliance upon the licensed materials.

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.

3.2 Obligations on Termination. Within thirty (30) days of the termination or expiration of this Agreement for any reason, Licensee shall cease all use of the Licensed Materials and shall return or destroy, at STR's option, 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.

3.3 Governing Law; Jurisdiction and Venue. This Agreement shall be governed by the substantive laws of the State of Tennessee, without regard to its or any other jurisdiction's laws governing conflicts of law. Any 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.

3.5 Independent Relationship. The relationship between the parties is that of an independent contractor. Nothing in this Agreement shall be deemed to create an employer/employee, principal/agent, partnership or joint venture relationship.

3.6 Notices. All notices required or permitted to be given hereunder shall be in writing and shall be deemed given i) when delivered in person, at the time of such delivery; ii) when delivered by facsimile transmission or e-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.

3.10 Recovery of Litigation Costs. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of 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.

Demand Analysis

The management of the various competitive hotels revealed that room-night demand within the competitive supply is currently generated by two major market segments: commercial segment, 50%, and leisure travelers, 50%, on an annual basis.

Commercial Guest Demand

Commercial travelers, who are 50% of the market, generally have strong demand for rooms from mid-January to mid-June, and again from mid-September to mid-December. The summer time of mid-June to mid-September has moderate demand, with the mid-December to mid-January period very low.

In the more commercially-oriented properties, the weekday market is strongest. This is due to the strength of the commercial market during Monday through Thursday. When extended-stay amenities are added to the guest rooms, the annual guest occupancy increases, as various companies cut travel costs of their personnel. The commercial room demand in the Lockport area is increasing, and hotels are changing their guestroom mix and adding facilities and amenities to cater to this business. Commercial travelers are comprised of corporate business, military and sales personnel. However, government employees are also included in this group. The government business is primarily that of the State of New York with a contribution by national government interests.

Projected Growth Rates Commercial Room Night Demand			
<i>Year</i>	<i>Weekday</i>	<i>Weekend</i>	<i>Annual</i>
2017, 2018	1%	0	1%
2019-2021	1%	0	1%

Source: Interim Hospitality Consultants

Leisure Demand

Leisure travelers represent 50% of demand for lodging accommodations in the competitive market area. This segment is made up of vacationing families, followed by individual senior citizens, amateur athletes, and motor coach tours. The average length of stay was 1.1 days according to information supplied by interviews with local hotels. The following are the projected growth rates for leisure room-night demand for the years 2017 to 2021.

Projected Growth Rates Leisure Room Night Demand			
<i>Year</i>	<i>Weekday</i>	<i>Weekend</i>	<i>Annual</i>
2017, 2018	0%	1%	1%
2019-2021	0%	1%	1%

Source: Interim Hospitality Consultants

Proposed Hotel Base Year

As of the date of this Study, December, 2014, it is understood that the property will open in 2016 at the earliest. Therefore, the first full base year of the hotel will be 2017.

Base Year and Projected Market Demand, Available Rooms and Occupancy					
<i>Year</i>	<i>Leisure 50%</i>	<i>Commercial 50%</i>	<i>Total Guestroom Nights Occupied 100%</i>	<i>Annual Available Rooms-A</i>	<i>Market Set Occupancy-B</i>
2017	4,380	4,380	8,760	14,600	60.0%
2018	4,599	4,599	9,198	14,600	63.0%
2019	4,745	4,745	9,490	14,600	65.0%
2020	4,978	4,978	9,955	14,640	68.0%
2021	5,110	5,110	10,220	14,600	70.0%

Source: Interim Hospitality Consultants

Annual Available Rooms

Comfort Inn	50
Best Western Plus	95
Subtotal Rooms:	145

Subject: The Inn at the Locks Ascend Collection

	<u>40</u>
Total Rooms	185

<i>Projected Annual Growth Rate</i>	<u><i>2017-2018</i></u>	<u><i>2019-2021</i></u>
Commercial Room Demand	1.0%	1.0%
Leisure Room Demand	<u>1.0%</u>	<u>1.0%</u>
Annual Total Projected Growth Rate	2.0%	2.0%

Summary

As the City of Lockport does not have a first class hotel, the following hotels were combined to report their historical Occupancy and Average Daily Rate from January 2008 through October 2014.

<i>Hotel</i>	<i>City</i>	<i>Franchise Date</i>	<i>Date Opened</i>	<i>Number of Rooms</i>
Comfort Inn Buffalo	Lockport, NY	Oct 1989	Oct 1989	50
Best Western Plus Lockport Hotel	Lockport, NY	Jul 2013	Jun 1971	95
Hampton Inn Buffalo Wiliamsville	Williamsville, NY	Jul 2002	Jul 2002	80
DoubleTree Buffalo Amherst	Amherst, NY	Jun 2012	May 1987	187
Comfort Inn University Amherst	Amherst, NY	Mar 2005	Jan 1986	102
Candlewood Suites Buffalo Amherst	Amherst, NY	Jun 2009	Jun 2009	76
Staybridge Suites Buffalo Amherst	Amherst, NY	Nov 2013	Nov 2013	102
Holiday Inn Buffalo Amherst	Amherst, NY	Apr 1967	Apr 1967	199
Total				891

Source: Smith Travel Research, Hendersonville, Tennessee

Market Trend Lockport, New York Competitive Market Set		
Year	Occupancy	Average Daily Rate
2008	59.3%	\$103.95
2009	55.5%	\$ 95.90
2010	60.7%	\$ 90.12
2011	64.2%	\$ 94.17
2012	69.3%	\$ 94.08
2013	66.5%	\$100.12
2014*	64.0%	\$100.00

Source: Smith Travel Research, Hendersonville, Tennessee

*By factoring the 2013 November and December actual data, an occupancy of 64% for 2014 is projected at an Average Daily Rate of \$100.00.

This represents the past three years' Average Occupancy of 66.7% at \$98.67 ADR for the Lockport hotel market.

The uniqueness of the upscale boutique hotel will have a marketing draw from Toronto, Canada to Syracuse, New York, to Pittsburgh, Pennsylvania to Cleveland, Ohio and all points within.

PROPOSED FACILITIES AND SERVICES

Based on the demand for lodging accommodations in the competitive market area of the proposed hotel, and the review of the pertinent characteristics of area visitors, the following general comments regarding the nature and scope of the facilities and services to be provided by the proposed hotel are presented.

Site Plan

The Market Research for this Feasibility Study has revealed that there is sufficient demand for a 40-room upscale, full-service hotel. The Market Research has selected the Inn at the Locks by the Ascend Collection, of Choice Hotels International. Other “soft” franchise firms include:

- Autograph by Marriott
- Curio by Hilton
- Premier Collection by Best Western
- RL Hotels by Red Lion

Site Plan

The 40-room Inn at the Locks to be located at 57 Richmond Avenue in Lockport, New York, will be oriented to provide ease of guest usage and feature a 40-person Meeting Room, an indoor swimming pool along with a Sun Deck, and an evening fire pit.

The existing building is a three story structure, with a partial basement. Plans call for utilization of the basement and the addition of two stories to present five-story boutique hotel.

The west side of the building will provide a motor entrance with a one-lane porte-cochère. The east side of the building, adjacent to a city park with a gazebo will have a street level dining patio designed to provide access to the park.

The north side of the property is the parking lot. The south side is the Erie Canal locks.

Hotel Features

- **Elevator.** A new elevator from the basement to the fifth floor is required.
- **Basement on lower level.** The basement is under the oldest part of the structure on the west side. Adjacent space seems to be available for the hotel housekeeping department, laundry drop from each floor, and building maintenance shop.
- **Ground Floor.** The ground floor will feature:
 1. Hotel Lobby
 2. Guest Registration at two office desks
 3. Lobby Bar
 4. Hotel Restaurant, open to the east side park
 5. 40-person Meeting Room
 6. Administrative offices
 7. Hotel kitchen
 8. The hotel “back door” is to the north parking lot
- **Second, Third and Fourth Floors**
Architectural Resources of Buffalo, New York, has proposed twelve rooms on each floor, of adequate size for:
 - 6 Queen bedrooms
 - 1 Queen/Queen Bedroom
 - 5 King bedrooms

The guest room layout of a typical transient hotel. Possible consideration should be given to update the design to eliminate the bathtub/shower in lieu of walk-in dual showers for two, added bath vanity counter space, hospitality center of refrigerator/freezer, microwave and coffee maker. In essence, design the guest rooms to emulate Curio by Hilton, Even by IHG, or Edition by Marriott.

A guest lobby is illustrated on each floor, which is an excellent space for a Guest Library, Billiards Room, or Business Center on the three floors.

- **Fifth Floor, Roof Top**

The top floor will feature four king bedrooms/sofa parlor Executive Suites.

An Aquatic Center of indoor pool, fitness center and sauna, all open to a rooftop sun deck and evening fire pit facing to the southwest to feature the sunset.

Room Mix

The Market Research for this Study revealed that 50% of the market is the commercial guest and 50% is leisure, as discussed in the Supply and Demand Section of this study.

Inn at the Locks by the Ascend Collection Lockport, New York Proposed Room Mix	
18	Queen Room
3	Queen/Queen Room
15	King Room
4	King Sofa Suite
40	Total Rooms

Source: Interim Hospitality Consultants

Ascend Collection Hotel Membership

The Ascend Collection program, as with all “soft” hotel brands, is not a traditional franchise concept. Ascend Collection is an upscale membership program that enables the individual hotel to retain its own name and signage, while utilizing the specific Choice Hotels resources which work best for the Inn at The Locks in Lockport, New York.

The Ascend Collection Unique product class is a collection of properties which are as diverse as the collection itself. These upscale niche hotels are found in all markets from

urban centers to small towns, and resort locations. They offer themed experiences (i.e., water park, log cabins, and ski lodge) that permeate through the entire property and includes themed-styled amenities with energetic guest service.

The guest room FF&E packages are styled consistently with the themed experience with case goods and complete décor. The common area spaces reflect the local area and property's identity, which includes design elements that are representative of this local feel.

In addition to existing properties with significant local brand equity, there can be new construction properties in this class. These properties must have created their own brand identity and local marketing plans, such as the Inn at the Locks in Lockport, New York.

Summary

The Market Research for this Feasibility Study has revealed that there is sufficient demand for a 40-room upscale, full-service hotel. The Market Research has selected the Inn at the Locks by the Ascend Collection, of Choice Hotels International. Other “soft” franchise firms include:

- Autograph by Marriott
- Curio by Hilton
- Premier Collection by Best Western
- RL Hotels by Red Lion

Site Plan

The 40-room Inn at the Locks to be located at 57 Richmond Avenue in Lockport, New York, will be oriented to provide ease of guest usage and feature a 40-person Meeting Room, an indoor swimming pool along with a Sun Deck, and an evening fire pit.

The existing building is a three story structure, with a partial basement. Plans call for utilization of the basement and the addition of two stories to present five-story boutique hotel.

The west side of the building will provide a motor entrance with a one-lane porte-cochère. The east side of the building, adjacent to a city park with a gazebo will have a street level dining patio designed to provide access to the park.

The north side of the property is the parking lot. The south side is the Erie Canal locks.

Hotel Features

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15	King Room
4	King Sofa Suite
40	Total Rooms

Source: Interim Hospitality Consultants

Ascend Collection Hotel Membership

The Ascend Collection program is not a traditional franchise concept. Ascend Collection is an upscale membership program that enables the individual hotel to retain its own name and signage, while utilizing the specific Choice Hotels resources which work best for the Inn at the Locks.

The Ascend Collection Unique product class is a collection of properties which are as diverse as the collection itself. These upscale niche hotels are found in all markets from urban centers to small towns, and resort locations. They offer themed experiences (i.e., water park, log cabins, and ski lodge) that permeate through the entire property and includes themed-styled amenities with energetic guest service.

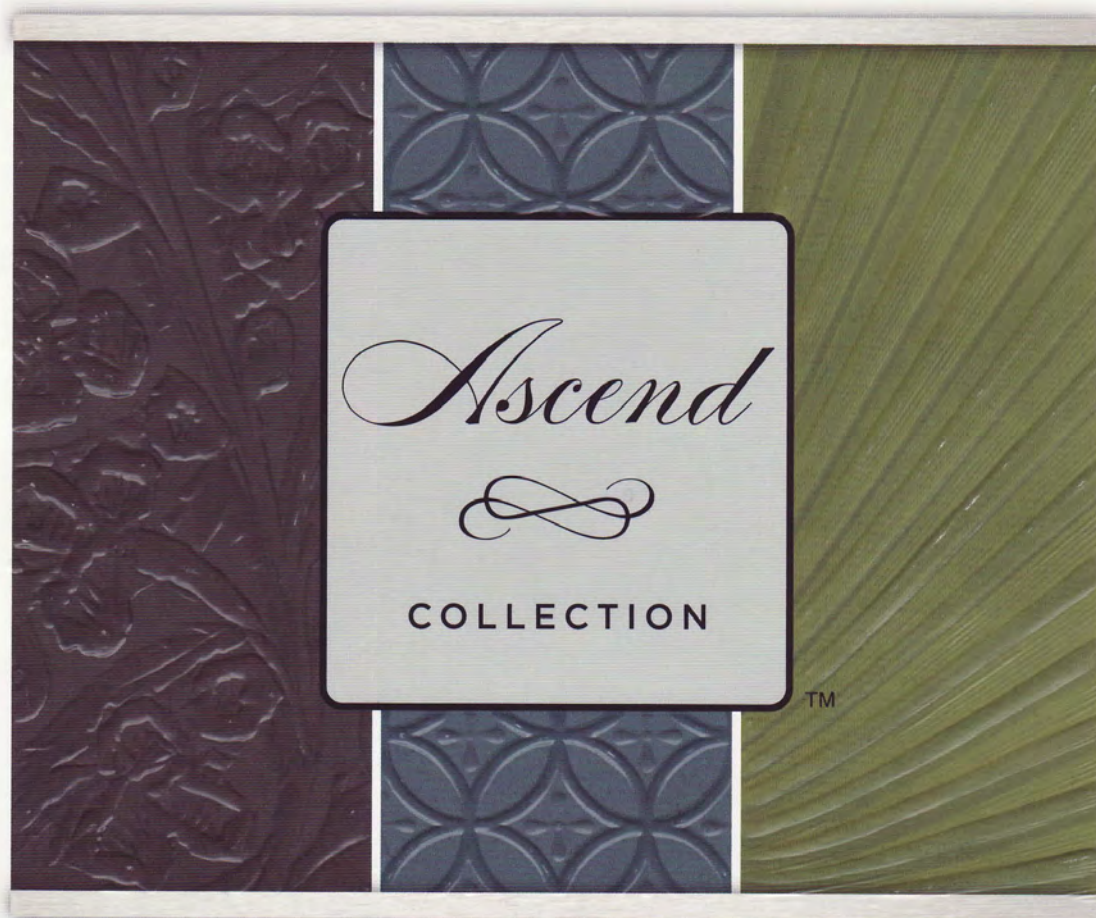
The guest room FF&E packages are styled consistently with the themed experience with case goods and complete décor. The common area spaces reflect the local area and property's identity, which includes design elements that are representative of this local feel.

In addition to existing properties with significant local brand equity, there can be new construction properties in this class. These properties must have created their own brand identity and local marketing plans, such as the Inn at the Locks in Lockport, New York.

Inn at the Locks by the Ascend Collection Hotel Information

The following pages illustrate the hotel prototype of lobby, administration, housekeeping, guest rooms, meeting room, and amenities in the proposed hotel as well as information about the Inn at the Locks by the Ascend Collection Hotel. Additional information from the franchisor is presented in their literature found in the Conclusions Section of this Study.

*Receive Global Presence
Without Giving Up Your Identity*



A COLLECTION OF HISTORIC, BOUTIQUE AND UNIQUE HOTELS



HISTORIC



BOUTIQUE




UNIQUE



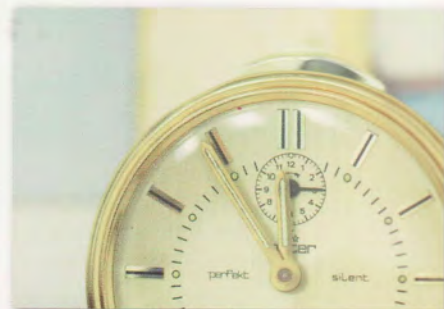


Introducing Ascend Collection



The Ascend Collection™ program is not a traditional franchise concept. Ascend Collection is an upscale membership program that enables you to keep your own name and signage, while utilizing the specific Choice Hotels® resources that work best for your individual needs.

This innovative program works in conjunction with your sterling reputation. It connects your hotel to one of the most powerful reservations systems in the lodging industry. It is the best of both worlds: a global presence with your local identity.



Ascend
COLLECTION™

Your Name, Our Support

*T*he Ascend Collection program was designed especially for Historic, Boutique, and Unique properties. It enables your hotel to retain its established local presence, authentic character, consistently superior service, and the very finest amenities. Maintain the satisfaction of your own established identity. Let us work with your hotel to make the most of its potential.

WORLDWIDE RESERVATIONS SYSTEM

Your property will be seamlessly connected to the Global Distribution Systems of Choice Hotels. Each Ascend Collection hotel will be recognized as part of a special upscale membership program designed for selective upscale travelers.

CHOICE PRIVILEGES® REWARDS PROGRAM

Choice Hotels delivers one of the fastest growing loyalty programs with over 7 million members worldwide. Ascend Collection guests can earn points that are redeemable at over 5,500 Choice locations. Ascend Collection reward night levels are set in accordance with the upscale value of these hotels.

HIGHER VISIBILITY WITH TOP THIRD-PARTY WEBSITES

Each Ascend Collection hotel will be automatically distributed to third party websites like Travelocity, Expedia, Orbitz, and more. Also, participate in the Preferred Third Party Website Program and give your hotel the opportunity to improve operations, cost efficiency, and increase flexibility.



PREFERRED STATUS WITH THE MOST INFLUENTIAL TRAVEL AGENCIES

Travel agents continue to be a major force in travel distribution, accounting for over one-third of total travel sales in the U.S. Ascend Collection hotels benefit from preferred relationships with multinational travel management companies like American Express, Carlson Wagonlit Travel, and more.

CUSTOMIZED SERVICES PLATFORM

We understand that your needs differ greatly from the traditional franchise. That is why Ascend Collection will feature a unique approach and targeted service delivery, offering multi-faceted operations services.

Distinctive properties must be carefully selected. It starts with a customized application process that will give special attention to the unique requirements of the membership program. Then a dedicated vice president of operations will manage service delivery to help ensure the quality of the properties entering the Ascend Collection program, as well as the success of current member hotels.



Ascend
COLLECTION™

MEMBER BENEFITS

DISTINCTIVE IDENTITY

Your property name on our global distribution platform, all focused on your ROI.

CONNECT TO A GLOBAL DISTRIBUTION SYSTEM

Choice Hotels central reservations system booked over \$2 billion in gross room revenue in 2007.

RESERVATIONS CONTRIBUTION

Representing an average of 39.4% of gross room revenue*.

ASCENDCOLLECTION.COM

Features the program's consumer positioning, your property photos, and more.

DEDICATED REVENUE MANAGER

Assists properties with high GIS scores and help increase revenue.

PROMOTED ON CHOICEHOTELS.COM

ASCEND COLLECTION-SPECIFIC TOLL-FREE NUMBERS

Linked to Choice's national call centers.

ENHANCED SERVICES

Webinars will be held for Ascend Collection hotel owners to receive relevant information, such as Smith Travel Research updates and full service and select service hotel trends.

SHARE SUCCESSES AND CHALLENGES

Meet Ascend Collection hotel owners at the Ascend Collection Annual Meeting and Choice Hotels Annual Convention.

*Source: Since this is a new concept, the reservations contribution is based on the contribution for CLARION COLLECTION, which was our former concept most similar to the ASCEND COLLECTION membership program. Reservations for Ascend Collection will vary. For additional information, see Item 19 in the May 1, 2008, Ascend Collection FDD.



UNIQUE



UNIQUE



Norfolk Lodge & Suites, Norfolk, NE



A Themed Experience.

The Ascend Collection Unique product class is a collection of properties that are as diverse as the collection itself.

These upscale niche hotels are found in all markets from urban centers to small towns, and resort locations. They offer themed experiences, (i.e. water park, log cabins, ski lodge) that permeate through the entire property and includes themed styled amenities with energetic guest service.

The guest room FF&E packages are styled consistently with the themed experience with case goods in remarkable condition. The common area spaces reflect the local area and property's identity, which includes design elements that are representative of this local feel.

In addition to existing properties with significant local brand equity, there can be new construction properties in this class. These properties must have created their own brand identity and local marketing plans.





The Golden Hotel, Golden, CO



The Golden Hotel, Golden, CO



Ascend
COLLECTION®

BOUTIQUE



BOUTIQUE

The Epitome of Modern Sophistication.

The Ascend Collection Boutique product class is a collection of properties that are the epitome of modern sophistication.

These contemporary upscale hotels are found primarily in urban centers. They offer an up-to-date feel with the latest amenities available in the market today with highly consistent guest service.

The guest room FF&E packages are styled in modern motif with case goods in remarkable condition. The common area spaces reflect the local area and property's identity, which includes design elements that are representative of this local feel.

In addition to existing properties with significant local brand equity, there can be new construction properties in this class. These properties must have created their own brand identity with significant local marketing plans.



Porto Vista Hotel & Suites, San Diego, CA



Porto Vista Hotel & Suites, San Diego, CA





GEM Hotel - Chelsea, New York, NY



The Delores, Miami Beach, FL



Wildwood Town Center Hotel, Wildwood, MO

Ascend
COLLECTION®

HISTORIC



HISTORIC

Steeped in Tradition.

The Ascend Collection Historic product class is a collection of properties that are steeped in tradition.

These classic upscale hotels are found in all areas, from urban centers to small towns. They offer a warm, traditional feel with local flare, classic amenities and personalized service.

The guest room FF&E packages are styled in a conservative, traditional nature and, while not necessarily new, are in remarkable condition. The common area spaces reflect the local heritage and property's identity, which includes design elements that are representative of this local feel.

There are no new construction properties in this product class. Properties must have maintained the same local identity for at least the last 10 years, while the hotels themselves must have been open and operating for a period of no less than 50 years.



Hotel Bothwell, Sedalia, MO



The Carriage House Inn, Middletown, RI





The Carriage House Inn, Middletown, RI



Hotel Utica, Utica, New York



The Carriage House Inn, Middletown, RI

Ascend
COLLECTION®

Ascend
COLLECTION®



HISTORIC



BOUTIQUE



UNIQUE



Your name, our global distribution system.

MEMBERSHIP PROGRAM

Receive global presence without giving up your independence.

The Ascend Collection® membership program is not a traditional franchise concept. Designed especially for Historic, Boutique, and Unique properties — independent and unlike any other — your hotel retains its established local presence, authentic character, consistently superior service and the very finest amenities.

Working in conjunction with your sterling reputation, Ascend Collection connects your highly regarded property to our powerful Choice Hotels® worldwide reservations system, which booked over \$2 billion in systemwide gross room revenue in 2008.

The Ascend Collection program enables you to keep your own name and signage, while utilizing the specific resources that work best for your individual needs.

We understand that your needs are different. That is why Ascend Collection will feature a dedicated team with a unique approach and targeted service delivery, offering complete support from a high-touch opening process to multi-faceted services.



Keauhou Beach Resort, Kailua Kona, HI



Keauhou Beach Resort, Kailua Kona, HI

Choice Hotels International® introduces an innovative membership program

MEMBER BENEFITS:

- CONNECT TO OUR GLOBAL DISTRIBUTION SYSTEM — DESIGNED TO HELP YOU MAXIMIZE RATE AND OCCUPANCY YIELDS.
- RESERVATIONS CONTRIBUTION — REPRESENTING AN AVERAGE OF 33% OF GROSS ROOM REVENUE**
- PARTICIPATION IN ONE OF THE FASTEST GROWING LOYALTY PROGRAMS IN THE INDUSTRY, CHOICE PRIVILEGES REWARDS PROGRAM.
- A DISTINCTIVE IDENTITY — YOUR PROPERTY NAME ON OUR GLOBAL DISTRIBUTION PLATFORM, ALL FOCUSED ON YOUR GROSS ROOM REVENUE.
- PROMOTED ON CHOICEHOTELS.COM — ONE OF THE TOP 10 MOST POPULAR U.S. LODGING SITES.**
- ASCENDCOLLECTION.COM — WILL FEATURE THE PROGRAM'S CONSUMER POSITIONING, YOUR PROPERTY PHOTOS, AND MORE!



TM

CHOICEHOTELSFRANCHISE.COM/ASCEND

*Source: Ascend Collection FDD, April 1, 2009.

**Source: Hitwise, the leading online competitive intelligence service. February 2008. Hitwise captures the usage and behavior of 25 million Internet users through relationships with ISPs worldwide and its patented methodology.

CHOICEprivileges®

REWARDS PROGRAM

Choice Privileges® is one of the fastest growing loyalty programs in the industry, with over 7 million members globally, who booked over 13 million room nights in 2008.***

Glenwood Suites, Glenwood Springs, CO

MORE SUPPORT FOR YOUR HOTEL FROM A LARGE AND GROWING FRANCHISOR.

Key Service Identifiers

GLOBAL CHANNEL SUPPORT

Choice booked over \$2 billion in systemwide gross room revenue in 2008 while backing all Choice Hotels properties with powerful marketing support.

- 800.4CHOICE
- choicehotels.com
- Internet Distributors
- Global Distribution System

REVENUE MANAGEMENT

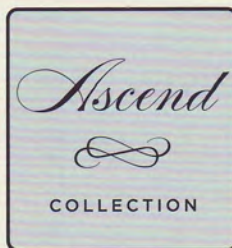
A dedicated Revenue Manager for Ascend Collection will assist properties to achieve high Guest Insight System (GIS) scores and help increase revenue.

ENHANCED SERVICES

Webinars will be held for Ascend Collection hotel owners to receive relevant information, such as Smith Travel Research updates and full service and select service hotel trends. Network, brainstorm, and share successes and challenges with Ascend Collection hotel owners at the Ascend Collection Annual Meeting and Choice Hotels Annual Convention.



The Delores, Miami Beach, FL



TM



74 State,
Albany, NY

Your property will be marketed to Choice Hotels most loyal customers - our **Choice Privileges** members!

Receive exposure in the program's marketing material, communication pieces and website. And participate in the Choice Hotels national promotions that are all driven through the loyalty program infrastructure. Members will earn reward nights and become advocates for your hotel.

Choice Hotels is one of the largest franchise organizations in the world, with over 6,800 properties open and under development worldwide. We have over 65 years of experience in developing services, resources, field support, property management systems and ongoing training that optimize hotel performance.

Let us work with your hotel to make the most of its potential. Enjoy the benefits of membership in a large, thriving family, with industry-leading services and resources—while maintaining the satisfaction of your own established identity.

Fee Structure *

AFFILIATION FEE	\$375 per room, \$30,000 minimum
MEMBERSHIP FEE	4% of the proceeding month's Gross Room Revenues.
SYSTEM FEE	2.5% of the proceeding month's Gross Room Revenues.
OTHER FEES	Please refer to April 1, 2009 Ascend Collection Franchise Disclosure Document.
TERM	The standard term of the agreement is 20 years with mutual termination dates at years 5, 10, and 15 of the original date.

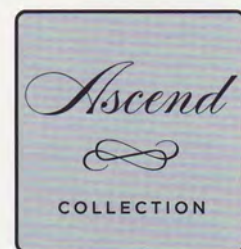


Baechtel Creek Inn & Spa, Willits, CA



Castillo Real, St. Augustine, FL

For more information on how Ascend Collection can help your hotel, contact a Director of Membership Development:



TM

866.395.5578 • CHOICEHOTELSFRANCHISE.COM/ASCEND • FRANCHISE_SALES@CHOICEHOTELS.COM

* Source: Ascend Collection FDD, April 1, 2009.

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Ascend takes Choice Hotels to new heights, urban markets

With the proliferation of soft brands emerging throughout the hotel industry within the last couple of years, the Ascend Hotel Collection® membership program of Choice Hotels International continues to make a name for itself with both developers and consumers. As evidence, the program—which was among the first soft brands in the industry—has already approached the 100-property mark a mere four-and-a-half years after its debut in 2008 and shows no signs of letting up.

“We keep exceeding the numbers we thought we were going to reach. I think it has to do with a real interest in soft branding in the upscale market. In urban markets, there’s so many of these boutique hotels that want to stay independent, but want the reservations of a large brand,” said David Pepper, SVP, Global Development, Choice Hotels International.

The upscale program’s distribution received a healthy boost when the company inked a marketing alliance earlier this year with BlueGreen Vacations and Bluegreen Resorts Management, Inc., subsidiaries of BlueGreen Corporation. The deal, which marks the first time Choice Hotels® has entered into such a relationship with a timeshare company, added 21 BlueGreen Vacation Club Resorts to the membership program. Including the BlueGreen deals, the Ascend Hotel Collection program has signed 28 new deals in the United States, representing another 2,163 rooms, in Q1 2013 that are a great mix of urban and resort locations.

The Ascend Hotel Collection program recently entered Baltimore for the first time with three boutique hotels—The Inn at Henderson’s Wharf, Pier 5, and Admiral Fell Inn—in the waterfront neighborhoods of the Inner Harbor and historic Fells Point. The Ascend Hotel Collection program has also added properties in Napa Valley and Carmel, CA; Sedona, AZ; Los Angeles; and New Orleans. In addition, the membership program has inked deals for properties in such premier markets as Las Vegas, Aruba, Miami, Orlando and Cape Cod.

According to Pepper, having a presence in many of these metropolitan markets is a top priority for the company, as well as a huge opportunity. “People realize that in a lot of these urban and resort markets Choice just doesn’t have a lot of product, but with more than 5,000 hotels [systemwide] we’ve got a lot of eyeballs looking for Choice’s Ascend Hotel Collection membership program,” said Pepper.

The company is working to increase demand by improving consumer awareness of the membership program. According to Michael Murphy, SVP, upscale brands, the Ascend Hotel Collection

program launched a new identity in 2012 with a tagline “let the destination reach you.” The motto is designed to reflect the fact that each property has a one-of-a-kind approach. “They’re looking for a solution that helps maintain the integrity of their independence,” said Murphy, in reference to program members.

In support of the new identity, the company launched a dedicated site within ChoiceHotels.com for the Ascend Hotel Collection. The site has recently been updated to allow individual properties to tell their respective stories. “It allows consumers to sense the unique characteristics of Ascend®. That’s a destination they want to buy versus just another hotel,” said Murphy.

Meanwhile, one of the appeals of the program from a development perspective is the fact that Choice can bring new members on board fairly quickly and affordably, according to Murphy. “We can get new members into the system rapidly, provided they meet our service quality and physical plan standards, due to the fact that we have minimal brand requirements, as each hotel is its own unique brand. We can often sign in and get them into the system within 30 to 45 days,” he said.

Pepper noted that while there is much competition in the soft brand space these days, Ascend is in a unique position. “We’re kind of in the three-and-a-half to four-star range, so we’ve got a nice little niche where we are,” he said, adding the membership program carries an average daily rate of better than \$100.

He noted program members have reinforced that fact in recent conversations. “They’ve told me that while the program has helped them increase occupancy, we’re also delivering at a higher rate than they were averaging,” he said, noting that the owners also expressed “surprise at the amount of services we provide that really help them.”

Those services include a central reservations system, loyalty program, global sales, reports, guest surveys and various cost savings. According to Murphy, the membership program has a 58% reservation contribution including its loyalty program, which is the highest of any Choice Hotels membership program.

Pepper noted some of those other Choice Hotels brands have benefitted from the company’s entrance into the upscale space with Ascend. “There’s a different owner that’s coming into Choice Hotels, more institutional type owners. It’s creating additional opportunities for Cambria Suites® and Comfort Inn® properties, and also introducing Choice Hotels to more upscale guests, ultimately leading to future room nights for our other brands” he said.



The Ascend Hotel Collection membership program includes a wide array of properties, which include (from top to bottom), the Aggie Inn in Davis, CA, the Copperhill Mountain Lodge in Are Bjornen, Sweden, and the Zona Hotel & Suites in Scottsdale, AZ.

How to build a soft brand

November 19 2014

Soft brands are becoming a major force in the hotel industry. Top executives overseeing some of these brands discuss the keys to their future growth.

By Shawn A. Turner

Finance Editor

Shawn@HotelNewsNow.com

REPORT FROM THE U.S.—Soft brands are finding solid footing in the hotel industry.

A spate of soft brands have been introduced in the industry during 2014, highlighted by Hilton Worldwide Holdings' introduction of Curio and Best Western International's launch of BW Premier Collection.

During the company's analyst day in September, Marriott International revealed it has plans to increase the number of Autograph-branded hotels in its portfolio to more than 100 properties by 2017. The company now has more than 60 Autograph properties comprising more than 12,300 rooms.

"There's a lot of excitement and energy around what Autograph can deliver," said Julius Robinson, hired this past summer as the top brand executive for Marriott's Autograph Collection.

"For four years or so to have that type of portfolio, we're pretty excited about it," Robinson said.

Building a soft brand

Hilton's Curio debuted with letters of intent for five hotels. The company wants to get to 250 properties within five years.

Dianna Vaughan, global head of Hilton's Curio brand, said the key to building a strong soft brand portfolio centers around one-of-a-kind experiences.

"Curio hotels each have their own distinctive character that can't be duplicated—and Hilton honors that individuality," she wrote in an email. "Curio collection hotels are part of the fabric of their communities and are true locals that each embodies the spirit of their home."

While travelers want unique experiences, it can prove to be a headache for a franchisor, Robinson said. "They're really like 75 brands," he said of the hotels in the Autograph system.

With that in mind, it's important to ensure guests receive a consistently positive experience during each stay. At Curio, that can include offering complimentary bicycles; a casino-hotel with a multi-level dance club and opulent penthouses; and more.

Another challenge, Vaughan said, is that in the United States there is a limited pool of what Hilton defines as independent hotels from which to choose.

"It is therefore crucial for the brand to find the right partners and select the right hotels, because again, the brand is defined by the hotels, and not vice versa," she said.

One way of getting around that obstacle, Robinson said, is to go the new-build route. Autograph Collection has two new-build hotels scheduled to open outside the U.S. early in 2015. There are between eight and 10 new builds in the pipeline.

"That's something new for us," Robinson said.

Performance issues

Analysts during Choice Hotels International's recent third-quarter conference call raised another potential challenge: performance.

David White, senior VP, CFO and treasurer at Choice, said the company's Ascend Collection saw revenue-per-available-room growth that did not keep up with the company's other brands, which were in the high-single-digit range.

Again, growth could be an issue for Ascend, White said. The brand's system size is up about 15% year over year, and the mix of where those hotels are being added could have impacted RevPAR performance as well as how some of the hotels are ramping up.

HOTEL INDUSTRY SOFT BRANDS

Following is a list of soft brands in the hotel industry and their respective parent companies, where applicable. This is not intended to be a comprehensive list.

- Autograph Collection**
(Marriott International)
- Curio**
(Hilton Worldwide Holdings)
- Ascend Collection**
(Choice Hotels International)
- The Luxury Collection**
(Starwood Hotels & Resorts Worldwide)
- BW Premier Collection**
(Best Western International)
- IBC Hotels**
- InterContinental Alliance Resorts**
(InterContinental Hotels Group)
- Lexington Legacy Hotels**
(Vantage Hospitality)
- Preferred Hotel Group**

"For example, obviously the Ascend hotels that we have in New York City have higher absolute RevPAR levels than the ones we had in markets that are not New York City, not the top lodging market," he said. "So you're really just seeing a mix of geography coming into that brand; ramp up of the brand as it rapidly grows in scale."

| **Leading Hotels of the World**

| **Small Luxury Hotels of the World**

| **Leo**
| (Red Lion Hotels Corporation)

LODGING

THE SOFT SELL

The Independent Hotel's GUIDE TO SOFT BRANDS

BY BRUCE SERLEN & THE LODGING STAFF

With Hilton Worldwide launching the Curio Collection in June and Best Western announcing the BW Premier Collection in October, soft brands once again find themselves in the spotlight. Like others of the genre, Curio and BW Premier target independent hotels. Owners of these properties gain access to the brand companies' sales and marketing platforms, including access to their increasingly powerful loyalty programs, yet stop short of actually having to trade in their independent status and become part of a traditional "hard" brand with its often stringent standards. With a soft brand, owners get to retain their properties' independent standing, especially when they feel there's significant value in their hotels' stand-alone name.

These two new brands join Marriott International's Autograph Collection, Starwood Hotels & Resorts Worldwide's The Luxury Collection, IHG's InterContinental Alliance Resorts, Choice Hotels International's Ascend Hotel Collection, and Vantage Hospitality's Lexington Legacy Hotels. Richard Kessler, one of the first owners to sign up his properties for Autograph Collection, cited "the global exposure and reservations potential" in joining. Hotel companies clearly see an opportunity. In launching Curio, Hilton President and CEO Christopher Nassetta noted "the current size of the independent hotel market and demand for differentiated hotel stays."

In fact, much is made of the individual, authentic nature of these properties,

brand entries doesn't seem to be slowing.

"Creating soft brands has been a way for hotel companies to grow without having to compromise the standards of their traditional brands and at the same time generate additional revenue," says Bjorn Hanson, clinical professor at New York University's Tisch Center for Hospitality, Tourism, and Sports Management. The brand companies are also aware that, despite how deeply they have penetrated the marketplace, there are still some people that prefer to book independent properties. Soft brands are a way of capturing this business.

Yet Curio, Autograph Collection, and their counterparts are only one aspect of the lodging industry's soft brands. While they lack an affiliation with a major, multi-brand company, representation companies like Leading Hotels of the World, Preferred Hotel Group, Small Luxury Hotels of the World, and IBC Hotels also target owners of independent hotels. The number of member properties they represent actually may be significantly higher than the brand companies' collections, and the range of properties equally varied.

Hanson, however, points out one key distinction between the two types of soft brand: The representation companies will accept branded hotels as members. In India, for instance, five of the seven member hotels are branded Taj and are part of Taj Hotels, Resorts, and Palaces. The representation companies, meanwhile, do offer member hotels access to

this point, firms like Leading, Preferred, and Small Luxury work hard to burnish their own images. "Membership is often seen as a kind of *Good Housekeeping* seal of approval," Hanson notes.

For owners, it can be more empowering to retain their independent status and still gain access to the distribution platforms and marketing muscle. "There's a certain freedom and prestige that comes with being independent," Hanson says. Soft brands also don't necessarily discriminate in regard to size. Autograph Collection's portfolio includes both a 15-room hunting lodge and the 3,000-room Cosmopolitan.

Costs to join will vary. Much depends on the particular soft brand and location of the property. Typically, owners can expect an initial application fee, which will include a flat fee plus a charge per room. In some cases, there might be a minimum. There may then be an annual membership fee plus marketing, royalty, and reservations fees. Owners also should keep an eye out for extra charges that might be added on for a higher level of service regarding revenue management or social media support.

A big part of the soft brands' appeal is the lure of the loyalty program, especially if the program is one of the industry's largest. But the appeal works two ways. Before IHG had even officially launched InterContinental Alliance Resorts, Las Vegas Sands Corp. had signed up to join on behalf of its Venetian and Palazzo resorts. At the time, Sands COO Michael Leven spoke of the deal being a win for both parties, given that IHG's millions of loyalty program members now could earn points for their stays. Of course, for IHG the deal made sense on a different level: Those millions of members now would have a pair of luxury resorts where they could redeem their points.

Hanson concludes by noting how consumers' view of traditional brands has changed over the years. "There was a time when these brands' rigorous standards were highly valued by travelers," he says. "But these standards can be a negative today, especially to younger travelers. They still like their frequency points but not the sameness associated with brand standards. Soft brands are a way for a hotel company to have flexibility without sacrificing loyalty."

"Creating soft brands has been a way for hotel companies to grow without having to compromise the standards of their traditional brands and at the same time generate additional revenue."

BJORN HANSON, CLINICAL PROFESSOR, NYU'S TISCH CENTER FOR HOSPITALITY, TOURISM, AND SPORTS MANAGEMENT

which explains the frequent use of the word "collection" to describe them. In rolling out Autograph Collection, Arne Sorenson, then Marriott president and COO, spoke of the "distinct life experiences" these hotels would offer. Similarly, Dianna Vaughan, global head of Curio, described the properties chosen as "embodying the fabric of their local community." And the stream of new soft

electronic booking channels, including mobile apps, sophisticated websites, and reservation centers. In some cases, they even maintain their own loyalty programs, though, granted, they're considerably more modest than, say, Marriott Rewards or SPG.

Whether brand company or representation firm, most of the soft brands focus on high-end independent properties. On



ASCEND HOTEL COLLECTION

Choice Hotels International started the Ascend Hotel Collection six years ago to appeal to owners of upscale hotels that had an independent identity but could still benefit from access to the resources and distribution tools of a major brand company. Today, 125 hotels have signed on worldwide. Ascend properties tend to emphasize authentic, local travel experiences.



AUTOGRAPH COLLECTION

Early this year, Pier South Resort in San Diego and the Hotel Chicago became the latest U.S. properties to join Marriott International's Autograph Collection. The two brought Autograph's portfolio to 60 hotels and resorts worldwide since Marriott launched the soft brand in early 2010. Roughly half the portfolio is in the United States. More expansion is on the horizon.



BW PREMIER COLLECTION

In October, Best Western announced its first soft brand offering, the BW Premier Collection. Hotels within the BW Premier Collection will not be part of the official Best Western membership, but they will be listed and can be booked on the Best Western website. Guests will be able to earn and redeem Best Western Rewards points at all BW Premier Collection hotels.



CURIO—A COLLECTION BY HILTON

Curio—A Collection by Hilton takes its name from the idea of a "museum curator" who curates a selection of distinctive objects. Hilton Worldwide expects to focus on upper-upscale, full-service hotels in locations around the world, the criteria for membership being that each hotel be individual and, therefore, distinctive from one another. To date, two properties have joined, both conversions.



IBC HOTELS

Billed as a "group of independent hotels for the independent-minded traveler," IBC Hotels is a membership association focused primarily on the economy to upper-midscale industry tiers, though there are exceptions, including the five-star Arizona Biltmore Resort. Out of 6,498 hotels worldwide, accounting for 613,700 rooms, 3,100 (and more than 270,000 rooms) are in the United States.



INTERCONTINENTAL ALLIANCE RESORTS

IHG launched InterContinental Alliance Resorts in 2010, when it signed an agreement with the Las Vegas Sands Corp. under which IHG would provide access to its marketing programs and distribution channels to the Sands's two mega-resorts: The Venetian and The Palazzo. Combined, the two properties have close to 7,000 rooms.

GENERAL INFORMATION

- **Brand Launched:** 2008
- **Competitive Set:** Preferred Hotel Group, Small Luxury Hotels
- **Target Customer:** Discerning travelers seeking to connect meaningfully with a culture or community
- **U.S. Properties/**
Number of Rooms: 108/9,447
- **In the Global Pipeline:** 27

- **Brand Launched:** 2010
- **Competitive Set:** Curio, Leading Hotels of the World, The Luxury Collection, Preferred Hotel Group
- **Target Customer:** An individualist who seeks out original experiences that feed an inherent sense of adventure and curiosity
- **U.S. Properties/**
Number of Rooms: 42/7,000
- **In the Global Pipeline:** 49

- **Brand Launched:** 2014
- **Competitive Set:** N/A
- **Target Customer:** Urban and destination markets around the world
- **U.S. Properties/**
Number of Rooms: N/A
- **In the Global Pipeline:** 0

- **Brand Launched:** 2014
- **Competitive Set:** Autograph Collection
- **Target Customer:** Travelers who seek local discovery and authentic experiences
- **U.S. Properties/**
Number of Rooms: 2/1,798
- **In the Global Pipeline:** 6

- **Brand Launched:** 2008
- **Competitive Set:** Best Western, Comfort Suites, Days Inn, Fairfield, Hampton, Holiday Inn, Microtel
- **Target Customer:** Business and family leisure
- **U.S. Properties/**
Number of Rooms: 3,100/270,000+
- **In the Global Pipeline:** Not disclosed

- **Brand Launched:** 1946
- **Competitive Set:** Fairmont, Grand Hyatt, JW Marriott, W Hotels, Westin
- **Target Customer:** Business and leisure travelers
- **U.S. Properties/Number of Rooms:** 51/17,448 (Americas)
- **In the Global Pipeline:** 51

FEES

- **Initial:** \$375/room, \$30,000 minimum
- **Membership:** 4%
- **Marketing and Reservation:** 2.5%

- Application is the greater of \$60,000 or \$200 per key
- **Royalty:** 5% of gross room sales
- **Marketing:** 1.5% of gross room sales

- Commission-based

- **Application:** \$75K + \$400/room (+250 rooms)
- **Royalty:** 5%
- **Program:** 4%
- **Loyalty:** 4.3%
- **PIP:** \$7,500

- 10% only for IBC-generated and consumed reservations

- **Royalty and Marketing:** 7%-9% of GRR plus the application fee of \$500 per guestroom but not less than \$60,000-\$75,000.
(Note: InterContinental Alliance Resorts falls under the InterContinental Hotels & Resorts umbrella. Chart info refers to InterContinental Hotels & Resorts.)



LEADING HOTELS OF THE WORLD

In business since 1928, Leading Hotels of the World today represents more than 430 luxury hotels of which 36 are in the United States. The U.S. roster ranges from the Hotel Granduca in Houston to the Hutton Hotel in Nashville, Tenn. A recent addition to the U.S. portfolio is the new Knickerbocker in New York. Two categories of Leaders Club membership (for which travelers pay an annual fee) provide a range of benefits from airport transfers to room upgrades.



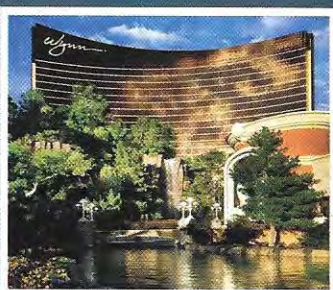
LEXINGTON LEGACY HOTELS

Vantage Hospitality established Lexington Legacy Hotels and its sister Lexington Legacy Inns as extensions of its Lexington Hotels brand. Non-branded hotels and inns interested in maintaining their independent status are invited to join. In return, they will have access to Vantage's distribution and reservations resources. Lexington Legacy Hotels's U.S. portfolio includes D Las Vegas Casino Hotel and Lions Gate Hotel & Conference Center in Sacramento, Calif.



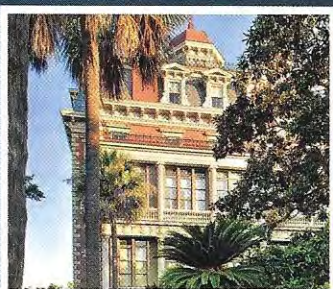
THE LUXURY COLLECTION HOTELS & RESORTS

When the Excelsior Hotel Gallia in Milan joins The Luxury Collection this fall, it will take its place beside high-end properties in Odessa, Ukraine; Gurgaon, India; and Hangzhou, China, among other recent additions to the Starwood Hotels & Resorts Worldwide soft brand. Dating back to 1906, when it was founded as part of the Italy-based CIGA brand, The Luxury Collection today counts 85 properties in its portfolio, representing 30 countries.



PREFERRED HOTEL GROUP

The Preferred Hotel Group provides marketing and distribution support to more than 650 luxury hotels and resorts in roughly 85 countries. The company is composed of six related business units, the most prominent being Preferred Hotels & Resorts. One unit, for example, specializes in boutique properties. In the United States, the portfolio ranges from The Montage Beverly Hills to The Sherry Netherland in New York.



SMALL LUXURY HOTELS OF THE WORLD

Celebrating its 25th anniversary next year, Small Luxury Hotels of the World represents 520 hotels worldwide in more than 80 countries. The portfolio, which targets affluent travelers, ranges from hotels and resorts to country houses. SLH's Club program has more than 350,000 consumers signed up, the majority in the desirable 35-to-54-year-old demographic. In the United States, SLH counts 29 hotels as members.

GENERAL INFORMATION

- **Brand Launched:** 1928
- **Competitive Set:** Preferred Hotel Group, Small Luxury, Relais & Châteaux
- **Target Customer:** Frequent international luxury travelers and rising luxury travel
- **U.S. Properties/** Number of Rooms: 36/9,229
- **In the Global Pipeline:** 0

- **Brand Launched:** 2013
- **Competitive Set:** Ascend
- **Target Customer:** Leisure, business, and group travelers
- **U.S. Properties/** Number of Rooms: 2/760
- **In the Global Pipeline:** 5

- **Brand Launched:** 1906
- **Competitive Set:** Autograph Collection, InterContinental, Waldorf Astoria
- **Target Customer:** Discerning adventurers, affluent global travelers
- **U.S. Properties/** Number of Rooms: 13/3,948
- **In the Global Pipeline:** Not disclosed

- **Brand Launched:** 1968
- **Competitive Set:** Autograph Collection, Curio, Leading Hotels of the World, The Luxury Collection, Small Luxury Hotels, Worldhotels
- **Target Customer:** Transient leisure, corporate individual, association, and group segments who seek a one-of-a-kind hotel experience that delivers the authenticity of a destination
- **U.S. Properties/** Number of Rooms: 213/49,663
- **In the Global Pipeline:** 41

- **Brand Launched:** 1990
- **Competitive Set:** Design, Leading Hotels of the World, Preferred Hotel Group, Relais & Châteaux
- **Target Customer:** Affluent luxury travelers
- **U.S. Properties/** Number of Rooms: 29/2,012
- **In the Global Pipeline:** 50-60

FEES

- Not disclosed

- **Application:** \$3,000
- **Initial:** \$27,000 + \$200/room over 80 rooms
- **Monthly Royalty:** \$35/room or 4% gross revenue; \$2,800 minimum
- **Monthly Marketing:** \$20/room; \$1,600 minimum

- **Initial:** \$85,000
- **Royalty:** 5% of GRR
- **Marketing:** 1% of GRR (capped at \$450K)

- Predominantly a pay-for-performance structure. Approximation:
- **Application:** \$100-\$150 per room
- **Royalty (annual):** \$150-\$350 per room
- **Marketing (annual):** \$10,000-\$20,000
- **Percentage of GRR:** 1.5% to 2.5%

- **Initial:** \$24,150
 - **First 20 Rooms:** \$22,339; each additional room: \$274 (up to 150 guestrooms)
 - **GDS Transactions:** 6% plus \$3.54 transaction fee
 - **Internet Transactions Via Travel Agency:** 6% plus \$3.54 transaction fee
 - **All Other Direct Internet Transactions:** 10%
- Contact SLH (www.slh.com) for additional fees.

Environmental Concerns

Information from the U.S. Green Building Council (USGBC) is presented at the end of this Section F. The information is provided as a base to assist in the development of a “Green” development/building project.

Leadership in Energy and Environmental Design (LEED®®) Green Building Rating System

Welcome to USGBC

The U.S. Green Building Council is a 501(c)(3) nonprofit community of leaders working to make Green Buildings available to everyone within a generation.

The U.S. Green Building Council (USGBC) is a Washington, D.C. –based 501(c)(3) nonprofit organization committed to a prosperous and sustainable future for our nation through cost-efficient and energy-saving Green Buildings. USGBC works toward its mission of market transformation through its LEED® Green Building certification program, robust educational offerings, a nationwide network of chapters and affiliates, the annual Greenbuild International Conference & Expo, and advocacy in support of public policy that encourages and enables Green Buildings and communities.

The LEED® Green Building certification program is a voluntary, consensus-based national rating system for buildings designed, constructed and operated for improved environmental and human health performance. LEED® addresses all building types and emphasizes state-of-the-art strategies in five areas sustainable site development, water savings, energy efficiency, materials and resources selection, and indoor environmental quality.

LEED® Rating Systems

What is LEED®?

The Leadership in Energy and Environmental Design (LEED®) Green Building Rating System™ encourages and accelerates global adoption of sustainable Green Building and development practices through the creation and implementation of universally understood and accepted tools and performance criteria.

LEED® is a third-party certification program and the nationally accepted benchmark for the design, construction and operation of high performance Green Buildings. LEED® gives building owners and operators the tools they need to have an immediate and

measurable impact on their buildings' performance. LEED® promotes a whole-building approach to sustainability by recognizing performance in five key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality.

Who uses LEED®?

Architects, real estate professionals, facility managers, engineers, interior designers, landscape architects, construction managers, lenders and government officials all use LEED® to help transform the built environment to sustainability. State and local governments across the country are adopting LEED® for public-owned and public-funded buildings; there are LEED® initiatives in federal agencies, including the Departments of Defense, Agriculture, Energy, and State; and LEED® projects are in progress in 41 different countries, including Canada, Brazil, Mexico and India.

How is LEED® Developed?

LEED® Rating Systems are developed through an open, consensus-based process led by LEED® communities. Each volunteer committee is composed of a diverse group of practitioners and experts representing a cross-section of the building and construction industry. The key elements of USGBC's consensus process include a balanced and transparent committee structure, technical advisory groups that ensure scientific consistency and rigor, opportunities for stakeholder comment and review, member ballot of new rating systems, and a fair and open appeals process.

LEED® Version 3

The LEED® Green Building certification program's greatest strength lies in its consensus-based, transparent, ongoing development cycle. The next version of LEED® is here! On April 27, 2009, USGBC launched LEED® v3. The ability to be flexible allows LEED® to evolve, taking advantage of new technologies and advances in building science while prioritizing energy efficiency and CO₂ emissions reductions.

Project Certification

As part of the newly launched LEED® v3, the Green Building Certification Institute (GBCI) has assumed administration of LEED® certification for all commercial and institutional projects registered under any LEED® Rating System.

LEED® certification provides independent, third-party verification that a building project meets the highest Green building and performance measures. Sustainable building strategies should be considered early in the development cycle. An integrated project team will include the major stakeholders of the project such as the developer/owner, architect, engineer, landscape architect, contractor, and asset and property management staff. Implementing an integrated, systems-oriented approach to Green project design,

development and operations can yield synergies and improve the overall performance of a building. Initial LEED® assessment will bring the project team together to evaluate and articulate the project's goals and the certification level sought.

There are both environmental and financial benefits to earning LEED® certification.

LEED®-certified buildings are designed to:

- Lower operating costs and increase asset value.
- Reduce waste sent to landfills.
- Conserve energy and water.
- Be more healthful and safer for occupants.
- Reduce harmful greenhouse gas emissions.
- Qualify for tax rebates, zoning allowances and other incentives in hundreds of cities.
- Demonstrate an owner's commitment to environmental stewardship and social responsibility.

Eligibility

Commercial buildings as defined by standard building codes are eligible for certification under the LEED® for New Construction, LEED® for Existing Buildings, LEED® for Commercial Interiors, LEED® for Retail, LEED® for Schools, and LEED® for Core & Shell rating systems. Building types include – but are not limited to – offices, retail and service establishments, institutional buildings (e.g., libraries, museums and religious institutions), hotels and residential buildings of four or more habitable stories.

Green Building Research

The built environment has a profound impact on our natural environment, economy, health, and productivity.

In the United States alone, buildings account for:

- 72% of electricity consumption,
- 39% of energy use,
- 38% of all carbon dioxide (CO₂) emissions,
- 40% of raw materials use,
- 30% of waste output (136 million tons annually), and
- 14% of potable water consumption.

Benefits of Green Building

Environmental benefits:

- Enhance and protect ecosystems and biodiversity.
- Improve air and water quality.
- Reduce solid waste.
- Conserve natural resources.

Economic Benefits:

- Reduce operating costs.
- Enhance asset value and profits.
- Improve employee productivity and satisfaction.
- Optimize life-cycle economic performance.

Health and community benefits:

- Improve air, thermal, and acoustic environments.
- Enhance occupant comfort and health.
- Minimize strain on local infrastructure.
- Contribute to overall quality of life.

Rankings of Completed Projects

Under LEED® there are 100 possible Base Points distributed across six credit categories:

- Sustainable Sites.
- Water Efficiency.
- Energy and Atmosphere.
- Materials and Resources.
- Indoor Environmental Quality.
- Innovation in Design.

An additional four points may be received for Regional Priority Credits and six points for Innovation in Design.

Total points buildings can qualify for four levels of certification:

- | | |
|--------------------|--------------|
| A. LEED® Platinum | 80 and above |
| B. LEED® Gold | 60 and above |
| C. LEED® Silver | 50 and above |
| D. LEED® Certified | 40 and above |

PROJECTED UTILIZATION OF THE PROPOSED HOTEL

The supply and demand analysis included general overviews of the Lockport, New York, market area, a detailed analysis of the properties projected to provide competition to the proposed hotel, a discussion of the characteristics of room-night demand, and projections of future room supply and demand within the competitive environment. In this section, the information which has been presented in the preceding chapters is synthesized to project the utilization of the proposed hotel.

Projected Market Penetration and Occupancy

Market Penetration.

The potential occupancy of the proposed hotel has been evaluated in terms of its “Fair Share” of market demand. Fair share is the number of rooms in the proposed hotel as a percentage of the total market area supply. There are presently no hotels which would compete with the proposed hotel. The number of units in the proposed hotel, the projected market area available rooms per day, and the resulting fair share percentage for the period 2017 through 2021 are listed below:

Fair Share of the Proposed Inn at the Locks by the Ascend Collection 2017 – 2021			
<i>Year</i>	<i>Number of Rooms in Proposed Hotel</i>	<i>Projected Market Area Supply of Rooms</i>	<i>Projected Fair Share of Proposed Hotel</i>
2017	40	40	100.0%
2018	40	40	100.0%
2019	40	40	100.0%
2020	40	40	100.0%
2021	40	40	100.0%

Source: Interim Hospitality Consultants

Induced Room Demand represents hotel guests who are attracted to the Market Area due to new attractions or the specific hotel new amenities not found in the competitive hotels in Lockport, New York.

Assuming that each competitive property, including the proposed hotel, were to receive only its fair share of the market demand from 2017 through 2021, each would achieve projected occupancies ranging from 60.0% in 2017 to 70.0% in 2021, the projected market set occupancy, during the projection period.

To further refine the analysis and to take into account the qualitative factors affecting the occupancy of a lodging facility, the proposed hotel's competitive position was evaluated by an analysis that relates the most important factors which influence a potential guest's choice of lodging facilities. Such a comparison of the hotel's advantages and disadvantages indicates the degree to which a hotel could penetrate a given market relative to its fair share. Market penetration (percent of fair share) is the percentage of demand actually accruing to a hotel, calculated as the ratio between the number of rooms occupied in the property and the fair share of occupied rooms attributable to that property. The proposed hotel must capture a portion of both (1) current room-night demand, and (2) growth in demand for overnight accommodations, to obtain the projected occupancy levels.

In this instance, the proposed property should have a number of competitive advantages. Its competitors may be considered less desirable by potential market users due to the lack of certain characteristics which will be unique to the proposed facility. The following factors and assumptions are major considerations in determining the penetration potential of the proposed hotel relative to its competitors:

1. *Location:* At 57 Richmond Avenue, Lockport, New York.

2. *Accessibility and Visibility:* Extremely good accessibility coupled with excellent street corner visibility.
3. *Market Orientation:* The proposed hotel would be directly positioned to the commercial guest in addition to the leisure market segment.
4. *Room Mix:*

Inn at the Locks by the Ascend Collection Lockport, New York Proposed Room Mix	
18	Queen Room
3	Queen/Queen Room
15	King Room
4	King Sofa Suite
40	Total Rooms

Source: Interim Hospitality Consultants

Included in the room mix will be an appropriate number of rooms with full access for the physically challenged.

5. *Room Amenities:* Oversized beds with plush duvet covers and triple sheets, spacious work desk, ergonomic chair, two telephones with voice mail and data port, complimentary wireless and wired Internet access, plus hospitality center with a microwave oven, refrigerator/freezer, coffee maker with complimentary coffee and tea refreshed daily.
6. *Hotel Amenities:* Meeting space to accommodate small to mid-sized groups, a complimentary 24-hour business center, 24-hour fitness room, roof top Aquatic Center with swimming pool, whirlpool, dry sauna, and sun deck with fire pit.
7. *Full service Restaurant, Lounge, and 40-person Meeting Room.*
8. *Newness:* The project will be the newest hotel in the competitive supply, thereby offering more appeal to the proposed property.
9. *National Franchise:* The facility will gain instant name recognition and set itself apart from other competitive hotels when it positions itself in the upscale, full-service boutique hotel market.
10. *Hotel Management:* The facility will be professionally managed and aggressively marketed.

While the foregoing is primarily a qualitative analysis, it represents a fair approximation of the projected market situation based on the fieldwork.

The proposed hotel's market penetration and underlying assumptions are summarized as follows:

1. *Leisure:* Due to the hotel being marketed as the number-one quality product in the upscale, full service boutique hotel classification, the hotel's projected penetration of fair market share will be 100.0% over the five-year projection period.
2. *Commercial:* The fair market share of commercial business is projected to be 100.0%. This can be achieved with a professional sales marketing effort. If for any reason the tourist business declines through seasonality or energy shortages, state and local commercial solicitation must be made to offset the decline.
3. *Occupancy:* The projected occupancy should be attainable if the property is built as described, professionally operated in all facets, and business of the area continues to be positive. In years 3 to 5, additional competition may materialize to substantially reduce the projections.

Market Penetration is the percentage of demand for rooms projected for the proposed Inn at the Locks by the Ascend Collection. It is calculated as the ratio between the number of rooms projected to be occupied at the proposed hotel against the Fair Share of occupied rooms attributed to the hotel's Market Set.

To calculate Market Penetration, information from the Supply and Demand Analysis Section of this Study indicates:

Step One:

- | | | |
|----|--|--------|
| a. | Total of year round Hotel Market Set of Rooms | 40 |
| b. | Times estimated average occupancy | 60.0% |
| c. | Times days in year | 365 |
| d. | Equals total Guest Room Nights | 8,784 |
| e. | Times Inn at the Locks by the Ascend Collection
Fair Share | 100.0% |
| f. | Equals the Goal of Guest Room Nights the
Inn at the Locks by the Ascend Collection must achieve | 8,784 |

Step Two:

- a. Convert the projected Inn at the Locks by the Ascend Collection 2017 occupancy of 60% into Occupied Guest Room Nights 8,784
- b. Divided by the Goal of 8,784
- c. Equals the Inn at the Locks by the Ascend Collection Market Penetration 100.0%

Market Penetration must be at least 100% to be equal with the hotel's Market Set of competitors. The higher the total is over 100, the stronger the leadership of the hotel. If the Market Penetration is under 100, then something is wrong in the hotel's image, features, or marketing, and must be corrected.

Future Years Market Penetration			
2018	2019	2020	2021
100.0%	100.0%	100.0%	100.0%

Consecutive Market Penetration for future years with no addition to the Market Set and prior to operations success.

Projected 40-Room Inn at the Locks by the Ascend Collection Projected Market Penetration, Room-Night Demand and Occupancy						
		2017	2018	2019	2020	2021
Projected Room Demand						
Leisure	50.0%	4,380	4,599	4,745	4,978	5,110
Commercial	50.0%	4,380	4,599	4,745	4,978	5,110
Total Demand	100.0%	8,760	9,198	9,490	9,955	10,220
Fair Share Ratio		100.0%	100.0%	100.0%	100.0%	100.0%
Projected Penetration as a Percentage of Fair Market Share						
		100.0%	100.0%	100.0%	100.0%	100.0%
Projected Market Penetration						
Leisure	50.0%	4,392	4,599	4,745	4,978	5,110
Commercial	50.0%	4,392	4,599	4,745	4,978	5,110
Total Market Penetration	100.0%	8,784	9,198	9,490	9,955	10,220
Available Rooms at the Proposed Hotel						
	40	14,640	14,600	14,500	14,640	14,600
Projected Occupancy		60.0%	63.0%	65.0%	68.0%	70.0%

Source: Interim Hospitality Consultants

Note: Totals may not foot due to rounding.

Inn at the Locks by the Ascend Collection Lockport, New York Optimum Proforma Year One						
		<i>Summer</i>	<i>Peak</i>	<i>Shoulder</i>	<i>Balance of Year</i>	<i>2017</i>
<i>Months</i>		<i>6, 7, 8</i>	<i>5, 9</i>	<i>3, 4, 10</i>	<i>1, 2, 11, 12</i>	
<i>Days</i>		<i>92</i>	<i>61</i>	<i>92</i>	<i>213</i>	<i>458</i>
<i>Room Mix</i>	<i># Rooms</i>					
Queen Room	18	200.00	150.00	125.00	100.00	
Queen/Queen Room	3	225.00	175.00	150.00	125.00	
King Room	15	250.00	200.00	175.00	150.00	
King Sofa Suite	4	275.00	250.00	225.00	200.00	
Total Rooms:	40					
Optimum Revenue						
Queen Room	18	331,200	164,700	207,000	383,400	1,086,300
Queen/Queen Room	3	62,100	32,025	41,400	79,875	215,400
King Room	15	345,000	183,000	241,500	479,250	1,248,750
King Sofa Suite	4	101,200	61,000	82,800	170,400	415,400
Total Optimum Revenue	40	839,500	440,725	572,700	1,112,925	2,965,850
Seasonal Occupancy		90.0%	80.0%	65.0%	40.0%	60.4%
Optimum Guest Room Nights		3,680	2,440	3,680	8,520	18,320
Seasonal Guest Room Nights		3,312	1,952	2,392	3,408	11,064
Seasonal Revenue		755,550	352,580	372,255	445,170	1,925,555
Seasonal Average Daily Rate		228.13	180.63	155.63	130.63	174.04
Average Daily Rate Use						175.00
Occupancy Use						60.0%

Projected Average Room Rate

The projections of average room rate for the proposed hotel are based on the following factors:

1. The competitive market position of the proposed hotel as one of the newest projects in the area.
2. The assumption that the proposed hotel will be professionally managed and aggressively marketed.
3. The assumption that the proposed hotel will be affiliated with a national franchise chain.
4. The assumption that the proposed upscale, full-service boutique hotel will command a rate, somewhat commensurate with competition of higher room rates.

A detailed review of recent trends in room rate increases to estimate the impact of inflation was conducted along with the consideration of the specific experience of the hotels in the competitive market.

Based on the above assumptions and details, the proposed Inn at the Locks by the Ascend Collection Hotel should achieve an initial average rate \$175.00 in the first stabilized year of operations, 2017.

An inflation rate of 5% per year was assumed. The following table summarizes the current year (inflated) dollar room rates projected for the proposed hotel.

Projected Average Room Rate (Current Year Dollars)	
<i>Year</i>	<i>Average Room Rate</i>
2017	\$175.00
2018	\$180.00
2019	\$185.00
2020	\$191.00
2021	\$197.00

Source: Interim Hospitality Consultants

The projected average room rates could be materially different if significantly higher or lower rates of inflation are actually experienced. Since the actual rates of inflation cannot be predicted with any degree of certainty, no assurance is given that the actual average room rates achieved will not vary materially from those projected in this Study.

Summary

Based upon the occupancy of the Inn at the Locks by the Ascend Collection, the proposed hotel's Total Market Penetration and underlying assumptions are summarized as follows:

1. *Leisure:* Due to the hotel being marketed as the number-one quality product in the upscale, full-service boutique hotel classification, the hotel's projected penetration of fair market share will be 100.0% over the five-year projection period.
2. *Commercial:* The fair market share of commercial business is projected to be 100.0%. This can be achieved with a professional sales marketing effort. If for any reason the tourist business declines through seasonality or energy

shortages, state and local commercial solicitation must be made to offset the decline.

3. *Occupancy:* The projected occupancy should be attainable if the property is built as described, professionally operated in all facets, and business of the area continues to be positive. In years 3 to 5, additional competition may materialize to substantially reduce the projections.

These projections are based on estimates and assumptions developed in connection with the Feasibility Study. However, certain assumptions may not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the projection period may vary from the forecasts, and the variations may be material.

Proposed Inn at the Locks by the Ascend Collection Lockport, New York			
<i>Year</i>	<i>Occupancy</i>	<i>Average Daily Rate</i>	<i>Room Revenue</i>
2017	60.0%	\$175.00	\$1,537,200
2018	63.0%	\$180.00	\$1,655,640
2019	65.0%	\$185.00	\$1,755,650
2030	68.0%	\$191.00	\$1,901,440
2021	70.0%	\$197.00	\$2,013,340

Source: Interim Hospitality Consultants

FINANCIAL PROFORMA

Projections of the annual operating results for the proposed Inn at the Locks by the Ascend Collection were prepared for five years, 2017 through 2021 and presented in U.S. Dollars. The projections are based on the results of operations in comparable facilities and our calculations regarding the environment in which the proposed hotel would operate. The bases found on the following pages were prepared in constant dollars, December 2014, with slight inflation increases noted in the Proforma Schedules.

The PKF Hospitality Research *Trends in the Hotel Industry- USA Edition-2014* Report for Upscale Full Service Hotels, is positioned as a benchmark for the Proforma of the proposed hotel.

The hotel is scheduled to open during 2016, thus the first full year will be 2017. The Proforma for 2017 was calculated by line-item classifications of all types of Revenues, Payroll and Other Expenses in each Department. These Schedules have been prepared according to the guidelines set forth in the “Uniform System of Accounts for the Lodging Industry, Eleventh Revision Edition.” Subsequent years of the Proforma were adjusted to inflation and normal usage factors of an upscale boutique hotel.

The accompanying projections are based on estimates and assumptions developed in connection with the Feasibility Study. However, some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur, therefore, actual results achieved during the projection period will vary from the projections and the variations may be material.

**Inn at the Locks by the Ascend Collection
Lockport, New York
Proforma Year One**

40 Rooms

Schedule 1 of 10

	<i>Full Year</i>	<i>Ratio %</i>	<i>Full Year Dollars Per Available Room</i>
Available Suite Nights	14,640		
Occupancy	60%		
Occupied Suite Nights	8,784		
Average Daily Rate	175.00		
RevPar	105.00		
Revenues			
Rooms	1,537,200	59.7%	105.00
Food	623,080	24.2%	42.56
Beverage	187,400	7.35	12.80
Other F&B	181,280	7.0%	12.38
Retail Center	26,350	2.1%	1.80
Other Hotel	17,570	0.7%	1.20
Total Revenue	2,572,880	100.0%	175.74
Departmental Profit			
Rooms	1,212,670	78.9%	82.83
Telecommunications	(8,340)	0.0%	(0.57)
Food & Beverage Department	287,920	29.0%	19.67
Retail Center	15,370	58.3%	0.58
Other	8,790	50.0%	0.60
Total Departmental (House) Profit	1,516,410	58.9%	103.11
Deductions From Income			
Administrative & General	142,840	5.6%	9.76
Sales & Marketing	107,000	4.2%	7.31
Complimentary Guest Services	4,990	0.2%	0.34
Marketing Fee Room Revenue x 2.5%	38,430	1.5%	2.63
Franchise Fee Room Revenue x 4.0%	61,490	2.4%	4.20
Repairs & Maintenance	64,800	2.5%	4.43
Utilities	<u>46,520</u>	<u>1.8%</u>	<u>3.18</u>
Total Deductions From Income	466,070	18.1%	31.84
Gross Operating Profit	1,050,340	40.8%	71.28
Fixed Costs			
Management Fee	77,190	3.0%	5.27
Real Estate Taxes – Allowance	30,000	1.2%	2.05
Insurance – Allowance	15,000	0.6%	1.02
Replacement Reserves	<u>25,730</u>	<u>1.0%</u>	<u>1.76</u>
Total Fixed Costs	147,920	5.7%	10.10
Net Operating Income Before Debt Service	902,420	35.1%	61.17
Debt Service		0.0%	0.0%
Cash Flow		0.0%	0.0%

Source: Interim Hospitality Consultants

Inn at the Locks by the Ascend Collection
Lockport, New York
Proforma Year One
Rooms Department

Schedule 2 of 10

Rooms Revenue						1,537,200
Payroll	F	P	Per Unit of	Factor		
Front Office						
Front Office Manager			Annual Salary			
Front Desk Clerks/Reserv.	2	1	Hourly Rate	\$10.00	52,000	
Concierge						
Bell Staff/Doorman	1	1	Daily x 8 hr x	\$9.00	28,080	
Night Auditor Staff	1	1	Daily x 8 hr x	\$12.00	37,440	
Subtotal Front Office Wages	4	3				117,520
Housekeeping						
Executive Housekeeper	1		Salary	\$30,000	30,000	
Inspectress Staff			Daily x 8 hr x			
Houseman Staff		2	Daily x 8 hr x	\$9.00	18,720	
Laundry Staff		2	Daily x 8 hr x	\$9.00	18,720	
Housekeepers	1	1	Occupied Suites/year	8,784		
			Suites Cleaned/Maid/day	16.0		
			Housekeeping Days/year	549		
			Housekeeping Hours/year	4,392		
			Wage/Hour	\$9.00		
			Housekeeper's Wages		39,530	
Subtotal Housekeeping Wages	2	5				106,970
Total Rooms Department Wage						224,490
Taxes and Benefits						<u>33,670</u>
Total Room Department Payroll						258,160
As Percentage of Room Revenue						16.8%
Other Expenses						
Cable Television			Month	400.00	4,800	
Carpet Cleaning			Suite/6 mo.	2.00	160	
China/Glass/Silver			Month	200.00	2,400	
Cleaning Supplies			Occupied Suite	0.50	4,390	
Drapery			Month	20.00	240	
Frequent Guest Program			Room Revenue	0.50%	7,690	
Guest Supplies			Occupied Suite	1.00	8,780	
Laundry Supplies			Occupied Suite	0.35	3,070	
Linen			Occupied Suite	2.00	17,570	
Miscellaneous			Month	500.00	6,000	
Printing			Occupied Suite	0.35	3,070	
Travel Agent Commission			Occupied Suite	0.25	2,200	
Uniforms			Month	500.00	6,000	
Total Other Expenses						66,370
As Percentage of Room Revenue						4.3%
Rooms Department Profit						1,212,670
As Percentage of Room Revenue						78.9%
Per Occupied Room						138.05

**Inn at the Locks by the Ascend Collection
Lockport, New York
Proforma Year One
Minor Departments**

Schedule 3 of 10

Departments	FT	PT	Rate	Revenue per Occupied Suite		Ratio
Telecommunications*				0.00		
Expense				<u>0.95</u>		100.0%
Profit				-0.95	(8,340)	
Retail Center**						
Revenue				3.00	26,350	100.0%
Expense of Goods				<u>-1.25</u>	<u>-10,980</u>	<u>41.7%</u>
Wages		Front Desk				
Taxes and Benefits						
Profit				1.74	15,370	58.3%
Other*						
Revenue				2.00	17,570	100.0%
Expense				<u>1.00</u>	<u>8,780</u>	<u>50.0%</u>
Profit				1.00	8,790	50.0%
* Expenses of Telephone, Internet and Cell Phone Charges						
** Revenue of Valet Cleaning, Meeting Room, FAX, ATM, Vending, etc.						

Schedule 4 of 10

Total Hotel Payroll							
	Employees			Taxes and	Total		
	FT	PT	Wages	Benefits	Payroll		
Rooms							
Front Office	4	3	117,520	17,628	135,150	5.35	
Housekeeping	<u>2</u>	<u>5</u>	<u>106,970</u>	<u>16,046</u>	<u>123,020</u>	<u>4.8%</u>	
Subtotal Rooms Department	6	8	224,490	33,670	258,160	10.0%	
Food and Beverage Department	6	12	311,400	113,960	425,360	42.9%	
Retail Department	0	0					
Administrative and General							
Administrative Wages	1	1	70,000	10,500	80,500	3.1%	
Security Payroll	<u>0</u>	<u>0</u>					
Subtotal A&G Department	1	1	70,000	10,500	80,500	3.1%	
Food and Beverage Comp Services							
Sales & Marketing	1	0	40,000	6,000	46,000	1.8%	
Repair & Maintenance	1	0	40,000	6,000	46,000	1.8%	
Grand Total Hotel Payroll	15	21	685,890	170,130	856,020	16.7%	

Note: Totals may not foot due to rounding

**Inn at the Locks by the Ascend Collection
Lockport, New York
Proforma Year One
Food & Beverage Department**

40 Rooms

Schedule 5 of 10

	PKF Factor	Total Annual	% of Revenue
Food Department			
Food Revenue	15,577	623,080	100.0%
Cost of Food Consumed	4,183	167,320	26.9%
Less Cost of Employee Meals	262	10,480	1.7%
Net Cost of Food Sales	3,921	156,840	25.2%
Food Gross Profit	11,655	466,200	74.8%
Beverage Department			
Beverage Net Revenue	4,685	187,400	100.0%
Cost of Beverage Sales	1,005	40,200	21.5%
Beverage Gross Profit	3,680	147,200	78.5%
Food and Beverage Department			
Total Food and Beverage Revenue	20,262	810,480	100.0%
Net Cost of Food and Beverage Sales	4,926	197,040	19.9%
Gross Profit on Combined Sales	15,336	613,440	61.9%
Public Room Retails	946	37,840	3.8%
Other Income	3,586	143,440	14.5%
Other F&B Revenue	4,532	181,280	100.0%
Gross Profit and Other Income	19,868	794,720	80.1%
Departmental Expenses			
Salaries and Wages	7,785	311,400	31.4%
Payroll Burden	2,849	113,960	11.5%
Subtotal Payroll	10,634	425,360	42.9%
Laundry and Dry Cleaning	141	5,640	0.6%
China, Glassware, Silver, Linen	197	7,880	0.8%
Contract Cleaning	268	10,720	1.1%
Other	1,430	57,200	5.8%
Subtotal Other Expenses			
Food & Beverage Departmental Expenses	12,670	506,800	100.0%
Total Food & Beverage Department Income	7,198	287,920	29.0%

Source: Parnell Kerr Foster

**Inn at the Locks by the Ascend Collection
Lockport, New York
Proforma Year One
Administrative and General**

Schedule 6 of 10

			<i>Per Unit of</i>	<i>Factor</i>		
Payroll	F	P				
Manager	1		Annual Salary	\$50,000	50,000	
Assistant Manager						
Secretary/Accounting		$\frac{1}{1}$	Annual Salary	\$40,000	20,000	70,000
Subtotal Admin. Payroll	1	1				
			Taxes & Benefits	15.0%	10,500	10,500
Subtotal Office Payroll						
Security Staff			Daily x 8 hr x			
			Taxes & Benefits			
Subtotal: Security Payroll						
Total Admin. & Gen. Payroll						80,500
Other Expenses						
Accounting Fees			Month	500.00	6,000	
Audit Fees			Unbudgeted			
Bank Charges			Month	30.00	360	
Computer Expense			Month	200.00	2,400	
Credit Card Commission			Room Revenue	2.0%	30,740	
Legal Fees			Unbudgeted			
Licenses			Annual		1,000	
Miscellaneous			Month	500.00	6,000	
Office Expenses			Occupied Suite	0.35	3,070	
Printing			Occupied Suite	0.35	3,070	
Radios, 2-Way			Month	75.00	900	
Telephone Expenses			Occupied Suite	0.50	4,400	
Trade Association Dues			Annual		2,000	
Travel Expenses			Month	200.00	2,400	
Total Other Expenses						62,340
Total Administrative and General						142,840
As Percentage of Total Revenue						5.6%
Per Occupied Room						16.26

**Inn at the Locks by the Ascend Collection
Lockport, New York
Proforma Year One
Food & Beverage Complimentary Services**

Schedule 7 of 10

	F	P	Per Unit of	Factor		
Breakfast 6 am - 10 am, M-F 7 am - 11 am, S, S Hostess			Restaurant Operations Daily x 3 hr x 7 days			
Social Hour 5 pm - 7 pm, M-Th Desk Clerk Total Wages			Lounge Operations Daily x 2 hr x 4 days Taxes & Benefits			
Total Payroll						
Other Expenses Food – Breakfast Food - Social Hour Liquor/Beer/Wine Paper Products Newspapers Seasonal Items Total Other Expenses			Per Occupied Suite Occupied Suite Occupied Suite Occupied Suite Occupied Suite Month	0.50 50.00	4,390 600	4,990
Total Food & Beverage Complimentary Service						4,990
Per Occupied Room						0.57

**Inn at the Locks by the Ascend Collection
Lockport, New York
Proforma Year One
Sales and Marketing**

Schedule 8 of 10

			<i>Per Unit of</i>	<i>Factor</i>		
Payroll	F	P				
Director of Sales	1		Salary	\$40,000	40,000	
Sales Manager			Salary			
Secretary Staff			Salary			
			Total Wages		40,000	
			Tax and Benefits	15.0%	6,000	
Total Payroll	1					46,000
Advertising						
Billboards			Month			
Print—Magazine			Month	3,000	36,000	
Print—Newspaper			Month			
Radio/Television			Month			
Airport			Month			
Internet			Month	1,000	12,000	
Production			Annual	1,000	1,000	
Yellow Pages			Month			
Total Advertising						49,000
Public Relations						
Contributions			Month	200	2,400	
Travel			Month	400	4,800	
Trade Shows			One (1) per year			
Guest Relations			Month	200	2,400	
Total Public Relations						9,600
Promotions						
Brochures			Pre-Opening Expense			
Direct Mail			Month			
Merchandise			Month	200	2,400	
Total Promotions						2,400
Total Sales and Marketing						107,000
As a percentage of Total Revenue						4.2%
Per Occupied Room						12.18

Inn at the Locks by the Ascend Collection National Fees

Marketing Fee	2.5%	of Room Revenue Year 1	\$38,430
	2.5%	of Room Revenue Year 2	\$41,390
	2.5%	of Room Revenue Year 3	\$43,890
	2.5%	of Room Revenue Year 4	\$47,540
	2.5%	of Room Revenue Year 5	\$50,330
Franchise Fee	4.0%	of Room Revenue Year 1	\$61,490
	4.0%	of Room Revenue Year 2	\$66,230
	4.0%	of Room Revenue Year 3	\$70,230
	4.0%	of Room Revenue Year 4	\$76,060
	4.0%	of Room Revenue Year 5	\$80,530

Inn at the Locks by the Ascend Collection
Lockport, New York
Proforma Year One
Utilities

Schedule 9 of 10

	<i>Per Unit of</i>	<i>Factor</i>		
Electric	Occupied Suite	1.75	15,372	
Gas	Occupied Suite	1.50	13,176	
Water/Sewer	Occupied Suite	1.50	13,176	
Refuse	Month	400.00	4,800	
Total Utilities				46,520
As a percentage of Total Revenue				1.8%
Per Occupied Room				5.30

Repairs and Maintenance

Schedule 10 of 10

Payroll	F	P				
Chief Engineer	1		Salary	40,000		
Part-Time Worker			Daily x 8 hr x		40,000	
Subtotal Wages			Taxes & Benefits	15.0%	6,000	
Total Repair & Maint Payroll						46,000
Other Expenses						
Electrical			Month	50.00	600	
Plumbing			Month	50.00	600	
HVAC			Month	50.00	600	
Building			Month	50.00	600	
Suites - Bedrooms			Month	50.00	600	
Suites – Micro-Fridge			Month	50.00	600	
Grounds			Month	50.00	600	
Parking Lot			Annual		5,000	
Pest Control			Month	50.00	600	
Light Bulbs			Month	50.00	600	
Television/VCP			Month	50.00	600	
Uniforms			Month	50.00	600	
Pool/Spa			Month	100.00	1,200	
Hotel Vehicles			Month			
Miscellaneous			Month	500.00	6,000	
Total Other Expenses						18,800
Total Repair & Maintenance Expenses						64,800
As a percentage to Total Revenues						2.5%
Per Occupied Room						7.38

Five-Year Proforma
Inn at the Locks by the Ascend Collection, Lockport, New York

40 Rooms	2017		2018		2019		2020		2021	
Occupancy		60.0%		63.0%		65.0%		68.0%		70.0%
Average Daily Rate	175.00		180.00		185.00		191.00		197.00	
RevPar	105.00		113.40		120.25		129.88		137.90	
Revenue										
Rooms	1,537,200	59.7%	1,655,640	60.4%	1,755,650	61.1%	1,901,440	61.9%	2,013,340	62.6%
Food	623,080	24.2%	652,450	23.8%	673,160	23.4%	706,160	23.0%	724,940	22.5%
Beverage	187,400	7.3%	196,230	7.2%	202,460	7.0%	212,390	6.9%	218,040	6.8%
Other F&B	181,280	7.0%	189,820	6.9%	195,850	6.8%	205,450	6.7%	210,920	6.6%
Retail Center	26,350	2.1%	27,590	1.0%	28,470	1.0%	28,470	0.9%	30,660	1.0%
Other	17,570	0.7%	18,400	0.7%	18,980	0.7%	19,910	0.6%	20,440	0.6%
Total Revenues	2,577,880	100.0%	2,740,130	100.0%	2,874,570	100.0%	3,073,820	100.0%	3,218,340	100.0%
Departmental Profit										
Rooms	1,212,670	78.9%	1,324,510	80.0%	1,422,080	81.0%	1,540,170	81.0%	1,630,810	81.0%
Telecommunications	(8,340)		(8,740)		(9,000)		(9,270)		(9,550)	
Food & B Department	287,920	29.0%	301,490	29.0%	311,060	29.0%	326,310	29.0%	334,990	29.0%
Retail Center	15,370	58.3%	16,090	58.3%	16,610	58.3%	17,420	61.2%	17,880	58.3%
Other	8,790	50.0%	9,200	50.0%	9,490	50.0%	9,960	50.0%	10,220	50.0%
Total Departmental Profit	1,516,410	58.9%	1,642,550	59.9%	1,750,240	60.9%	1,884,590	61.3%	1,984,350	61.7%
Deductions from Income										
Administrative & General	142,840	5.6%	149,570	5.5%	154,320	5.4%	161,890	5.3%	166,190	5.2%
Telecommunications										
Sales & Marketing	107,000	4.2%	112,040	4.1%	115,600	4.0%	121,270	3.9%	124,490	3.9%
Complimentary Guests Services	4,990	0.2%	5,230	0.2%	5,390	0.2%	5,660	0.2%	5,810	0.2%
Marketing Fee Rm Rev x 2.5%	38,430	1.5%	41,390	1.5%	43,890	1.5%	47,540	1.5%	50,330	1.6%
Franchise Fee Rm Rev x 4.0%	61,490	2.4%	66,230	2.4%	70,230	2.4%	76,060	2.5%	80,530	2.5%
Repair & Maintenance	64,800	2.5%	67,850	2.5%	70,010	2.4%	73,440	2.4%	75,390	2.3%
Utilities	46,520	1.8%	48,710	1.8%	50,260	1.7%	52,720	1.7%	54,130	1.7%
Total Deductions from Income	466,070	18.1%	491,020	17.9%	509,700	17.7%	538,580	17.5%	556,870	17.3%
Gross Operating Profit	1,050,340	40.8%	1,151,530	42.0%	1,240,540	43.2%	1,346,010	43.8%	1,427,480	44.4%
Fixed Costs										
Real Estate Taxes - Allowance	30,000	1.2%	30,500	1.1%	31,000	1.1%	31,500	1.0%	32,000	1.0%
Management Fee	77,190	3.0%	82,200	3.0%	86,240	3.0%	92,210	3.0%	96,550	3.0%
Insurance – Allowance	15,000	0.6%	15,500	0.6%	16,000	0.6%	16,500	0.4%	17,000	0.5%
Replacement Reserves	25,730	1.0%	27,400	1.0%	28,750	1.0%	30,740	1.0%	32,180	1.0%
Total Fixed Costs	147,920	5.7%	155,600	5.7%	161,990	5.6%	170,950	5.6%	177,730	5.5%
Net Operating Income Before Debt Service	902,420	35.1%	995,930	36.3%	1,078,550	37.5%	1,175,060	38.2%	1,249,750	38.8%
Debt Service										
Cash Flow										

Source: Interim Hospitality Consultants, 850/893-6010 – December 12, 2014

UPSCALE, FULL-SERVICE HOTELS

Performance in 2014

Each year PKF Consulting of San Francisco, California, the Research Department of Parnell Kerr Foster, the International Hospitality Industry Accounting firm, publishes *Trends in the Hotel Industry, USA Edition – 2014*. The data reported are the benchmark against which hotel companies and individual proprietors measure their operating picture against the overall results in their segment of the industry. Hotel tables from the report are presented:

1. Ratios to Total Revenues
2. Ratios to Departmental Revenues
3. Summary – Dollars per Available Room
4. Dollars per Available Room

The following information is provided as a background to illustrate the segment as it relates to a 40-room Inn at the Locks by the Ascend Collection Hotel in Lockport, New York:

1. Trends in the Hotel Industry, USA Edition - 2014
2. Tax Incentives for Hotels
3. Potential Sources of Hotel Financing
4. Lodging Guide to Management Companies
6. Interim Hospitality Consultants
7. Letter of Agreement

TRENDS[®]

IN THE HOTEL INDUSTRY USA EDITION 2014



Looking for Opportunities—What Makes Sense?

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Three in a Row and Counting – How Long Will the Tailwinds Persist?



R. Mark Woodworth

"Johnny One Note" was a phrase that President Ronald Reagan used to illustrate when he felt that he was communicating the same message time and time again; an effective tool when attempting to ensure that his audience understood the importance of the point at hand. In view of the results of this year's *Trends® in the Hotel Industry* survey, it appears that Johnny One Note is now a hotelier!

First and foremost, we thank the hotel owners and managers (our Data Partners) that, in aggregate, contributed over 7,000 financial statements once again this year. From these data, we learned that the average hotel in our same-store sales sample achieved a 10.1 percent year-over-year gain in Net Operating Income in 2013 – that makes three in a row! And as this is written in late May 2014, it appears that 2014 will make a fourth. Yes, the message is becoming somewhat repetitive, although history tells us that these good times will not last forever.

A review of past lodging cycles reveals that five events, either on their own or in some combination, have brought an end to the good times in the lodging industry. An analysis of these phenomena, along with an assessment of the prospects for their near-term recurrence, follows:

1. **The Economy:** Much speculation persists about the current state of the U.S. economy. Although the initial quarter of 2014 reflected essentially no economic expansion, most leading prognosticators expect above-trend growth for the balance of this year and the next. Thus, the economy does not appear to be a near, or even mid-term threat, to the good fortunes of U.S. hotels.
2. **Unpredictable Demand Shock:** The events of September 11, 2001 and the depth of the Great Recession clearly demonstrated that the impact of these types of phenomena on lodging demand and operating profits occurs quickly and can be devastating. By definition, these types of events are unexpected in nature. There are many reasons why we do not want to see this happen.
3. **Oil/Energy Price Spike:** Domestic energy production in the U.S. is at an all-time high and experts believe that our dependency on foreign sources will continue to decline. Price volatility brought on by global unrest, most notably in the Middle East and Russia, has escalated oil prices heading into the 2014 summer travel season. Most experts, however, do not expect continued high price increases to persist. Thus, a threat to the health of the U.S. hotel industry does not appear imminent.
4. **Asset Bubble:** The bursting of the dot.com bubble in 2000, and the financial market crises that commenced in late 2008 that served to 'prick' the housing bubble, accentuated the ensuing recessions in both cases. Hotels suffered significantly as a result. Are we in a bubble today? While home prices continue to improve, they remain well below their previous peak in the vast majority of markets. Some (a minority) believe; however, that the stock market may be a different matter. Mid-way through Q2 2014, the market is at an all-time high. Will the on-going tapering of the Federal Reserve's monthly bond-buying program cause a severe downturn in equity markets and thus damage the economy? Hard to tell, but most do not seem to think so. Thus, no apparent threat here.
5. **Overbuilding:** History tells us that too many rooms too soon can also bring an end to prosperous times for hotels. This clearly occurred back in the 1970's and 1980's and, to a lesser degree, in the 1990's as well. On a four-quarter moving average basis, supply growth peaked at 3.0 percent in Q1 2009, a full point above the STR, Inc. ("STR") historic long run average. According to STR, the national change in available lodging supply in 2013 was just 0.7 percent. Our June-August 2014 *Hotel Horizons®* forecast calls for supply growth of 1.0 percent in 2014 and another 1.3 percent increase in 2015. Recognizing that even if our forecast was *very wrong* (which they have not been – see www.pkfc.com for a copy of our current Accuracy Assessment report), it does not appear that overbuilding in the near term is a threat.

To paraphrase President Reagan, "there I go again!" – Industry fundamentals are clearly solid and the prospects for continued prosperity remain attractive. This also brings to mind one of the findings from our most recent Accuracy Assessment: forecast accuracy is greatest during both the expansion and contraction phases of the lodging cycle; accuracy declines immediately before and after the turning points. As noted, we clearly remain in an expansion mode.

Enough of the macro discussion! It is well known that the hotel business is local – what happens on your street corner has the greatest influence on property level performance. To this end, I call your attention to the enclosed article prepared by my colleagues Jack Corgel, Jamie Lane and Ryan Speed: "Hotel Supply Fundamentals Provide a Roadmap for Future Construction". In their analysis, Corgel, Lane and Speed contrast the volume of development activity reported by STR in their current Pipeline survey for 50 of the largest U.S. markets in our *Hotel Horizons*® forecast universe to what the market fundamentals – both historic and forecast – suggest *should* be built. By studying the differences between actual and forecast behavior, the authors identify which markets appear to be either over, or under, developed.

In summary, the initial months of 2014 portend another year of strong growth for U.S. hotels. The factors that have historically triggered the turning point at which cyclical declines commence appear benign, thus suggesting that the good times that now characterize most domestic markets should persist for a protracted period of time.

All the Best for the year ahead.



R. Mark Woodworth
President
PKF Hospitality Research, LLC

About The Cover:

Given the strong performance of the U.S. lodging market recovery from the depths of the 2008/2009 recession, industry participants are beginning to contemplate the next stage in the business cycle – development. For owners and developers, this means looking for opportunities.

As of the publication of this report in early 2014, PKF Hospitality Research, LLC (PKF-HR) is projecting that most local hotel markets in the U.S. will not see significant additions to their lodging supply in the next few years. However, there are some exceptions. Nashville is one market forecast to experience above average growth in supply in 2014. Cranes are popping up all over town – even in the Tennessee River.

While significant additions to supply might scare some developers, others will be attracted by strong prospects for growth in demand, room rates, employment, and income. Each developer needs to ask themselves the question, "What makes sense?"

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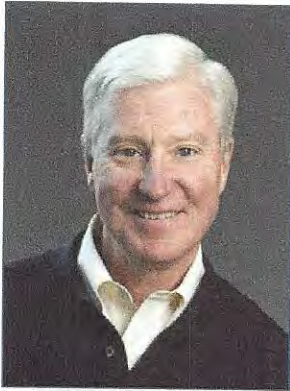
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HOTEL SUPPLY FUNDAMENTALS PROVIDE A ROADMAP FOR FUTURE CONSTRUCTION



John B. Corgel, Ph. D.



Jamie Lane



Ryan K. Speed

I. Introduction

Many important decisions in the economy come from comparisons of the *descriptive* – what is – and the *normative* – what should be! Stock selection for investment based on fundamental analyses provides one of the best examples of this type of decision making. Investors have a descriptive valuation of a stock from the moment-by-moment record of the stock price. To determine if the market has priced the stock ‘correctly’ in fundamental terms, investors will introduce a model(s) designed to find the normative value.¹ Trust in the model’s ability to capture fundamental drivers of stock pricing is obviously the key to committing capital, but given that such trust exists, when modeled valuations exceed the current prices investment in stocks have analytical support. In this article we apply the same descriptive and normative comparison principle to determine the extent to which the current pipeline of hotel construction projects is serving the needs of the market as indicated

by supply fundamentals. Specifically, we use an extended version the PKF Hospitality Research *Hotel Horizons*® supply forecasting model to indicate how many new hotel rooms should be constructed across the various chain scales and top 50 city markets and then compare these results to what will appear on the ground from pipeline data during the remaining months of 2014 and in 2015. The results of our analysis provide guidance to developers, equity investors, mortgage lenders, and analysts regarding the potential success of future hotel construction projects. We find that more than one-half of the markets forecast by the PKF Hospitality Research *Hotel Horizons*® will experience supply growth during the next six quarters less than the growth indicated by supply fundamentals specific to those markets.

a. Hotel Demand Growth Has Been Strong, Supply Growth Has Been Weak!

One of the major headline stories about the up-phase of the current ho-

tel cycle chronicles the strong preference households and businesses have demonstrated for hotel room purchases and the sluggish pace of hotel property construction to keep up with the growing demand. As discussed early on during the current recovery by Corgel and Woodworth (2012), the rapid recovery of the hotel market in the U.S. following the financial crisis and great recession is quite explainable given the economic fundamentals. A common explanation for an absence of commensurate hotel supply growth focuses on financing frictions in the banking sector (i.e., regulatory pressure to maintain strict lending standards). Anecdotal evidence collected from conversations with PKF consultants around the U.S. suggests that these frictions are gradually becoming less binding.

b. Hotel Fundamentals: Leading the Recovery

The hotel market, like most business in the U. S. economy, suffered a significant setback during the great recession. Hotel demand reversed from an upward-trending growth pattern, leveled-off and began to fall on a steep decline by the end of 2007. However, unlike many industries in the domestic economy hotel demand moved through the cyclical trough by 2009 and began to quickly recover, reaching 8.1 percent annual growth by the second quarter of 2010. Economic fundamentals explain why the

hotel industry was so fast to bounce back. Both business and leisure travelers with rising personal income and corporate profits had the financial capacity to freely travel. Real personal income rates began to turn positive the same year that the hotel industry began to pick up. Coincidentally, corporate profits shot up by 54.5 percent following steep declines during the recession.

Lane and Walls (2011) report that corporate and household incomes were key factors for strengthening hotel demand. They show that when unemployment was rising, the types of jobs that were least effected by the economic downturn (i.e., those requiring college degrees) also are jobs that correlate to business and leisure travel and room night sales for all but the lowest end of the hotel chain scale spectrum. Discounted room rates also

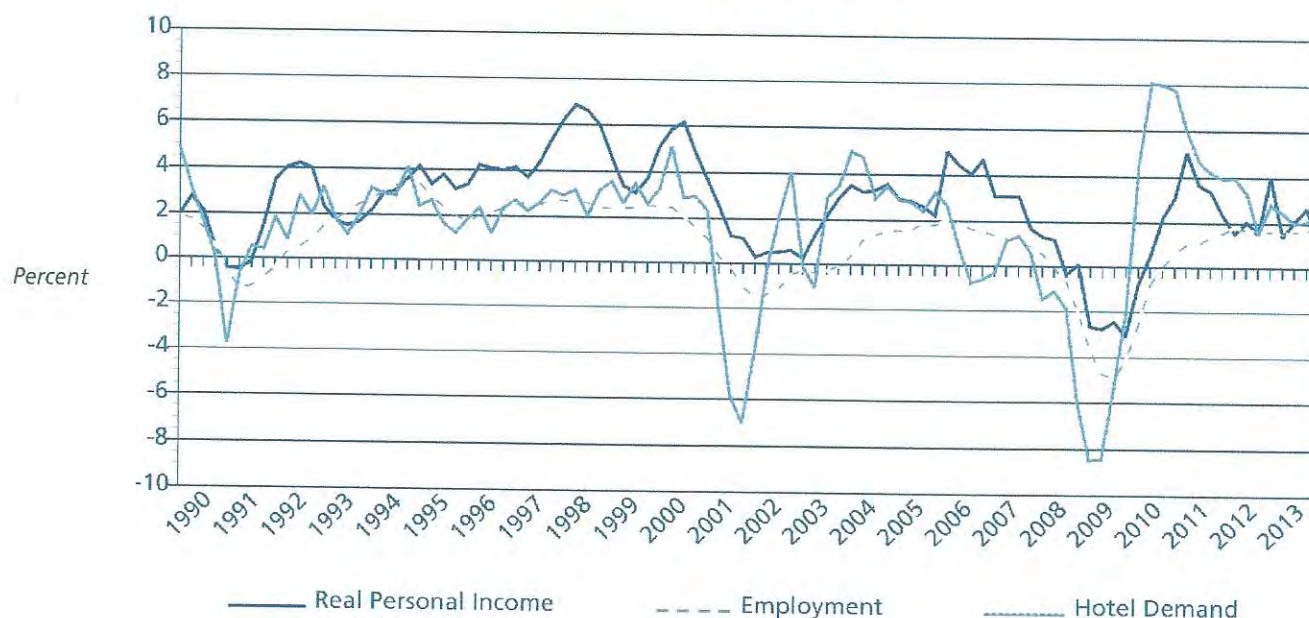
helped encourage hotel demand during the recovery. In 2009, operators reduced average daily rates (ADR) more than eight percent nationally and by more than 15 percent in the higher priced chain scales. As a result, ADRs reached decade wide lows and made hotels a relative bargain, inducing travel by cheap rates since the economic fundamental had yet to return. Exhibit 1 shows the historical patterns of hotel demand and demand determinants.

Demand in the hotel industry not only survived the most recent recession, but came back with vigor. National demand averaged a growth rate of 4.2 percent since 2010, compared to a growth rate of 1.9 percent annually since 1988. The largest yearly decline from the most recent recession came in 2009, when demand dropped 6.2 percent from 2008. In 2010 year-over-

year demand shot back up by a surprising increase 7.2 percent. Every year since, U.S. hotels experienced strong positive demand growth, leading to a complete post-recession and financial crisis recovery in 2011.

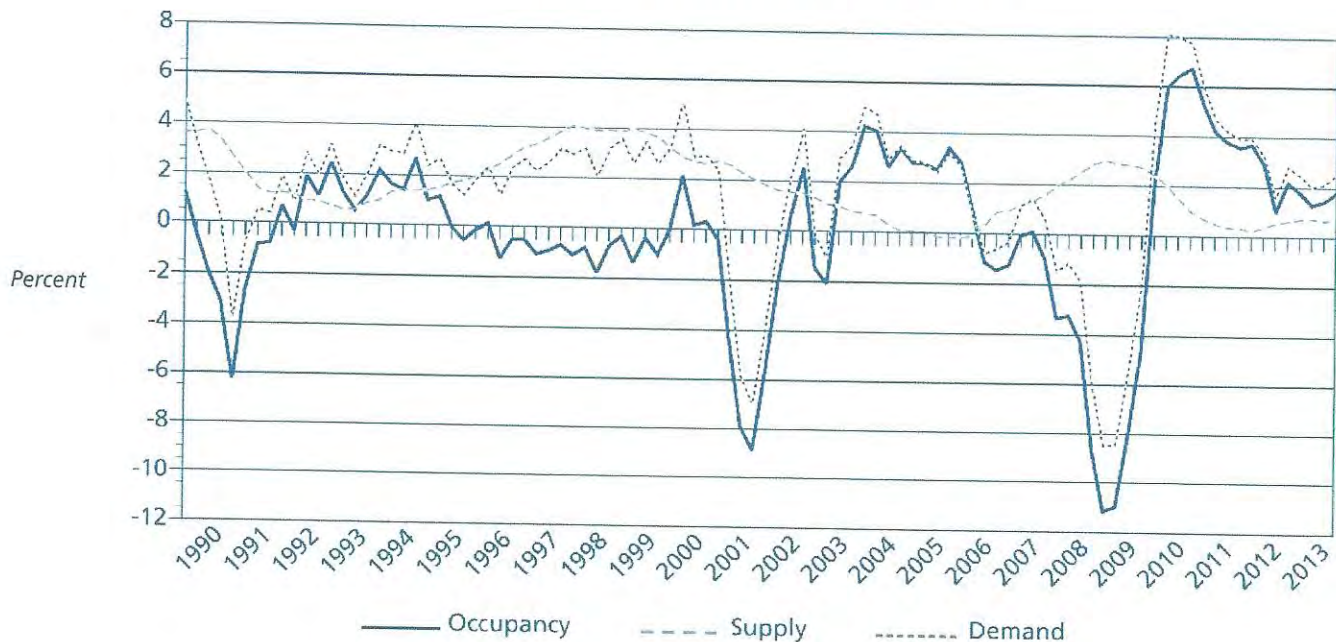
Increasing demand and slowing supply growth has led to a 3.4 percent average annual increase in occupancy since 2010. Supply in the national hotel market has a long-run average annual growth rate of 1.9 percent. In 2009, supply growth peaked at 2.8 percent, representing deals that were planned and started construction before the start of the recession. Since then, new supply has been anemic--coming in well under 1.0 percent per year during the last three years. Exhibit 2 shows the history of demand, supply, and occupancy trends since 1988 for all hotels as reported by STR, Inc.

Exhibit 1: Hotel Demand



This graph shows the relationship between the percent changes in income, employment and hotel demand since 1990
Sources: Moody's Analytics, STR, Inc.

Exhibit 2: Hotel Occupancy



Hotel occupancy is defined as the function of hotel demand divided by hotel supply.
Source: STR, Inc.

Theoretically, supply increases follow to meet the growth in demand with normal decision and construction lags². Now that demand has recovered and occupancy is above is long run average, it is the time in the cycle when the development of hotels should begin to accelerate.

II. How the *Hotel Horizons®* Supply Model Works for Forecasting

Econometric forecasting represents one of the more sophisticated approaches to gaining insights about future economic activity. Forecasts of this type require the development of models that use historical data to find stable relationships between variables of theoretical importance. Based on these relationships, the models estimate future levels of focus variables from forecasts of their determinants.

Having an econometric model to run forecasts of hotel market performance offers three major benefits:

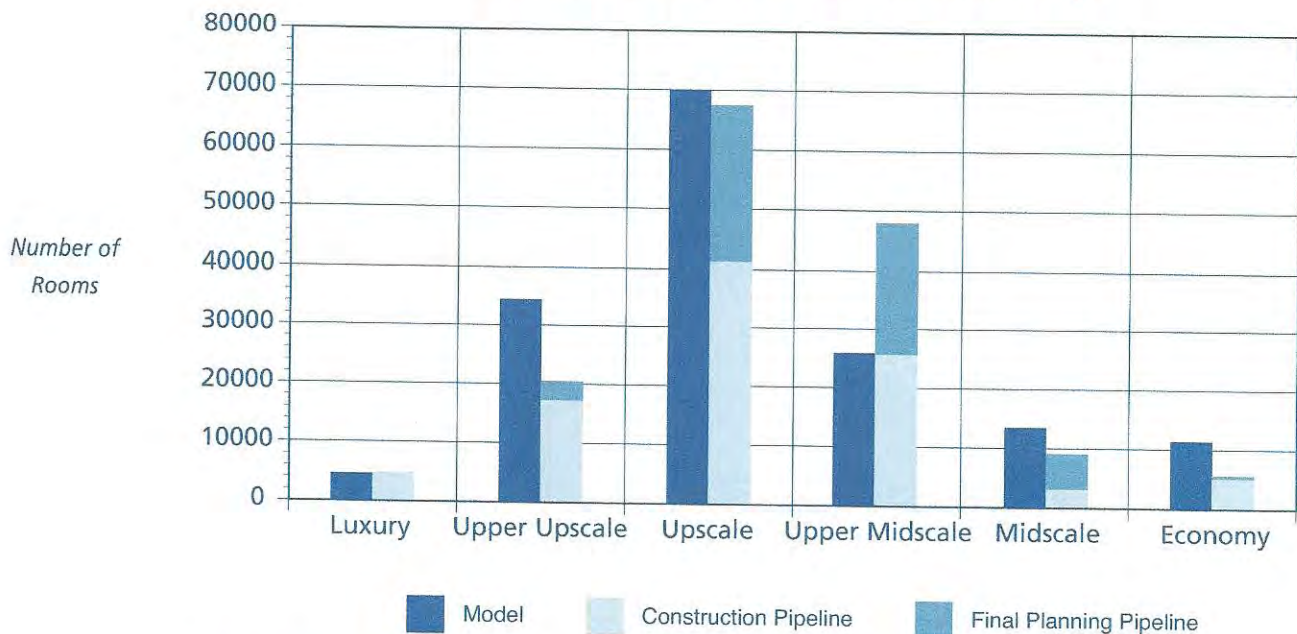
1. The variables included in the model come from economic theory.
2. Advanced statistical methods are used to estimate the relationships between variables.
3. Econometric models are more objective than models that are based solely on judgmental approaches.³

Supply growth typically occurs as large collections of new and renovated hotel rooms are added to a market at once. However, the way that the supply models operate, room additions to the inventory occur more gradually over time. The appearance of this growth rate can be misleading,

so in addition to econometric analysis, PKF Hospitality Research economists work with consultants in PKF offices around the country to obtain expert opinions about hotel openings over the upcoming six quarters. Local consultants check the accuracy of the near-term pipeline data that is then manually entered into the model and closely examine modeled future supply to make sure it matches up with what hotel inventory they expect to see in the local market. They also make moderate changes to the forecast following the occurrence of events that econometric models cannot predict (i.e., Hurricane Sandy).

Of the six hotel market variables forecast from *Hotel Horizons®*, demand, supply change, and ADR are statistically estimated by regression while the

Exhibit 3: National Chain Scale Gaps



This graph shows the number of rooms to enter each market until the end of 2015.

Sources: Hotel Horizons®, STR, Inc.

other reported hotel market measures – occupancy, supply level, and rooms’ revenue – are arithmetic functions of the three modeled variables. The supply change model has the following form:⁴

$$\text{Hotel Supply Change} = f(\text{Occupancy}_{n-x}, \text{Real ADP}_{n-x}, \text{Supply}_{n-x}, \text{PPI})$$

(1)

The period-to-period supply change is determined by the lagged occupancy, ADP, and number of rooms available as well as the index of producer prices.

Using occupancy in the supply model causes the model to account for the balance between demand and supply in a market. The greater the occupancy, indicating an increasingly favorable demand imbalance, the more suppliers will enter the market. ADPs will change in the market in

order to meet demand. As occupancy increases and scarcity returns to a market, hotels will be able to further increase their room rates. As ADPs increase revenues increase, making entry into the market more attractive and new projects financially feasible for potential suppliers. Where a market experienced high construction costs, Producer Price Index (PPI) is introduced to account for the cost burden to hotel developers.

III. Comparing Pipeline and Modeled Supply

‘Pipeline supply’ is defined here as the projects included in the STR pipeline database that are currently under construction and scheduled to be completed in the next six quarters. The ‘modeled supply’ is the output from Hotel Horizons® supply models when allowed to run naturally, that

is, supply comes solely from the influences of variables in the model.

The normative modeling effort indicates what supply should be in the market given the historic, current, and future economic and market-specific conditions affecting hotel construction. We compare these numbers side-by-side to the supply forecast from the pipeline data. The modeled supply (MS) is subtracted from the pipeline supply (PS) and assess both the sign, either positive or negative, and the magnitude of the difference and (i.e., $PS - MS = +/- \text{Difference}$). Analyzing this difference not only gives us insight to where the market resides in the cycle, but it also helps identify markets that may be in danger of overbuilding and the possibility of occupancy decreases. The following definitions apply:

- If Difference is negative then that market is undersupplied through 2015 and prime for additional construction.
- If Difference is positive then that market is overbuilt through 2015 and caution should be followed when contemplating additional construction.

a. By Chain Scale

When analyzing the hotel industry, branded hotels are grouped by ADRs into six chain scale segments. These chain scale segments are Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale, and Economy.⁵ We run the econometric supply models on each of these chain scales and then calculate the number of room additions to each chain scale as of the end of 2015. After compiling the number of modeled rooms, we compared it to the number of room scheduled to open by 2015 that are currently in the

pipeline and classified as either under construction or in final planning. The number of new rooms entering the market by the end of 2015 for both the modeled supply and pipeline supply for each of the chain scales is shown, side by side, in Exhibit 3.

To compare the model and the pipeline, we take the results from the previous chart and subtract the 2015 pipeline supply from the 2015 modeled supply for each of the chain scales. What resulted is what we labeled the total chain scale supply gap, which is shown for each chain scale below in Exhibit 4.

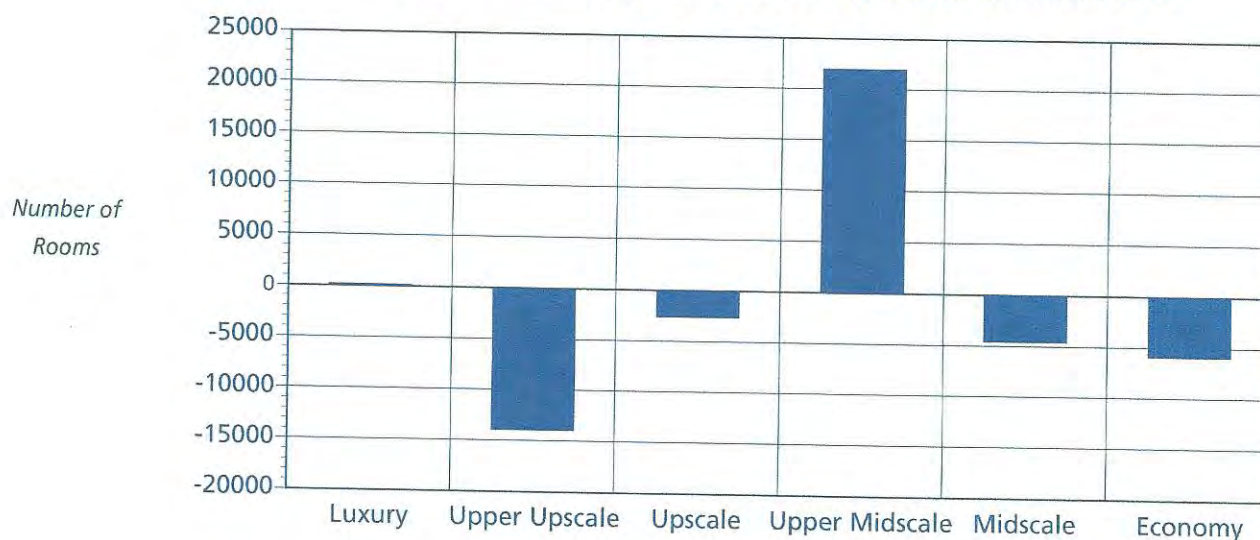
Since the chain scale supply gap is equal to the number of rooms in the supply pipeline minus the forecast supply from our models, positive number means the segment is ahead of what the model shows should be in the market and negative num-

bers mean that what is in the pipeline supply is less than what should be according to our models. Out of these six chain scale categories, Upper Upscale, Upscale, Midscale and Economy show negative supply gaps. On average for each of these chain scales, the supply level is not reaching what the supply model indicates. Upper Midscale shows a positive gap and Luxury is about at supply equilibrium. The Upper Midscale gap continues to increase until the beginning of 2015, when the model prediction finally starts to catch up with the pipeline, as illustrated in Exhibit 5.

b. By Market

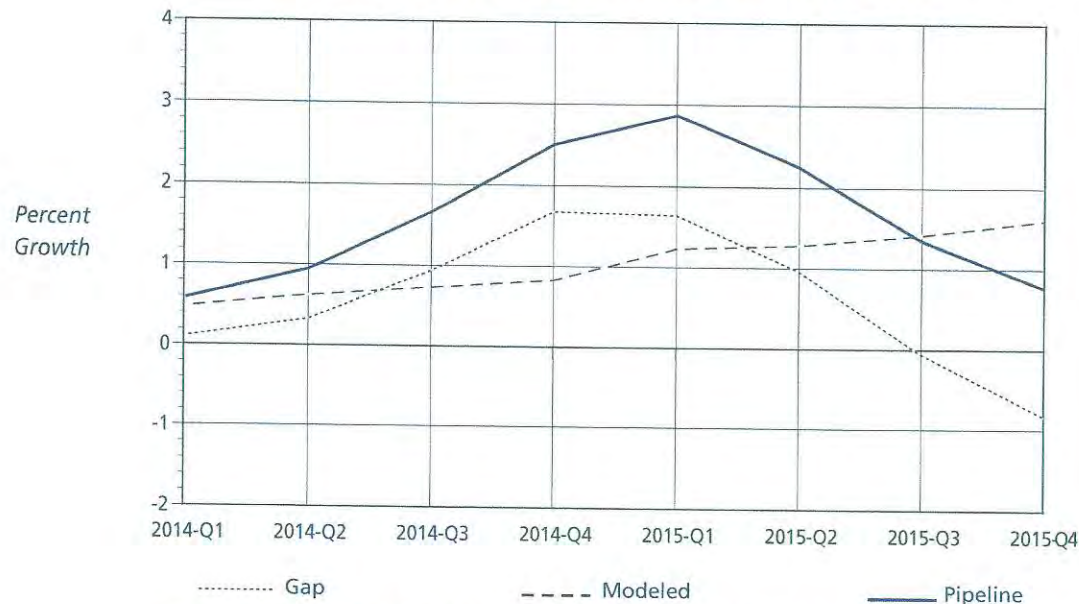
Next we analyzed the 50 *Hotel Horizons*® markets by comparing the pipeline supply to the supply growth rate from the forecast models in the same way as was done with the chain scale categories. As presented in Exhibit 6, out of the 50 cities, 25 show

Exhibit 4: Gaps Between Pipeline and Models



This includes all rooms entering the market by 2015, even if they are currently in the Final Planning stage.
Sources: *Hotel Horizons*®, STR, Inc.

Exhibit 5: Upper-Midscale Supply Trend



This exhibit compares the future Pipeline growth with what the fundamental model suggests for future growth for the Upper Midscale chain market. This illustrates the size of the supply growth gap for Upper Midscale hotels.

Source: Hotel Horizons®

growth significantly below what the model suggests should be constructed in the market.

Of these, New Orleans leads with a reported pipeline supply coming in short of its modeled supply by 5.2 percent of total supply. The model for New Orleans estimates that 3,611 rooms should be built in the next two years. The market's 2013 occupancy level of 67 percent, its highest level since 2000, and a recent strong growth in ADRs signal the need for development. The pipeline only shows an additional 1,656 rooms being added to the inventory. Unfortunately, New Orleans also experienced three major hurricanes and an oil spill during the past 10 years.

Among the other 25 markets, 15 show modeled growth within one percent of the current pipeline projection. That

leaves 10 cities in which the pipeline supply exceeds modeled supply, as enumerated in Exhibit 7.

Cincinnati shows the largest positive difference between pipeline and modeled supply growth relative to total existing supply. While Cincinnati reached the pre-recession peak of 58 percent occupancy, seven hotels currently under construction will push the supply much higher than the Cincinnati will absorb according to our model. Another interesting market in this group is New York, in which over 10,000 rooms are currently under construction. New York finished 2013 at 84.5 percent occupancy - a record extending back to 1988. The New York supply model estimated an additional 7,757 rooms coming into the market by the end of 2015 but that is still 3,468 rooms less than what is scheduled to open.

Adding up the modeled rooms and pipeline rooms for all 50 cities, the sum equals an under-supply of 7,500 rooms. The under supply will help push the many city occupancy levels to historic highs. In 2013, urban areas already hit a record occupancy level and airport locations should hit a record occupancy level during 2014. By chain scale, luxury, upper upscale and upscale hotels are all at or near record occupancy levels.

IV. Other Supply Factors and Conclusion

Three factors that influence hotel supply change do not appear in our supply change forecasting model that could introduce bias by their omission. Financing availability, the first of these factors, cannot be forecast with any confidence so it cannot be included as a variable. Some research shows that the availability of financ-

Exhibit 6: Under Supplied Markets

Market	Year End 2013 Supply	2015 Pipeline Supply	2015 Modeled Supply	Pipeline Growth	Modeled Growth	Under- Supply	Difference as % of Total Supply
New Orleans	37,239	38,895	40,850	1,656	3,611	-1,955	-5.2%
Fort Lauderdale	29,845	30,257	31,313	413	1,469	-1,056	-3.5%
Nashville	37,535	38,751	40,076	1,216	2,541	-1,325	-3.5%
Jacksonville	26,755	27,114	27,949	359	1,194	-835	-3.1%
Long Island	14,564	14,758	15,208	194	645	-451	-3.1%
Salt Lake City	21,672	22,421	23,061	750	1,389	-640	-3.0%
Portland	25,923	26,377	27,123	454	1,200	-746	-2.9%
San Francisco	51,163	51,501	52,823	338	1,660	-1,322	-2.6%
San Antonio	44,612	45,981	47,148	1,369	2,536	-1,168	-2.6%
Detroit	41,867	42,472	43,520	605	1,653	-1,048	-2.5%
Sacramento	25,012	25,016	25,582	5	570	-565	-2.3%
Raleigh-Durham	27,185	27,922	28,552	737	1,367	-630	-2.3%
Austin	30,683	33,266	34,017	2,583	3,334	-751	-2.4%
Oakland	24,063	24,097	24,588	34	525	-491	-2.0%
Dallas	78,359	80,484	82,059	2,125	3,699	-1,574	-2.0%
Oahu	29,656	29,845	30,336	189	680	-491	-1.7%
Tucson	16,030	16,305	16,549	276	519	-243	-1.5%
Charlotte	32,998	34,059	34,552	1,061	1,554	-493	-1.5%
Denver	41,300	42,796	43,380	1,496	2,080	-584	-1.4%
Minneapolis	38,308	38,746	39,237	438	929	-491	-1.3%
Orlando	118,646	119,537	120,898	891	2,252	-1,361	-1.1%
Columbus	26,117	26,980	27,265	862	1,148	-286	-1.1%
Richmond	21,842	22,361	22,581	519	740	-220	-1.0%
Chicago	109,014	112,312	113,404	3,298	4,390	-1,093	-1.0%
Kansas City	32,506	32,836	33,148	330	642	-312	-1.0%

Source: PKF Hospitality Research, STR, Inc.

ing can be a determinant of capitalization rates (Chervachidze and Wheaton. 2013). This effect seems to appear as highly important to supply growth in an indirect way through the capitalization rate when financing is either extremely loose or tight. In a recent analysis of hotel capitalization rate determinants, financing availability was not found to be statistically significant (Corgel 2014). Similar to financing availability, uncertainty and sentiment are neither easily measured nor predictable. The final omitted factor is interest rates. Forecasting interest rates also is problematic and we have a

concern about the integrity of interest rate levels given the extraordinary intervention of the Federal Reserve during the past five years and going forward. In addition, our price variables, ADR and PPI, are capable of picking up the effects of growth and decline in the national and local economies.

The demand fundamentals of the lodging industry are as strong as they have ever been leaving market participants to become concerned about a supply overreaction. At PKF Hospitality Research we have a long history of forecasting hotel market performance with advanced econometric models that accurately predict changes in demand, ADRs, and supply change. The models are only one step of the equation though and an equally important part of our supply model is an input of what is currently under construction and scheduled to open in the market. By studying the differences between the modeled and pipeline supply growth estimates, early signals can be detected about overbuilding. In 2014, we expect to see supply

Exhibit 7: Over Supplied Markets

Market	Year End 2013 Supply	2015 Pipeline Supply	2015 Modeled Supply	Pipeline Growth	Modeled Growth	Over- Supply	Difference as % of Total Supply
Cincinnati	27,542	28,913	27,781	1,371	239	1,132	4.1%
Pittsburgh	24,384	25,822	24,946	1,438	562	876	3.6%
New York	107,543	118,768	115,300	11,225	7,757	3,468	3.2%
Washington DC	105,869	109,791	106,653	3,922	784	3,138	3.0%
Baltimore	33,134	33,983	33,308	849	174	675	2.0%
Newark	17,821	18,291	18,009	470	188	281	1.6%
Cleveland	21,010	21,708	21,405	699	396	303	1.4%
Miami	48,415	50,665	49,986	2,250	1,570	680	1.4%
West Palm Beach	15,405	16,195	15,990	790	585	205	1.3%
Philadelphia	45,379	46,597	46,074	1,217	695	523	1.2%

Source: PKF Hospitality Research, STR, Inc.

growth that is below long-run average in the presence of record occupancy and strong real ADR growth. In only a few instances are hotel markets in the U.S. overbuilt and then not alarmingly so. A surge of construction financing availability could occur and lead to a rapid increase in starts. Looser financing is beginning to appear as is more economic certainty, but gradually. Our *Hotel Horizons®* forecasts of supply growth are aligned with all these trends that accompany an economic recovery as we show supply growth moving toward long run averages by 2016 and 2017 in most hotel markets.

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Footnotes

¹The two types of models most commonly applied for fundamental analysis are relative (e.g., price-earnings multiples) and absolute (e.g., DCF).

²These lags may range from 12 months for lower-price hotels to 36 or more months for upper-price hotels.

³Silver (2012) argues that combining advanced statistical forecasting methods with human judgment produces the most accurate forecasts.

⁴Supply level in future periods is the number of rooms available at the beginning of the period plus the number of rooms forecast by the supply change model subject to expert judgment. The occupancy percent is demand (number of rooms occupied) divided by supply level (number of rooms available).

⁵We follow the STR categorization.

GLOSSARY OF TERMS

HOTEL TYPES

All Hotels

Total of all hotels in our survey sample. Includes hotels in all six property type categories.

Full-Service Hotel

A hotel which provides a wide variety of facilities and amenities, including food and beverage outlets, meeting rooms, and recreational amenities.

Limited-Service Hotel

A hotel which provides only some of the facilities and amenities of a full-service property. Does not offer restaurant, lounge, or banquet service. May offer complimentary food and beverage.

Resort Hotel

A hotel, usually in a suburban or isolated rural location, with special recreational facilities.

Suite Hotel with Food and Beverage

A hotel in which all rooms have "separate," but not necessarily physically divided, "sleeping and living areas." These hotels offer restaurant, lounge, or banquet service.

Suite Hotel without Food and Beverage

A hotel in which all rooms have "separate," but not necessarily physically divided, "sleeping and living areas." These hotels do not offer restaurant, lounge, or banquet service. May offer complimentary food and beverage. Most extended-stay hotels reside in this category.

Convention Hotel

A hotel which provides facilities and services geared to meet the needs of large group and association meetings and trade shows. Typically, these hotels have more than 500 guest rooms and contain substantial amounts of function and banquet space. Included in this category are hotels attached to convention centers and conference centers.

DEMAND CATEGORIES

Transient

Leisure and corporate guests staying on an individual basis.

Group

Guests associated with a group occupying 10 or more rooms.

Contract

Guests staying as part of a special contract.

Other

Guests that do not fall into the previous three categories.

STATISTICS

Percentage of Occupancy

The percentage of available rooms occupied for a given period. It is computed by dividing the number of paid guest rooms occupied for a period by the number of rooms available for the same period.

Average Daily Rate

Total guest room revenue for a given period divided by the total number of paid occupied rooms during the same period.

RevPAR

Rooms revenue divided by the annual number of available rooms.

Guest Day

Number of guests, per paid occupied room, per day.

Average Size (Room)

Number of daily guest rooms available for rent.

REVENUES

Rooms

Revenue (net of sales or occupancy taxes) derived from the rental of sleeping rooms, no-show charges, early departure and late checkout fees, pet fees, and charges for rollaway beds and cribs.

Food and Beverage

Revenue from the sale of food, alcohol, and non-alcoholic beverages in restaurants, lounges, room service, mini-bar, and banquet rooms. Also includes revenue from public room rentals, service charges, and the rental of audio/visual and other meeting room equipment.

GLOSSARY OF TERMS

Other Operated Departments

Revenues from departments operated by the hotel such as telecommunications, internet connections, guest laundry, retail shops, recreational facilities, and parking operations.

Rentals and Other Income

Revenues from the rental of stores or other space in the hotel for activities not operated by the hotel. Also includes income from interest, cash discounts, cancellation and attrition penalties, and other services provided to guests by outside firms for which the hotels receives a commission or concession.

COSTS AND EXPENSES

Rooms

Includes salaries, wages, and benefits for the front desk personnel, reservations staff, revenue management, housekeeping and laundry workers, bell staff, and concierge personnel. In addition, rooms department expenses include linen, guest supplies, commissions to travel agents, complimentary breakfast and social hour costs, and reservation system charges assessed by franchise companies.

Food and Beverage

Includes the costs of food, alcohol, and non-alcoholic beverages sold, together with the salaries, wages, and employee benefits for managers, kitchen personnel, servers, bartenders, cashiers, and hosts. Other applicable expenses include laundry, linen, china, glassware, silverware, operating supplies, audio/visual equipment, music, and entertainment.

Other Operated Departments

Includes the salaries, wages, benefits, cost of goods sold, and other expenses associated with the operation of other revenue producing departments operated by the hotel.

Administrative and General

Expenditures for the operations of the general manager's office, the accounting department, human resources, security, information systems, and other similar activities. Examples of expenditures include salaries, wages, benefits, professional fees, credit card commissions, bad debts, telecommunications and computer maintenance, office supplies, and postage.

Sales and Marketing

Expenditures to sell and promote the hotel's services and enhance its image to the general public. These include salaries, wages, benefits, media advertising, agency fees, e-commerce, outside sales representation, outdoor advertising, trade shows, and public relations. Also included in this expense category are payments made to franchisors and referral agencies for franchise royalties, marketing assessments, and guest loyalty programs. Does not include payments made for reservation services and/or systems.

Property Operations and Maintenance

Payments for salaries, wages, benefits, maintenance contracts, tools, and supplies to maintain the buildings, grounds, furniture, and equipment of the hotel. Not included are costs associated with the maintenance of computer, point-of-sale, and telecommunications systems, as well as major capital purchases.

Utilities

Costs for electricity, gas and other fuels, steam, water, and sewer.

Management Fees

Fees paid for management services and supervision of the property. Includes both base and incentive fees.

Property and Other Taxes

Includes real estate taxes, personal property taxes, business and occupation taxes, and all other taxes except payroll and income taxes. Does not include occupancy, sales, or any other taxes based on revenue.

Insurance

Includes premiums paid for insuring buildings and contents, liability, fidelity, and theft coverage. Premiums for workers' compensation insurance are not included in this category.

Other Fixed Charges

Includes deductions for capital replacement reserves, rent, interest, depreciation, amortization, and income taxes. Comparisons beyond income after property taxes and insurance are virtually meaningless due to wide variances in ownership, depreciation methods, financing bases, and applicable taxes.

A NOTE TO READERS:

Same-Store Sales

The data presented in this report reflect the performance of hotels for which we have two full years of comprehensive information. The percentage changes in revenues and expenses that are presented in the 2014 edition of *Trends® in the Hotel Industry* represent the movement derived from a side-by-side comparison of the 2012 and 2013 financial statements of the same hotels.

Please note that our survey sample consists of hotels that have volunteered to share their data with us. Therefore, the sample does change somewhat from year to year. Because of this change, readers will find differences when comparing 2012 data in the 2014 edition of *Trends® in the Hotel Industry* with the 2012 data presented in the 2013 edition.

This document provides the reader with the benchmarks of comparative measurement for evaluating the performance of lodging assets on a year-to-year basis. These annual variances are different from the relative movements seen within the entire U.S. lodging industry or within a defined market area. An increase or decrease in supply influences market-wide change in measures such as occupancy, average daily rate, and revenue. However, using period-to-period, same-store sales removes the inherent bias created by the inclusion of initial-year operating results of brand-new facilities.

Data Processing, Comparability, and Accuracy

Processing approximately 7,000 financial statements has its challenges. Data arrives in the Atlanta office of PKF Hospitality Research, LLC (PKF-HR) via many different channels. Some contributors take the time to complete our survey form, while others simply send us copies of their December profit and loss statements. A few companies provide us with huge electronic data files that contain in excess of 10,000 individual revenue and expense items.

In addition to the diversity of delivery methods, we also observe the wide variety of financial statement formats and account classification systems in use by U.S. hotel managers. While the general parameters of the *Uniform System of Accounts for the Lodging Industry (USALI)* can be found in most statements, each hotel company or property

customizes their layout and accounts to identify the performance statistics that are most critical to their operations.

To make *Trends®* valuable for readers, we need to ensure the comparability and accuracy of the data contained in the report. Therefore, we take the time to put all the data we receive into one common format and one common classification system. For the 2014 edition of *Trends®*, we used the new Tenth (10th) edition of the *Uniform System of Accounts for the Lodging Industry (USALI)*. To purchase a copy of the Tenth edition of the *Uniform System of Accounts for the Lodging Industry*, please contact the Educational Institute of the American Hotel and Lodging Association at www.ahlei.org.

Our goal of information comparability and accuracy requires thousands of hours from the *Trends®* staff. Before entering our database, each statement is reviewed by at least two people. As needed, we re-classify revenue and expense items. We spend the time, for example, to move General Insurance from Administrative and General to Fixed Charges. If we see Reservations Expenses in the Marketing Department, we move them to the Rooms Department.

On occasion, certain expense items are excluded from the financial statement of a hotel depending on the source of the document. For example, financial statements sometimes do not include certain ownership expenses such as property taxes or property insurance. In these special circumstances, PKF Hospitality Research, LLC will estimate these costs to ensure comparability. The estimates are based on the relative movement of the same expense item in comparable hotels for which we have data in the current year.

In addition to comparability and accuracy, another goal is to provide critical performance measurements. Therefore, we identify and capture over 200 specific revenue and expense items to provide readers and clients with the greatest degree of financial benchmarking.

Sustaining Profitability

Based on a sample of operating statements from approximately 7,000 properties in the U.S. that participated in

the 2014 *Trends® in the Hotel Industry* survey, unit-level net operating income (NOI) increased by 10.1 percent from 2012 to 2013. This was the result of a 5.4 percent gain in total revenue, along with a 3.7 percent increase in operating expenses.

Looking forward, the combination of rising average daily rates (ADR) in a low inflation environment will allow for a continuation of profit growth in excess of 10 percent through 2015. This five year period (2011-2015) of continuous double-digit gains on the bottom-line will be the longest such streak for U.S. hotels since the high inflation days of the late 1970s.

Other Revenues Bounce Back

The initial years of the U.S. lodging industry recovery from the 2008/2009 recession were led by strong gains in occupancy. However, once the growing number of guests checked in, hoteliers struggled to entice them to spend money on other hotel services and amenities. This began to dissipate in 2013.

During the year, RevPAR for the *Trends®* sample increased by 5.9 percent, while the combined revenue from food and beverage, other operated departments, and rentals and other income grew by 4.2 percent. This growth rate for other revenue sources is up from the 2.3 percent increase posted in 2012.

Measured on a dollar-per-occupied room basis, the increase in other revenues grew from 0.5 percent in 2012 to 2.7 percent in 2013. This indicates that either hoteliers were able to raise the prices for the additional services, or more guests took advantage of the on-site restaurants and lounges, recreation venues, and other miscellaneous service outlets.

Despite a slowdown in RevPAR gains, the increase in revenues from sources other than the rooms department resulted in a rise in the pace of total hotel revenue growth. Total hotel revenues increased by 5.4 percent in 2013 compared to just 5.0 percent in 2012.

Variable vs Fixed Costs

Like other industries, hotel operators are tasked with controlling both fixed and variable expenses. In the hotel industry operated department expenses tend to be highly

variable, while the majority of undistributed expenses are mostly fixed in nature.

In 2013, operated department costs increased by 3.9 percent, while undistributed expenses rose by just 3.1 percent. Clearly the lodging industry is at a point when business volume is covering most of the fixed undistributed expenses, while continued occupancy growth is driving the variable departmental costs.

Some lodging expenses, such as utilities, property taxes, and insurance, are largely out of the day-to-day control of management. In 2012, utility costs at U.S. hotels declined from 2011 levels, but the downward trend ended in 2013 as the combined cost of electricity, gas, steam, water, and sewer increased by 2.0 percent. Property taxes and insurance grew by 3.9 percent in 2013, an increase from the 3.5 percent growth rate observed in 2012.

According to Moody's Analytics, PKF-HR's source for economic forecast data, the nation's unemployment levels will remain above 5.5 percent for the next few years, and inflation is expected to persist below 2.5 percent. These two macroeconomic factors will help suppress the increases in the less-controllable fixed component of hotel operating expenses. The unemployment rate will temper the need to raise salaries and wages, while low inflation will moderate increases in most of the goods and services purchased by hotels.

Profit Growth For All

All property types enjoyed growth in profits during 2013. For the year, NOI for the average hotel in our *Trends®* sample grew by 10.1 percent in 2013. Resort hotels enjoyed the greatest gain in NOI (11.9%), followed by full-service (11.5%) properties. Lagging behind the overall average profit growth rate were limited-service hotels (6.8%), suite hotels with F&B (6.8%), and suite hotels without F&B (7.9%).

Convention hotels achieved a profit growth of 8.2 percent in 2013. While this was less than the overall sample average, it is greater than the profit growth these properties achieved in 2012. The increased profitability of convention hotels is consistent with the initial stages of the recovery of the group demand segment.

A Profitable Environment

An accumulation of factors results in a business environment that is currently very conducive to significant growth in hotel profits. Based on the March 2014 edition of *Hotel Horizons*®, PKF-HR is forecasting unit-level NOI increases of 12.4 percent in 2014, and another 14.2 percent in 2015.

Based on the preceding NOI growth rates, the average hotel in our *Trends*® sample will finally achieve bottom-line profits greater than their pre-recession peak on a nominal basis in 2014. Perhaps of greater importance is that hotel profits, in inflation-adjusted terms, will exceed 2007 levels in 2015.

* * *

PKF Consulting USA, LLC and PKF Hospitality Research, LLC make every effort to compile and analyze data in ways that are most useful to the industry. Please contact PKF Hospitality Research, LLC in Atlanta at (404) 842-1150, extension 223 with questions and ideas for future studies, or for assistance in interpreting the data presented in this report.

TRENDS® IN THE HOTEL INDUSTRY

United States Metro Areas

Year-End Results for 2013

	Occupancy			Average Daily Rate			RevPAR		
	2013	2012	Percent Variation	2013	2012	Percent Variation	2013	2012	Percent Variation
New England & Middle Atlantic Cities									
Boston	73.1 %	71.6 %	2.0 %	\$ 164.27	\$ 158.81	3.4 %	\$ 120.08	\$ 113.77	5.5 %
Hartford	57.2	56.5	1.3	101.96	99.28	2.7	58.32	56.06	4.0
Long Island	72.9	69.6	4.7	135.16	130.64	3.5	98.48	90.95	8.3
New York	84.5	83.6	1.1	258.48	251.02	3.0	218.37	209.84	4.1
Newark	70.0	70.6	(0.9)	116.43	111.30	4.6	81.54	78.63	3.7
Philadelphia	65.2	66.9	(2.4)	121.14	119.22	1.6	79.03	79.71	(0.9)
Pittsburgh	66.0	67.5	(2.3)	112.57	109.43	2.9	74.31	73.91	0.5
Subtotal	74.6 %	74.2 %	0.6 %	\$ 188.59	\$ 182.21	3.5 %	\$ 140.70	\$ 135.15	4.1 %
North Central Cities									
Chicago	67.3 %	66.7 %	1.0 %	\$ 129.34	\$ 125.16	3.3 %	\$ 87.10	\$ 83.45	4.4 %
Cincinnati	57.9	56.2	3.2	90.51	86.98	4.1	52.45	48.85	7.4
Cleveland	61.2	60.6	1.1	94.87	89.40	6.1	58.11	54.14	7.3
Columbus	61.8	61.8	—	90.20	86.04	4.8	55.73	53.17	4.8
Detroit	62.4	61.6	1.2	84.20	79.60	5.8	52.53	49.05	7.1
Indianapolis	61.4	59.4	3.3	90.40	91.74	(1.5)	55.49	54.49	1.8
Kansas City	58.5	56.9	2.7	87.11	85.21	2.2	50.92	48.51	5.0
Minneapolis	66.7	64.1	4.2	101.22	98.36	2.9	67.53	63.01	7.2
Saint Louis	61.8	60.7	1.9	90.50	85.98	5.3	55.96	52.18	7.2
Subtotal	63.4 %	62.2 %	1.9 %	\$ 103.18	\$ 99.72	3.5 %	\$ 65.39	\$ 62.03	5.4 %

TRENDS® IN THE HOTEL INDUSTRY

United States Metro Areas

Year-End Results for 2013

	Occupancy			Average Daily Rate			RevPAR		
	2013	2012	Percent Variation	2013	2012	Percent Variation	2013	2012	Percent Variation
South Atlantic Cities									
Atlanta	63.2 %	60.9 %	3.8 %	\$ 87.81	\$ 85.94	2.2 %	\$ 55.47	\$ 52.30	6.1 %
Baltimore	63.6	64.2	(0.9)	109.93	108.14	1.7	69.95	69.45	0.7
Charlotte	64.3	63.6	1.1	89.35	89.19	0.2	57.41	56.71	1.2
Fort Lauderdale	74.8	72.4	3.3	119.54	114.76	4.2	89.37	83.06	7.6
Jacksonville	62.2	60.2	3.4	88.54	84.05	5.3	55.11	50.57	9.0
Miami	77.9	76.6	1.8	176.75	163.51	8.1	137.77	125.20	10.0
Orlando	70.9	68.8	3.1	101.64	97.27	4.5	72.11	66.91	7.8
Raleigh-Durham	62.1	60.5	2.7	87.05	85.41	1.9	54.08	51.67	4.7
Richmond	55.0	57.4	(4.1)	79.18	76.92	2.9	43.58	44.14	(1.3)
Tampa	64.6	62.9	2.7	100.44	100.11	0.3	64.90	62.99	3.0
Washington DC	66.0	67.5	(2.2)	144.71	143.87	0.6	95.51	97.09	(1.6)
West Palm Beach	71.7	67.4	6.3	146.09	141.17	3.5	104.71	95.20	10.0
Subtotal	67.0 %	65.9 %	1.6 %	\$ 114.27	\$ 111.09	2.9 %	\$ 76.59	\$ 73.25	4.6 %
South Central Cities									
Austin	71.3 %	68.0 %	4.8 %	\$ 119.58	\$ 113.46	5.4 %	\$ 85.22	\$ 77.17	10.4 %
Dallas	64.2	61.0	5.4	90.65	86.27	5.1	58.21	52.58	10.7
Fort Worth	62.3	60.3	3.4	92.89	91.51	1.5	57.89	55.17	4.9
Houston	69.0	65.4	5.6	101.31	93.98	7.8	69.93	61.46	13.8
Memphis	60.1	60.6	(0.9)	80.71	78.56	2.7	48.48	47.63	1.8
Nashville	68.6	65.2	5.3	103.90	96.71	7.4	71.32	63.07	13.1
New Orleans	67.0	67.7	(1.1)	143.02	132.65	7.8	95.76	89.78	6.7
San Antonio	62.8	63.2	(0.6)	101.80	97.15	4.8	63.97	61.39	4.2
Subtotal	66.0 %	63.8 %	3.4 %	\$ 103.62	\$ 97.96	5.8 %	\$ 68.37	\$ 62.53	9.3 %
Mountain and Pacific Cities									
Albuquerque	57.8 %	56.5 %	2.3 %	\$ 72.84	\$ 71.86	1.4 %	\$ 42.08	\$ 40.58	3.7 %
Anaheim	74.9	73.0	2.6	127.29	120.35	5.8	95.31	87.87	8.5
Denver	70.8	66.9	5.7	103.15	100.42	2.7	73.01	67.23	8.6
Los Angeles	76.8	75.3	1.9	136.86	130.51	4.9	105.06	98.29	6.9
Oahu	83.7	84.7	(1.1)	209.79	184.18	13.9	175.64	155.97	12.6
Oakland	74.2	72.0	3.1	103.82	95.74	8.4	77.05	68.90	11.8
Phoenix	59.7	57.8	3.4	109.14	106.19	2.8	65.19	61.34	6.3
Portland	69.9	67.3	3.9	106.38	99.92	6.5	74.35	67.24	10.6
Sacramento	60.3	57.9	4.2	93.22	89.80	3.8	56.21	51.98	8.1
Salt Lake City	63.9	64.6	(1.0)	92.57	90.08	2.8	59.18	58.15	1.8
San Diego	71.6	70.5	1.5	135.58	132.13	2.6	97.05	93.14	4.2
San Francisco	82.9	80.3	3.2	187.62	171.63	9.3	155.47	137.77	12.8
Seattle	72.9	71.1	2.4	126.67	120.23	5.4	92.30	85.54	7.9
Tucson	56.8	56.7	0.1	90.48	89.39	1.2	51.38	50.69	1.4
Subtotal	71.6 %	69.9 %	2.4 %	\$ 131.20	\$ 124.06	5.8 %	\$ 93.90	\$ 86.69	8.3 %
United States*	62.2 %	61.3 %	1.5 %	\$ 110.34	\$ 106.24	3.9 %	\$ 68.67	\$ 65.12	5.4 %

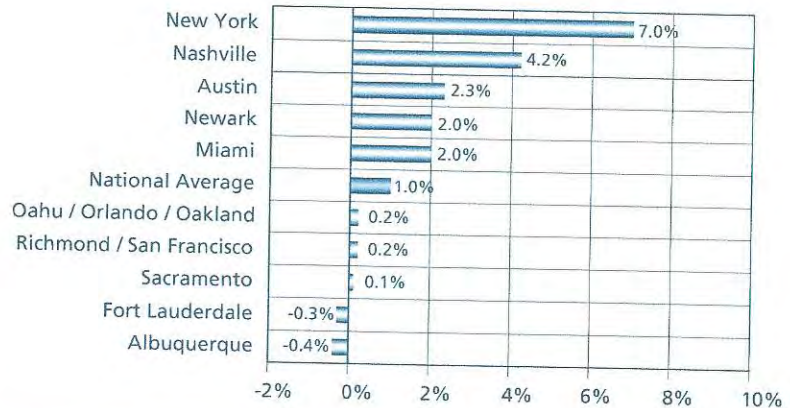
PRIMARY GROWTH FOR SECONDARY MARKETS

The recovery of the U.S. lodging industry has been led by hotels located in the nation's major coastal markets. According to the March 2014 editions of *Hotel Horizons®*, the markets forecast to achieve the 12 highest occupancy levels in 2014 are all located in states that border the Atlantic or Pacific oceans. These major gateway markets have benefited from the presence of in-bound international travelers, luxury hotels that attract high-income customers, greater levels of employment, and active ports. Now, with occupancy levels above 70 percent, PKF Hospitality Research, LLC (PKF-HR), is forecasting room rates in these 12 large cities to increase by 6.6 percent, on average, in 2014.

Lagging in the recovery have been secondary markets located in the mid-section of the nation. Fortunately, lodging is a cyclical industry and we are beginning to see the early signs of

a stronger recovery for the secondary cities. The list of top 10 markets for occupancy growth in 2014 includes Kansas City, Salt Lake City, Tucson, Raleigh-Durham, Memphis, Albuquerque, and Richmond.

U.S. Hotel Markets
Greatest and Least Change in Supply
Forecast Change 2013 to 2014

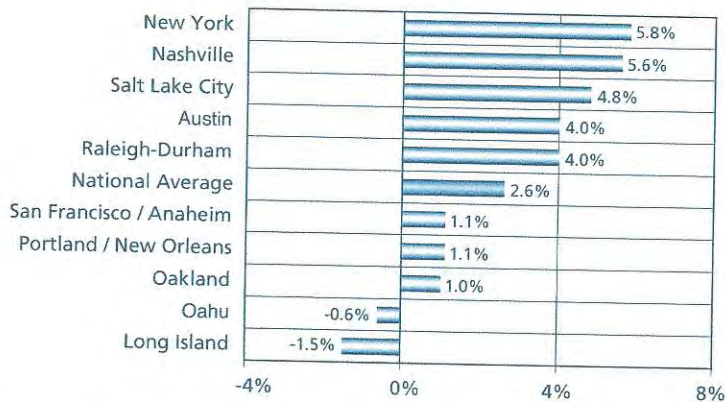


Source: PKF Hospitality Research, LLC, March 2014 *Hotel Horizons®* reports

Looking at historical cycles we know that occupancy growth typically is the initial indicator of recovery, followed by gains in average daily rates (ADR). This trend is proving true in 2014. The top 10 occupancy growth markets are forecast to average an occupancy increase of 2.4 percent during the year, along with a 3.9 percent change in ADR. For perspective, PKF-HR is forecasting the entire U.S. lodging industry to enjoy an occupancy gain of just 1.7 percent, but a stronger 4.9 percent increase in ADR.

In general, the secondary markets located in the central regions of the country have a greater mix of moderate-priced properties compared to the coastal gateway markets. Prior research conducted by PKF-HR has found that changes in the demand for lower-priced properties are highly correlated to changes in employment. According to Moody's

U.S. Hotel Markets
Greatest and Least Change in Demand
Forecast Change 2013 to 2014



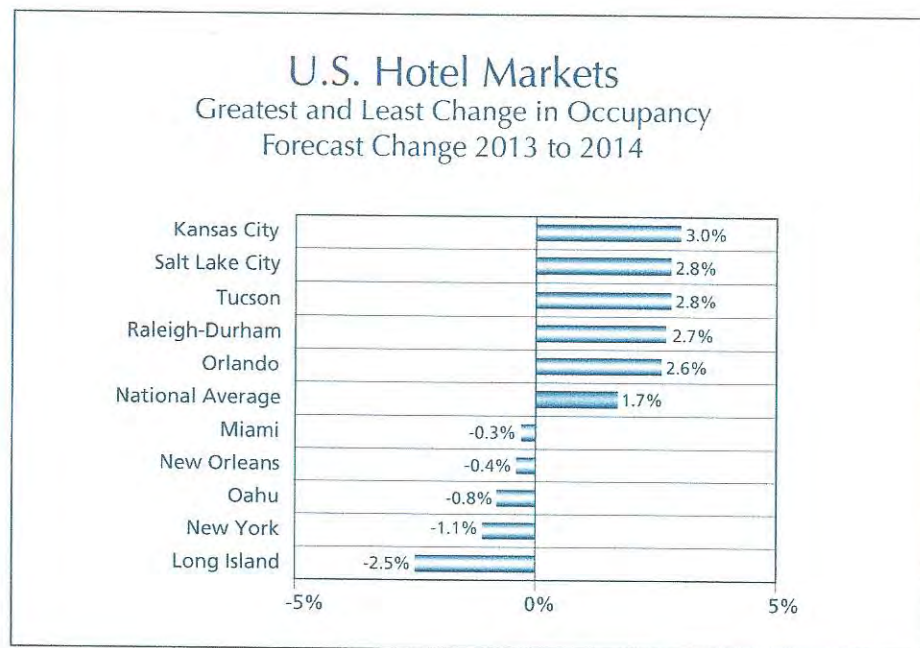
Source: PKF Hospitality Research, LLC, March 2014 *Hotel Horizons®* reports

Analytic's, national employment levels are expected to exceed pre-recession levels by the end of 2014. Therefore, the prospects for continued growth in demand and occupancy for lower-priced properties are strong. In fact, among the six chain-scales, economy hotels are forecast to achieve the second greatest growth in rooms revenue (RevPAR) during 2014.

The following paragraphs highlight PKF-HR's March 2014 outlook for the nation's 50 largest markets, both primary and secondary.

Supply and Demand

For most hoteliers, new competition will not be an issue in 2014. In 45 of the 50 *Horizons*® markets the net change in supply forecast for 2014 is less than the 2.0 percent long-run national average. Hotel construction continues to remain most active in New York City where the lodging supply is projected to increase by 7.0 percent. The impact of the fall 2013 opening of the 800 room



Source: PKF Hospitality Research, LLC, March 2014 *Hotel Horizons*® reports

Omni Hotel in Nashville is the primary influence of the 4.2 percent increase in that city's available room count during 2014. Other metro areas expected to see relatively strong gains in supply include Austin, Newark, and Miami.

High economic and regulatory hur-

dles limit the ability of developers to construct new hotels in northern California. Therefore, it is not surprising that the lodging supplies in Sacramento, Oakland, and San Francisco will remain virtually the same in 2014 compared to 2013. Hotel closings will result in net declines in the inventory of rooms in Ft. Lauderdale and Albuquerque.

Fortunately for hotel operators in Nashville, Austin, and Newark, PKF-HR is forecasting sufficient growth in demand to outpace the strong projections of new supply in those cities. While occupancy is forecast to decline by 1.1 percent in New York during 2014, lodging demand is projected to grow by a nation leading 5.8 percent.

Occupancy, ADR, and RevPAR

The combination of a 3.3 percent gain in demand with a 0.3 percent increase in supply will result in a nation lead-



Source: PKF Hospitality Research, LLC, March 2014 *Hotel Horizons*® reports

ing forecast boost to occupancy of 3.0 percent in Kansas City during 2014. Conversely, while occupancy in Miami, Oahu, New York and Long Island is forecast to decline in 2014, occupancy levels will remain above 70 percent in those cities.

The best news for hotel managers in 2014 is the projections of strong ADR growth. All but two (Philadelphia and Washington DC) of the 50 *Horizons*® markets are forecast to achieve ADR increases greater than Moody's Analytic's 1.8 percent forecast for inflation in 2014. ADR growth in excess of inflation typically leads to significant gains in profits.

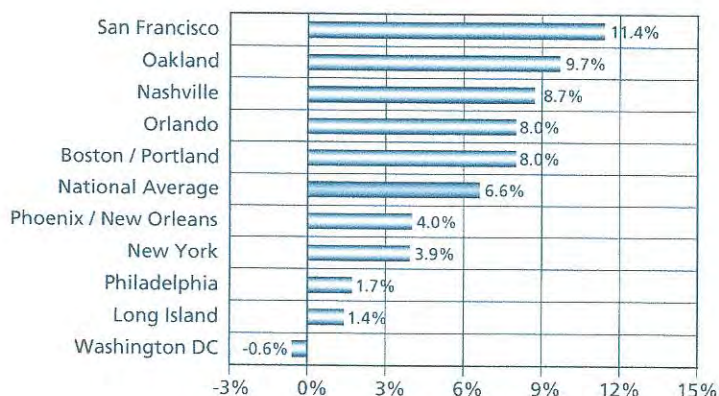
High occupancy levels and limited new competition should allow hotel operators in San Francisco, Oakland, Portland and Oahu to push room rates aggressively in 2014. Hotels in all four of these markets are expected to enjoy ADR growth in excess of 7.5 percent.

In all but one market (Tucson), ADR growth is the primary factor driving RevPAR in 2014. On average, ADR will be responsible for 86.6 percent of the increase in rooms revenue for hotels in the nation's major markets.

* * *

To learn more about the *Hotel Horizons*® forecast reports for major markets in the United States, please visit www.HotelHorizons.com, or call (855) 223-1200. Please note that starting in June 2014, PKF-HR will offer *Hotel Horizons*® forecast reports for 55 markets in the U.S.

U.S. Hotel Markets Greatest and Least Change in RevPAR Forecast Change 2013 to 2014



Source: PKF Hospitality Research, LLC, March 2014 *Hotel Horizons*® reports

BENCHMARK YOUR HOTEL AGAINST THE COMPETITION

BenchmarkerSM Reports — the next logical step for those who use *Trends*[®]

You've used *Trends*[®] in the Hotel Industry to help measure the effectiveness of a hotel's performance. Now, customized BenchmarkerSM Reports allow you to go a lot farther in your analysis. They are customized income statement analyses of your property against a set of comparable properties. Now with over 5,000 properties to choose from, owners and operators can compare revenues, expenses, and profits of their hotel to similar properties. The parameters are chosen by you: By market segment, geographic area, or competitive set from our database of thousands of financial statements from U.S. hotels.

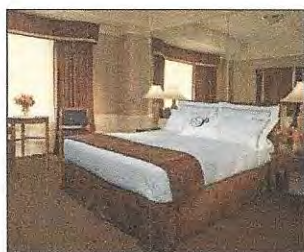
The comparable group you select can contain as many, or as few, criteria as you wish:

- ☐ Property Type — full-service, limited-service, convention hotel, etc.
- ☐ Range of Rooms — 100-199, 200-299, etc.
- ☐ Geographical Area — city, state, or U.S. region
- ☐ Affiliation — chain or independent
- ☐ Or ranges of occupancy and ADR



Standard reports now available:

- Income Statement - a consolidation of revenues and expenses for major departments.
- Departmental Statements - revenues and expenses for the following departments:
Rooms, Food and Beverage, Administration and General, Sales and Marketing, and Maintenance and Utilities.
- Labor Cost Analysis - salaries, wages, and employee benefits for each department.



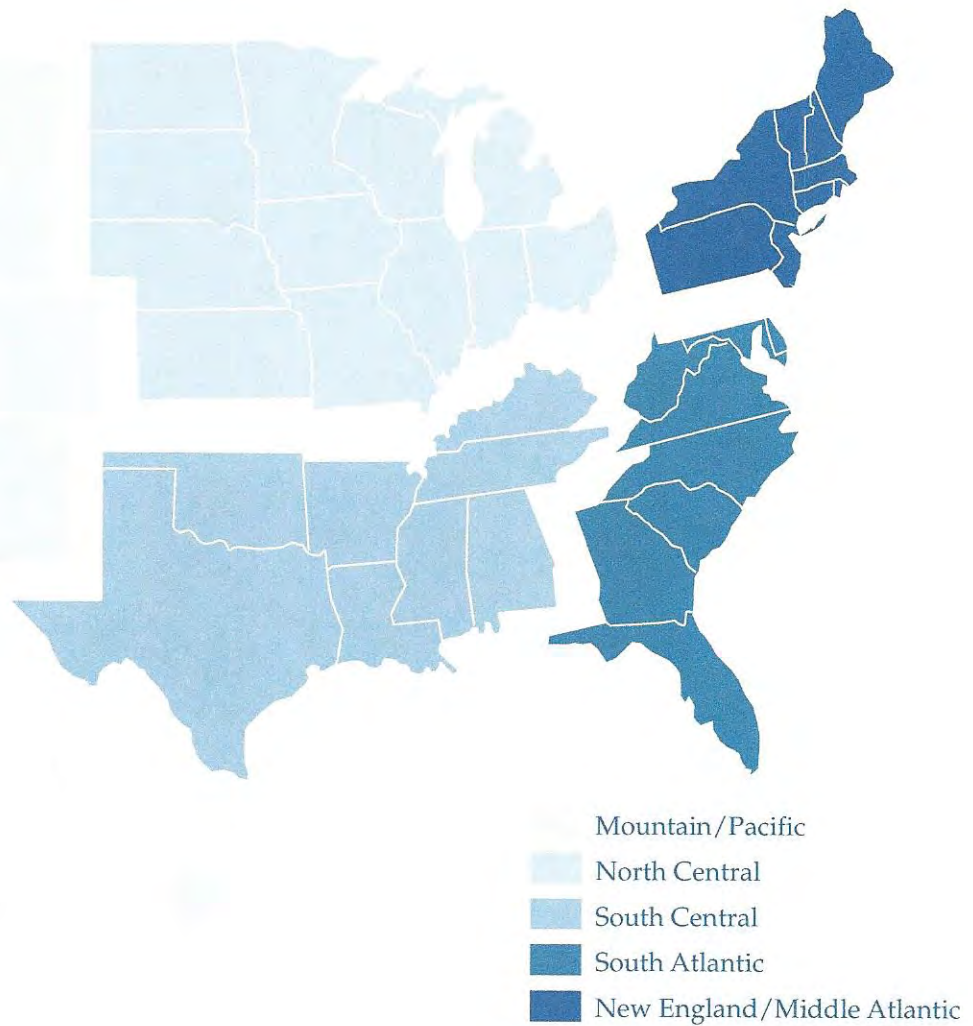
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Data partners receive benefits such as a free Annual *Trends*[®] in the Hotel Industry book (a \$395.00 value) and deep discounts on BenchmarkerSM and all downloadable web reports.



For more information, or to receive the BenchmarkerSM Brochure and Order Form, please contact Claude Vargo, Vice President - Operations PKF Hospitality Research, LLC. Address email to Claude.Vargo@pkfc.com, call toll-free at 855-223-1200 or visit www.pkfc.com/benchmarker.

GEOGRAPHIC REGIONS: TRENDS® IN THE HOTEL INDUSTRY REPORT



MOUNTAIN / PACIFIC

Alaska
Arizona
California
Colorado
Hawaii
Idaho
Montana
Nevada
New Mexico
Oregon
Utah
Washington
Wyoming

NORTH CENTRAL

Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

SOUTH CENTRAL

Alabama
Arkansas
Kentucky
Louisiana
Mississippi
Oklahoma
Tennessee
Texas

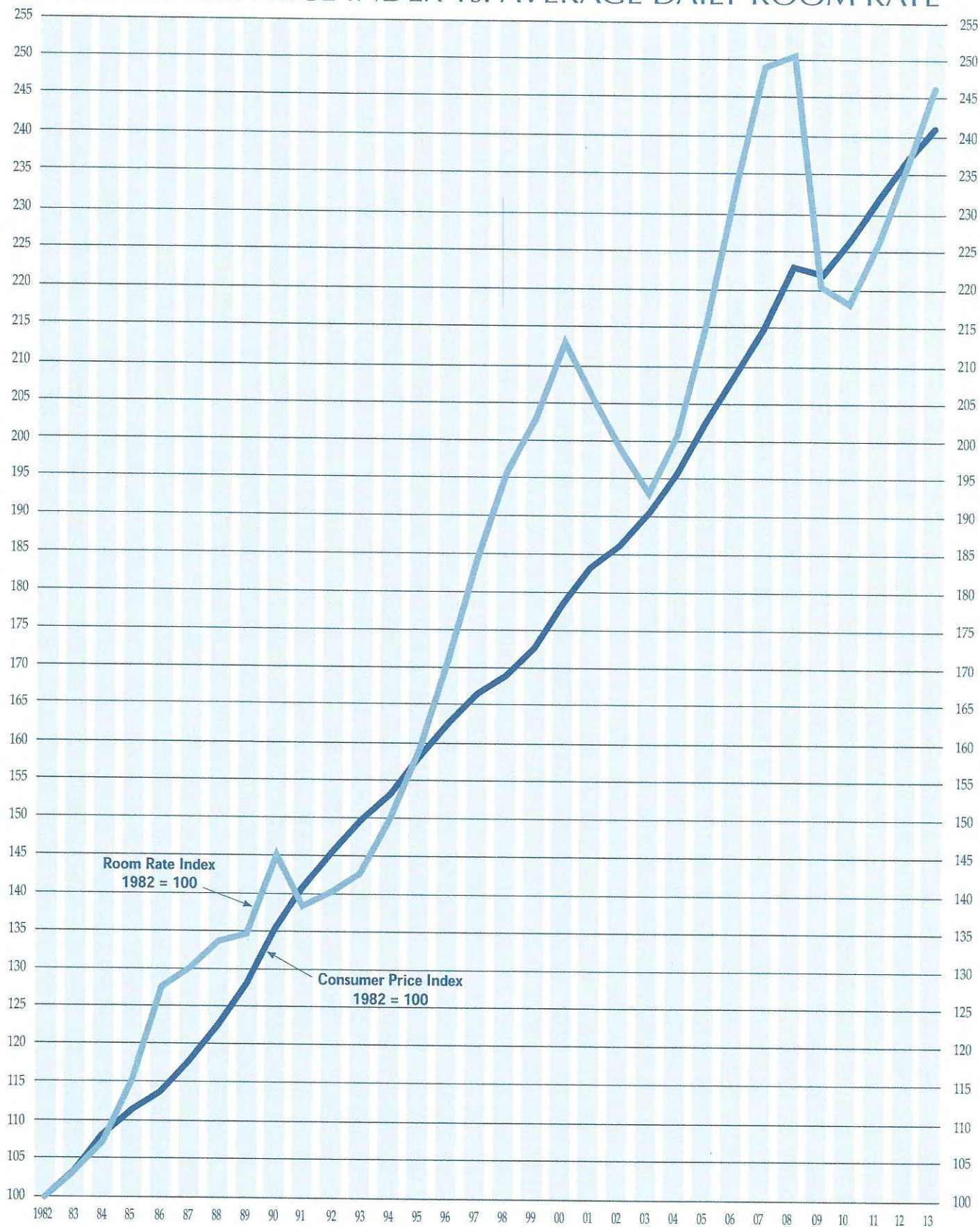
SOUTH ATLANTIC

Delaware
District of
Columbia
Florida
Georgia
Maryland
North Carolina
South Carolina
Virginia
West Virginia

NEW ENGLAND / MIDDLE ATLANTIC

Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont










CONSUMER PRICE INDEX vs. AVERAGE DAILY ROOM RATE



ALL HOTELS – 2013 VS. 2012

How Hotels Performed

Figure Number 1

		SHOWING INCREASES	SHOWING DECREASES
	NUMBER OF ROOMS SOLD	62.9%	37.1%
	ROOMS REVENUE	80.5%	19.5%
	FOOD & BEVERAGE REVENUE	65.1%	34.9%
	OTHER OPERATED REVENUE	51.3%	48.7%
	TOTAL REVENUE	79.3%	20.7%
	DEPARTMENTAL EXPENSES	76.0%	24.0%
	UNDISTRIBUTED EXPENSES	76.7%	23.3%
	PROPERTY TAXES AND INSURANCE	68.9%	31.1%
	NET OPERATING INCOME*	70.4%	29.6%

* Before deduction for rent

ALL HOTELS

Statistical Highlights – 2013

Figure Number 2

	Average Size (Rooms)	2013 Occupancy	Change from 2012	2013 ADR	Change from 2012	2013 Total RevPAR	Change from 2012	2013 NOI* PAR	Change from 2012
All Hotels	212	72.3 %	1.7 %	\$152.40	4.2 %	\$57,908	5.4 %	\$16,136	10.1 %
Full Service	233	73.0	1.8	155.95	4.4	58,760	5.6	15,735	11.5
Limited Service	111	67.8	1.7	93.01	3.9	23,481	5.7	8,571	6.8
Suite with F&B	237	74.8	1.7	139.76	3.3	48,550	4.9	15,062	6.8
Suite Without F&B	123	76.3	2.0	113.54	3.3	32,516	5.3	12,405	7.9
Convention	768	73.1	1.5	182.49	3.6	77,133	5.1	20,664	8.2
Resort	460	69.3	0.9	222.43	5.6	105,605	5.5	26,387	11.9

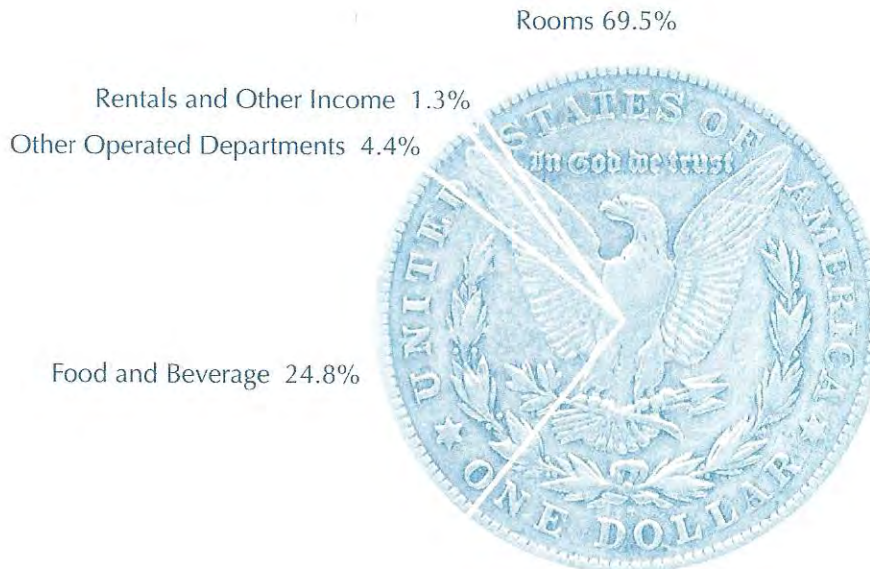
* Before deduction for rent.

ALL HOTELS – 2013

Source and Disposition of the Industry Dollar

Figure Number 3

Revenues



Costs and Expenses



ALL HOTELS

Summary Operating Statement

Dollars Per Available and Occupied Room

Figure Number 4

	2013 Dollars Per Available Room	2012 Dollars Per Available Room	Change From Prior Year	2013 Dollars Per Occupied Room	2012 Dollars Per Occupied Room	Change From Prior Year
Revenue						
Rooms	\$ 40,244	\$ 37,998	5.9 %	\$ 152.40	\$ 146.32	4.2 %
Food and Beverage	14,383	13,791	4.3	54.47	53.10	2.6
Other Operated Departments	2,532	2,428	4.3	9.59	9.35	2.5
Rentals and Other Income	749	698	7.3	2.84	2.69	5.5
Total Revenue	\$ 57,908	\$ 54,916	5.4 %	\$ 219.30	\$ 211.46	3.7 %
Departmental Expenses						
Rooms	\$ 10,605	\$ 10,102	5.0 %	\$ 40.16	\$ 38.90	3.2 %
Food and Beverage	10,469	10,161	3.0	39.65	39.12	1.3
Other Operated Departments	1,820	1,762	3.3	6.89	6.78	1.6
Total Departmental Expenses	\$ 22,894	\$ 22,025	3.9 %	\$ 86.70	\$ 84.81	2.2 %
Total Departmental Income	\$ 35,014	\$ 32,891	6.5 %	\$ 132.60	\$ 126.65	4.7 %
Undistributed Operating Expenses						
Administrative and General	\$ 4,876	\$ 4,721	3.3 %	\$ 18.46	\$ 18.18	1.6 %
Sales and Marketing	4,663	4,507	3.5	17.66	17.35	1.8
Property Operations and Maintenance	2,601	2,519	3.3	9.85	9.70	1.6
Utilities	2,117	2,076	2.0	8.02	7.99	0.3
Total Undistributed Expenses	\$ 14,257	\$ 13,822	3.1 %	\$ 53.99	\$ 53.22	1.4 %
Gross Operating Profit	\$ 20,757	\$ 19,068	8.9 %	\$ 78.61	\$ 73.42	7.1 %
Management Fees	\$ 1,921	\$ 1,808	6.3 %	\$ 7.28	\$ 6.96	4.5 %
Income Before Fixed Charges	\$ 18,836	\$ 17,261	9.1 %	\$ 71.33	\$ 66.46	7.3 %
Fixed Charges						
Property and Other Taxes	\$ 2,080	\$ 1,997	4.1 %	\$ 7.88	\$ 7.69	2.4 %
Insurance	621	602	3.2	2.35	2.32	1.5
Total Fixed Charges	\$ 2,701	\$ 2,599	3.9 %	\$ 10.23	\$ 10.01	2.2 %
Net Operating Income*	\$ 16,136	\$ 14,662	10.1 %	\$ 61.11	\$ 56.46	8.2 %
Percentage of Occupancy	72.3 %	71.1 %	1.7 %			
Average Daily Rate	\$ 152.40	\$ 146.32	4.2 %			
RevPAR	\$ 110.26	\$ 104.10	5.9 %			
Average Size (Rooms)	212	212	—			

* Before deduction for rent

ALL HOTELS

Summary Operating Statement

Percent of Revenue

Figure Number 5

	2013 Percent of Revenue	2012 Percent of Revenue
Revenue		
Rooms	69.5 %	69.2 %
Food and Beverage	24.8	25.1
Other Operated Departments	4.4	4.4
Rentals and Other Income	1.3	1.3
Total Revenue	100.0 %	100.0 %
Departmental Expenses*		
Rooms	26.4 %	26.6 %
Food and Beverage	72.8	73.7
Other Operated Departments	71.9	72.5
Total Departmental Expenses	39.5 %	40.1 %
Total Departmental Income	60.5 %	59.9 %
Undistributed Operating Expenses		
Administrative and General	8.4 %	8.6 %
Sales and Marketing	8.1	8.2
Property Operations and Maintenance	4.5	4.6
Utilities	3.7	3.8
Total Undistributed Expenses	24.6 %	25.2 %
Gross Operating Profit	35.8 %	34.7 %
Management Fees	3.3 %	3.3 %
Income Before Fixed Charges	32.5 %	31.4 %
Fixed Charges		
Property and Other Taxes	3.6 %	3.6 %
Insurance	1.1	1.1
Total Fixed Charges	4.7 %	4.7 %
Net Operating Income**	27.9 %	26.7 %
Percentage of Occupancy	72.3 %	71.1 %
Average Daily Rate	\$ 152.40	\$ 146.32
RevPAR	\$ 110.26	\$ 104.10
Average Size (Rooms)	212	212

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

ALL HOTELS

Departmental Expenses

Figure Number 6

	2013 Dollars Per Available Room	Change From Prior Year	2013 Dollars Per Occupied Room	2013 Percent of Revenue
Rooms Department*				
Total Labor Costs	\$ 6,477	4.1 %	\$ 24.53	16.1 %
Other Expenses	4,128	6.3	15.63	10.3
Total Department Expenses	\$ 10,605	5.0 %	\$ 40.16	26.4 %
Food and Beverage Department*				
Total Labor Costs	\$ 6,244	3.1 %	\$ 23.65	43.4 %
Other Expenses***	4,226	2.9	16.00	29.4
Total Department Expenses	\$ 10,469	3.0 %	\$ 39.65	72.8 %
Other Operated Departments*				
Total Labor Costs	\$ 1,009	2.4 %	\$ 3.82	39.9 %
Other Expenses***	811	4.4	3.07	32.0
Total Department Expenses	\$ 1,820	3.3 %	\$ 6.89	71.9 %
Administrative and General Department**				
Total Labor Costs	\$ 2,380	2.8 %	\$ 9.01	4.1 %
Other Expenses	2,495	3.7	9.45	4.3
Total Department Expenses	\$ 4,876	3.3 %	\$ 18.46	8.4 %
Marketing Department**				
Total Labor Costs	\$ 1,263	3.0 %	\$ 4.78	2.2 %
Other Expenses	3,400	3.7	12.88	5.9
Total Department Expenses	\$ 4,663	3.5 %	\$ 17.66	8.1 %
Maintenance Department**				
Total Labor Costs	\$ 1,340	2.7 %	\$ 5.07	2.3 %
Other Expenses	1,262	3.9	4.78	2.2
Total Department Expenses	\$ 2,601	3.3 %	\$ 9.85	4.5 %
Utilities Department**				
Other Expenses	\$ 2,117	2.0 %	\$ 8.02	3.7 %
Total Operating Expenses**				
Total Labor Costs	\$ 18,712	3.3 %	\$ 70.86	32.3 %
Other Expenses***	18,439	3.9	69.83	31.8
Total Operating Expenses****	\$ 37,151	3.6 %	\$ 140.69	64.2 %

* Expressed as a percent of department revenue.

** Expressed as a percent of total revenue.

*** Includes cost of sales.

****Before management fees, property taxes, insurance, and rent.

ALL HOTELS

Payroll Costs

Figure Number 7

	2013 Dollars Per Available Room	Change From Prior Year	2013 Dollars Per Occupied Room	2013 Percent of Revenue
Rooms Department*				
Salaries, Wages and Bonuses	\$ 4,549	3.8 %	\$ 17.23	11.3 %
Payroll-Related Expenses	1,927	4.8	7.30	4.8
Total Labor Costs	\$ 6,477	4.1 %	\$ 24.53	16.1 %
Food and Beverage Department*				
Salaries, Wages and Bonuses	\$ 4,212	2.7 %	\$ 15.95	29.3 %
Payroll-Related Expenses	2,032	4.0	7.70	14.1
Total Labor Costs	\$ 6,244	3.1 %	\$ 23.65	43.4 %
Other Operated Departments*				
Salaries, Wages and Bonuses	\$ 704	2.6 %	\$ 2.67	27.8 %
Payroll-Related Expenses	305	2.1	1.16	12.0
Total Labor Costs	\$ 1,009	2.4 %	\$ 3.82	39.9 %
Administrative and General Department**				
Salaries, Wages and Bonuses	\$ 1,757	2.5 %	\$ 6.65	3.0 %
Payroll-Related Expenses	623	4.0	2.36	1.1
Total Labor Costs	\$ 2,380	2.8 %	\$ 9.01	4.1 %
Marketing Department**				
Salaries, Wages and Bonuses	\$ 959	2.6 %	\$ 3.63	1.7 %
Payroll-Related Expenses	304	4.1	1.15	0.5
Total Labor Costs	\$ 1,263	3.0 %	\$ 4.78	2.2 %
Maintenance Department**				
Salaries, Wages and Bonuses	\$ 950	2.6 %	\$ 3.60	1.6 %
Payroll-Related Expenses	390	3.1	1.48	0.7
Total Labor Costs	\$ 1,340	2.7 %	\$ 5.07	2.3 %
All Departments**				
Salaries, Wages and Bonuses	\$ 13,131	3.0 %	\$ 49.73	22.7 %
Payroll-Related Expenses	5,581	4.1	21.14	9.6
Total Labor Costs	\$ 18,712	3.3 %	\$ 70.86	32.3 %

* Expressed as a percent of department revenue.

** Expressed as a percent of total revenue.

ALL HOTELS

Management Fees – Franchise Fees – 2013

Figure Number 8*

	Management Fees PAR	Management Fees Percent of Total Revenue	Franchise Fees** PAR	Franchise Fees** Percent of Rooms Revenue
All Hotels	\$ 1,998	3.4 %	\$ 2,871	7.1 %
Full Service	2,133	3.6	3,106	7.5
Limited Service	704	3.0	1,946	8.5
Suite With F&B	1,191	2.5	4,028	10.5
Suite Without F&B	1,317	4.0	2,493	7.9
Convention	2,919	3.7	2,971	6.0
Resort	3,089	2.9	2,830	4.7

* Figure 8 reflects composite results for only those properties reporting a management fee and/or franchise fee. In all other charts, management fee and franchise fee ratios are calculated based on the total sample, whether or not management fees or franchise fees were reported.

** Reservation assessment, franchise royalty, marketing assessment, loyalty program

ALL HOTELS

Selected Revenue and Expense Items – 20-Year Trend

Figure Number 9

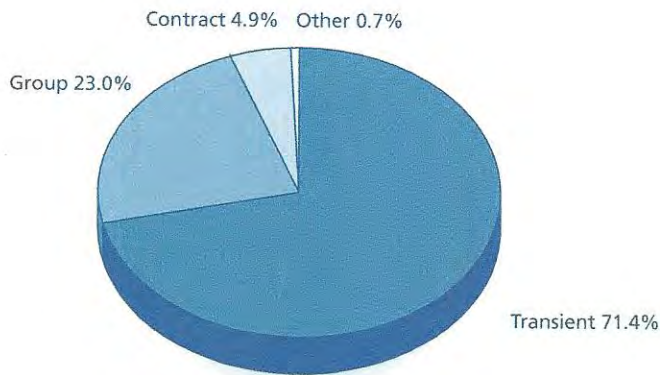
	Year*							
	1994	1999	2004	2009	2010	2011	2012	2013
Ratios to Total Revenues								
Rooms	63.0 %	66.3 %	67.3 %	66.0 %	66.3 %	67.0 %	69.2 %	69.5 %
Food and Beverage	25.8	25.1	26.2	26.4	26.6	26.4	25.1	24.8
Other Operated Departments	9.6	7.0	5.0	5.3	5.2	4.9	4.4	4.4
Rental and Other Income	1.6	1.6	1.5	2.3	1.9	1.8	1.3	1.3
Total Departmental Income	56.7 %	60.7 %	58.8 %	57.3 %	57.5 %	58.5 %	59.9 %	60.5 %
Gross Operating Profit	30.9	37.3	33.4	28.0	30.9	32.2	34.7	35.8
NOI**	24.1	31.1	25.0	21.9	22.9	24.4	26.7	27.9
Dollars Per Available Room								
Total Revenue	\$32,423	\$41,914	\$39,938	\$48,435	\$50,777	\$53,870	\$54,916	\$57,908
NOI**	7,824	13,026	9,984	10,596	11,639	13,132	14,662	16,136
Occupancy	70.4 %	69.1 %	67.5 %	63.7 %	67.7 %	69.3 %	71.1 %	72.3 %
Average Daily Rate	\$ 79.56	\$ 111.22	\$ 110.08	\$ 137.44	\$ 136.24	\$ 142.79	\$ 146.32	\$ 152.40

* Data prior to 2012 taken from different samples.

** Before deduction for rent.

FULL-SERVICE HOTELS Performance in 2013

FULL-SERVICE HOTELS Market Mix



- Total full-service hotel revenues increased 5.6 percent in 2013 driven by a 1.8 percent gain in occupancy and a 4.4 percent rise in ADR.

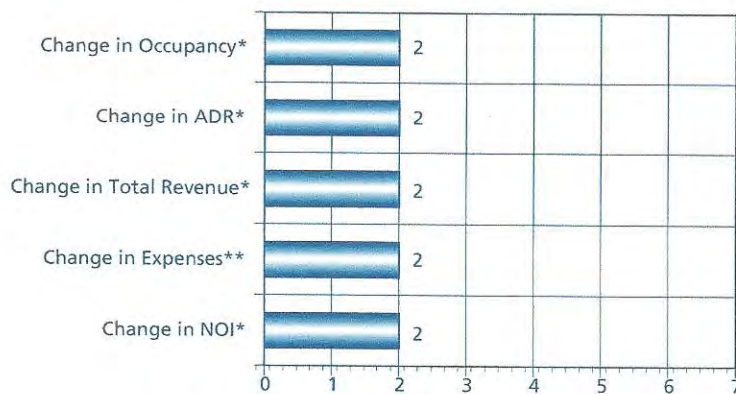
- With expenses growing 3.6 percent, full-service NOI increased 11.5 percent.

- Expenses within the rooms and sales and marketing departments grew the most on a percentage basis from 2012 to 2013.

- Labor costs at full-service hotels increased 3.2 percent in 2013. The combined costs of salaries, wages, bonuses, and benefits represented 45.0 percent of total operating expenses for the year.

- Upper-priced full-service properties achieved the greatest gains in NOI in 2013. Full-service properties with an ADR over \$200 experienced a 15.2 percent increase in NOI.

RANKING Rank Among Six Property Type Categories Change From 2012 to 2013



NOTE: * 1 = greatest increase, 6 = least increase

** 1 = least increase, 6 = greatest increase

- Among the regions, full-service hotels in the Mountain/Pacific and South Central states achieved the greatest growth in NOI.

FULL-SERVICE HOTELS

Summary Operating Statement

Dollars Per Available and Occupied Room

Figure Number 10

	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Occupied Room
Revenue				
Rooms	\$ 41,525	6.2 %	70.7 %	\$ 155.95
Food and Beverage	14,562	3.8	24.8	54.69
Other Operated Departments	2,075	5.1	3.5	7.79
Rentals and Other Income	598	8.1	1.0	2.24
Total Revenue	\$ 58,760	5.6 %	100.0 %	\$ 220.67
Departmental Expenses*				
Rooms	\$ 10,960	5.3 %	26.4 %	\$ 41.16
Food and Beverage	10,911	2.5	74.9	40.98
Other Operated Departments	1,505	3.0	72.5	5.65
Total Departmental Expenses	\$ 23,376	3.8 %	39.8 %	\$ 87.79
Total Departmental Income	\$ 35,383	6.7 %	60.2 %	\$ 132.88
Undistributed Operating Expenses				
Administrative and General	\$ 5,254	2.9 %	8.9 %	\$ 19.73
Sales and Marketing	4,957	3.5	8.4	18.62
Property Operations and Maintenance	2,616	2.7	4.5	9.82
Utilities	2,069	1.5	3.5	7.77
Total Undistributed Expenses	\$ 14,896	2.9 %	25.4 %	\$ 55.94
Gross Operating Profit	\$ 20,487	9.8 %	34.9 %	\$ 76.94
Management Fees	\$ 2,041	5.8 %	3.5 %	\$ 7.67
Income Before Fixed Charges	\$ 18,446	10.2 %	31.4 %	\$ 69.27
Fixed Charges				
Property and Other Taxes	\$ 2,112	3.8 %	3.6 %	\$ 7.93
Insurance	598	2.1	1.0	2.25
Total Fixed Charges	\$ 2,711	3.4 %	4.6 %	\$ 10.18
Net Operating Income**	\$ 15,735	11.5 %	26.8 %	\$ 59.09
Percentage of Occupancy	73.0 %	1.8 %		
Average Daily Rate	\$ 155.95	4.4 %		
RevPAR	\$ 113.77	6.2 %		
Average Size (Rooms)	233	0.1 %		

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

FULL-SERVICE HOTELS

Summary Operating Statement – By Rate Groups

Figure Number 10A

	Rate Groups								
	Under \$110			\$110 to \$200			Over \$200		
	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
Revenue									
Rooms	\$ 23,805	5.0 %	79.7 %	\$ 38,467	5.7 %	71.4 %	\$ 84,173	7.8 %	65.8 %
Food and Beverage	5,418	2.9	18.1	13,210	3.2	24.5	35,684	4.9	27.9
Other Operated Departments	470	4.2	1.6	1,720	4.2	3.2	6,240	6.2	4.9
Rentals and Other Income	190	9.9	0.6	474	8.9	0.9	1,786	7.0	1.4
Total Revenue	\$ 29,883	4.6 %	100.0 %	\$ 53,871	5.0 %	100.0 %	\$ 127,883	6.9 %	100.0 %
Departmental Expenses*									
Rooms	\$ 6,649	4.9 %	27.9 %	\$ 9,566	4.9 %	24.9 %	\$ 23,868	6.3 %	28.4 %
Food and Beverage	3,964	0.9	73.2	9,375	2.2	71.0	28,942	3.3	81.1
Other Operated Departments	386	1.6	82.1	1,080	2.1	62.8	5,099	4.1	81.7
Total Departmental Expenses	\$ 10,999	3.3 %	36.8 %	\$ 20,021	3.4 %	37.2 %	\$ 57,908	4.6 %	45.3 %
Total Departmental Income	\$ 18,884	5.4 %	63.2 %	\$ 33,851	6.0 %	62.8 %	\$ 69,975	8.9 %	54.7 %
Undistributed Operating Expenses									
Administrative and General	\$ 2,993	2.5 %	10.0 %	\$ 4,781	2.4 %	8.9 %	\$ 11,018	3.9 %	8.6 %
Sales and Marketing	3,155	4.6	10.6	4,895	3.1	9.1	8,330	3.8	6.5
Property Operations and Maintenance	1,621	4.3	5.4	2,395	2.6	4.4	5,202	2.2	4.1
Utilities	1,435	2.3	4.8	1,969	1.3	3.7	3,560	1.6	2.8
Total Undistributed Expenses	\$ 9,203	3.5 %	30.8 %	\$ 14,039	2.5 %	26.1 %	\$ 28,110	3.2 %	22.0 %
Gross Operating Profit	\$ 9,681	7.3 %	32.4 %	\$ 19,812	8.6 %	36.8 %	\$ 41,865	13.0 %	32.7 %
Management Fees	\$ 1,032	2.7 %	3.5 %	\$ 1,914	5.0 %	3.6 %	\$ 4,289	8.7 %	3.4 %
Income Before Fixed Charges	\$ 8,649	7.8 %	28.9 %	\$ 17,898	9.0 %	33.2 %	\$ 37,575	13.5 %	29.4 %
Fixed Charges									
Property and Other Taxes	\$ 1,030	2.4 %	3.4 %	\$ 1,843	2.2 %	3.4 %	\$ 5,038	6.8 %	3.9 %
Insurance	329	2.3	1.1	535	1.7	1.0	1,314	2.8	1.0
Total Fixed Charges	\$ 1,359	2.4 %	4.5 %	\$ 2,378	2.1 %	4.4 %	\$ 6,352	5.9 %	5.0 %
Net Operating Income**	\$ 7,290	8.9 %	24.4 %	\$ 15,520	10.2 %	28.8 %	\$ 31,223	15.2 %	24.4 %
Percentage of Occupancy	69.0 %	2.0 %		73.2 %	1.5 %		78.8 %	2.5 %	
Average Daily Rate	\$ 94.55	2.9 %		\$ 143.94	4.1 %		\$ 292.61	5.2 %	
RevPAR	\$ 65.22	5.0 %		\$ 105.39	5.7 %		\$ 230.61	7.8 %	
Average Size (Rooms)	174	0.1 %		256	0.1 %		311	—	

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

FULL-SERVICE HOTELS

Summary Operating Statement – By Geographic Divisions

Figure Number 10B

		Geographic Divisions					
		New England/Middle Atlantic			North Central		
		2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
Revenue							
1.	Rooms	\$ 53,226	4.3 %	72.6 %	\$ 35,066	5.3 %	68.2 %
2.	Food and Beverage	17,312	2.8	23.6	14,253	2.8	27.7
3.	Other Operated Departments	2,108	2.2	2.9	1,537	1.5	3.0
4.	Rentals and Other Income	618	12.0	0.8	573	5.5	1.1
5.	Total Revenue	\$ 73,264	4.0 %	100.0 %	\$ 51,429	4.4 %	100.0 %
Departmental Expenses*							
6.	Rooms	\$ 14,183	4.0 %	26.6 %	\$ 9,440	4.4 %	26.9 %
7.	Food and Beverage	13,656	1.5	78.9	10,358	1.7	72.7
8.	Other Operated Departments	1,713	0.5	81.3	1,162	2.3	75.6
9.	Total Departmental Expenses	\$ 29,553	2.6 %	40.3 %	\$ 20,960	3.0 %	40.8 %
10.	Total Departmental Income	\$ 43,712	4.9 %	59.7 %	\$ 30,470	5.5 %	59.2 %
Undistributed Operating Expenses							
11.	Administrative and General	\$ 6,477	2.3 %	8.8 %	\$ 4,662	2.5 %	9.1 %
12.	Sales and Marketing	5,735	2.0	7.8	4,488	3.6	8.7
13.	Property Operations and Maintenance	3,210	2.1	4.4	2,511	3.4	4.9
14.	Utilities	2,602	1.1	3.6	1,907	3.9	3.7
15.	Total Undistributed Expenses	\$ 18,024	2.0 %	24.6 %	\$ 13,566	3.2 %	26.4 %
16.	Gross Operating Profit	\$ 25,687	7.0 %	35.1 %	\$ 16,903	7.4 %	32.9 %
17.	Management Fees	\$ 2,457	1.5 %	3.4 %	\$ 1,812	4.5 %	3.5 %
18.	Income Before Fixed Charges	\$ 23,231	7.6 %	31.7 %	\$ 15,092	7.7 %	29.3 %
Fixed Charges							
19.	Property and Other Taxes	\$ 3,398	3.6 %	4.6 %	\$ 2,157	8.1 %	4.2 %
20.	Insurance	526	0.5	0.7	345	1.0	0.7
21.	Total Fixed Charges	\$ 3,924	3.2 %	5.4 %	\$ 2,502	7.1 %	4.9 %
22.	Net Operating Income**	\$ 19,306	8.5 %	26.4 %	\$ 12,589	7.9 %	24.5 %
23.	Percentage of Occupancy	74.0 %	1.0 %		69.2 %	1.3 %	
24.	Average Daily Rate	\$ 196.99	3.3 %		\$ 138.91	3.9 %	
25.	RevPAR	\$ 145.83	4.3 %		\$ 96.07	5.3 %	
26.	Average Size (Rooms)	236	0.1 %		234	0.1 %	

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

FULL-SERVICE HOTELS

Summary Operating Statement – By Geographic Divisions

Figure Number 10B (Continued)

Geographic Divisions									
South Atlantic			South Central			Mountain/Pacific			
	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
1.	\$ 35,167	4.8 %	71.6 %	\$ 36,441	7.8 %	71.6 %	\$ 45,985	8.3 %	69.5 %
2.	11,880	5.0	24.2	12,182	5.5	23.9	16,466	3.6	24.9
3.	1,559	10.8	3.2	1,863	7.2	3.7	2,926	4.7	4.4
4.	518	2.8	1.1	428	10.0	0.8	761	9.6	1.2
5.	\$ 49,124	5.0 %	100.0 %	\$ 50,914	7.3 %	100.0 %	\$ 66,138	6.9 %	100.0 %
6.	\$ 8,938	4.4 %	25.4 %	\$ 8,407	6.5 %	23.1 %	\$ 12,898	6.7 %	28.0 %
7.	8,255	2.9	69.5	8,164	3.3	67.0	13,164	3.1	79.9
8.	1,122	7.9	72.0	1,267	4.4	68.0	2,027	2.2	69.3
9.	\$ 18,315	3.9 %	37.3 %	\$ 17,838	4.8 %	35.0 %	\$ 28,089	4.7 %	42.5 %
10.	\$ 30,808	5.6 %	62.7 %	\$ 33,077	8.6 %	65.0 %	\$ 38,049	8.7 %	57.5 %
11.	\$ 4,567	2.5 %	9.3 %	\$ 4,500	3.0 %	8.8 %	\$ 5,811	3.7 %	8.8 %
12.	4,447	2.8	9.1	4,701	5.7	9.2	5,304	3.9	8.0
13.	2,233	1.7	4.5	2,298	4.8	4.5	2,782	2.6	4.2
14.	1,937	0.1	3.9	1,878	0.6	3.7	2,041	2.2	3.1
15.	\$ 13,184	2.1 %	26.8 %	\$ 13,377	3.9 %	26.3 %	\$ 15,938	3.4 %	24.1 %
16.	\$ 17,624	8.4 %	35.9 %	\$ 19,699	12.1 %	38.7 %	\$ 22,110	12.9 %	33.4 %
17.	\$ 1,735	3.5 %	3.5 %	\$ 1,900	10.3 %	3.7 %	\$ 2,243	9.2 %	3.4 %
18.	\$ 15,890	9.0 %	32.3 %	\$ 17,800	12.3 %	35.0 %	\$ 19,868	13.3 %	30.0 %
19.	\$ 1,564	1.1 %	3.2 %	\$ 1,826	2.1 %	3.6 %	\$ 1,850	4.0 %	2.8 %
20.	620	2.9	1.3	499	4.6	1.0	845	1.8	1.3
21.	\$ 2,184	1.6 %	4.4 %	\$ 2,325	2.6 %	4.6 %	\$ 2,694	3.3 %	4.1 %
22.	\$ 13,706	10.2 %	27.9 %	\$ 15,475	13.9 %	30.4 %	\$ 17,173	15.0 %	26.0 %
23.	72.7 %	2.0 %		71.1 %	1.9 %		75.9 %	2.2 %	
24.	\$ 132.56	2.7 %		\$ 140.48	5.8 %		\$ 165.88	5.9 %	
25.	\$ 96.35	4.8 %		\$ 99.84	7.8 %		\$ 125.99	8.3 %	
26.	218	0.1 %		216	0.1 %		256	0.1 %	

FULL-SERVICE HOTELS

Summary Operating Statement – By Property Size Classifications

Figure Number 10C

	Property Size Classifications								
	Under 150 Rooms			150 to 300 Rooms			Over 300 Rooms		
	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
Revenue									
Rooms	\$ 29,905	5.2 %	85.3 %	\$ 40,826	6.2 %	72.0 %	\$ 46,572	6.5 %	67.0 %
Food and Beverage	4,230	5.6	12.1	13,537	4.8	23.9	19,355	3.1	27.8
Other Operated Departments	726	1.9	2.1	1,788	4.9	3.2	2,817	5.5	4.1
Rentals and Other Income	207	0.8	0.6	563	2.6	1.0	776	12.2	1.1
Total Revenue	\$ 35,067	5.2 %	100.0 %	\$ 56,715	5.8 %	100.0 %	\$ 69,520	5.5 %	100.0 %
Departmental Expenses*									
Rooms	\$ 7,614	4.4 %	25.5 %	\$ 10,259	4.8 %	25.1 %	\$ 12,794	5.8 %	27.5 %
Food and Beverage	3,355	0.2	79.3	10,247	3.0	75.7	14,352	2.4	74.2
Other Operated Departments	657	2.9	90.5	1,401	2.1	78.4	1,913	3.5	67.9
Total Departmental Expenses	\$ 11,627	3.0 %	33.2 %	\$ 21,906	3.8 %	38.6 %	\$ 29,059	4.0 %	41.8 %
Total Departmental Income	\$ 23,441	6.2 %	66.8 %	\$ 34,808	7.0 %	61.4 %	\$ 40,461	6.7 %	58.2 %
Undistributed Operating Expenses									
Administrative and General	\$ 3,455	3.8 %	9.9 %	\$ 5,257	2.7 %	9.3 %	\$ 5,950	2.8 %	8.6 %
Sales and Marketing	3,226	4.2	9.2	5,193	4.0	9.2	5,451	3.0	7.8
Property Operations and Maintenance	1,758	4.8	5.0	2,491	3.2	4.4	3,044	2.0	4.4
Utilities	1,432	1.3	4.1	2,057	1.4	3.6	2,326	1.7	3.3
Total Undistributed Expenses	\$ 9,870	3.7 %	28.1 %	\$ 14,998	3.0 %	26.4 %	\$ 16,772	2.6 %	24.1 %
Gross Operating Profit	\$ 13,571	8.1 %	38.7 %	\$ 19,811	10.3 %	34.9 %	\$ 23,689	9.8 %	34.1 %
Management Fees	\$ 1,444	4.8 %	4.1 %	\$ 1,970	6.0 %	3.5 %	\$ 2,327	5.9 %	3.3 %
Income Before Fixed Charges	\$ 12,126	8.5 %	34.6 %	\$ 17,840	10.8 %	31.5 %	\$ 21,361	10.2 %	30.7 %
Fixed Charges									
Property and Other Taxes	\$ 1,293	1.8 %	3.7 %	\$ 1,951	4.4 %	3.4 %	\$ 2,554	3.9 %	3.7 %
Insurance	340	2.0	1.0	532	0.4	0.9	749	3.1	1.1
Total Fixed Charges	\$ 1,633	1.8 %	4.7 %	\$ 2,483	3.5 %	4.4 %	\$ 3,302	3.7 %	4.8 %
Net Operating Income**	\$ 10,493	9.7 %	29.9 %	\$ 15,357	12.1 %	27.1 %	\$ 18,059	11.5 %	26.0 %
Percentage of Occupancy	70.8 %	1.3 %		71.4 %	1.2 %		75.0 %	2.4 %	
Average Daily Rate	\$ 115.74	3.8 %		\$ 156.68	4.9 %		\$ 170.17	4.0 %	
RevPAR	\$ 81.93	5.2 %		\$ 111.85	6.2 %		\$ 127.59	6.5 %	
Average Size (Rooms)	120	0.1 %		204	0.1 %		444	0.1 %	

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

FULL-SERVICE HOTELS

Departmental Expenses

Figure Number 11

	2013 Dollars Per Available Room	Change From Prior Year	2013 Dollars Per Occupied Room	2013 Percent of Revenue
Rooms Department*				
Total Labor Costs	\$ 6,718	4.4 %	\$ 25.23	16.2 %
Other Expenses	4,243	6.8	15.93	10.2
Total Department Expenses	\$ 10,960	5.3 %	\$ 41.16	26.4 %
Food and Beverage Department*				
Total Labor Costs	\$ 6,549	2.5 %	\$ 24.59	45.0 %
Other Expenses***	4,362	2.4	16.38	30.0
Total Department Expenses	\$ 10,911	2.5 %	\$ 40.98	74.9 %
Other Operated Departments*				
Total Labor Costs	\$ 769	2.4 %	\$ 2.89	37.1 %
Other Expenses***	735	3.7	2.76	35.4
Total Department Expenses	\$ 1,505	3.0 %	\$ 5.65	72.5 %
Administrative and General Department**				
Total Labor Costs	\$ 2,615	2.8 %	\$ 9.82	4.4 %
Other Expenses	2,639	3.0	9.91	4.5
Total Department Expenses	\$ 5,254	2.9 %	\$ 19.73	8.9 %
Marketing Department**				
Total Labor Costs	\$ 1,375	2.4 %	\$ 5.16	2.3 %
Other Expenses	3,583	3.9	13.46	6.1
Total Department Expenses	\$ 4,957	3.5 %	\$ 18.62	8.4 %
Maintenance Department**				
Total Labor Costs	\$ 1,353	2.8 %	\$ 5.08	2.3 %
Other Expenses	1,263	2.7	4.74	2.1
Total Department Expenses	\$ 2,616	2.7 %	\$ 9.82	4.5 %
Utilities Department**				
Other Expenses	\$ 2,069	1.5 %	\$ 7.77	3.5 %
Total Operating Expenses**				
Total Labor Costs	\$ 19,378	3.2 %	\$ 72.77	33.0 %
Other Expenses***	18,894	3.7	70.96	32.2
Total Operating Expenses****	\$ 38,273	3.4 %	\$ 143.73	65.1 %

* Expressed as a percent of department revenue.

** Expressed as a percent of total revenue.

*** Includes cost of sales.

**** Before management fees, property taxes, insurance, and rent.

FULL-SERVICE HOTELS

Payroll Costs

Figure Number 12

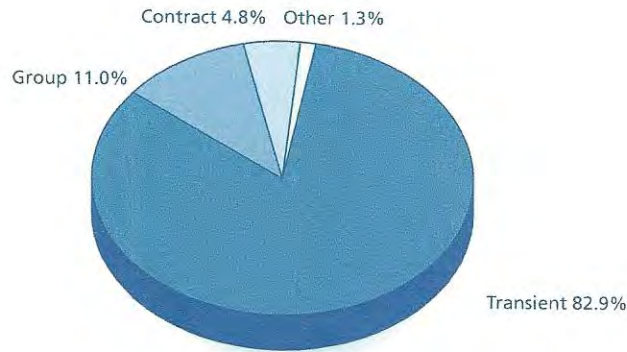
	2013 Dollars Per Available Room	Change From Prior Year	2013 Dollars Per Occupied Room	2013 Percent of Revenue
Rooms Department*				
Salaries, Wages and Bonuses	\$ 4,721	3.8 %	\$ 17.73	11.4 %
Payroll-Related Expenses	1,997	5.7	7.50	4.8
Total Labor Costs	\$ 6,718	4.4 %	\$ 25.23	16.2 %
Food and Beverage Department*				
Salaries, Wages and Bonuses	\$ 4,469	1.7 %	\$ 16.78	30.7 %
Payroll-Related Expenses	2,080	4.4	7.81	14.3
Total Labor Costs	\$ 6,549	2.5 %	\$ 24.59	45.0 %
Other Operated Departments*				
Salaries, Wages and Bonuses	\$ 542	3.0 %	\$ 2.03	26.1 %
Payroll-Related Expenses	228	0.9	0.86	11.0
Total Labor Costs	\$ 769	2.4 %	\$ 2.89	37.1 %
Administrative and General Department**				
Salaries, Wages and Bonuses	\$ 1,934	2.0 %	\$ 7.26	3.3 %
Payroll-Related Expenses	681	5.0	2.56	1.2
Total Labor Costs	\$ 2,615	2.8 %	\$ 9.82	4.4 %
Marketing Department**				
Salaries, Wages and Bonuses	\$ 1,045	1.5 %	\$ 3.93	1.8 %
Payroll-Related Expenses	329	5.1	1.24	0.6
Total Labor Costs	\$ 1,375	2.4 %	\$ 5.16	2.3 %
Maintenance Department**				
Salaries, Wages and Bonuses	\$ 958	2.3 %	\$ 3.60	1.6 %
Payroll-Related Expenses	395	4.0	1.48	0.7
Total Labor Costs	\$ 1,353	2.8 %	\$ 5.08	2.3 %
All Departments**				
Salaries, Wages and Bonuses	\$ 13,669	2.5 %	\$ 51.33	23.3 %
Payroll-Related Expenses	5,709	4.8	21.44	9.7
Total Labor Costs	\$ 19,378	3.2 %	\$ 72.77	33.0 %

* Expressed as a percent of department revenue.

** Expressed as a percent of total revenue.

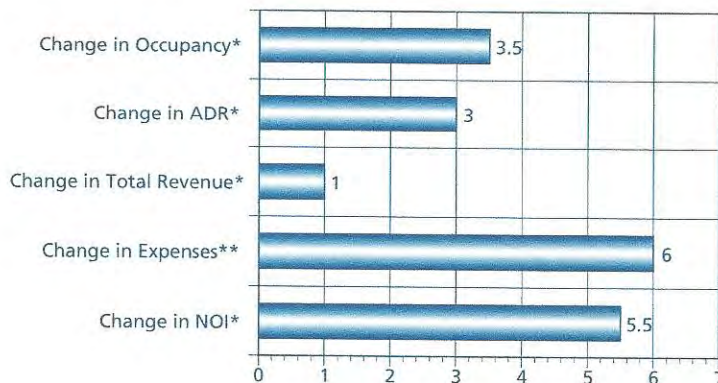
LIMITED-SERVICE HOTELS Performance in 2013

LIMITED-SERVICE HOTELS Market Mix



- Total limited-service hotel revenues increased 5.7 percent in 2013. The growth in revenue can be attributed to a 1.7 percent gain in occupancy accompanied by a 3.9 percent rise in ADR.
- With expenses growing at 5.1 percent, limited-service NOI grew 6.8 percent.
- Expenses within the sales and marketing and maintenance departments increased the most from 2012 to 2013.
- Labor costs at limited-service hotels increased 4.1 percent in 2013. The combined costs of salaries, wages, bonuses, and benefits represented 35.4 percent of total operating expenses for the year.
- There appears to be a direct correlation between changes in limited-service profitability and the size of the hotel. Limited-service hotels with less than 100 rooms achieved NOI growth of 5.1 percent. On the other hand, limited-service properties with more than 150 rooms achieved an increase in NOI of 8.9 percent.

RANKING Rank Among Six Property Type Categories Change From 2012 to 2013



NOTE: * 1 = greatest increase, 6 = least increase
 ** 1 = least increase, 6 = greatest increase

- Limited-service hotels in the Mountain/Pacific region achieved the greatest gains in NOI. Properties in the New England/Middle Atlantic states lagged in NOI growth.

LIMITED-SERVICE HOTELS

Summary Operating Statement

Dollars Per Available and Occupied Room

Figure Number 13

	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Occupied Room
Revenue				
Rooms	\$ 23,025	5.7 %	98.1 %	\$ 93.01
Other Operated Departments	269	3.8	1.1	1.08
Rentals and Other Income	187	8.9	0.8	0.76
Total Revenue	\$ 23,481	5.7 %	100.0 %	\$ 94.85
Departmental Expenses*				
Rooms	\$ 5,887	4.9 %	25.6 %	\$ 23.78
Other Operated Departments	268	6.0	99.7	1.08
Total Departmental Expenses	\$ 6,154	4.9 %	26.2 %	\$ 24.86
Total Departmental Income	\$ 17,327	5.9 %	73.8 %	\$ 69.99
Undistributed Operating Expenses				
Administrative and General	\$ 2,128	3.9 %	9.1 %	\$ 8.60
Sales and Marketing	2,208	6.2	9.4	8.92
Property Operations and Maintenance	1,231	7.1	5.2	4.97
Utilities	1,088	4.1	4.6	4.39
Total Undistributed Expenses	\$ 6,655	5.3 %	28.3 %	\$ 26.88
Gross Operating Profit	\$ 10,672	6.4 %	45.4 %	\$ 43.11
Management Fees	\$ 692	5.4 %	2.9 %	\$ 2.79
Income Before Fixed Charges	\$ 9,980	6.4 %	42.5 %	\$ 40.32
Fixed Charges				
Property and Other Taxes	\$ 1,062	3.7 %	4.5 %	\$ 4.29
Insurance	347	5.2	1.5	1.40
Total Fixed Charges	\$ 1,409	4.1 %	6.0 %	\$ 5.69
Net Operating Income**	\$ 8,571	6.8 %	36.5 %	\$ 34.63
Percentage of Occupancy	67.8 %	1.7 %		
Average Daily Rate	\$ 93.01	3.9 %		
RevPAR	\$ 63.08	5.7 %		
Average Size (Rooms)	111	(0.3)%		

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

LIMITED-SERVICE HOTELS

Summary Operating Statement – By Rate Groups

Figure Number 13A

	Rate Groups								
	Under \$75			\$75 to \$115			Over \$115		
	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
Revenue									
Rooms	\$ 14,803	5.3 %	99.0 %	\$ 23,473	6.0 %	98.3 %	\$ 39,299	5.4 %	97.0 %
Other Operated Departments	61	2.2	0.4	241	4.4	1.0	799	3.6	2.0
Rentals and Other Income	89	11.8	0.6	174	7.4	0.7	437	9.5	1.1
Total Revenue	\$ 14,953	5.4 %	100.0 %	\$ 23,888	6.0 %	100.0 %	\$ 40,535	5.4 %	100.0 %
Departmental Expenses*									
Rooms	\$ 4,145	5.4 %	28.0 %	\$ 6,059	5.1 %	25.8 %	\$ 9,096	3.9 %	23.1 %
Other Operated Departments	118	3.9	191.6	295	9.2	122.5	507	1.6	63.5
Total Departmental Expenses	\$ 4,262	5.4 %	28.5 %	\$ 6,354	5.3 %	26.6 %	\$ 9,603	3.8 %	23.7 %
Total Departmental Income	\$ 10,691	5.4 %	71.5 %	\$ 17,534	6.3 %	73.4 %	\$ 30,932	5.9 %	76.3 %
Undistributed Operating Expenses									
Administrative and General	\$ 1,498	1.7 %	10.0 %	\$ 2,200	4.3 %	9.2 %	\$ 3,259	5.4 %	8.0 %
Sales and Marketing	942	4.1	6.3	2,373	6.4	9.9	4,418	7.0	10.9
Property Operations and Maintenance	954	8.4	6.4	1,282	7.6	5.4	1,672	4.7	4.1
Utilities	919	2.7	6.1	1,096	4.1	4.6	1,422	6.0	3.5
Total Undistributed Expenses	\$ 4,313	3.9 %	28.8 %	\$ 6,951	5.6 %	29.1 %	\$ 10,772	6.0 %	26.6 %
Gross Operating Profit	\$ 6,378	6.4 %	42.7 %	\$ 10,583	6.7 %	44.3 %	\$ 20,160	5.8 %	49.7 %
Management Fees	\$ 286	4.4 %	1.9 %	\$ 738	4.2 %	3.1 %	\$ 1,419	7.8 %	3.5 %
Income Before Fixed Charges	\$ 6,092	6.5 %	40.7 %	\$ 9,845	6.9 %	41.2 %	\$ 18,740	5.6 %	46.2 %
Fixed Charges									
Property and Other Taxes	\$ 689	2.7 %	4.6 %	\$ 1,013	3.3 %	4.2 %	\$ 2,013	5.1 %	5.0 %
Insurance	367	7.7	2.5	311	3.7	1.3	413	4.2	1.0
Total Fixed Charges	\$ 1,056	4.4 %	7.1 %	\$ 1,324	3.4 %	5.5 %	\$ 2,426	5.0 %	6.0 %
Net Operating Income**	\$ 5,036	6.9 %	33.7 %	\$ 8,521	7.5 %	35.7 %	\$ 16,314	5.7 %	40.2 %
Percentage of Occupancy	63.1 %	2.0 %		68.8 %	1.9 %		75.2 %	0.8 %	
Average Daily Rate	\$ 64.32	3.2 %		\$ 93.51	4.1 %		\$ 143.27	4.5 %	
RevPAR	\$ 40.56	5.3 %		\$ 64.31	6.0 %		\$ 107.67	5.4 %	
Average Size (Rooms)	118	(0.3) %		104	(0.3) %		121	(0.3) %	

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

LIMITED-SERVICE HOTELS

Summary Operating Statement – By Geographic Divisions

Figure Number 13B

		Geographic Divisions					
		New England/Middle Atlantic			North Central		
		2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
Revenue							
1.	Rooms	\$ 32,839	3.0 %	97.9 %	\$ 22,423	5.0 %	98.3 %
2.	Other Operated Departments	405	1.0	1.2	216	5.6	0.9
3.	Rentals and Other Income	302	6.1	0.9	179	3.4	0.8
4.	Total Revenue	\$ 33,547	3.0 %	100.0 %	\$ 22,819	5.0 %	100.0 %
Departmental Expenses*							
5.	Rooms	\$ 8,323	5.0 %	25.3 %	\$ 5,853	3.7 %	26.1 %
6.	Other Operated Departments	350	5.2	86.5	279	7.3	128.9
7.	Total Departmental Expenses	\$ 8,673	5.0 %	25.9 %	\$ 6,132	3.8 %	26.9 %
8.	Total Departmental Income	\$ 24,873	2.3 %	74.1 %	\$ 16,687	5.5 %	73.1 %
Undistributed Operating Expenses							
9.	Administrative and General	\$ 2,752	2.5 %	8.2 %	\$ 2,156	7.4 %	9.4 %
10.	Sales and Marketing	3,503	3.4	10.4	2,297	5.4	10.1
11.	Property Operations and Maintenance	1,594	6.7	4.8	1,218	9.5	5.3
12.	Utilities	1,464	6.7	4.4	1,001	7.0	4.4
13.	Total Undistributed Expenses	\$ 9,313	4.2 %	27.8 %	\$ 6,672	7.0 %	29.2 %
14.	Gross Operating Profit	\$ 15,560	1.2 %	46.4 %	\$ 10,015	4.5 %	43.9 %
15.	Management Fees	\$ 981	1.8 %	2.9 %	\$ 801	3.7 %	3.5 %
16.	Income Before Fixed Charges	\$ 14,580	1.2 %	43.5 %	\$ 9,213	4.5 %	40.4 %
Fixed Charges							
17.	Property and Other Taxes	\$ 1,900	3.0 %	5.7 %	\$ 1,243	4.1 %	5.4 %
18.	Insurance	324	6.3	1.0	291	4.3	1.3
19.	Total Fixed Charges	\$ 2,224	3.5 %	6.6 %	\$ 1,535	4.1 %	6.7 %
20.	Net Operating Income**	\$ 12,356	0.8 %	36.8 %	\$ 7,679	4.6 %	33.7 %
21.	Percentage of Occupancy	72.0 %	0.6 %		66.7 %	1.0 %	
22.	Average Daily Rate	\$ 124.90	2.3 %		\$ 92.04	4.0 %	
23.	RevPAR	\$ 89.97	3.0 %		\$ 61.43	5.0 %	
24.	Average Size (Rooms)	119	(0.2)%		94	(0.5)%	

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

LIMITED-SERVICE HOTELS

Summary Operating Statement – By Geographic Divisions

Figure Number 13B (Continued)

Geographic Divisions								
South Atlantic			South Central			Mountain/Pacific		
	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	2013 Percent of Revenue
1.	\$ 22,042	5.7 %	98.5 %	\$ 20,059	6.6 %	98.1 %	\$ 22,957	97.4 %
2.	197	1.0	0.9	240	3.9	1.2	378	1.6
3.	149	11.0	0.7	151	12.0	0.7	227	1.0
4.	\$ 22,389	5.6 %	100.0 %	\$ 20,450	6.6 %	100.0 %	\$ 23,562	100.0 %
5.	\$ 5,744	5.2 %	26.1 %	\$ 4,962	5.4 %	24.7 %	\$ 5,908	25.7 %
6.	237	9.2	120.2	263	4.9	109.4	251	66.4
7.	\$ 5,981	5.3 %	26.7 %	\$ 5,225	5.4 %	25.5 %	\$ 6,158	26.1 %
8.	\$ 16,408	5.8 %	73.3 %	\$ 15,225	7.1 %	74.5 %	\$ 17,403	73.9 %
9.	\$ 2,008	1.9 %	9.0 %	\$ 1,958	3.8 %	9.6 %	\$ 2,106	8.9 %
10.	2,168	5.3	9.7	1,756	8.5	8.6	1,989	9.3
11.	1,261	7.6	5.6	1,126	6.6	5.5	1,116	5.0
12.	1,147	2.0	5.1	952	2.7	4.7	1,046	4.4
13.	\$ 6,584	4.1 %	29.4 %	\$ 5,792	5.5 %	28.3 %	\$ 6,258	26.6 %
14.	\$ 9,825	6.9 %	43.9 %	\$ 9,433	8.1 %	46.1 %	\$ 11,145	47.3 %
15.	\$ 653	4.8 %	2.9 %	\$ 529	6.2 %	2.6 %	\$ 692	2.9 %
16.	\$ 9,172	7.1 %	41.0 %	\$ 8,904	8.2 %	43.5 %	\$ 10,453	44.4 %
17.	\$ 817	3.6 %	3.6 %	\$ 919	3.9 %	4.5 %	\$ 863	3.7 %
18.	428	5.1	1.9	324	4.6	1.6	342	1.5
19.	\$ 1,245	4.1 %	5.6 %	\$ 1,243	4.1 %	6.1 %	\$ 1,205	5.1 %
20.	\$ 7,927	7.6 %	35.4 %	\$ 7,661	8.9 %	37.5 %	\$ 9,248	39.3 %
21.	69.8 %	2.5 %		64.2 %	1.5 %		69.0 %	2.4 %
22.	\$ 86.53	3.0 %		\$ 85.55	5.0 %		\$ 91.20	5.3 %
23.	\$ 60.39	5.7 %		\$ 54.96	6.6 %		\$ 62.90	7.8 %
24.	117	(0.3)%		109	(0.3)%		122	(0.2)%

LIMITED-SERVICE HOTELS

Summary Operating Statement – By Property Size Classifications

Figure Number 13C

	Property Size Classifications								
	Under 100 Rooms			100 to 150 Rooms			Over 150 Rooms		
	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
Revenue									
Rooms	\$ 24,142	5.6 %	98.7 %	\$ 21,385	5.3 %	98.5 %	\$ 26,815	6.8 %	96.0 %
Other Operated Departments	149	8.4	0.6	185	4.0	0.9	715	2.1	2.6
Rentals and Other Income	157	2.5	0.6	135	7.6	0.6	403	14.3	1.4
Total Revenue	\$ 24,448	5.6 %	100.0 %	\$ 21,705	5.3 %	100.0 %	\$ 27,933	6.8 %	100.0 %
Departmental Expenses*									
Rooms	\$ 6,622	5.2 %	27.4 %	\$ 5,346	4.3 %	25.0 %	\$ 6,606	6.1 %	24.6 %
Other Operated Departments	305	17.8	204.4	206	5.9	111.5	416	(4.3)	58.2
Total Departmental Expenses	\$ 6,927	5.7 %	28.3 %	\$ 5,553	4.4 %	25.6 %	\$ 7,022	5.4 %	25.1 %
Total Departmental Income	\$ 17,521	5.6 %	71.7 %	\$ 16,152	5.6 %	74.4 %	\$ 20,911	7.3 %	74.9 %
Undistributed Operating Expenses									
Administrative and General	\$ 2,502	6.7 %	10.2 %	\$ 1,924	3.0 %	8.9 %	\$ 2,263	2.3 %	8.1 %
Sales and Marketing	2,372	8.3	9.7	2,013	4.9	9.3	2,614	6.9	9.4
Property Operations and Maintenance	1,379	7.7	5.6	1,159	7.0	5.3	1,254	6.6	4.5
Utilities	1,088	5.0	4.4	1,060	3.1	4.9	1,178	5.8	4.2
Total Undistributed Expenses	\$ 7,340	7.1 %	30.0 %	\$ 6,156	4.4 %	28.4 %	\$ 7,308	5.2 %	26.2 %
Gross Operating Profit	\$ 10,182	4.5 %	41.6 %	\$ 9,996	6.3 %	46.1 %	\$ 13,603	8.5 %	48.7 %
Management Fees	\$ 821	2.9 %	3.4 %	\$ 568	4.7 %	2.6 %	\$ 913	10.5 %	3.3 %
Income Before Fixed Charges	\$ 9,361	4.6 %	38.3 %	\$ 9,428	6.5 %	43.4 %	\$ 12,690	8.3 %	45.4 %
Fixed Charges									
Property and Other Taxes	\$ 1,044	2.3 %	4.3 %	\$ 1,011	4.2 %	4.7 %	\$ 1,254	4.2 %	4.5 %
Insurance	326	0.5	1.3	351	7.5	1.6	362	4.8	1.3
Total Fixed Charges	\$ 1,370	1.8 %	5.6 %	\$ 1,363	5.0 %	6.3 %	\$ 1,616	4.3 %	5.8 %
Net Operating Income**	\$ 7,990	5.1 %	32.7 %	\$ 8,066	6.7 %	37.2 %	\$ 11,074	8.9 %	39.6 %
Percentage of Occupancy	68.0 %	1.7 %		66.7 %	1.7 %		71.1 %	2.0 %	
Average Daily Rate	\$ 97.23	3.9 %		\$ 87.78	3.6 %		\$ 103.38	4.8 %	
RevPAR	\$ 66.14	5.6 %		\$ 58.59	5.3 %		\$ 73.47	6.8 %	
Average Size (Rooms)	74	(0.6)%		122	(0.2)%		189	(0.1)%	

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

LIMITED-SERVICE HOTELS

Departmental Expenses

Figure Number 14

	2013 Dollars Per Available Room	Change From Prior Year	2013 Dollars Per Occupied Room	2013 Percent of Revenue
Rooms Department*				
Total Labor Costs	\$ 3,488	3.9 %	\$ 14.09	15.1 %
Other Expenses	2,398	6.4	9.69	10.4
Total Department Expenses	\$ 5,887	4.9 %	\$ 23.78	25.6 %
Other Operated Departments*				
Total Labor Costs	\$ 23	(0.4)%	\$ 0.09	8.6 %
Other Expenses***	245	6.6	0.99	91.2
Total Department Expenses	\$ 268	6.0 %	\$ 1.08	99.7 %
Administrative and General Department**				
Total Labor Costs	\$ 1,030	5.1 %	\$ 4.16	4.4 %
Other Expenses	1,098	2.8	4.44	4.7
Total Department Expenses	\$ 2,128	3.9 %	\$ 8.60	9.1 %
Marketing Department**				
Total Labor Costs	\$ 230	6.2 %	\$ 0.93	1.0 %
Other Expenses	1,978	6.2	7.99	8.4
Total Department Expenses	\$ 2,208	6.2 %	\$ 8.92	9.4 %
Maintenance Department**				
Total Labor Costs	\$ 500	3.3 %	\$ 2.02	2.1 %
Other Expenses	731	9.9	2.95	3.1
Total Department Expenses	\$ 1,231	7.1 %	\$ 4.97	5.2 %
Utilities Department**				
Other Expenses	\$ 1,088	4.1 %	\$ 4.39	4.6 %
Total Operating Expenses**				
Total Labor Costs	\$ 5,272	4.1 %	\$ 21.30	22.5 %
Other Expenses***	7,537	5.8	30.45	32.1
Total Operating Expenses****	\$ 12,809	5.1 %	\$ 51.74	54.6 %

* Expressed as a percent of department revenue.

** Expressed as a percent of total revenue.

*** Includes cost of sales.

****Before management fees, property taxes, insurance, and rent.

LIMITED-SERVICE HOTELS

Payroll Costs

Figure Number 15

	2013 Dollars Per Available Room	Change From Prior Year	2013 Dollars Per Occupied Room	2013 Percent of Revenue
Rooms Department*				
Salaries, Wages and Bonuses	\$ 2,845	4.2 %	\$ 11.49	12.4 %
Payroll-Related Expenses	643	2.5	2.60	2.8
Total Labor Costs	\$ 3,488	3.9 %	\$ 14.09	15.1 %
Other Operated Departments*				
Salaries, Wages and Bonuses	\$ 19	0.5 %	\$ 0.08	7.0 %
Payroll-Related Expenses	4	(4.2)	0.02	1.6
Total Labor Costs	\$ 23	(0.4)%	\$ 0.09	8.6 %
Administrative and General Department**				
Salaries, Wages and Bonuses	\$ 831	5.4 %	\$ 3.36	3.5 %
Payroll-Related Expenses	199	4.0	0.80	0.8
Total Labor Costs	\$ 1,030	5.1 %	\$ 4.16	4.4 %
Marketing Department**				
Salaries, Wages and Bonuses	\$ 188	6.0 %	\$ 0.76	0.8 %
Payroll-Related Expenses	42	7.3	0.17	0.2
Total Labor Costs	\$ 230	6.2 %	\$ 0.93	1.0 %
Maintenance Department**				
Salaries, Wages and Bonuses	\$ 406	3.4 %	\$ 1.64	1.7 %
Payroll-Related Expenses	95	3.1	0.38	0.4
Total Labor Costs	\$ 500	3.3 %	\$ 2.02	2.1 %
All Departments**				
Salaries, Wages and Bonuses	\$ 4,289	4.4 %	\$ 17.33	18.3 %
Payroll-Related Expenses	983	3.0	3.97	4.2
Total Labor Costs	\$ 5,272	4.1 %	\$ 21.30	22.5 %

* Expressed as a percent of department revenue.

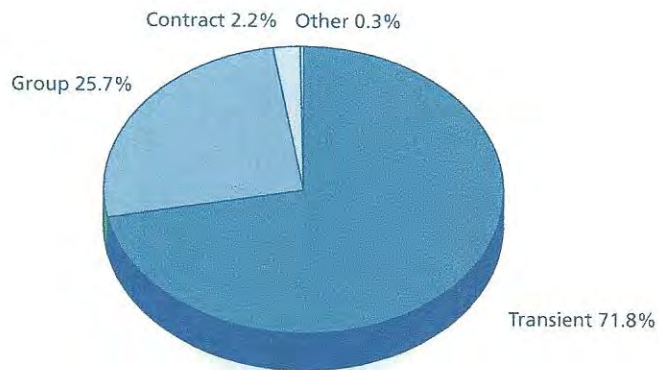
** Expressed as a percent of total revenue.

SUITE HOTELS WITH FOOD AND BEVERAGE

Performance in 2013

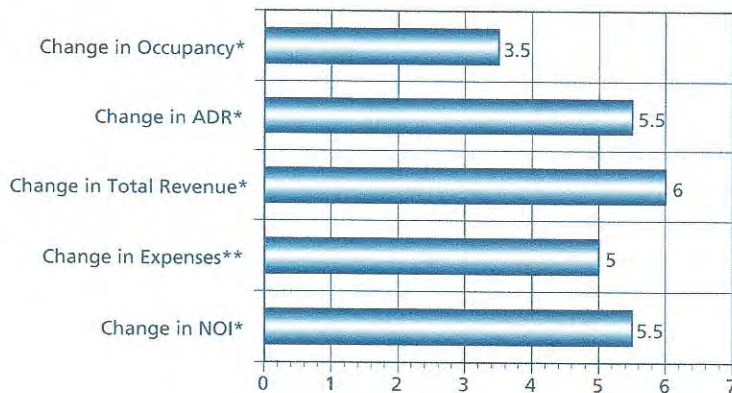
SUITE HOTELS WITH FOOD AND BEVERAGE

Market Mix



RANKING

Rank Among Six Property Type Categories
Change From 2012 to 2013



NOTE: * 1 = greatest increase, 6 = least increase
 ** 1 = least increase, 6 = greatest increase

- Total revenues for suite hotels with F&B increased 4.9 percent in 2013, driven by a 1.7 percent gain in occupancy and a 3.3 percent rise in ADR.
- With expenses rising 4.1 percent at suite hotels with F&B, NOI increased 6.8 percent.
- Measured on a percentage change basis, expenses within the administrative and general and other operated departments increased the most from 2012 to 2013.
- Labor costs at suite hotels with F&B increased 3.2 percent in 2013. The combined costs of salaries, wages, bonuses, and benefits represented 38.2 percent of total operating expenses for the year.
- Large and upper-priced suite hotels with F&B properties achieved the greatest gains in NOI in 2013. Suite hotels with F&B with an ADR over \$150 experienced a 9.5 percent increase in NOI, while those with more than 300 rooms achieved NOI growth of 7.7 percent.
- Suite hotels with F&B in the Mountain/Pacific region achieved the greatest gains in NOI. Properties in the South Atlantic states lagged in NOI growth.

SUITE HOTELS WITH FOOD AND BEVERAGE

Summary Operating Statement

Dollars Per Available and Occupied Room

Figure Number 16

	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Occupied Room
Revenue				
Rooms	\$ 38,160	5.0 %	78.6 %	\$ 139.76
Food and Beverage	8,460	4.5	17.4	30.98
Other Operated Departments	1,494	2.3	3.1	5.47
Rentals and Other Income	435	4.1	0.9	1.59
Total Revenue	\$ 48,550	4.9 %	100.0 %	\$ 177.81
Departmental Expenses*				
Rooms	\$ 9,445	3.8 %	24.8 %	\$ 34.59
Food and Beverage	5,689	3.7	67.2	20.83
Other Operated Departments	990	4.2	66.2	3.63
Total Departmental Expenses	\$ 16,124	3.8 %	33.2 %	\$ 59.05
Total Departmental Income	\$ 32,426	5.4 %	66.8 %	\$ 118.76
Undistributed Operating Expenses				
Administrative and General	\$ 4,061	4.4 %	8.4 %	\$ 14.87
Sales and Marketing	5,681	5.3	11.7	20.81
Property Operations and Maintenance	2,196	2.9	4.5	8.04
Utilities	2,050	3.5	4.2	7.51
Total Undistributed Expenses	\$ 13,989	4.4 %	28.8 %	\$ 51.23
Gross Operating Profit	\$ 18,437	6.2 %	38.0 %	\$ 67.52
Management Fees	\$ 1,182	3.5 %	2.4 %	\$ 4.33
Income Before Fixed Charges	\$ 17,255	6.4 %	35.5 %	\$ 63.20
Fixed Charges				
Property and Other Taxes	\$ 1,829	3.4 %	3.8 %	\$ 6.70
Insurance	365	2.8	0.8	1.34
Total Fixed Charges	\$ 2,193	3.3 %	4.5 %	\$ 8.03
Net Operating Income**	\$ 15,062	6.8 %	31.0 %	\$ 55.16
Percentage of Occupancy	74.8 %	1.7 %		
Average Daily Rate	\$ 139.76	3.3 %		
RevPAR	\$ 104.55	5.1 %		
Average Size (Rooms)	237	0.2 %		

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

SUITE HOTELS WITH FOOD AND BEVERAGE

Summary Operating Statement – By Rate Groups

Figure Number 16A

	Rate Groups								
	Under \$115			\$115 to \$150			Over \$150		
	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
Revenue									
Rooms	\$ 26,348	4.2 %	81.8 %	\$ 36,132	4.4 %	77.5 %	\$ 49,491	6.2 %	79.4 %
Food and Beverage	5,142	2.2	16.0	8,839	3.8	19.0	9,554	6.6	15.3
Other Operated Departments	588	7.7	1.8	1,215	0.7	2.6	2,635	3.1	4.2
Rentals and Other Income	127	5.2	0.4	436	3.7	0.9	614	4.4	1.0
Total Revenue	\$ 32,205	3.9 %	100.0 %	\$ 46,622	4.2 %	100.0 %	\$ 62,295	6.1 %	100.0 %
Departmental Expenses*									
Rooms	\$ 8,066	3.2 %	30.6 %	\$ 8,878	3.7 %	24.6 %	\$ 11,495	4.1 %	23.2 %
Food and Beverage	4,193	2.0	81.5	5,548	3.9	62.8	6,868	3.8	71.9
Other Operated Departments	511	9.7	86.9	906	5.0	74.5	1,454	2.0	55.2
Total Departmental Expenses	\$ 12,770	3.0 %	39.7 %	\$ 15,332	3.8 %	32.9 %	\$ 19,817	3.9 %	31.8 %
Total Departmental Income	\$ 19,435	4.5 %	60.3 %	\$ 31,290	4.4 %	67.1 %	\$ 42,478	7.2 %	68.2 %
Undistributed Operating Expenses									
Administrative and General	\$ 3,092	3.5 %	9.6 %	\$ 3,888	3.9 %	8.3 %	\$ 5,007	5.5 %	8.0 %
Sales and Marketing	4,356	3.1	13.5	5,597	5.0	12.0	6,637	6.6	10.7
Property Operations and Maintenance	1,967	3.1	6.1	2,107	3.1	4.5	2,526	2.6	4.1
Utilities	1,748	3.6	5.4	2,039	3.2	4.4	2,251	4.1	3.6
Total Undistributed Expenses	\$ 11,163	3.3 %	34.7 %	\$ 13,630	4.1 %	29.2 %	\$ 16,422	5.3 %	26.4 %
Gross Operating Profit	\$ 8,272	6.3 %	25.7 %	\$ 17,660	4.6 %	37.9 %	\$ 26,057	8.5 %	41.8 %
Management Fees	\$ 912	4.2 %	2.8 %	\$ 1,085	2.1 %	2.3 %	\$ 1,551	5.5 %	2.5 %
Income Before Fixed Charges	\$ 7,360	6.6 %	22.9 %	\$ 16,574	4.8 %	35.6 %	\$ 24,506	8.7 %	39.3 %
Fixed Charges									
Property and Other Taxes	\$ 1,140	2.5 %	3.5 %	\$ 1,673	3.5 %	3.6 %	\$ 2,573	3.2 %	4.1 %
Insurance	305	7.0	0.9	380	2.1	0.8	365	2.5	0.6
Total Fixed Charges	\$ 1,444	3.4 %	4.5 %	\$ 2,053	3.3 %	4.4 %	\$ 2,939	3.1 %	4.7 %
Net Operating Income**	\$ 5,916	7.4 %	18.4 %	\$ 14,521	5.0 %	31.1 %	\$ 21,567	9.5 %	34.6 %
Percentage of Occupancy	69.8 %	2.4 %		74.8 %	1.6 %		77.7 %	1.8 %	
Average Daily Rate	\$ 103.47	1.8 %		\$ 132.26	2.9 %		\$ 174.60	4.4 %	
RevPAR	\$ 72.19	4.3 %		\$ 98.99	4.4 %		\$ 135.59	6.3 %	
Average Size (Rooms)	185	(0.1)%		243	0.3 %		267	0.4 %	

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

SUITE HOTELS WITH FOOD AND BEVERAGE

Summary Operating Statement – By Geographic Divisions

Figure Number 16B

		Geographic Divisions					
		New England/Middle Atlantic			North Central		
		2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
Revenue							
1.	Rooms	\$ 46,309	5.7 %	81.1 %	\$ 35,422	4.1 %	78.4 %
2.	Food and Beverage	8,782	(2.3)	15.4	8,078	2.9	17.9
3.	Other Operated Departments	1,694	7.4	3.0	1,269	(1.3)	2.8
4.	Rentals and Other Income	346	1.1	0.6	405	5.8	0.9
5.	Total Revenue	\$ 57,131	4.4 %	100.0 %	\$ 45,172	3.7 %	100.0 %
Departmental Expenses*							
6.	Rooms	\$ 12,414	2.9 %	26.8 %	\$ 9,188	4.4 %	25.9 %
7.	Food and Beverage	7,049	(3.6)	80.3	5,221	3.6	64.6
8.	Other Operated Departments	753	1.5	44.5	916	3.7	72.2
9.	Total Departmental Expenses	\$ 20,216	0.5 %	35.4 %	\$ 15,325	4.1 %	33.9 %
10.	Total Departmental Income	\$ 36,915	6.6 %	64.6 %	\$ 29,847	3.6 %	66.1 %
Undistributed Operating Expenses							
11.	Administrative and General	\$ 4,804	5.7 %	8.4 %	\$ 3,936	3.1 %	8.7 %
12.	Sales and Marketing	6,726	5.5	11.8	5,174	3.7	11.5
13.	Property Operations and Maintenance	2,741	2.5	4.8	2,073	1.2	4.6
14.	Utilities	2,473	2.4	4.3	1,802	4.4	4.0
15.	Total Undistributed Expenses	\$ 16,745	4.6 %	29.3 %	\$ 12,984	3.2 %	28.7 %
16.	Gross Operating Profit	\$ 20,170	8.4 %	35.3 %	\$ 16,864	3.8 %	37.3 %
17.	Management Fees	\$ 1,244	3.9 %	2.2 %	\$ 1,119	3.0 %	2.5 %
18.	Income Before Fixed Charges	\$ 18,926	8.7 %	33.1 %	\$ 15,744	3.9 %	34.9 %
Fixed Charges							
19.	Property and Other Taxes	\$ 2,114	1.8 %	3.7 %	\$ 2,476	2.8 %	5.5 %
20.	Insurance	291	2.3	0.5	365	1.5	0.8
21.	Total Fixed Charges	\$ 2,406	1.9 %	4.2 %	\$ 2,840	2.6 %	6.3 %
22.	Net Operating Income**	\$ 16,520	9.8 %	28.9 %	\$ 12,904	4.2 %	28.6 %
23.	Percentage of Occupancy	76.8 %	0.9 %		72.8 %	2.4 %	
24.	Average Daily Rate	\$ 165.15	4.7 %		\$ 133.26	1.6 %	
25.	RevPAR	\$ 126.87	5.7 %		\$ 97.05	4.1 %	
26.	Average Size (Rooms)	281	(0.3)%		244	0.2 %	

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

SUITE HOTELS WITH FOOD AND BEVERAGE

Summary Operating Statement – By Geographic Divisions

Figure Number 16B (Continued)

Geographic Divisions									
	South Atlantic			South Central			Mountain/Pacific		
	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
1.	\$ 37,477	3.2 %	77.2 %	\$ 35,227	5.6 %	76.4 %	\$ 39,744	6.7 %	80.1 %
2.	8,716	2.0	17.9	9,578	4.7	20.8	7,838	10.6	15.8
3.	1,806	(1.7)	3.7	933	2.4	2.0	1,638	6.7	3.3
4.	572	5.9	1.2	398	6.5	0.9	394	0.4	0.8
5.	\$ 48,571	2.8 %	100.0 %	\$ 46,136	5.4 %	100.0 %	\$ 49,613	7.2 %	100.0 %
6.	\$ 9,094	4.0 %	24.3 %	\$ 8,067	1.2 %	22.9 %	\$ 9,745	4.8 %	24.5 %
7.	5,856	1.0	67.2	5,026	2.6	52.5	5,826	9.6	74.3
8.	1,373	3.2	76.0	987	18.5	105.8	806	(1.3)	49.2
9.	\$ 16,324	2.8 %	33.6 %	\$ 14,080	2.8 %	30.5 %	\$ 16,377	6.1 %	33.0 %
10.	\$ 32,248	2.8 %	66.4 %	\$ 32,055	6.5 %	69.5 %	\$ 33,236	7.8 %	67.0 %
11.	\$ 4,065	2.7 %	8.4 %	\$ 3,543	4.9 %	7.7 %	\$ 4,198	6.1 %	8.5 %
12.	5,553	4.1	11.4	5,403	8.5	11.7	5,975	5.7	12.0
13.	2,208	2.9	4.5	1,913	3.6	4.1	2,260	4.1	4.6
14.	2,254	0.1	4.6	2,093	3.8	4.5	1,912	6.7	3.9
15.	\$ 14,080	2.8 %	29.0 %	\$ 12,951	6.0 %	28.1 %	\$ 14,346	5.7 %	28.9 %
16.	\$ 18,168	2.8 %	37.4 %	\$ 19,104	6.9 %	41.4 %	\$ 18,891	9.4 %	38.1 %
17.	\$ 1,078	2.5 %	2.2 %	\$ 1,031	2.2 %	2.2 %	\$ 1,370	4.9 %	2.8 %
18.	\$ 17,089	2.8 %	35.2 %	\$ 18,074	7.2 %	39.2 %	\$ 17,520	9.8 %	35.3 %
19.	\$ 1,611	3.4 %	3.3 %	\$ 1,533	1.4 %	3.3 %	\$ 1,620	5.6 %	3.3 %
20.	375	3.0	0.8	315	3.5	0.7	405	3.4	0.8
21.	\$ 1,986	3.3 %	4.1 %	\$ 1,848	1.7 %	4.0 %	\$ 2,024	5.2 %	4.1 %
22.	\$ 15,104	2.7 %	31.1 %	\$ 16,226	7.8 %	35.2 %	\$ 15,496	10.4 %	31.2 %
23.	74.9 %	0.9 %		73.2 %	1.8 %		76.4 %	2.2 %	
24.	\$ 137.07	2.3 %		\$ 131.79	3.8 %		\$ 142.61	4.4 %	
25.	\$ 102.68	3.2 %		\$ 96.51	5.7 %		\$ 108.89	6.7 %	
26.	229	0.5 %		206	0.6 %		247	—	

SUITE HOTELS WITH FOOD AND BEVERAGE

Summary Operating Statement – By Property Size Classifications

Figure Number 16C

	Property Size Classifications								
	Under 200 Rooms			200 to 300 Rooms			Over 300 Rooms		
	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
Revenue									
Rooms	\$ 34,951	6.1 %	86.2 %	\$ 36,742	4.7 %	78.0 %	\$ 44,970	5.4 %	76.7 %
Food and Beverage	4,525	1.6	11.2	8,608	5.2	18.3	10,542	3.5	18.0
Other Operated Departments	899	5.6	2.2	1,378	2.6	2.9	2,270	0.7	3.9
Rentals and Other Income	160	0.6	0.4	368	4.4	0.8	839	4.1	1.4
Total Revenue	\$ 40,535	5.6 %	100.0 %	\$ 47,097	4.7 %	100.0 %	\$ 58,621	4.9 %	100.0 %
Departmental Expenses*									
Rooms	\$ 8,433	5.6 %	24.1 %	\$ 9,217	3.6 %	25.1 %	\$ 10,863	3.2 %	24.2 %
Food and Beverage	3,557	(0.9)	78.6	5,914	5.5	68.7	6,335	—	60.1
Other Operated Departments	650	10.9	72.3	870	3.8	63.2	1,609	3.2	70.9
Total Departmental Expenses	\$ 12,641	3.9 %	31.2 %	\$ 16,002	4.3 %	34.0 %	\$ 18,808	2.1 %	32.1 %
Total Departmental Income	\$ 27,894	6.3 %	68.8 %	\$ 31,095	4.9 %	66.0 %	\$ 39,814	6.3 %	67.9 %
Undistributed Operating Expenses									
Administrative and General	\$ 3,941	7.8 %	9.7 %	\$ 4,006	3.2 %	8.5 %	\$ 4,324	6.3 %	7.4 %
Sales and Marketing	4,912	7.3	12.1	5,538	4.5	11.8	6,658	6.7	11.4
Property Operations and Maintenance	2,131	5.5	5.3	2,211	2.0	4.7	2,190	4.3	3.7
Utilities	1,973	4.3	4.9	2,000	3.1	4.2	2,268	4.4	3.9
Total Undistributed Expenses	\$ 12,958	6.7 %	32.0 %	\$ 13,755	3.5 %	29.2 %	\$ 15,440	5.9 %	26.3 %
Gross Operating Profit	\$ 14,937	6.0 %	36.8 %	\$ 17,339	6.1 %	36.8 %	\$ 24,373	6.5 %	41.6 %
Management Fees	\$ 1,239	3.2 %	3.1 %	\$ 1,151	4.3 %	2.4 %	\$ 1,248	1.3 %	2.1 %
Income Before Fixed Charges	\$ 13,697	6.3 %	33.8 %	\$ 16,189	6.2 %	34.4 %	\$ 23,126	6.8 %	39.4 %
Fixed Charges									
Property and Other Taxes	\$ 1,083	2.6 %	2.7 %	\$ 1,764	4.8 %	3.7 %	\$ 2,531	0.3 %	4.3 %
Insurance	424	2.9	1.0	361	2.2	0.8	337	4.8	0.6
Total Fixed Charges	\$ 1,507	2.7 %	3.7 %	\$ 2,125	4.3 %	4.5 %	\$ 2,868	0.9 %	4.9 %
Net Operating Income**	\$ 12,190	6.7 %	30.1 %	\$ 14,063	6.5 %	29.9 %	\$ 20,257	7.7 %	34.6 %
Percentage of Occupancy	74.8 %	2.4 %		73.9 %	1.6 %		77.8 %	2.0 %	
Average Daily Rate	\$ 128.06	3.9 %		\$ 136.20	3.1 %		\$ 158.32	3.4 %	
RevPAR	\$ 95.76	6.4 %		\$ 100.66	4.7 %		\$ 123.21	5.4 %	
Average Size (Rooms)	142	—		245	0.3 %		349	0.2 %	

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

SUITE HOTELS WITH FOOD AND BEVERAGE

Departmental Expenses

Figure Number 17

	2013 Dollars Per Available Room	Change From Prior Year	2013 Dollars Per Occupied Room	2013 Percent of Revenue
Rooms Department*				
Total Labor Costs	\$ 5,458	2.8 %	\$ 19.99	14.3 %
Other Expenses	3,987	5.0	14.60	10.4
Total Department Expenses	\$ 9,445	3.8 %	\$ 34.59	24.8 %
Food and Beverage Department*				
Total Labor Costs	\$ 2,890	5.5 %	\$ 10.58	34.2 %
Other Expenses***	2,799	1.9	10.25	33.1
Total Department Expenses	\$ 5,689	3.7 %	\$ 20.83	67.2 %
Other Operated Departments*				
Total Labor Costs	\$ 148	6.0 %	\$ 0.54	9.9 %
Other Expenses***	842	3.9	3.08	56.3
Total Department Expenses	\$ 990	4.2 %	\$ 3.63	66.2 %
Administrative and General Department**				
Total Labor Costs	\$ 1,876	2.3 %	\$ 6.87	3.9 %
Other Expenses	2,186	6.3	8.00	4.5
Total Department Expenses	\$ 4,061	4.4 %	\$ 14.87	8.4 %
Marketing Department**				
Total Labor Costs	\$ 1,378	1.0 %	\$ 5.05	2.8 %
Other Expenses	4,303	6.8	15.76	8.9
Total Department Expenses	\$ 5,681	5.3 %	\$ 20.81	11.7 %
Maintenance Department**				
Total Labor Costs	\$ 1,032	3.4 %	\$ 3.78	2.1 %
Other Expenses	1,164	2.5	4.26	2.4
Total Department Expenses	\$ 2,196	2.9 %	\$ 8.04	4.5 %
Utilities Department**				
Other Expenses	\$ 2,050	3.5 %	\$ 7.51	4.2 %
Total Operating Expenses**				
Total Labor Costs	\$ 12,782	3.2 %	\$ 46.81	26.3 %
Other Expenses***	17,331	4.7	63.47	35.7
Total Operating Expenses****	\$ 30,113	4.1 %	\$ 110.28	62.0 %

* Expressed as a percent of department revenue.

** Expressed as a percent of total revenue.

*** Includes cost of sales.

****Before management fees, property taxes, insurance, and rent.

SUITE HOTELS WITH FOOD AND BEVERAGE

Payroll Costs

Figure Number 18

	2013 Dollars Per Available Room	Change From Prior Year	2013 Dollars Per Occupied Room	2013 Percent of Revenue
Rooms Department*				
Salaries, Wages and Bonuses	\$ 4,071	2.8 %	\$ 14.91	10.7 %
Payroll-Related Expenses	1,387	2.9	5.08	3.6
Total Labor Costs	\$ 5,458	2.8 %	\$ 19.99	14.3 %
Food and Beverage Department*				
Salaries, Wages and Bonuses	\$ 2,185	4.6 %	\$ 8.00	25.8 %
Payroll-Related Expenses	705	8.1	2.58	8.3
Total Labor Costs	\$ 2,890	5.5 %	\$ 10.58	34.2 %
Other Operated Departments*				
Salaries, Wages and Bonuses	\$ 118	11.3 %	\$ 0.43	7.9 %
Payroll-Related Expenses	31	(10.4)	0.11	2.0
Total Labor Costs	\$ 148	6.0 %	\$ 0.54	9.9 %
Administrative and General Department**				
Salaries, Wages and Bonuses	\$ 1,398	1.3 %	\$ 5.12	2.9 %
Payroll-Related Expenses	478	5.3	1.75	1.0
Total Labor Costs	\$ 1,876	2.3 %	\$ 6.87	3.9 %
Marketing Department**				
Salaries, Wages and Bonuses	\$ 1,064	0.8 %	\$ 3.90	2.2 %
Payroll-Related Expenses	314	1.7	1.15	0.6
Total Labor Costs	\$ 1,378	1.0 %	\$ 5.05	2.8 %
Maintenance Department**				
Salaries, Wages and Bonuses	\$ 779	2.7 %	\$ 2.85	1.6 %
Payroll-Related Expenses	253	5.4	0.93	0.5
Total Labor Costs	\$ 1,032	3.4 %	\$ 3.78	2.1 %
All Departments**				
Salaries, Wages and Bonuses	\$ 9,615	2.8 %	\$ 35.21	19.8 %
Payroll-Related Expenses	3,167	4.3	11.60	6.5
Total Labor Costs	\$ 12,782	3.2 %	\$ 46.81	26.3 %

* Expressed as a percent of department revenue.

** Expressed as a percent of total revenue.

SUITE HOTELS WITHOUT FOOD AND BEVERAGE

Performance in 2013

SUITE HOTELS WITHOUT FOOD AND BEVERAGE

Market Mix



- Total revenues for suite hotels without F&B increased 5.3 percent in 2013, driven by a 2.0 percent gain in occupancy and a 3.3 percent rise in ADR.

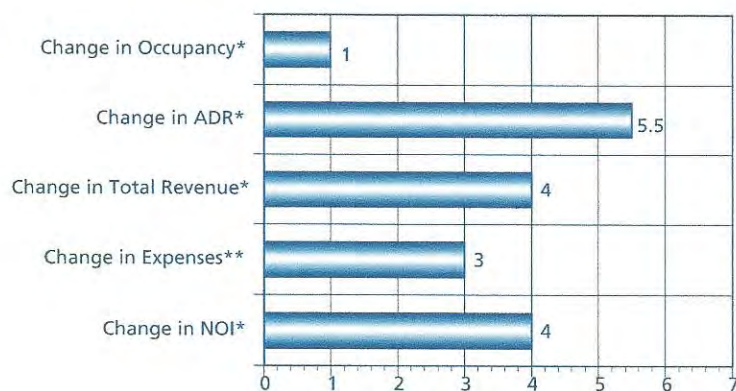
- With expenses growing 3.8 percent at suite hotels without F&B, NOI at these properties increased 7.9 percent.

- Measured on a percentage change basis, expenses within the rooms and other operated departments increased the most from 2012 to 2013.

- Labor costs at suite hotels without F&B increased 3.3 percent in 2013. The combined costs of salaries, wages, bonuses, and benefits represented 35.0 percent of total operating expenses for the year.

RANKING

Rank Among Six Property Type Categories
Change From 2012 to 2013



NOTE: * 1 = greatest increase, 6 = least increase

** 1 = least increase, 6 = greatest increase

- Lower-priced suite hotels without F&B achieved the greatest gains in NOI in 2013. Suite hotels without F&B with an ADR below \$80 experienced a 24.9 percent increase in NOI.

- Suite hotels without F&B in the South Atlantic region achieved the lowest increase in NOI during 2013, while the properties in the South Central region enjoyed the greatest gain in NOI.

SUITE HOTELS WITHOUT FOOD AND BEVERAGE

Summary Operating Statement

Dollars Per Available and Occupied Room

Figure Number 19

	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Occupied Room
Revenue				
Rooms	\$ 31,613	5.4 %	97.2 %	\$ 113.54
Other Operated Departments	590	4.5	1.8	2.12
Rentals and Other Income	313	3.7	1.0	1.13
Total Revenue	\$ 32,516	5.3 %	100.0 %	\$ 116.78
Departmental Expenses*				
Rooms	\$ 7,471	4.3 %	23.6 %	\$ 26.83
Other Operated Departments	452	6.6	76.6	1.62
Total Departmental Expenses	\$ 7,923	4.5 %	24.4 %	\$ 28.46
Total Departmental Income	\$ 24,593	5.6 %	75.6 %	\$ 88.33
Undistributed Operating Expenses				
Administrative and General	\$ 2,924	4.0 %	9.0 %	\$ 10.50
Sales and Marketing	3,143	2.4	9.7	11.29
Property Operations and Maintenance	1,575	3.5	4.8	5.66
Utilities	1,407	3.3	4.3	5.05
Total Undistributed Expenses	\$ 9,048	3.3 %	27.8 %	\$ 32.50
Gross Operating Profit	\$ 15,545	7.0 %	47.8 %	\$ 55.83
Management Fees	\$ 1,313	3.6 %	4.0 %	\$ 4.72
Income Before Fixed Charges	\$ 14,232	7.3 %	43.8 %	\$ 51.11
Fixed Charges				
Property and Other Taxes	\$ 1,517	3.5 %	4.7 %	\$ 5.45
Insurance	310	5.7	1.0	1.11
Total Fixed Charges	\$ 1,827	3.9 %	5.6 %	\$ 6.56
Net Operating Income**	\$ 12,405	7.9 %	38.1 %	\$ 44.55
Percentage of Occupancy	76.3 %	2.0 %		
Average Daily Rate	\$ 113.54	3.3 %		
RevPAR	\$ 86.61	5.4 %		
Average Size (Rooms)	123	0.1 %		

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

SUITE HOTELS WITHOUT FOOD AND BEVERAGE

Summary Operating Statement – By Rate Groups

Figure Number 19A

	Rate Groups								
	Under \$80			\$80 to \$125			Over \$125		
	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
Revenue									
Rooms	\$ 17,823	10.6 %	98.4 %	\$ 28,713	5.2 %	97.6 %	\$ 43,926	4.7 %	96.5 %
Other Operated Departments	205	8.3	1.1	423	5.8	1.4	1,128	3.0	2.5
Rentals and Other Income	85	18.4	0.5	289	4.0	1.0	464	2.3	1.0
Total Revenue	\$ 18,113	10.6 %	100.0 %	\$ 29,426	5.2 %	100.0 %	\$ 45,518	4.6 %	100.0 %
Departmental Expenses*									
Rooms	\$ 4,501	5.3 %	25.3 %	\$ 7,248	4.8 %	25.2 %	\$ 9,216	3.4 %	21.0 %
Other Operated Departments	327	9.1	159.5	396	9.2	93.4	633	2.5	56.1
Total Departmental Expenses	\$ 4,828	5.5 %	26.7 %	\$ 7,643	5.0 %	26.0 %	\$ 9,848	3.3 %	21.6 %
Total Departmental Income	\$ 13,284	12.6 %	73.3 %	\$ 21,782	5.2 %	74.0 %	\$ 35,670	5.0 %	78.4 %
Undistributed Operating Expenses									
Administrative and General	\$ 2,097	5.0 %	11.6 %	\$ 2,770	3.8 %	9.4 %	\$ 3,617	4.2 %	7.9 %
Sales and Marketing	1,576	4.0	8.7	2,977	2.3	10.1	4,174	2.3	9.2
Property Operations and Maintenance	1,046	1.9	5.8	1,528	4.0	5.2	1,901	3.0	4.2
Utilities	995	5.3	5.5	1,350	2.8	4.6	1,708	3.6	3.8
Total Undistributed Expenses	\$ 5,713	4.2 %	31.5 %	\$ 8,625	3.1 %	29.3 %	\$ 11,399	3.2 %	25.0 %
Gross Operating Profit	\$ 7,571	19.8 %	41.8 %	\$ 13,158	6.7 %	44.7 %	\$ 24,271	5.8 %	53.3 %
Management Fees	\$ 352	2.8 %	1.9 %	\$ 1,222	3.8 %	4.2 %	\$ 1,921	3.3 %	4.2 %
Income Before Fixed Charges	\$ 7,219	20.8 %	39.9 %	\$ 11,936	7.0 %	40.6 %	\$ 22,350	6.1 %	49.1 %
Fixed Charges									
Property and Other Taxes	\$ 916	2.9 %	5.1 %	\$ 1,305	2.7 %	4.4 %	\$ 2,246	4.6 %	4.9 %
Insurance	201	0.7	1.1	285	5.6	1.0	412	6.8	0.9
Total Fixed Charges	\$ 1,117	2.5 %	6.2 %	\$ 1,590	3.2 %	5.4 %	\$ 2,658	5.0 %	5.8 %
Net Operating Income**	\$ 6,102	24.9 %	33.7 %	\$ 10,346	7.6 %	35.2 %	\$ 19,691	6.2 %	43.3 %
Percentage of Occupancy	72.2 %	7.0 %		75.5 %	2.0 %		79.7 %	0.3 %	
Average Daily Rate	\$ 67.59	3.4 %		\$ 104.18	3.1 %		\$ 150.96	4.3 %	
RevPAR	\$ 48.83	10.6 %		\$ 78.67	5.2 %		\$ 120.35	4.7 %	
Average Size (Rooms)	109	(0.2)%		119	0.1 %		143	0.3 %	

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

SUITE HOTELS WITHOUT FOOD AND BEVERAGE

Summary Operating Statement – By Geographic Divisions

Figure Number 19B

		Geographic Divisions					
		New England/Middle Atlantic			North Central		
		2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
Revenue							
1.	Rooms	\$ 39,342	3.4 %	97.2 %	\$ 27,363	6.5 %	97.6 %
2.	Other Operated Departments	899	5.4	2.2	457	6.9	1.6
3.	Rentals and Other Income	244	7.6	0.6	209	(4.7)	0.7
4.	Total Revenue	\$ 40,485	3.5 %	100.0 %	\$ 28,029	6.4 %	100.0 %
Departmental Expenses*							
5.	Rooms	\$ 9,143	3.2 %	23.2 %	\$ 6,454	3.7 %	23.6 %
6.	Other Operated Departments	618	3.9	68.7	477	3.5	104.3
7.	Total Departmental Expenses	\$ 9,761	3.3 %	24.1 %	\$ 6,931	3.6 %	24.7 %
8.	Total Departmental Income	\$ 30,724	3.5 %	75.9 %	\$ 21,099	7.3 %	75.3 %
Undistributed Operating Expenses							
9.	Administrative and General	\$ 3,421	3.1 %	8.4 %	\$ 2,688	4.4 %	9.6 %
10.	Sales and Marketing	3,779	0.8	9.3	2,877	3.2	10.3
11.	Property Operations and Maintenance	1,944	2.3	4.8	1,501	6.7	5.4
12.	Utilities	1,858	2.7	4.6	1,295	5.6	4.6
13.	Total Undistributed Expenses	\$ 11,003	2.1 %	27.2 %	\$ 8,359	4.6 %	29.8 %
14.	Gross Operating Profit	\$ 19,721	4.3 %	48.7 %	\$ 12,739	9.2 %	45.4 %
15.	Management Fees	\$ 1,461	2.5 %	3.6 %	\$ 1,015	4.0 %	3.6 %
16.	Income Before Fixed Charges	\$ 18,261	4.5 %	45.1 %	\$ 11,724	9.6 %	41.8 %
Fixed Charges							
17.	Property and Other Taxes	\$ 2,283	3.3 %	5.6 %	\$ 1,559	4.8 %	5.6 %
18.	Insurance	273	2.7	0.7	249	5.3	0.9
19.	Total Fixed Charges	\$ 2,556	3.2 %	6.3 %	\$ 1,808	4.9 %	6.5 %
20.	Net Operating Income**	\$ 15,705	4.7 %	38.8 %	\$ 9,915	10.6 %	35.4 %
21.	Percentage of Occupancy	78.0 %	0.3 %		74.9 %	2.1 %	
22.	Average Daily Rate	\$ 138.11	3.1 %		\$ 100.05	4.3 %	
23.	RevPAR	\$ 107.79	3.4 %		\$ 74.97	6.5 %	
24.	Average Size (Rooms)	133	0.3 %		112	(0.1)%	

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

SUITE HOTELS WITHOUT FOOD AND BEVERAGE

Summary Operating Statement – By Geographic Divisions

Figure Number 19B (Continued)

	Geographic Divisions								
	South Atlantic			South Central			Mountain/Pacific		
	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
1.	\$ 29,120	2.8 %	96.8 %	\$ 28,755	8.0 %	97.7 %	\$ 35,302	6.2 %	97.0 %
2.	493	1.1	1.6	401	6.4	1.4	774	4.0	2.1
3.	485	7.6	1.6	268	0.3	0.9	308	3.7	0.8
4.	\$ 30,098	2.8 %	100.0 %	\$ 29,423	7.9 %	100.0 %	\$ 36,385	6.1 %	100.0 %
5.	\$ 7,826	4.5 %	26.9 %	\$ 6,706	5.9 %	23.3 %	\$ 7,623	4.1 %	21.6 %
6.	388	7.7	78.7	459	10.9	114.7	396	6.5	51.2
7.	\$ 8,214	4.7 %	27.3 %	\$ 7,165	6.2 %	24.4 %	\$ 8,019	4.2 %	22.0 %
8.	\$ 21,884	2.1 %	72.7 %	\$ 22,258	8.5 %	75.6 %	\$ 28,366	6.6 %	78.0 %
9.	\$ 2,764	1.9 %	9.2 %	\$ 2,823	6.4 %	9.6 %	\$ 3,060	4.4 %	8.4 %
10.	2,853	0.6	9.5	3,016	4.8	10.3	3,370	2.6	9.3
11.	1,551	2.0	5.2	1,499	5.5	5.1	1,510	2.0	4.1
12.	1,425	1.2	4.7	1,232	2.2	4.2	1,373	5.0	3.8
13.	\$ 8,594	1.4 %	28.6 %	\$ 8,570	5.1 %	29.1 %	\$ 9,314	3.4 %	25.6 %
14.	\$ 13,290	2.6 %	44.2 %	\$ 13,688	10.8 %	46.5 %	\$ 19,052	8.3 %	52.4 %
15.	\$ 1,438	1.5 %	4.8 %	\$ 1,098	7.6 %	3.7 %	\$ 1,523	3.5 %	4.2 %
16.	\$ 11,853	2.7 %	39.4 %	\$ 12,590	11.1 %	42.8 %	\$ 17,529	8.7 %	48.2 %
17.	\$ 1,169	1.9 %	3.9 %	\$ 1,362	2.8 %	4.6 %	\$ 1,518	4.5 %	4.2 %
18.	361	5.9	1.2	251	5.9	0.9	381	6.8	1.0
19.	\$ 1,529	2.8 %	5.1 %	\$ 1,613	3.3 %	5.5 %	\$ 1,899	5.0 %	5.2 %
20.	\$ 10,323	2.7 %	34.3 %	\$ 10,978	12.3 %	37.3 %	\$ 15,630	9.2 %	43.0 %
21.	76.0 %	1.3 %		75.5 %	4.0 %		77.3 %	2.1 %	
22.	\$ 104.96	1.5 %		\$ 104.41	3.9 %		\$ 125.14	4.0 %	
23.	\$ 79.78	2.8 %		\$ 78.78	8.0 %		\$ 96.72	6.2 %	
24.	125	0.2 %		114	0.1 %		136	0.2 %	

SUITE HOTELS WITHOUT FOOD AND BEVERAGE

Summary Operating Statement – By Property Size Classifications

Figure Number 19C

	Property Size Classifications								
	Under 100 Rooms			100 to 200 Rooms			Over 200 Rooms		
	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
Revenue									
Rooms	\$ 28,303	5.6 %	98.1 %	\$ 31,023	5.4 %	97.4 %	\$ 41,827	4.5 %	95.1 %
Other Operated Departments	367	9.7	1.3	543	4.1	1.7	1,333	2.7	3.0
Rentals and Other Income	175	(10.3)	0.6	276	6.2	0.9	834	3.7	1.9
Total Revenue	\$ 28,845	5.5 %	100.0 %	\$ 31,842	5.4 %	100.0 %	\$ 43,994	4.5 %	100.0 %
Departmental Expenses*									
Rooms	\$ 6,971	4.4 %	24.6 %	\$ 7,254	4.3 %	23.4 %	\$ 9,912	4.3 %	23.7 %
Other Operated Departments	445	17.1	121.4	424	5.2	78.2	662	1.0	49.7
Total Departmental Expenses	\$ 7,416	5.1 %	25.7 %	\$ 7,678	4.4 %	24.1 %	\$ 10,574	4.0 %	24.0 %
Total Departmental Income	\$ 21,428	5.6 %	74.3 %	\$ 24,164	5.7 %	75.9 %	\$ 33,420	4.6 %	76.0 %
Undistributed Operating Expenses									
Administrative and General	\$ 2,950	3.2 %	10.2 %	\$ 2,852	4.2 %	9.0 %	\$ 3,383	4.1 %	7.7 %
Sales and Marketing	3,086	4.0	10.7	3,092	2.2	9.7	3,608	1.5	8.2
Property Operations and Maintenance	1,635	5.5	5.7	1,522	3.3	4.8	1,832	1.5	4.2
Utilities	1,406	3.5	4.9	1,380	3.4	4.3	1,602	2.0	3.6
Total Undistributed Expenses	\$ 9,076	3.9 %	31.5 %	\$ 8,846	3.2 %	27.8 %	\$ 10,424	2.4 %	23.7 %
Gross Operating Profit	\$ 12,352	6.9 %	42.8 %	\$ 15,318	7.3 %	48.1 %	\$ 22,996	5.6 %	52.3 %
Management Fees	\$ 1,054	4.0 %	3.7 %	\$ 1,289	4.0 %	4.0 %	\$ 1,957	1.2 %	4.4 %
Income Before Fixed Charges	\$ 11,298	7.2 %	39.2 %	\$ 14,029	7.6 %	44.1 %	\$ 21,039	6.1 %	47.8 %
Fixed Charges									
Property and Other Taxes	\$ 1,264	0.7 %	4.4 %	\$ 1,466	3.9 %	4.6 %	\$ 2,336	4.6 %	5.3 %
Insurance	277	2.7	1.0	312	6.9	1.0	357	2.7	0.8
Total Fixed Charges	\$ 1,542	1.1 %	5.3 %	\$ 1,778	4.4 %	5.6 %	\$ 2,693	4.4 %	6.1 %
Net Operating Income**	\$ 9,756	8.3 %	33.8 %	\$ 12,251	8.0 %	38.5 %	\$ 18,346	6.3 %	41.7 %
Percentage of Occupancy	75.1 %	2.1 %		76.4 %	2.1 %		77.8 %	1.7 %	
Average Daily Rate	\$ 103.21	3.4 %		\$ 111.30	3.3 %		\$ 147.28	2.8 %	
RevPAR	\$ 77.54	5.6 %		\$ 85.00	5.4 %		\$ 114.59	4.5 %	
Average Size (Rooms)	85	(0.2)%		130	0.1 %		249	0.8 %	

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

SUITE HOTELS WITHOUT FOOD AND BEVERAGE

Departmental Expenses

Figure Number 20

	2013 Dollars Per Available Room	Change From Prior Year	2013 Dollars Per Occupied Room	2013 Percent of Revenue
Rooms Department*				
Total Labor Costs	\$ 4,494	3.2 %	\$ 16.14	14.2 %
Other Expenses	2,977	6.1	10.69	9.4
Total Department Expenses	\$ 7,471	4.3 %	\$ 26.83	23.6 %
Other Operated Departments*				
Total Labor Costs	\$ 37	15.3 %	\$ 0.13	6.2 %
Other Expenses***	416	5.8	1.49	70.4
Total Department Expenses	\$ 452	6.6 %	\$ 1.62	76.6 %
Administrative and General Department**				
Total Labor Costs	\$ 1,368	3.1 %	\$ 4.91	4.2 %
Other Expenses	1,556	4.9	5.59	4.8
Total Department Expenses	\$ 2,924	4.0 %	\$ 10.50	9.0 %
Marketing Department**				
Total Labor Costs	\$ 479	4.4 %	\$ 1.72	1.5 %
Other Expenses	2,664	2.1	9.57	8.2
Total Department Expenses	\$ 3,143	2.4 %	\$ 11.29	9.7 %
Maintenance Department**				
Total Labor Costs	\$ 652	2.9 %	\$ 2.34	2.0 %
Other Expenses	923	4.0	3.32	2.8
Total Department Expenses	\$ 1,575	3.5 %	\$ 5.66	4.8 %
Utilities Department**				
Other Expenses	\$ 1,407	3.3 %	\$ 5.05	4.3 %
Total Operating Expenses**				
Total Labor Costs	\$ 7,029	3.3 %	\$ 25.25	21.6 %
Other Expenses***	9,942	4.2	35.71	30.6
Total Operating Expenses****	\$ 16,972	3.8 %	\$ 60.95	52.2 %

* Expressed as a percent of department revenue.

** Expressed as a percent of total revenue.

*** Includes cost of sales.

****Before management fees, property taxes, insurance, and rent.

SUITE HOTELS WITHOUT FOOD AND BEVERAGE

Payroll Costs

Figure Number 21

	2013 Dollars Per Available Room	Change From Prior Year	2013 Dollars Per Occupied Room	2013 Percent of Revenue
Rooms Department*				
Salaries, Wages and Bonuses	\$ 3,504	3.5 %	\$ 12.59	11.1 %
Payroll-Related Expenses	990	2.2	3.55	3.1
Total Labor Costs	\$ 4,494	3.2 %	\$ 16.14	14.2 %
Other Operated Departments*				
Salaries, Wages and Bonuses	\$ 27	18.8 %	\$ 0.10	4.7 %
Payroll-Related Expenses	9	6.0	0.03	1.6
Total Labor Costs	\$ 37	15.3 %	\$ 0.13	6.2 %
Administrative and General Department**				
Salaries, Wages and Bonuses	\$ 1,063	2.7 %	\$ 3.82	3.3 %
Payroll-Related Expenses	305	4.7	1.10	0.9
Total Labor Costs	\$ 1,368	3.1 %	\$ 4.91	4.2 %
Marketing Department**				
Salaries, Wages and Bonuses	\$ 382	5.1 %	\$ 1.37	1.2 %
Payroll-Related Expenses	97	1.7	0.35	0.3
Total Labor Costs	\$ 479	4.4 %	\$ 1.72	1.5 %
Maintenance Department**				
Salaries, Wages and Bonuses	\$ 505	3.6 %	\$ 1.81	1.6 %
Payroll-Related Expenses	147	0.5	0.53	0.5
Total Labor Costs	\$ 652	2.9 %	\$ 2.34	2.0 %
All Departments**				
Salaries, Wages and Bonuses	\$ 5,481	3.5 %	\$ 19.69	16.9 %
Payroll-Related Expenses	1,548	2.5	5.56	4.8
Total Labor Costs	\$ 7,029	3.3 %	\$ 25.25	21.6 %

* Expressed as a percent of department revenue.

** Expressed as a percent of total revenue.

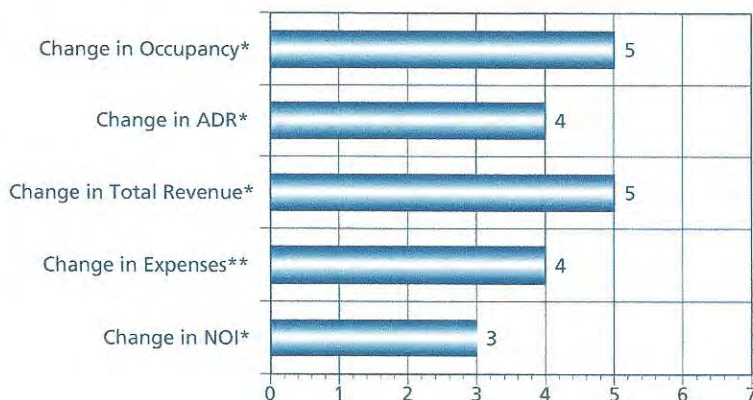
CONVENTION HOTELS Performance in 2013

CONVENTION HOTELS Market Mix



- Total convention hotel revenues increased 5.1 percent in 2013, driven by a 1.5 percent gain in occupancy and a 3.6 percent rise in ADR.
- With expenses growing at 4.0 percent, convention hotel NOI increased 8.2 percent.
- Expenses in the rooms and other operated departments grew the most on a percentage basis from 2012 to 2013.
- Labor costs at convention hotels increased 3.7 percent in 2013. The combined costs of salaries, wages, bonuses, and benefits represented 47.7 percent of total operating expenses for the year.
- Mid-sized and upper-priced convention properties achieved the greatest gains in NOI in 2013. Convention properties with an ADR over \$200 achieved NOI growth of 12.1 percent in 2013, while those with 500 to 1,000 rooms achieved NOI growth of 10.3 percent.
- Convention hotels in the South Atlantic states achieved the lowest growth in NOI, while properties in the Mountain/Pacific region enjoyed the greatest gains in NOI.

RANKING Rank Among Six Property Type Categories Change From 2012 to 2013



NOTE: * 1 = greatest increase, 6 = least increase

** 1 = least increase, 6 = greatest increase

CONVENTION HOTELS

Summary Operating Statement

Dollars Per Available and Occupied Room

Figure Number 22

	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Occupied Room
Revenue				
Rooms	\$ 48,722	5.2 %	63.2 %	\$ 182.49
Food and Beverage	24,625	5.1	31.9	92.23
Other Operated Departments	2,564	4.7	3.3	9.61
Rentals and Other Income	1,221	3.8	1.6	4.57
Total Revenue	\$ 77,133	5.1 %	100.0 %	\$ 288.91
Departmental Expenses*				
Rooms	\$ 13,856	5.2 %	28.4 %	\$ 51.90
Food and Beverage	17,612	3.5	71.5	65.97
Other Operated Departments	1,612	4.7	62.9	6.04
Total Departmental Expenses	\$ 33,080	4.3 %	42.9 %	\$ 123.90
Total Departmental Income	\$ 44,053	5.7 %	57.1 %	\$ 165.00
Undistributed Operating Expenses				
Administrative and General	\$ 5,845	3.2 %	7.6 %	\$ 21.89
Sales and Marketing	5,266	2.6	6.8	19.73
Property Operations and Maintenance	3,243	3.1	4.2	12.15
Utilities	2,486	2.0	3.2	9.31
Total Undistributed Expenses	\$ 16,841	2.8 %	21.8 %	\$ 63.08
Gross Operating Profit	\$ 27,213	7.7 %	35.3 %	\$ 101.93
Management Fees	\$ 2,737	7.5 %	3.5 %	\$ 10.25
Income Before Fixed Charges	\$ 24,475	7.7 %	31.7 %	\$ 91.67
Fixed Charges				
Property and Other Taxes	\$ 3,085	5.4 %	4.0 %	\$ 11.56
Insurance	726	2.6	0.9	2.72
Total Fixed Charges	\$ 3,811	4.8 %	4.9 %	\$ 14.28
Net Operating Income**	\$ 20,664	8.2 %	26.8 %	\$ 77.40
Percentage of Occupancy	73.1 %	1.5 %		
Average Daily Rate	\$ 182.49	3.6 %		
RevPAR	\$ 133.49	5.2 %		
Average Size (Rooms)	768	0.1 %		

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

CONVENTION HOTELS

Summary Operating Statement – By Rate Groups

Figure Number 22A

	Rate Groups								
	Under \$140			\$140 to \$200			Over \$200		
	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
Revenue									
Rooms	\$ 27,758	3.8 %	59.0 %	\$ 43,440	4.0 %	61.9 %	\$ 77,258	6.7 %	66.0 %
Food and Beverage	16,863	2.3	35.8	22,907	4.5	32.6	34,806	7.1	29.7
Other Operated Departments	1,670	5.9	3.5	2,577	2.2	3.7	3,398	7.2	2.9
Rentals and Other Income	796	(0.8)	1.7	1,268	5.0	1.8	1,552	4.4	1.3
Total Revenue	\$ 47,087	3.3 %	100.0 %	\$ 70,192	4.1 %	100.0 %	\$ 117,015	6.8 %	100.0 %
Departmental Expenses*									
Rooms	\$ 7,883	4.0 %	28.4 %	\$ 11,922	4.1 %	27.4 %	\$ 22,678	6.4 %	29.4 %
Food and Beverage	11,359	1.7	67.4	15,536	3.2	67.8	26,930	4.5	77.4
Other Operated Departments	1,339	4.3	80.2	1,562	4.7	60.6	1,954	4.8	57.5
Total Departmental Expenses	\$ 20,581	2.7 %	43.7 %	\$ 29,020	3.6 %	41.3 %	\$ 51,562	5.4 %	44.1 %
Total Departmental Income	\$ 26,506	3.7 %	56.3 %	\$ 41,172	4.4 %	58.7 %	\$ 65,453	7.9 %	55.9 %
Undistributed Operating Expenses									
Administrative and General	\$ 4,540	2.6 %	9.6 %	\$ 5,328	3.5 %	7.6 %	\$ 7,924	3.1 %	6.8 %
Sales and Marketing	3,809	3.0	8.1	5,087	2.0	7.2	6,947	3.1	5.9
Property Operations and Maintenance	2,265	4.2	4.8	3,081	2.3	4.4	4,438	3.4	3.8
Utilities	2,086	3.3	4.4	2,222	0.7	3.2	3,295	2.5	2.8
Total Undistributed Expenses	\$ 12,700	3.1 %	27.0 %	\$ 15,718	2.4 %	22.4 %	\$ 22,605	3.1 %	19.3 %
Gross Operating Profit	\$ 13,806	4.3 %	29.3 %	\$ 25,454	5.7 %	36.3 %	\$ 42,847	10.6 %	36.6 %
Management Fees	\$ 1,402	2.6 %	3.0 %	\$ 2,314	5.2 %	3.3 %	\$ 4,695	10.7 %	4.0 %
Income Before Fixed Charges	\$ 12,404	4.5 %	26.3 %	\$ 23,140	5.7 %	33.0 %	\$ 38,152	10.6 %	32.6 %
Fixed Charges									
Property and Other Taxes	\$ 1,524	3.1 %	3.2 %	\$ 2,602	7.1 %	3.7 %	\$ 5,354	4.6 %	4.6 %
Insurance	391	5.2	0.8	733	2.9	1.0	1,037	1.3	0.9
Total Fixed Charges	\$ 1,915	3.5 %	4.1 %	\$ 3,335	6.1 %	4.8 %	\$ 6,391	4.1 %	5.5 %
Net Operating Income**	\$ 10,489	4.6 %	22.3 %	\$ 19,805	5.7 %	28.2 %	\$ 31,762	12.1 %	27.1 %
Percentage of Occupancy	64.1 %	1.6 %		72.1 %	0.2 %		83.4 %	3.4 %	
Average Daily Rate	\$ 118.69	2.2 %		\$ 164.99	3.7 %		\$ 253.66	3.2 %	
RevPAR	\$ 76.05	3.8 %		\$ 119.01	4.0 %		\$ 211.67	6.7 %	
Average Size (Rooms)	529	—		858	0.1 %		1,043	0.2 %	

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

CONVENTION HOTELS

Summary Operating Statement – By Geographic Divisions

Figure Number 22B

		Geographic Divisions					
		New England/Middle Atlantic			North Central		
		2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
Revenue							
1.	Rooms	\$ 71,933	5.9 %	66.6 %	\$ 41,728	2.2 %	61.6 %
2.	Food and Beverage	31,792	6.1	29.5	22,815	4.9	33.7
3.	Other Operated Departments	2,678	4.4	2.5	1,865	4.8	2.8
4.	Rentals and Other Income	1,529	4.8	1.4	1,385	6.1	2.0
5.	Total Revenue	\$ 107,932	5.9 %	100.0 %	\$ 67,794	3.2 %	100.0 %
Departmental Expenses*							
6.	Rooms	\$ 21,322	5.9 %	29.6 %	\$ 12,622	2.1 %	30.2 %
7.	Food and Beverage	24,960	4.0	78.5	15,564	3.1	68.2
8.	Other Operated Departments	1,659	3.6	62.0	1,378	4.6	73.9
9.	Total Departmental Expenses	\$ 47,941	4.9 %	44.4 %	\$ 29,564	2.7 %	43.6 %
10.	Total Departmental Income	\$ 59,991	6.8 %	55.6 %	\$ 38,229	3.6 %	56.4 %
Undistributed Operating Expenses							
11.	Administrative and General	\$ 7,438	2.1 %	6.9 %	\$ 5,119	3.4 %	7.6 %
12.	Sales and Marketing	6,728	3.0	6.2	4,680	2.9	6.9
13.	Property Operations and Maintenance	4,318	3.1	4.0	3,100	1.4	4.6
14.	Utilities	3,356	2.3	3.1	1,942	1.9	2.9
15.	Total Undistributed Expenses	\$ 21,840	2.6 %	20.2 %	\$ 14,841	2.6 %	21.9 %
16.	Gross Operating Profit	\$ 38,150	9.3 %	35.3 %	\$ 23,388	4.3 %	34.5 %
17.	Management Fees	\$ 4,619	11.1 %	4.3 %	\$ 2,217	4.0 %	3.3 %
18.	Income Before Fixed Charges	\$ 33,531	9.1 %	31.1 %	\$ 21,171	4.3 %	31.2 %
Fixed Charges							
19.	Property and Other Taxes	\$ 5,058	5.3 %	4.7 %	\$ 3,295	8.1 %	4.9 %
20.	Insurance	757	3.2	0.7	480	1.6	0.7
21.	Total Fixed Charges	\$ 5,815	5.0 %	5.4 %	\$ 3,775	7.2 %	5.6 %
22.	Net Operating Income**	\$ 27,716	10.0 %	25.7 %	\$ 17,396	3.7 %	25.7 %
23.	Percentage of Occupancy	80.6 %	3.0 %		72.5 %	—	
24.	Average Daily Rate	\$ 244.52	2.8 %		\$ 157.79	2.2 %	
25.	RevPAR	\$ 197.08	5.9 %		\$ 114.32	2.2 %	
26.	Average Size (Rooms)	843	0.2 %		789	(0.2)%	

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

CONVENTION HOTELS

Summary Operating Statement – By Geographic Divisions

Figure Number 22B (Continued)

	Geographic Divisions								
	South Atlantic			South Central			Mountain/Pacific		
	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
1.	\$ 33,433	1.1 %	59.8 %	\$ 36,239	8.0 %	59.3 %	\$ 48,375	5.9 %	62.9 %
2.	19,767	1.6	35.4	21,132	4.2	34.6	24,066	6.6	31.3
3.	1,831	14.7	3.3	2,932	(2.3)	4.8	3,111	7.2	4.0
4.	850	1.7	1.5	828	5.3	1.4	1,357	1.0	1.8
5.	\$ 55,881	1.7 %	100.0 %	\$ 61,130	6.1 %	100.0 %	\$ 76,909	6.1 %	100.0 %
6.	\$ 8,779	3.6 %	26.3 %	\$ 8,574	6.0 %	23.7 %	\$ 14,255	6.0 %	29.5 %
7.	12,761	0.7	64.6	13,303	3.9	63.0	17,704	4.1	73.6
8.	1,218	14.8	66.5	1,672	1.7	57.0	1,943	3.9	62.5
9.	\$ 22,758	2.5 %	40.7 %	\$ 23,549	4.5 %	38.5 %	\$ 33,901	4.9 %	44.1 %
10.	\$ 33,123	1.1 %	59.3 %	\$ 37,581	7.1 %	61.5 %	\$ 43,008	7.0 %	55.9 %
11.	\$ 5,467	2.3 %	9.8 %	\$ 4,659	5.1 %	7.6 %	\$ 5,797	3.8 %	7.5 %
12.	4,676	0.6	8.4	4,134	3.1	6.8	5,378	2.9	7.0
13.	2,603	2.3	4.7	2,460	2.7	4.0	3,233	4.9	4.2
14.	2,472	—	4.4	1,995	1.6	3.3	2,291	3.1	3.0
15.	\$ 15,218	1.4 %	27.2 %	\$ 13,249	3.5 %	21.7 %	\$ 16,699	3.6 %	21.7 %
16.	\$ 17,905	0.9 %	32.0 %	\$ 24,333	9.1 %	39.8 %	\$ 26,309	9.3 %	34.2 %
17.	\$ 1,704	0.4 %	3.0 %	\$ 2,246	8.2 %	3.7 %	\$ 2,084	4.8 %	2.7 %
18.	\$ 16,201	1.0 %	29.0 %	\$ 22,086	9.2 %	36.1 %	\$ 24,225	9.7 %	31.5 %
19.	\$ 1,711	4.0 %	3.1 %	\$ 1,696	6.5 %	2.8 %	\$ 2,843	3.5 %	3.7 %
20.	378	2.2	0.7	707	2.5	1.2	1,121	2.6	1.5
21.	\$ 2,090	3.7 %	3.7 %	\$ 2,403	5.3 %	3.9 %	\$ 3,964	3.2 %	5.2 %
22.	\$ 14,112	0.6 %	25.3 %	\$ 19,683	9.7 %	32.2 %	\$ 20,261	11.1 %	26.3 %
23.	67.9 %	0.1 %		65.4 %	2.4 %		75.4 %	1.1 %	
24.	\$ 135.00	1.0 %		\$ 151.73	5.5 %		\$ 175.70	4.7 %	
25.	\$ 91.60	1.1 %		\$ 99.28	8.0 %		\$ 132.54	5.9 %	
26.	555	0.2 %		790	0.1 %		882	0.1 %	

CONVENTION HOTELS

Summary Operating Statement – By Property Size Classifications

Figure Number 22C

	Property Size Classifications								
	Under 500 Rooms			500 to 1,000 Rooms			Over 1,000 Rooms		
	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
Revenue									
Rooms	\$ 33,523	3.5 %	53.6 %	\$ 45,109	6.1 %	64.0 %	\$ 54,729	4.9 %	64.3 %
Food and Beverage	24,012	3.7	38.4	22,361	5.0	31.7	26,297	5.5	30.9
Other Operated Departments	4,159	4.4	6.6	1,884	6.3	2.7	2,649	4.0	3.1
Rentals and Other Income	873	10.1	1.4	1,101	0.2	1.6	1,385	4.8	1.6
Total Revenue	\$ 62,567	3.7 %	100.0 %	\$ 70,455	5.7 %	100.0 %	\$ 85,060	5.0 %	100.0 %
Departmental Expenses*									
Rooms	\$ 9,146	3.5 %	27.3 %	\$ 12,499	5.3 %	27.7 %	\$ 15,878	5.3 %	29.0 %
Food and Beverage	15,965	3.8	66.5	16,126	4.0	72.1	19,001	3.2	72.3
Other Operated Departments	2,484	1.7	59.7	1,286	4.8	68.3	1,627	5.7	61.4
Total Departmental Expenses	\$ 27,595	3.5 %	44.1 %	\$ 29,912	4.6 %	42.5 %	\$ 36,506	4.2 %	42.9 %
Total Departmental Income	\$ 34,972	3.9 %	55.9 %	\$ 40,543	6.5 %	57.5 %	\$ 48,554	5.6 %	57.1 %
Undistributed Operating Expenses									
Administrative and General	\$ 5,996	1.8 %	9.6 %	\$ 5,588	3.9 %	7.9 %	\$ 5,983	3.1 %	7.0 %
Sales and Marketing	4,964	5.1	7.9	5,047	1.9	7.2	5,485	2.6	6.4
Property Operations and Maintenance	3,176	5.0	5.1	2,945	4.0	4.2	3,460	2.2	4.1
Utilities	2,522	3.4	4.0	2,358	0.4	3.3	2,565	2.6	3.0
Total Undistributed Expenses	\$ 16,658	3.6 %	26.6 %	\$ 15,938	2.7 %	22.6 %	\$ 17,493	2.7 %	20.6 %
Gross Operating Profit	\$ 18,314	4.3 %	29.3 %	\$ 24,606	9.2 %	34.9 %	\$ 31,061	7.4 %	36.5 %
Management Fees	\$ 1,575	5.1 %	2.5 %	\$ 2,698	6.4 %	3.8 %	\$ 3,037	8.4 %	3.6 %
Income Before Fixed Charges	\$ 16,740	4.2 %	26.8 %	\$ 21,908	9.5 %	31.1 %	\$ 28,024	7.2 %	32.9 %
Fixed Charges									
Property and Other Taxes	\$ 1,760	4.2 %	2.8 %	\$ 2,855	6.2 %	4.1 %	\$ 3,551	5.0 %	4.2 %
Insurance	519	3.0	0.8	625	3.0	0.9	843	2.4	1.0
Total Fixed Charges	\$ 2,280	4.0 %	3.6 %	\$ 3,481	5.6 %	4.9 %	\$ 4,394	4.5 %	5.2 %
Net Operating Income**	\$ 14,460	4.2 %	23.1 %	\$ 18,427	10.3 %	26.2 %	\$ 23,630	7.8 %	27.8 %
Percentage of Occupancy	63.9 %	0.9 %		72.7 %	1.7 %		75.6 %	1.6 %	
Average Daily Rate	\$ 143.66	2.6 %		\$ 170.11	4.3 %		\$ 198.22	3.3 %	
RevPAR	\$ 91.84	3.5 %		\$ 123.59	6.1 %		\$ 149.94	4.9 %	
Average Size (Rooms)	277	0.2 %		728	0.2 %		1,408	—	

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

CONVENTION HOTELS

Departmental Expenses

Figure Number 23

	2013 Dollars Per Available Room	Change From Prior Year	2013 Dollars Per Occupied Room	2013 Percent of Revenue
Rooms Department*				
Total Labor Costs	\$ 8,660	4.9 %	\$ 32.44	17.8 %
Other Expenses	5,196	5.7	19.46	10.7
Total Department Expenses	\$ 13,856	5.2 %	\$ 51.90	28.4 %
Food and Beverage Department*				
Total Labor Costs	\$ 10,995	3.4 %	\$ 41.18	44.7 %
Other Expenses***	6,617	3.7	24.78	26.9
Total Department Expenses	\$ 17,612	3.5 %	\$ 65.97	71.5 %
Other Operated Departments*				
Total Labor Costs	\$ 1,057	2.4 %	\$ 3.96	41.2 %
Other Expenses***	555	9.4	2.08	21.6
Total Department Expenses	\$ 1,612	4.7 %	\$ 6.04	62.9 %
Administrative and General Department**				
Total Labor Costs	\$ 2,782	2.3 %	\$ 10.42	3.6 %
Other Expenses	3,063	4.0	11.47	4.0
Total Department Expenses	\$ 5,845	3.2 %	\$ 21.89	7.6 %
Marketing Department**				
Total Labor Costs	\$ 1,615	3.5 %	\$ 6.05	2.1 %
Other Expenses	3,651	2.3	13.68	4.7
Total Department Expenses	\$ 5,266	2.6 %	\$ 19.73	6.8 %
Maintenance Department**				
Total Labor Costs	\$ 1,852	3.5 %	\$ 6.94	2.4 %
Other Expenses	1,391	2.5	5.21	1.8
Total Department Expenses	\$ 3,243	3.1 %	\$ 12.15	4.2 %
Utilities Department**				
Other Expenses	\$ 2,486	2.0 %	\$ 9.31	3.2 %
Total Operating Expenses**				
Total Labor Costs	\$ 26,961	3.7 %	\$ 100.98	35.0 %
Other Expenses***	22,959	3.8	86.00	29.8
Total Operating Expenses****	\$ 49,921	3.8 %	\$ 186.98	64.7 %

* Expressed as a percent of department revenue.

** Expressed as a percent of total revenue.

*** Includes cost of sales.

****Before management fees, property taxes, insurance, and rent.

CONVENTION HOTELS

Payroll Costs

Figure Number 24

	2013 Dollars Per Available Room	Change From Prior Year	2013 Dollars Per Occupied Room	2013 Percent of Revenue
Rooms Department*				
Salaries, Wages and Bonuses	\$ 5,498	4.6 %	\$ 20.59	11.3 %
Payroll-Related Expenses	3,163	5.2	11.85	6.5
Total Labor Costs	\$ 8,660	4.9 %	\$ 32.44	17.8 %
Food and Beverage Department*				
Salaries, Wages and Bonuses	\$ 7,020	3.5 %	\$ 26.29	28.5 %
Payroll-Related Expenses	3,975	3.2	14.89	16.1
Total Labor Costs	\$ 10,995	3.4 %	\$ 41.18	44.7 %
Other Operated Departments*				
Salaries, Wages and Bonuses	\$ 699	1.5 %	\$ 2.62	27.2 %
Payroll-Related Expenses	358	4.0	1.34	14.0
Total Labor Costs	\$ 1,057	2.4 %	\$ 3.96	41.2 %
Administrative and General Department**				
Salaries, Wages and Bonuses	\$ 1,981	2.4 %	\$ 7.42	2.6 %
Payroll-Related Expenses	801	2.1	3.00	1.0
Total Labor Costs	\$ 2,782	2.3 %	\$ 10.42	3.6 %
Marketing Department**				
Salaries, Wages and Bonuses	\$ 1,208	4.1 %	\$ 4.53	1.6 %
Payroll-Related Expenses	407	1.9	1.52	0.5
Total Labor Costs	\$ 1,615	3.5 %	\$ 6.05	2.1 %
Maintenance Department**				
Salaries, Wages and Bonuses	\$ 1,230	3.9 %	\$ 4.61	1.6 %
Payroll-Related Expenses	622	2.7	2.33	0.8
Total Labor Costs	\$ 1,852	3.5 %	\$ 6.94	2.4 %
All Departments**				
Salaries, Wages and Bonuses	\$ 17,635	3.7 %	\$ 66.05	22.9 %
Payroll-Related Expenses	9,326	3.7	34.93	12.1
Total Labor Costs	\$ 26,961	3.7 %	\$ 100.98	35.0 %

* Expressed as a percent of department revenue.

** Expressed as a percent of total revenue.

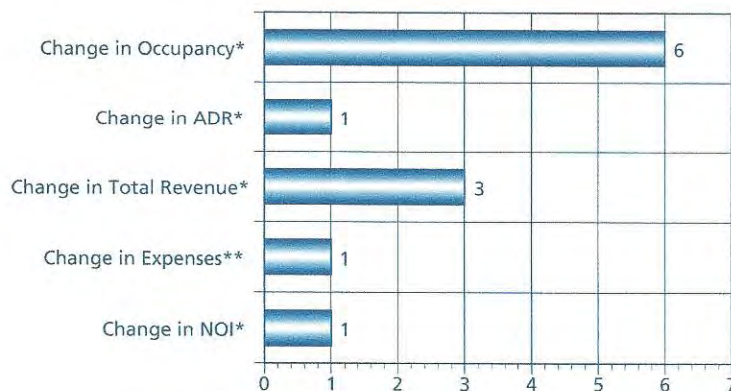
RESORT HOTELS Performance in 2013

RESORT HOTELS Market Mix



- Total resort hotel revenues increased 5.5 percent in 2013, driven by a 0.9 percent gain in occupancy and a 5.6 percent rise in ADR.
- With expenses growing at 3.5 percent, resort hotel NOI increased 11.9 percent.
- Expenses within the rooms and administrative and general departments grew the most on a percentage basis from 2012 to 2013.
- Labor costs at resort hotels increased 3.1 percent in 2013. The combined costs of salaries, wages, bonuses, and benefits represented 47.6 percent of total operating expenses for the year.
- Resort hotels across all room size categories enjoyed the double-digit gains in NOI in 2013. Mid and upper-priced resort properties had NOI increases in 2013 of 12.5 percent and 11.9 percent respectively.

RANKING Rank Among Six Property Type Categories Change From 2012 to 2013



NOTE: * 1 = greatest increase, 6 = least increase
 ** 1 = least increase, 6 = greatest increase

- Resort NOI growth was greatest for properties in the New England/Middle Atlantic states, while profit growth was lowest for resorts in the North Central region.
- Average guests per occupied room declined slightly from 1.74 in 2012 to 1.70 in 2013.

RESORT HOTELS

Summary Operating Statement

Dollars Per Available and Occupied Room

Figure Number 25

	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Occupied Room
Revenue				
Rooms	\$ 56,268	6.5 %	53.3 %	\$ 222.43
Food and Beverage	36,900	4.3	34.9	145.87
Other Operated Departments	10,296	3.5	9.7	40.70
Rentals and Other Income	2,141	10.1	2.0	8.46
Total Revenue	\$ 105,605	5.5 %	100.0 %	\$ 417.46
Departmental Expenses*				
Rooms	\$ 14,722	4.2 %	26.2 %	\$ 58.20
Food and Beverage	26,120	3.4	70.8	103.25
Other Operated Departments	7,583	2.7	73.7	29.98
Total Departmental Expenses	\$ 48,426	3.5 %	45.9 %	\$ 191.43
Total Departmental Income	\$ 57,179	7.2 %	54.1 %	\$ 226.03
Undistributed Operating Expenses				
Administrative and General	\$ 8,050	3.6 %	7.6 %	\$ 31.82
Sales and Marketing	7,015	2.8	6.6	27.73
Property Operations and Maintenance	4,802	3.4	4.5	18.98
Utilities	4,022	1.3	3.8	15.90
Total Undistributed Expenses	\$ 23,888	2.9 %	22.6 %	\$ 94.43
Gross Operating Profit	\$ 33,291	10.5 %	31.5 %	\$ 131.60
Management Fees	\$ 2,896	8.2 %	2.7 %	\$ 11.45
Income Before Fixed Charges	\$ 30,395	10.8 %	28.8 %	\$ 120.15
Fixed Charges				
Property and Other Taxes	\$ 2,603	3.7 %	2.5 %	\$ 10.29
Insurance	1,405	4.5	1.3	5.56
Total Fixed Charges	\$ 4,008	4.0 %	3.8 %	\$ 15.84
Net Operating Income**	\$ 26,387	11.9 %	25.0 %	\$ 104.31
Percentage of Occupancy	69.3 %	0.9 %		
Average Daily Rate	\$ 222.43	5.6 %		
RevPAR	\$ 154.16	6.5 %		
Average Size (Rooms)	460	—		

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

RESORT HOTELS

Summary Operating Statement – By Rate Groups

Figure Number 25A

	Rate Groups								
	Under \$150			\$150 to \$250			Over \$250		
	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
Revenue									
Rooms	\$ 27,016	3.5 %	50.3 %	\$ 52,847	7.3 %	53.5 %	\$ 89,008	6.4 %	53.7 %
Food and Beverage	19,606	1.9	36.5	35,183	4.1	35.6	55,555	5.4	33.5
Other Operated Departments	5,728	1.7	10.7	8,419	3.1	8.5	18,502	4.5	11.2
Rentals and Other Income	1,321	8.9	2.5	2,257	9.7	2.3	2,571	11.5	1.6
Total Revenue	\$ 53,670	2.8 %	100.0 %	\$ 98,705	5.8 %	100.0 %	\$ 165,636	5.9 %	100.0 %
Departmental Expenses*									
Rooms	\$ 7,802	3.5 %	28.9 %	\$ 13,435	4.5 %	25.4 %	\$ 23,568	4.1 %	26.5 %
Food and Beverage	12,606	1.0	64.3	23,959	3.1	68.1	42,584	4.5	76.7
Other Operated Departments	4,652	0.9	81.2	6,073	3.5	72.1	13,555	2.6	73.3
Total Departmental Expenses	\$ 25,059	1.7 %	46.7 %	\$ 43,466	3.6 %	44.0 %	\$ 79,708	4.1 %	48.1 %
Total Departmental Income	\$ 28,611	3.8 %	53.3 %	\$ 55,239	7.6 %	56.0 %	\$ 85,928	7.6 %	51.9 %
Undistributed Operating Expenses									
Administrative and General	\$ 5,718	1.5 %	10.7 %	\$ 7,050	3.2 %	7.1 %	\$ 12,334	5.0 %	7.4 %
Sales and Marketing	4,753	4.8	8.9	6,767	2.0	6.9	9,509	3.2	5.7
Property Operations and Maintenance	2,939	1.3	5.5	4,324	3.4	4.4	7,485	4.2	4.5
Utilities	2,464	1.6	4.6	3,669	1.6	3.7	6,158	1.0	3.7
Total Undistributed Expenses	\$ 15,874	2.4 %	29.6 %	\$ 21,810	2.6 %	22.1 %	\$ 35,486	3.7 %	21.4 %
Gross Operating Profit	\$ 12,737	5.6 %	23.7 %	\$ 33,429	11.2 %	33.9 %	\$ 50,442	10.6 %	30.5 %
Management Fees	\$ 1,156	2.9 %	2.2 %	\$ 2,763	8.8 %	2.8 %	\$ 4,680	8.6 %	2.8 %
Income Before Fixed Charges	\$ 11,581	5.9 %	21.6 %	\$ 30,665	11.4 %	31.1 %	\$ 45,762	10.9 %	27.6 %
Fixed Charges									
Property and Other Taxes	\$ 1,727	1.4 %	3.2 %	\$ 2,617	4.6 %	2.7 %	\$ 3,316	3.2 %	2.0 %
Insurance	717	1.7	1.3	1,286	4.9	1.3	2,264	4.9	1.4
Total Fixed Charges	\$ 2,444	1.5 %	4.6 %	\$ 3,903	4.7 %	4.0 %	\$ 5,580	3.9 %	3.4 %
Net Operating Income**	\$ 9,137	7.1 %	17.0 %	\$ 26,762	12.5 %	27.1 %	\$ 40,182	11.9 %	24.3 %
Percentage of Occupancy	61.6 %	1.2 %		71.0 %	1.4 %		72.0 %	(0.3)%	
Average Daily Rate	\$ 120.07	2.3 %		\$ 203.97	5.8 %		\$ 338.91	6.7 %	
RevPAR	\$ 74.02	3.5 %		\$ 144.79	7.3 %		\$ 243.86	6.4 %	
Average Size (Rooms)	376	—		548	0.1 %		389	(0.1)%	

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

RESORT HOTELS

Summary Operating Statement – By Geographic Divisions

Figure Number 25B

		Geographic Divisions					
		New England/Middle Atlantic			North Central		
		2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
Revenue							
1.	Rooms	\$ 48,314	9.0 %	48.2 %	\$ 28,850	1.8 %	43.4 %
2.	Food and Beverage	30,938	7.0	30.9	26,020	3.5	39.1
3.	Other Operated Departments	18,046	9.0	18.0	10,858	(4.3)	16.3
4.	Rentals and Other Income	2,838	21.7	2.8	818	25.7	1.2
5.	Total Revenue	\$ 100,136	8.7 %	100.0 %	\$ 66,546	1.7 %	100.0 %
Departmental Expenses*							
6.	Rooms	\$ 12,988	7.6 %	26.9 %	\$ 7,849	3.8 %	27.2 %
7.	Food and Beverage	23,264	3.6	75.2	18,490	3.4	71.1
8.	Other Operated Departments	13,832	8.5	76.6	9,058	(2.0)	83.4
9.	Total Departmental Expenses	\$ 50,084	5.9 %	50.0 %	\$ 35,397	2.1 %	53.2 %
10.	Total Departmental Income	\$ 50,053	11.6 %	50.0 %	\$ 31,149	1.2 %	46.8 %
Undistributed Operating Expenses							
11.	Administrative and General	\$ 9,854	3.5 %	9.8 %	\$ 6,123	0.6 %	9.2 %
12.	Sales and Marketing	7,444	6.1	7.4	5,653	0.8	8.5
13.	Property Operations and Maintenance	4,752	4.6	4.7	3,890	2.4	5.8
14.	Utilities	4,033	3.5	4.0	2,020	7.4	3.0
15.	Total Undistributed Expenses	\$ 26,084	4.4 %	26.0 %	\$ 17,686	1.8 %	26.6 %
16.	Gross Operating Profit	\$ 23,969	20.5 %	23.9 %	\$ 13,463	0.4 %	20.2 %
17.	Management Fees	\$ 3,075	6.1 %	3.1 %	\$ 1,763	0.4 %	2.6 %
18.	Income Before Fixed Charges	\$ 20,894	23.0 %	20.9 %	\$ 11,700	0.4 %	17.6 %
Fixed Charges							
19.	Property and Other Taxes	\$ 2,324	3.4 %	2.3 %	\$ 1,027	1.6 %	1.5 %
20.	Insurance	815	1.8	0.8	653	2.6	1.0
21.	Total Fixed Charges	\$ 3,140	3.0 %	3.1 %	\$ 1,680	2.0 %	2.5 %
22.	Net Operating Income**	\$ 17,754	27.4 %	17.7 %	\$ 10,020	0.2 %	15.1 %
23.	Percentage of Occupancy	55.7 %	4.0 %		51.2 %	(0.8)%	
24.	Average Daily Rate	\$ 237.74	4.7 %		\$ 154.35	2.7 %	
25.	RevPAR	\$ 132.37	9.0 %		\$ 79.04	1.8 %	
26.	Average Size (Rooms)	235	(0.2)%		288	—	

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

RESORT HOTELS

Summary Operating Statement – By Geographic Divisions

Figure Number 25B (Continued)

Geographic Divisions								
	South Atlantic			South Central			Mountain/Pacific	
	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	2013 Percent of Revenue
1.	\$ 49,246	6.6 %	51.8 %	\$ 44,307	6.2 %	44.6 %	\$ 65,879	6.6 %
2.	36,710	4.0	38.6	40,732	3.5	41.0	37,807	4.4
3.	7,823	4.0	8.2	13,051	—	13.1	11,282	3.9
4.	1,293	7.3	1.4	1,173	15.5	1.2	2,973	9.9
5.	\$ 95,072	5.4 %	100.0 %	\$ 99,263	4.3 %	100.0 %	\$ 117,942	5.7 %
6.	\$ 12,438	5.2 %	25.3 %	\$ 10,982	4.8 %	24.8 %	\$ 17,611	3.5 %
7.	24,154	3.4	65.8	26,739	1.1	65.6	28,337	3.7
8.	5,593	4.3	71.5	9,648	(0.5)	73.9	8,314	2.3
9.	\$ 42,185	4.1 %	44.4 %	\$ 47,369	1.6 %	47.7 %	\$ 54,262	3.4 %
10.	\$ 52,887	6.4 %	55.6 %	\$ 51,894	7.0 %	52.3 %	\$ 63,680	7.8 %
11.	\$ 7,543	4.5 %	7.9 %	\$ 7,913	1.5 %	8.0 %	\$ 8,490	3.5 %
12.	6,541	4.0	6.9	6,886	0.7	6.9	7,475	2.1
13.	4,020	2.4	4.2	4,569	2.0	4.6	5,505	4.1
14.	3,080	0.7	3.2	3,115	3.5	3.1	5,017	1.2
15.	\$ 21,185	3.3 %	22.3 %	\$ 22,483	1.6 %	22.6 %	\$ 26,487	2.8 %
16.	\$ 31,702	8.6 %	33.3 %	\$ 29,411	11.5 %	29.6 %	\$ 37,192	11.7 %
17.	\$ 2,943	8.3 %	3.1 %	\$ 2,926	6.4 %	2.9 %	\$ 2,935	8.9 %
18.	\$ 28,760	8.7 %	30.3 %	\$ 26,485	12.1 %	26.7 %	\$ 34,257	11.9 %
19.	\$ 2,307	3.0 %	2.4 %	\$ 3,536	6.2 %	3.6 %	\$ 2,853	3.9 %
20.	1,674	4.3	1.8	635	2.8	0.6	1,397	5.0
21.	\$ 3,981	3.6 %	4.2 %	\$ 4,171	5.7 %	4.2 %	\$ 4,250	4.2 %
22.	\$ 24,778	9.5 %	26.1 %	\$ 22,315	13.3 %	22.5 %	\$ 30,007	13.1 %
23.	70.5 %	1.5 %		62.1 %	2.7 %		71.7 %	0.3 %
24.	\$ 191.47	5.0 %		\$ 195.48	3.4 %		\$ 251.80	6.4 %
25.	\$ 134.92	6.6 %		\$ 121.39	6.2 %		\$ 180.49	6.6 %
26.	496	0.1 %		381	0.2 %		500	(0.1)%

RESORT HOTELS

Summary Operating Statement – By Property Size Classifications

Figure Number 25C

	Property Size Classifications								
	Under 200 Rooms			200 to 500 Rooms			Over 500 Rooms		
	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue	2013 Dollars Per Available Room	Change From Prior Year	2013 Percent of Revenue
Revenue									
Rooms	\$ 57,784	9.4 %	50.9 %	\$ 52,320	7.2 %	51.9 %	\$ 58,945	5.8 %	54.5 %
Food and Beverage	34,669	4.0	30.6	35,872	5.4	35.6	37,874	3.6	35.0
Other Operated Departments	18,904	7.5	16.7	11,274	2.6	11.2	8,686	3.5	8.0
Rentals and Other Income	2,118	10.9	1.9	1,432	16.1	1.4	2,653	7.8	2.5
Total Revenue	\$ 113,475	7.4 %	100.0 %	\$ 100,898	6.1 %	100.0 %	\$ 108,158	4.9 %	100.0 %
Departmental Expenses*									
Rooms	\$ 16,234	4.9 %	28.1 %	\$ 13,762	5.8 %	26.3 %	\$ 15,253	3.1 %	25.9 %
Food and Beverage	27,775	3.9	80.1	25,771	3.9	71.8	26,196	3.0	69.2
Other Operated Departments	12,013	4.4	63.5	8,533	2.4	75.7	6,434	2.8	74.1
Total Departmental Expenses	\$ 56,022	4.3 %	49.4 %	\$ 48,066	4.2 %	47.6 %	\$ 47,883	3.0 %	44.3 %
Total Departmental Income	\$ 57,453	10.6 %	50.6 %	\$ 52,832	8.0 %	52.4 %	\$ 60,274	6.4 %	55.7 %
Undistributed Operating Expenses									
Administrative and General	\$ 12,084	2.5 %	10.6 %	\$ 8,296	4.3 %	8.2 %	\$ 7,447	3.3 %	6.9 %
Sales and Marketing	8,656	3.7	7.6	7,125	4.2	7.1	6,763	1.6	6.3
Property Operations and Maintenance	6,037	6.9	5.3	4,718	3.4	4.7	4,732	3.0	4.4
Utilities	4,575	1.9	4.0	3,589	2.2	3.6	4,274	0.8	4.0
Total Undistributed Expenses	\$ 31,352	3.6 %	27.6 %	\$ 23,728	3.8 %	23.5 %	\$ 23,217	2.2 %	21.5 %
Gross Operating Profit	\$ 26,101	20.5 %	23.0 %	\$ 29,104	11.6 %	28.8 %	\$ 37,058	9.2 %	34.3 %
Management Fees	\$ 3,458	8.6 %	3.0 %	\$ 2,749	8.4 %	2.7 %	\$ 2,942	8.0 %	2.7 %
Income Before Fixed Charges	\$ 22,643	22.5 %	20.0 %	\$ 26,355	12.0 %	26.1 %	\$ 34,115	9.3 %	31.5 %
Fixed Charges									
Property and Other Taxes	\$ 2,807	3.0 %	2.5 %	\$ 2,187	3.8 %	2.2 %	\$ 2,880	3.8 %	2.7 %
Insurance	1,462	1.4	1.3	1,494	4.3	1.5	1,336	5.1	1.2
Total Fixed Charges	\$ 4,269	2.5 %	3.8 %	\$ 3,681	4.0 %	3.6 %	\$ 4,216	4.2 %	3.9 %
Net Operating Income**	\$ 18,374	28.3 %	16.2 %	\$ 22,674	13.4 %	22.5 %	\$ 29,899	10.1 %	27.6 %
Percentage of Occupancy	60.2 %	2.7 %		65.0 %	2.2 %		73.3 %	—	
Average Daily Rate	\$ 262.80	6.5 %		\$ 220.48	4.8 %		\$ 220.17	5.9 %	
RevPAR	\$ 158.31	9.4 %		\$ 143.34	7.2 %		\$ 161.49	5.8 %	
Average Size (Rooms)	132	(0.2)%		367	(0.1)%		825	0.1 %	

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

RESORT HOTELS

Summary Operating Statement – Dollars Per Guest Day

Figure Number 26

	2013 Dollars Per Guest Day	2012 Dollars Per Guest Day	Change From Prior Year
Revenue			
Rooms	\$ 130.61	\$ 120.98	8.0 %
Food and Beverage	85.65	81.07	5.7
Other Operated Departments	23.90	22.79	4.9
Rentals and Other Income	4.97	4.46	11.6
Total Revenue	\$ 245.13	\$ 229.29	6.9 %
Departmental Expenses			
Rooms	\$ 34.17	\$ 32.36	5.6 %
Food and Beverage	60.63	57.86	4.8
Other Operated Departments	17.60	16.91	4.1
Total Departmental Expenses	\$ 112.41	\$ 107.13	4.9 %
Total Departmental Income	\$ 132.73	\$ 122.16	8.6 %
Undistributed Operating Expenses			
Administrative and General	\$ 18.69	\$ 17.80	5.0 %
Sales and Marketing	16.28	15.64	4.1
Property Operations and Maintenance	11.15	10.64	4.8
Utilities	9.34	9.09	2.7
Total Undistributed Expenses	\$ 55.45	\$ 53.16	4.3 %
Gross Operating Profit	\$ 77.28	\$ 69.00	12.0 %
Management Fees	\$ 6.72	\$ 6.13	9.6 %
Income Before Fixed Charges	\$ 70.55	\$ 62.86	12.2 %
Fixed Charges			
Property and Other Taxes	\$ 6.04	\$ 5.75	5.1 %
Insurance	3.26	3.08	5.9
Total Fixed Charges	\$ 9.30	\$ 8.83	5.4 %
Net Operating Income*	\$ 61.25	\$ 54.04	13.3 %
Percentage of Occupancy	69.3 %	68.7 %	0.9 %
Average Daily Rate	\$ 222.43	\$ 210.72	5.6 %
RevPAR	\$ 154.16	\$ 144.70	6.5 %
Average Size (Rooms)	460	460	—

* Before deduction for rent.

RESORT HOTELS

Departmental Expenses

Figure Number 27

	2013 Dollars Per Available Room	Change From Prior Year	2013 Dollars Per Occupied Room	2013 Percent of Revenue
Rooms Department*				
Total Labor Costs	\$ 8,962	3.1 %	\$ 35.43	15.9 %
Other Expenses	5,761	6.0	22.77	10.2
Total Department Expenses	\$ 14,722	4.2 %	\$ 58.20	26.2 %
Food and Beverage Department*				
Total Labor Costs	\$ 14,906	3.6 %	\$ 58.92	40.4 %
Other Expenses***	11,214	3.1	44.33	30.4
Total Department Expenses	\$ 26,120	3.4 %	\$ 103.25	70.8 %
Other Operated Departments*				
Total Labor Costs	\$ 4,856	2.4 %	\$ 19.20	47.2 %
Other Expenses***	2,727	3.4	10.78	26.5
Total Department Expenses	\$ 7,583	2.7 %	\$ 29.98	73.7 %
Administrative and General Department**				
Total Labor Costs	\$ 3,934	2.7 %	\$ 15.55	3.7 %
Other Expenses	4,116	4.4	16.27	3.9
Total Department Expenses	\$ 8,050	3.6 %	\$ 31.82	7.6 %
Marketing Department**				
Total Labor Costs	\$ 2,468	3.6 %	\$ 9.76	2.3 %
Other Expenses	4,547	2.3	17.97	4.3
Total Department Expenses	\$ 7,015	2.8 %	\$ 27.73	6.6 %
Maintenance Department**				
Total Labor Costs	\$ 2,586	1.3 %	\$ 10.22	2.4 %
Other Expenses	2,216	6.0	8.76	2.1
Total Department Expenses	\$ 4,802	3.4 %	\$ 18.98	4.5 %
Utilities Department**				
Other Expenses	\$ 4,022	1.3 %	\$ 15.90	3.8 %
Total Operating Expenses**				
Total Labor Costs	\$ 37,712	3.1 %	\$ 149.08	35.7 %
Other Expenses***	34,602	3.6	136.79	32.8
Total Operating Expenses****	\$ 72,314	3.3 %	\$ 285.86	68.5 %

* Expressed as a percent of department revenue.

** Expressed as a percent of total revenue.

*** Includes cost of sales.

****Before management fees, property taxes, insurance, and rent.

RESORT HOTELS

Payroll Costs

Figure Number 28

	2013 Dollars Per Available Room	Change From Prior Year	2013 Dollars Per Occupied Room	2013 Percent of Revenue
Rooms Department*				
Salaries, Wages and Bonuses	\$ 6,103	2.9 %	\$ 24.13	10.8 %
Payroll-Related Expenses	2,858	3.6	11.30	5.1
Total Labor Costs	\$ 8,962	3.1 %	\$ 35.43	15.9 %
Food and Beverage Department*				
Salaries, Wages and Bonuses	\$ 10,288	3.6 %	\$ 40.67	27.9 %
Payroll-Related Expenses	4,618	3.7	18.26	12.5
Total Labor Costs	\$ 14,906	3.6 %	\$ 58.92	40.4 %
Other Operated Departments*				
Salaries, Wages and Bonuses	\$ 3,410	2.3 %	\$ 13.48	33.1 %
Payroll-Related Expenses	1,446	2.4	5.72	14.0
Total Labor Costs	\$ 4,856	2.4 %	\$ 19.20	47.2 %
Administrative and General Department**				
Salaries, Wages and Bonuses	\$ 2,834	2.9 %	\$ 11.20	2.7 %
Payroll-Related Expenses	1,099	2.3	4.35	1.0
Total Labor Costs	\$ 3,934	2.7 %	\$ 15.55	3.7 %
Marketing Department**				
Salaries, Wages and Bonuses	\$ 1,847	3.3 %	\$ 7.30	1.7 %
Payroll-Related Expenses	621	4.3	2.46	0.6
Total Labor Costs	\$ 2,468	3.6 %	\$ 9.76	2.3 %
Maintenance Department**				
Salaries, Wages and Bonuses	\$ 1,821	1.1 %	\$ 7.20	1.7 %
Payroll-Related Expenses	765	1.8	3.02	0.7
Total Labor Costs	\$ 2,586	1.3 %	\$ 10.22	2.4 %
All Departments**				
Salaries, Wages and Bonuses	\$ 26,303	3.0 %	\$ 103.98	24.9 %
Payroll-Related Expenses	11,409	3.3	45.10	10.8
Total Labor Costs	\$ 37,712	3.1 %	\$ 149.08	35.7 %

* Expressed as a percent of department revenue.

** Expressed as a percent of total revenue.

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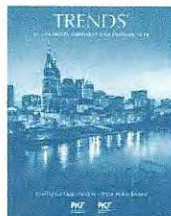
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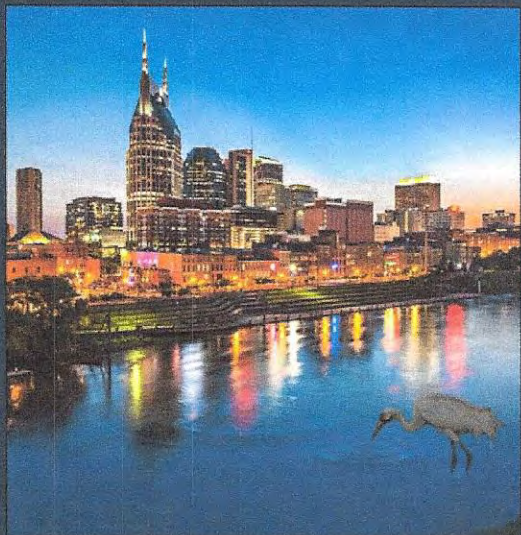
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IN THE HOTEL INDUSTRY
USA EDITION 2014



Looking for Opportunities What makes Sense?

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CHART 1: Financial Assistance for Industry

For more detail concerning these incentives, see the footnotes online at www.siteselection.com.



	State-Sponsored Industrial Development Authority	Privately Sponsored Development Credit Corporation	State Authority or Agency Revenue Bond Financing	State Authority or Agency General Obligation Bond Financing	City and/or County Revenue Bond Financing	City and/or County General Obligation Bond Financing	State Loans for Building Construction	State Loans for Equipment, Machinery	City and/or County Loans for Building Construction	City and/or County Loans for Equipment, Machinery	State Loan Guarantees for Building Construction	State Loan Guarantees for Equipment, Machinery	City and/or County Loan Guarantees for Building Construction	City and/or County Loan Guarantees for Equipment, Machinery	State Financing Aid for Existing Plant Expansion	State Matching Funds for City and/or County Industrial Financing Programs	State Incentive for Establishing Industrial Plants in Areas of High Unemployment	City and/or County Incentive for Establishing Industrial Plants in Areas of High Unemployment
ALABAMA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
ALASKA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
ARIZONA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
ARKANSAS	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
CALIFORNIA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
COLORADO	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
CONNECTICUT	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
DELAWARE	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
FLORIDA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
GEORGIA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
HAWAII	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
IDAHO	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
ILLINOIS	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
INDIANA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
IOWA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
KANSAS	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
KENTUCKY	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
LOUISIANA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
MAINE	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
MARYLAND	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
MASSACHUSETTS	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
MICHIGAN	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
MINNESOTA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
MISSISSIPPI	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
MISSOURI	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
MONTANA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
NEBRASKA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
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NEW HAMPSHIRE	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
NEW JERSEY	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
NEW MEXICO	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
NEW YORK	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
NORTH CAROLINA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
NORTH DAKOTA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
OHIO	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
OKLAHOMA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
OREGON	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
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WASHINGTON	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
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STATE TOTALS	41	40	47	27	47	38	43	44	45	45	31	35	19	19	46	28	42	39
PUERTO RICO	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•

CHART 2: Tax Incentives for Industry

For more detail concerning these incentives, see the footnotes online at www.siteselection.com.

[illegible]

Potential Financing Sources April 2013

Provided by Jeff Crowley of HVS Hotel Management

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Birmingham, Alabama, 35233
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+1 205 297-4600 [Business]
<http://www.bbvacompass.com>
Proposed Residence, Courtyard & Hilton Garden & a NYC hotel., Purchases Limited service .
Construction to 55-60% LTC.
Charles Tully
charles.tully@bbvacompass.com
Account Executive
2525 Ridgmar Street, Suite 200
Fort Worth, Texas, 76116
+1 817 735-0975 [Work] (ALBirmingham Financial Center 505 North 20th Street)
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+1 713 968-8291 [Work]
+1 205 297-3206 [Company Main] (ALBirmingham Financial Center 505 North 20th Street)

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777 North Broadway
Los Angeles, California, 90012
+1 800 922-8429 [Business]
<http://www.CathayBank.com>
LA CA & Flushing NY. Proposed in NYC & Existing middle market Days Inns, Holiday Inns etc
Charles C. Lin
charles_lin@cathaybank.com
Asst. Vice President
Cathay Bank
40-14 Main Street
Flushing, New York, 11354
+1 718 886-5225 [Work]



HUNTINGTON NATIONAL BANK

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Columbus, Ohio, 43215
+1 614 480-8300 [Business]
<http://www.huntington.com>
Existing Flagged Refis & Repositioning Limited

BORREGO SPRINGS BANK

7777 Alvarado Road, Suite 501
La Mesa, California, 91941
+1 619 668-5159 [Business]
+1 619 403-5191 [Fax]
<http://www.borregospringsbank.com>
BW's & Mid Market Refis & Purchases of existing. Some proposed Limited Service
Bernie Haneke
BHaneke@B-S-B.net
777 Alvarado Road, Suite 501
La Mesa, California, 91941
619-668-5150 [Work]
Ms. Joni Arcoraci
jarcoraci@b-s-b.net
Loan Officer
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La Mesa, California, 91942
619-668-5150 [Work]

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+1 314 512-8888 [Business]
+1 866 512-8501 [Business]
[http://www.heartland-](http://www.heartland-bank.com)
Refis, Repositioning, Purchase of Existing
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Repositioning, Refi, Equity , Purchase of existing, Equity for construction

WELLS FARGO & COMPANY

420 Montgomery Street

San Francisco, California, 94104

+1 866 878-5865 [Business]

+1 651 450-4033 [Fax]

<http://www.wellsfargo.com>

Refis, Purchase Existing, Repositioning, Limited New Construction

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Greenwich, Connecticut, 06830

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+44 20 7434-8570 [Business] (UK)

<http://www.starwoodcapital.com>

Large Individual or Portfolio financing. Distressed Note purchases in Bulk FDIC

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15th Floor
One HSBC Center
Buffalo, New York, 14203
Refinancing Flagged limited Aloft , Residence Inn & Ritz Carlton. New Construction mostly New York City

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Dean Carino

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VP Real Estate

Suite 130

534 Broadhollow Rd.

Melville, New York, 11747 [Business]

TOTAL BANK

2720 Coral Way

Miami, Florida, 33145

+1 305 448-6500 [Business]

+1 305 448-8201 [Fax]

<http://www.totalbank.com>

Refis large like Grand Beach Miami & New Construction Courtyard Jupiter FL

Ximena Lamadrid

XLamadrid@totalbank.com

Credit Manager

Bus. Card: Project Floater

2720 Coral Way

Miami, Florida, 33145 (Business)

+1 305 448-6500 [Company Main]

NATIONAL REPUBLIC BANK OF CHICAGO

1201 West Harrison Street

+1 631 752-4336[w]

+1 631 752-4396[f]

Chicago, Illinois, 60607

+1 312 738-4900 [Business]

<http://www.NRBChicago.com>

Refis, repositioning, Purchase Existing, New Construction Fairfields & Hyatt Place, Holiday Inn Express, Residence & Spring Hill Comfort Inns, Clarions

Dinesh Gandhi

Director of Commercial Hospitality Finance

1201 West Harrison Street

Chicago, Illinois, 60607

+1 312 738-4975 [Work]

+1 312 738-4920 [Fax]

+1 312 738-4900 [Company Main]

US BANCORP

800 Nicollet Mall

Minneapolis, Minnesota, 55402

+1 612 659-2000 [Business]

<http://www.usbank.com>

Limited Service New Construction, Flagged refis & purchases

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12th Floor DN-CO-T 12C

Denver, Colorado, 80202

+1 303 585-4841 [Work]

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<http://www.ullico.com>

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PMC Commercial Trust

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Bus. Card: Executive Vice President
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www.pnc.com

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412-762-3871(w)

Lucas Veverka

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RBC (Royal Bank of Canada)

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Canada [Other Addresses]

+1 416 974-5151 [Business]

<http://www.rbc.com>

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ARCHETYPE MORTGAGE CAPITAL

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Miami Beach, Florida, 33139

+1 305 695-5545 [Business]

+1 305 695-5539 [Fax]

<http://www.archetypemortgage.com>

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Jim Freel

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Vice President

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www.scotiabank.com
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Canada
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+1 416 866-6161(Company Mai

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+1 212 750-2173 [Fax]
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+1 212 891-5777 [Fax]
<http://www.ixisrealestatecapital.com>
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Zineb Bouazzaoui
Zineb.Bouazzaoui@us.natixis.com
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New York, New York, 10019
212-891-5789 [Work]

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New York, New York, 10019
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Real Estate Finance Group
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New York, NY 10019
212-713-2480
Email: Chris.Metz@ubs.com
www.ubs.com

Oliver Striker

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Director

Bus. Card: Associate Director

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New York, New York, 10019

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Frisco, Texas, 75035

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MESA WEST

Steve Fried

sfried@mesawestcapital.com

Associate

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Los Angeles, California, 90025

+1 310 806-6300

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Dickinson, North Dakota, 58601
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+1 770 455-4989(c)

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Loan Officer
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pamela.york@regions.com
+1 205 420-4836 [Work]
+1 205 944-1300
Carolyn Dukes
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carolyn.dukes@regions.com
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3200 Wilshire Boulevard, Suite 1400

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wilshirebank.com

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Eric Kim

3200 Wilshire Boulevard, Suite 1400

Los Angeles, California, 90010

ekim@kbw.com

+1 213 387-3200 (CA, Los Angeles HQ) (Company Main)

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17414 Carmenita Road

Cerritos, California, 90703

+1 562 345-9092 [Business]

+1 562 926-8737 [Fax] www.firstchoicebankca.com

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LODGING

GUIDE TO MANAGEMENT COMPANIES

BY **BRUCE SERLEN** AND THE *LODGING STAFF*

WHAT YOU NEED TO KNOW
BEFORE PUTTING YOUR
PROPERTY IN THE HANDS
OF A PROFESSIONAL MANAGER

INTERSTATE HOTELS AND RESORTS



A wholly-owned subsidiary of a joint venture between Thayer Lodging Group and Jin Jiang Hotels, 50-year-old Interstate Hotels and Resorts seeks to deliver consistently impressive results for real estate investors, ownership groups, publicly traded REITs, privately held companies, and private equity funds. The company has developed an operating strategy that combines economies of scale with agility in deploying resources, all intended to realize owners' investment goals.

- Total number of rooms managed: **58,656**
- Total number of properties managed: 309
- Number of third-party rooms managed: 56,711
- Number of third-party properties managed: 303
- Regional footprint: 37 states and Washington, D.C., across every region
- Total gross revenue: \$2.6 billion
- Contact name: Leslie Ng
- Contact email: leslie.ng@interstatehotels.com

AIMBRIDGE HOSPITALITY



Aimbridge Hospitality's objective is to drive hotel operating performance to a level that exceeds industry averages. Aimbridge's team of operating executives strives to combine industry best practices with rigorous hands-on management. In the hospitality business, performance results are driven by revenue generation and operating controls. Property-based teams are held accountable for generating sales in their backyard as opposed to waiting for the brands to deliver opportunities.

- Total number of rooms managed: **25,935**
- Total number of properties managed: 189
- Number of third-party rooms managed: 25,935
- Number of third-party properties managed: 189
- Regional footprint: 29 states across every region
- Total gross revenue: Not disclosed
- Contact name: David Capps
- Contact email: David.capps@aimhosp.com

GF MANAGEMENT



Since 1988, Philadelphia-based GF Management, a full-service hospitality ownership and management company, has worked on behalf of a variety of individual owners, real estate funds, and institutional lenders. GF closely partners with Hilton Worldwide, Marriott International, Starwood Hotels and Resorts Worldwide, IHG, Carlson Rezidor Hotel Group, Wyndham Hotel Group, and Choice Hotels International, among others. GF specialties include property management, financial turnarounds, and asset and third-party management.

- Total number of rooms managed: **19,682**
- Total number of properties managed: 117
- Number of third-party rooms managed: 16,764
- Number of third-party properties managed: 103
- Regional footprint: 28 states across every region
- Total gross revenue: \$520 million
- Contact name: Jeffrey Kolessar
- Contact email: kolessarj@gfhotels.com

CRESCENT HOTELS AND RESORTS



An independent, third-party operator for institutional-grade properties and clients, Crescent Hotels and Resorts manages upper-upscale full-service convention and resort properties as well as premium-branded, select-service properties. The company has been approved to operate brands within the Marriott International, Hilton Worldwide, Starwood Hotels and Resorts Worldwide, Hyatt Hotels Corp., IHG, Wyndham Hotel Group and Carlson Rezidor Hotel Group brand families. Crescent also has a long history operating independent hotels.

- Total number of rooms managed: **18,652**
- Total number of properties managed: 74
- Number of third-party rooms managed: 18,652
- Number of third-party properties managed: 74
- Regional footprint: 25 states and Washington, D.C., across every region
- Total gross revenue: \$720 million
- Contact name: Ariel Sanett
- Contact email: asanett@chrco.com

TPG HOSPITALITY



TPG Hospitality, an independent management affiliate of The Procaccianti Group founded in 1964, has a national portfolio with properties in 24 states. TPG is a fully accredited operator of Hilton Worldwide, Hyatt Hotels Corp., IHG, Marriott International, Wyndham Hotel Group, and Starwood Hotels and Resorts Worldwide. It works with numerous private, public, and institutional-grade partners, delivering comprehensive hospitality management, asset management, and development services.

- Total number of rooms managed: **17,881**
- Total number of properties managed: 63
- Number of third-party rooms managed: 17,881
- Number of third-party properties managed: 63
- Regional footprint: 24 states across every region
- Total gross revenue: \$700 million+
- Contact name: Ralph V. Izzi Jr.
- Contact email: rizzi@tpgcompanies.com

HHM



HHM provides turnkey hotel management, asset management, and receivership for properties with leading brand affiliations through Marriott International, Hilton Worldwide, Hyatt Hotels Corp., Starwood Hotels and Resorts Worldwide, and IHG. The company also operates independent hotels. HHM seeks to lead by example to ensure fiscal discipline and results accountability. Its goal is to exceed owners' expectations, while giving back to the local communities in which the hotels operate.

- Total number of rooms managed: **17,800**
- Total number of properties managed: 150
- Number of third-party rooms managed: 17,800
- Number of third-party properties managed: 150
- Regional footprint: 19 states and Washington, D.C., across every region
- Total gross revenue: Not disclosed
- Contact name: Naveen P. Kakarla, President and CEO
- Contact email: hhminvestments@hhmlp.com

PYRAMID HOTEL GROUP



A privately owned, Boston-based hotel and resort management company with more than 35 years of experience, the Pyramid Hotel Group provides hotel management, asset management, and project management services to a variety of hotel assets, ranging from a 90-room select-service property to a 1,000-room convention hotel. Pyramid is a franchisee of numerous major hotel brand companies and an operator of independent four-star and five-star hotels and resorts.

- Total number of rooms managed: **17,486**
- Total number of properties managed: 53
- Number of third-party rooms managed: 17,486
- Number of third-party properties managed: 53
- Regional footprint: 22 states and Washington, D.C., across every region
- Total gross revenue: \$768,467,651
- Contact name: John Hamilton
- Contact email: jhamilton@pyramidhotelgroup.com

REMINGTON



Based in Dallas, Remington has a range of property and project management assignments coast to coast and a workforce of more than 6,000 associates. The company's expertise spans a variety of lodging types, segments, and locations. Remington has partnered with most of the industry's leading brands, working to implement each brand's operational and quality standards.

- Total number of rooms managed: **15,681**
- Total number of properties managed: 79
- Number of third-party rooms managed: 15,483
- Number of third-party properties managed: 78
- Regional footprint: 21 states and Washington, D.C., across every region
- Total gross revenue: \$341 million
- Contact name: Robert Haiman
- Contact email: roberthaiman@remingtonhotels.com

TIPS FROM THE TOP



Mike Marshall
President and CEO
Marshall Hotels
and Resorts

- When shopping for a new management firm, try to determine if you will have access to the top leaders of the management company. "An operational VP will be most involved with your hotel on a day-to-day basis, but you want to be sure you can reach the company's most seasoned executives, too. You're hiring for the company's breadth of experience, and you should have access to all of that talent when you need it."

- One of the things you should ask a new firm is how much input you will have when it comes to selecting key hotel personnel. "Some owners are more hands on than others. If it's important to you that you have a good working relationship with the people who are handling the day-to-day operations of your asset, clarify ahead of time the role you want to play in their selection."

DAVIDSON HOTELS AND RESORTS



Davidson Hotels and Resorts' goal has been consistent for the more than 40 years it has been in operation: to create and maximize asset value for its property owners. The privately held company focuses on the upper-upscale and near-luxury industry segments as well as high-density select-service hotels and is an approved operator of Hyatt Hotels Corp., Starwood Hotels and Resorts Worldwide, Hilton Worldwide, and Marriott International full-service brands.

- Total number of rooms managed: **12,970**
- Total number of properties managed: 45
- Number of third-party rooms managed: 12,970
- Number of third-party properties managed: 45
- Regional footprint: 23 states and Washington, D.C., across every region
- Total gross revenue: Not disclosed
- Contact name: Steve Margol
- Contact email: smargol@davidsonhotels.com

RIM HOSPITALITY



Founded in 1983 and headquartered in Newport Beach, Calif., Rim Hospitality represents convention center, full-service, select-service, and independent hotels and restaurants such as the Hotel Erwin in Venice Beach, Calif., and Hotel Angeleno in Los Angeles. Rim is a preferred management company for Marriott International, Starwood Hotels and Resorts Worldwide, Hilton Worldwide, and Hyatt Hotels Corp. In addition, Rim has directed construction of more than a dozen hotels and managed major renovations in scores of others.

- Total number of rooms managed: **12,029**
- Total number of properties managed: 81
- Number of third-party rooms managed: 12,029
- Number of third-party properties managed: 81
- Regional footprint: 12 states across every region
- Total gross revenue: \$370 million
- Contact name: Mark LeBlanc
- Contact email: mleblanc@rimhospitality.com and please cc: kgarcia@rimhospitality.com

CONCORD HOSPITALITY ENTERPRISES



Specializing in operating upscale select-service and full-service hotels, Concord Hospitality Enterprises has earned preferred management status with brands that are part of Marriott International, Hilton Worldwide, Hyatt Hotels Corp., Starwood Hotels and Resorts Worldwide, IHG, and Choice Hotels International and been named developer of the year by Marriott, Hyatt, and Choice. Concord manages hotels for high-net-worth individuals, REITs, private equity firms, and joint-venture partners. Concord's goal is to deliver consistent, above-market share premiums and operational performance.

- Total number of rooms managed: **10,866**
- Total number of properties managed: 76
- Number of third-party rooms managed: 7,027
- Number of third-party properties managed: 46
- Regional footprint: 19 states across every region
- Total gross revenue: \$178 million
- Contact name: Grant Sabroff
- Contact email: G.Sabroff@concordhotels.com

ISLAND HOSPITALITY



Island Hospitality provides turnkey management solutions designed to maximize profitability by increasing revenues, reducing costs, and improving efficiency. The company's objective is to focus on quality and responsibility in order to achieve the desired performance results for each of the brands in its portfolio. By using a balanced scorecard approach, the company seeks to align each of a hotel's team members toward a common goal.

- Total number of rooms managed: **10,519**
- Total number of properties managed: 76
- Number of third-party rooms managed: 563
- Number of third-party properties managed: 5
- Total gross revenue: \$192 million
- Regional footprint: 20 states and Washington, D.C., across every region
- Contact name: Jeff Waldt
- Contact email: jwaldt@ih-corp.com

PRISM HOTELS AND RESORTS



A full-service management, investment, and advisory services company, Dallas-based Prism Hotels and Resorts seeks to improve hotel performance by delivering measurable results. With 30 years of experience, Prism currently manages urban, suburban, and resort hotels for multiple institutional and private owners. The company has experience managing major brands as well as independent hotels.

- Total number of rooms managed: **9,300**
- Total number of properties managed: 59
- Number of third-party rooms managed: 9,300
- Number of third-party properties managed: 59
- Regional footprint: 18 states across every region
- Total gross revenue: \$80.1 million
- Contact name: Kevin Gallagher, SVP of Business Development
- Contact email: kevin.gallagher@prismhotels.com

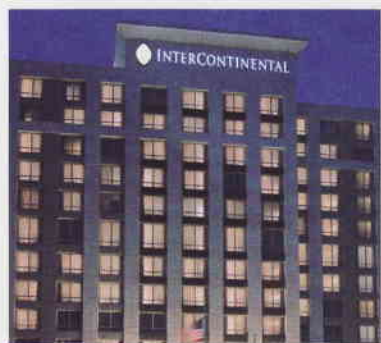
DESTINATION HOTELS AND RESORTS



Celebrating its 40th anniversary in 2013, Destination Hotels and Resorts continues to grow its portfolio in major North American markets. The company provides acquisition, third-party management, and development expertise to its clients. The focus in all cases is on driving top-line revenue, investor profit, and asset value by creating individualized customer experiences at each property.

- Total number of rooms managed: **9,198**
- Total number of properties managed: 39
- Number of third-party rooms managed: 9,198
- Number of third-party properties managed: 39
- Regional footprint: 16 states and Washington, D.C. across every region
- Total gross revenue: \$421,168,000
- Contact name: Russell Urban
- Contact email: rdurban@destinationhotels.com

HOSTMARK HOSPITALITY GROUP



An independent hospitality company that develops and manages lodging assets, the Hostmark Hospitality Group seeks to encourage innovation, while improving performance. The company's growth strategy encompasses ground-up development and strategic portfolio management in established markets as well as emerging markets like Williston, N.D., and Austin, Texas.

- Total number of rooms managed: **8,780**
- Total number of properties managed: 42
- Number of third-party rooms managed: 8,780
- Number of third-party properties managed: 42
- Regional footprint: 35 states across every region
- Total gross revenue: \$305 million
- Contact name: Jerry Cataldo, President and CEO
- Contact email: jcataldo@hostmark.com

A WORD FROM MANAGEMENT

With clients ranging from institutional funds and private equity groups to individual hotel investors, HOSTMARK HOSPITALITY heads into 2014 ready for some development action. President and CEO JERRY CATALDO says that while the company remains focused on acquisitions and the assumption of management contracts, it's pursuing some adaptive reuse and ground-up construction projects as well.

LODGING: HOW HAS THE ECONOMIC TURMOIL OF THE PAST FEW YEARS CHANGED HOSTMARK'S APPROACH TO MANAGEMENT?

● We are transitioning out of doing a lot of work for lenders, special servicers, and involuntary owners of hotels, which we did a lot of during the downturn years, to more traditional management assignments around acquisition targets for our clients. In certain markets and submarkets within major urban areas, what people are looking for is changing, so in the future you'll see us focus not just on branded full-service products, but also on a lot more select service, for instance in airport markets and small towns.

LODGING: AND WHAT DOES THAT MEAN IN TERMS OF ACQUISITIONS?

● We believe that the next 24 months or so is the appropriate time to still be acquiring and positioning assets. That's our focus going forward. And we still see room for improvement on the rate side of the business.

LODGING: HOW DOES HOSTMARK DECIDE WHEN TO PUT ITS OWN MONEY INTO A DEAL?

● It all depends on the client relationship as to whether we have a silver equity component to our management

deal. We have one client, for example, that we've done two deals with in the past year—one was pure management and one had a small equity investment based on their request.

LODGING: HOW DOES THAT JIBE WITH YOUR LARGER MANAGEMENT CONTRACT STRATEGY?

● Our business is a mix of short- and long-term contracts, depending on the investment parameters of our clients. While there's certainly the focus on the value-add, 3-to-5-year hold, we also have clients that have a much longer-term investment strategy as it

relates to that. I think some of the vehicles that people have for acquisitions going forward will have specific return parameters in terms of investment period and exit strategy.

LODGING: WHAT'S YOUR APPROACH TO FINDING NEW PROJECTS?

● Sometimes you have to have a contrarian view when it comes to where you're searching for new projects. If you're looking for hotel opportunities in the top 10 downtown urban markets, there's a long line of people out for the same thing. But you might be more successful if you're willing to expand that focus and look at areas and submarkets that have good solid demand opportunities.



● **Jerry Cataldo**
President
and CEO
Hostmark
Hospitality

DRIFTWOOD HOSPITALITY MANAGEMENT



Focused on strategic acquisitions, development, third-party management, asset management, and receivership, Driftwood Hospitality Management LLC has relationships in place with most of the major brands. Based in North Palm Beach, Fla., the company manages full-service upscale and upper-upscale hotels in addition to mid-size extended-stay and select-service properties. Driftwood describes its core characteristics as flexibility, diversity, integrity, accessibility, and originality.

- Total number of rooms managed: **8,221**
- Total number of properties managed: 38
- Number of third-party rooms managed: 4,139
- Number of third-party properties managed: 24
- Regional footprint: 14 states across every region with several properties in Florida
- Total gross revenue: Not disclosed
- Contact name: David Buddemeyer
- Contact email: info@dhmhotels.com

KINSETH HOSPITALITY COMPANIES



Kinseth Hospitality Companies provides consulting, asset management, FF&E purchasing, and installation services, as well as on-site property sales, marketing, and operational services. Kinseth's portfolio includes full-service and select-service properties in major metropolitan markets as well as tertiary markets. In the full-service arena, Kinseth specializes in F&B management, including catering sales and banquets.

- Total number of rooms managed: **7,758**
- Total number of properties managed: 77
- Number of third-party rooms managed: 5,363
- Number of third-party properties managed: 61
- Regional footprint: 13 states with a heavy Midwest concentration
- Total gross revenue: Not disclosed
- Contact name: Jeff Schrader, Director of New Business Development
- Contact email: jschrader@kinseth.com

DIMENSION DEVELOPMENT COMPANY



Dimension Development Company manages full-service, select-service, and extended-stay properties as both an owner and operator. The company is an equity participant in many of the hotels it manages. Based in Natchitoches, La., Dimension has developed more than 40 hotels and today manages hotels carrying both Hilton Worldwide and Marriott International brand flags.

- Total number of rooms managed: **7,624**
- Total number of properties managed: 48
- Number of third-party rooms managed: 7,624
- Number of third-party properties managed: 48
- Regional footprint: 11 states across every region
- Total gross revenue: \$141,744,404
- Contact name: Ken Thompson
- Contact email: ken.thompson@dimdev.com

CRESTLINE HOTELS AND RESORTS



Since its inception in 2000, Crestline Hotels and Resorts has assembled a portfolio that includes numerous upscale branded and independent hotels, conference centers, and resorts in 11 states and the District of Columbia with an especially heavy representation in Virginia. Based in Fairfax, Va., Crestline aims to deliver intelligence, foresight, and insight into what it sees as an ever-evolving business environment.

- Total number of rooms managed: **7,461**
- Total number of properties managed: 43
- Number of third-party rooms managed: 7,461
- Number of third-party properties managed: 43
- Regional footprint: 11 states and Washington, D.C., with heavy concentration in Virginia
- Total gross revenue: \$350 million
- Contact name: Edward Hoganson
- Contact email: ed.hoganson@crestlinehotels.com

INTERMOUNTAIN MANAGEMENT



InterMountain Management, a family-owned concern in the hotel business for 30 years, has a portfolio focused on the select-service and extended-stay industry tiers. InterMountain's growth strategy entails building relationships with select owners for the long-term. In addition, the company owns hotels as well as manages. As such, InterMountain can offer both an owner perspective and a management perspective.

- Total number of rooms managed: **7,230**
- Total number of properties managed: 75
- Number of third-party rooms managed: 7,230
- Number of third-party properties managed: 75
- Regional footprint: 23 states across every region
- Total gross revenue: \$193,793,064
- Contact name: Stan Jones
- Contact email: stanj@intermountainhotels.com

HVMG



Hospitality Ventures Management Group offers a fully integrated platform of hotel solutions. It strives to offer flexibility, innovation, and responsiveness. The company is prepared to act as third-party manager, joint-venture partner, or simply in an advisory role. In all cases, the focus is on maximizing value. Strategies, action plans, and performance metrics are aligned to deliver improved results and an appropriate return on investment.

- Total number of rooms managed: **7,122**
- Total number of properties managed: 40
- Number of third-party rooms managed: 7,122
- Number of third-party properties managed: 40
- Regional footprint: 16 states across every region
- Total gross revenue: \$97,079,152
- Contact name: Mary Beth Cutshall
- Contact email: mbcutshall@hvmg.com

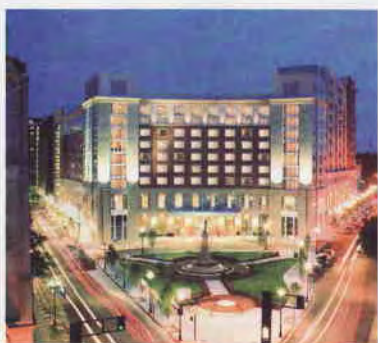
STRAND DEVELOPMENT COMPANY



Strand Development Company LLC operates hotels primarily along the East Coast. For more than 40 years, the company has provided clients with hotel management services, specializing in the economy, select-service, extended-stay, and full-service industry tiers. The range of management services available includes revenue management, centralized accounting, audit, sales and marketing, and food and beverage. In addition, Strand Development has extensive experience in consulting for and operating distressed hotels.

- Total number of rooms managed: **6,720**
- Total number of properties managed: 64
- Number of third-party rooms managed: 6,720
- Number of third-party properties managed: 64
- Regional footprint: 11 states in the Northeast, Southeast, and Midwest
- Total gross revenue: \$50,235,000
- Contact name: John Pharr
- Contact email: jpharr@sdchotels.com

BENCHMARK HOSPITALITY INTERNATIONAL



Benchmark Hospitality International operates portfolios of properties under the Benchmark Resorts and Hotels and Personal Luxury Resorts and Hotels banners. The company is also a founding member of the International Association of Conference Centers. As such, its Benchmark Conference Centers unit adheres to the organization's strict standards for certification in the meetings field. Launched in 1980 as an independent company, Benchmark Hospitality operates from The Woodlands, Texas, near Houston.

- Total number of rooms managed: **6,032**
- Total number of properties managed: 33
- Number of third-party rooms managed: 6,032
- Number of third-party properties managed: 33
- Regional footprint: 16 states across every region
- Total gross revenue: \$487,136,288
- Contact name: Alex Cabanas
- Contact email: acabanas@usa-bhi.com

MARSHALL HOTELS AND RESORTS



Based in Salisbury, Md., and operating since 1980, Marshall Hotels and Resorts is focused on producing positive results for its institutional lender, investment group, and individual owner clients. As a management company, it concentrates on delivering high quality guest experiences and maximum returns for its clients with an eye on financial performance and asset value.

- Total number of rooms managed: **6,030**
- Total number of properties managed: 48
- Number of third-party rooms managed: 6,030
- Number of third-party properties managed: 48
- Regional footprint: 10 states in the Northeast and Southeast
- Total gross revenue: \$73 million
- Contact name: Mike Marshall
- Contact email: mikem@marshallhotels.com

NE REAL HOSPITALTY GROUP



Synergy is a critical component of the Real Hospitality Group's approach to management: synergy between the hotel's ownership group, the management team, and the property's vendors. As a manager, the company seeks to create functional value for its hotels' ownership, regardless of the business climate. Its mission is to positively impact top-line performance and to ensure that the hotels are leaders in their competitive set.

- Total number of rooms managed: **6,032**
- Total number of properties managed: 44
- Number of third-party rooms managed: 6,032
- Number of third-party properties managed: 44
- Total gross revenue: \$97 million
- Contact name: Rick Day
- Contact email: rday@rhgcorp.com
- Additional regions: Southeast

NE NEW CASTLE HOTELS AND RESORTS



New Castle Hotels and Resorts' growing portfolio spans seven states and three Canadian provinces. Based in Shelton, Conn., the privately held company was established in 1980 and is a preferred operator for diverse brands ranging from full-service to select-service and extended-stay within the Marriott International, Hilton Worldwide, and Starwood Hotels and Resorts Worldwide families.

- Total number of rooms managed: **3,738**
- Total number of properties managed: 24
- Number of third-party rooms managed: 527
- Number of third-party properties managed: 5
- Total gross revenue: \$54,304,946
- Contact name: Bryan Woodhouse
- Contact email: bwoodhouse@newcastlehotels.com
- Additional regions: Midwest, Southeast

NE WATERFORD HOTEL GROUP



In addition to transient hotels, Waterford Hotel Group is an experienced convention center management company. It operates facilities in eight states and represents nearly 700,000 square feet of meeting and convention space. The Waterford, Conn.-based company has been named an approved operator for a number of hotel brands. Whether its involvement with a property begins at the planning stage or after the property is already up and running, Waterford seeks to raise the bar on performance and profitability at each managed property.

- Total number of rooms managed: **3,677**
- Total number of properties managed: 30
- Number of third-party rooms managed: 3,677
- Number of third-party properties managed: 30
- Total gross revenue: Not disclosed
- Contact name: Peter Nichols
- Contact email: pnichols@waterfordhotelgroup.com
- Additional regions: Midwest, Southeast

FIRST HOSPITALITY GROUP



An established management and development company, First Hospitality Group Inc. has nurtured long-term relationships with both the investment and real estate communities. Since 1985, FHG has developed, marketed, and managed more than 50 hotels that fly the flag of more than 16 brands.

- Total number of rooms managed: **7,815**
- Total number of properties managed: 52
- Number of third-party rooms managed: 6,053
- Number of third-party properties managed: 40
- Total gross revenue: \$250 million
- Contact name: Katie Kijowski
- Contact email: kkijowski@fhginc.com
- Additional regions: Southwest

AMERILODGE GROUP



Amerilodge Group, a privately held company that owns and manages hotels, prides itself on its core values of delivering best-in-class guest service and employee satisfaction. It sees these values as the foundation for its positive performance track record. The majority of Amerilodge's hotels are in Michigan, particularly southern Michigan, a market where the company has substantial experience.

- Total number of rooms managed: **1,065**
- Total number of properties managed: 13
- Number of third-party rooms managed: 148
- Number of third-party properties managed: 2
- Total gross revenue: \$10,368,000
- Contact name: Asad Malik
- Contact email: asad.malik@amerilodgegroup.com
- Additional regions: None

LBA HOSPITALITY



For 40 years, LBA Hospitality has provided hotel development and management services from its corporate office in Dothan, Ala. Its portfolio is comprised of Marriott International and Hilton Worldwide brands. Mid-price hotels are its specialty. With the support of more than 2,000 associates, LBA's goal is to manage properties so they have the tools to achieve their highest potential. The company's core principles are to practice ethical, responsible management guided by disciplined systems, grounded in best-in-class service.

- Total number of rooms managed: **6,410**
- Total number of properties managed: 70
- Number of third-party rooms managed: 6,410
- Number of third-party properties managed: 70
- Total gross revenue: \$84,878,000
- Contact name: Robert Goldsmith, Director of Community Affairs
- Contact email: robg@lbaproperties.com
- Additional regions: None

S CHARLESTOWNE HOTELS



For more than 30 years, Charlestowne Hotels has created a niche for itself as a manager of independent boutique hotels, conference resorts, and condo hotels as well as branded properties. Charlestowne has inventory in destinations as diverse as the Florida Keys and Jackson Hole, Wyo. The company's overall strategy calls for improving asset value by growing profits as a result of operating excellent hotels.

- Total number of rooms managed: 3,195
- Total number of properties managed: 30
- Number of third-party rooms managed: 2,781
- Number of third-party properties managed: 25
- Total gross revenue: \$40,556,126
- Contact name: Michael Tall
- Contact email: mtall@charlestownehotels.com
- Additional regions: West

S GIBSON HOTEL MANAGEMENT



Based in Knoxville, Tenn., Gibson Hotel Management and Development Inc. is a third-party manager approved by a number of the industry's premier brands. The company believes in investing in its associates as a way of ensuring that the vision of its original senior management team is perpetuated. Core values include a focus on results, sound business practices, and active community involvement.

- Total number of rooms managed: 2,259
- Total number of properties managed: 22
- Number of third-party rooms managed: 340
- Number of third-party properties managed: 4
- Total gross revenue: Not disclosed
- Contact name: Chetan Jala "CJ", Vice President of Development and Acquisitions
- Contact email: cj@mgibsonhotels.com
- Additional regions: Midwest

S VISION HOSPITALITY GROUP



Chattanooga, Tenn.-based Vision Hospitality Group Inc. develops, owns, and operates premium select-service and full-service hotels affiliated with the Hilton Worldwide, Marriott International, IHG, and Hyatt Hotels Corp. brand families. Family-owned and operated, the company sees its core values as quality and integrity. Add to that a culture of empowerment and respect for its associates.

- Total number of rooms managed: 2,135
- Total number of properties managed: 22
- Number of third-party rooms managed: 2,135
- Number of third-party properties managed: 22
- Total gross revenue: \$30.7 million
- Contact name: Erica Hudock
- Contact email: ehudock@vhghotels.com
- Additional regions: Midwest

3H GROUP HOTELS



While remaining true to its family roots, 3H Group Hotels' portfolio has grown to having inventory in five states. Recruiting dedicated and caring associates has been the key to the company's growth over the years. Chattanooga, Tenn.-based 3H Group has two properties under construction and several more in the pipeline.

- Total number of rooms managed: 1,994
- Total number of properties managed: 20
- Number of third-party rooms managed: 1,994
- Number of third-party properties managed: 20
- Contact name: Terri Wilkey
- Contact email: twilkey@3hgrouphotels.com
- Additional regions: None

IMIC HOTELS



Founded in 1981, IMIC Hotels has designed, developed, and managed both full-service and select-service hotels. The company maintains in-house expertise in operations, sales, marketing, advertising, payroll, IT, accounting, and communications, among other disciplines. IMIC has hotels under construction in South Carolina and Tennessee.

- Total number of rooms managed: 1,311
- Total number of properties managed: 14
- Number of third-party rooms managed: 1,311
- Number of third-party properties managed: 14
- Total gross revenue: Not disclosed
- Contact name: Kathy Rabune
- Contact email: krabune@imichotels.com
- Additional regions: None

TIPS FROM THE TOP



Nick Kellock
CEO
Concord Hospitality
Enterprises

- When evaluating a management company, ask for successful case studies that are relevant to your hotel. "Make sure that the management company candidate has a track record with hotels that are comparable to yours in every meaningful way. The operating environment for a downtown Marriott in a major city is completely unlike the operating environment faced by a Marriott at the local mall."



Carlos Rodriguez
Executive Vice President
Driftwood Hospitality
Management

- Carefully dissect your management contract before you sign it. "Contracts vary substantially, especially when it comes to fees. It is important for a management company to have transparency when it comes to a fee structure, with no travel charges, back charges, hidden fees, or other allocations. If you run into issues when negotiating the contract and don't feel good chemistry, it's time to move on."

W THE HOTEL GROUP



The Hotel Group views its mission as creating maximum investment value for its clients, while providing personal and professional growth opportunities for its hundreds of associates. Fueled by this mission, the company makes it a practice to assess not for what it is, but rather for what it can be. In working to realize this potential, Edmonds, Wash.-based THG seeks to maximize the owner's return on investment.

- Total number of rooms managed: **4,140**
- Total number of properties managed: 27
- Number of third-party rooms managed: 2,463
- Number of third-party properties managed: 21
- Total gross revenue: \$67,790,909
- Contact name: Douglas Dreher
- Contact email: ddreher@thehotelgroup.com
- Additional regions: Southwest, Midwest, Southeast

W STONEBRIDGE COMPANIES



Since Stonebridge Companies' launch in 1991, it has developed, acquired, renovated, and repositioned more than 70 hotels. As owner, developer, and operator, Stonebridge is interested in pursuing both new acquisitions and ground-up development. Senior company executives feel they have the foundation and infrastructure in place to enable them to react quickly to today's ever-changing lodging and economic landscape.

- Total number of rooms managed: **6,634**
- Total number of properties managed: 44
- Number of third-party rooms managed: 1,643
- Number of third-party properties managed: 13
- Total gross revenue: Not disclosed
- Contact name: Kevin Mahoney
- Contact email: info@sbcos.com
- Additional regions: Southeast

W PACIFIC PLAZA HOTELS



Experienced as a manager of mid-size business hotels for more than 35 years, Pacific Plaza Hotels Inc. cites three characteristics as among its chief attributes: its track record operating turnaround situations, its experience overseeing property-wide renovations, and its record marketing campaigns that result in an overall high level of return.

- Total number of rooms managed: **1,517**
- Total number of properties managed: 15
- Number of third-party rooms managed: 1,293
- Number of third-party properties managed: 11
- Total gross revenue: \$19,969,000
- Contact name: Carl Doughty, President
- Contact email: carl@pacificplazahotels.com
- Additional regions: None

INTERIM HOSPITALITY CONSULTANTS

Celebrating Over
25
YEARS



For Your Review

- Assistance in Management, Ownership and Development
 - Project Map
 - Consulting Team
 - Hotel Franchises
 - Industry Participation
 - Completed Projects
 - Client List
 - Lodging Management Services
- Tools, Availability, Timetable and Fees

Interim Hospitality Consultants Offers a Wide Array of Hospitality Assistance to Your Firm.

MANAGEMENT ASSISTANCE

1. *Lodging Management Services, LLC*, for total Hotel Operations.
2. *Quality Assurance Programs* of independent evaluation.
3. *Yield Management* to maximize room revenues from an hourly to a seasonal basis.
4. *Front Office/Reservation Systems Training* from the first customer greeting to night audit operations.
5. *Marketing Studies*: Personnel training and formal studies to expose primary and secondary markets.
6. *Human Resource Programs*: Task training, position description, employee guides, wage and benefit reviews.

OWNERSHIP ASSISTANCE

1. *Financial Operations Analysis* by department to maximize profits.
2. *Operations Manuals Consolidation* of your policies and procedures in compliance with state/federal laws and franchisee requirements.
3. *Litigation Support* with expert witness testimony.
4. *Anonymous Audits* of service and management standards.
5. *Lodging Realty Services, LLC*, brokering hotels from Bed and Breakfast Inns to Major Resorts.
6. *Appraisal Services* through members of the Appraisal Institute of America.
7. *Mortgage Broker* for real estate financing.

DEVELOPMENT ASSISTANCE

1. *Feasibility Studies*: Interim Hospitality Consultants has authored over 100 chain-approved studies.
2. *Impact Studies* to determine from a third-party standpoint the effect of new hotel development.
3. *Architectural Reviews* from a Hotel Operations perspective to eliminate errors and increase productivity.
4. *Remodeling Coordination* from project review to oversight management, including design, purchasing and installation. Interim Hospitality Consultants has completed over 20 projects.
5. *Construction Coordination*: Leading the efforts of the Architect, General Contractor, Franchisee and ownership from a daily or project review perspective. Xanders has completed over ten of these projects.
6. *Pre-Opening Management Functions* of permits/licensing, FF&E installation, punch lists, staffing/training and marketing. Lodging Management Services has opened over 30 hotels.

Interim Hospitality Consultants



North America, Central America and the Caribbean Sea

INTERIM HOSPITALITY CONSULTANTS, LLC

Interim Hospitality Consultants is pleased to have been listed in the Top 20 Hotel Consulting Firms in the United States since 2006 by *Hotel Management Magazine*.

Edward L. Xanders, CHA, CAM, GRI, IAHA President

Edward L. Xanders has over 30 years of hotel management experience, with over 12 years in hotel management companies.

As President/Owner of Interim Hospitality Consultants, Tallahassee, Florida, which was formed in 1994, Xanders provides Operations, Feasibility/Market Analyses, Yield Management, Food & Beverage Controls, Human Resource Search/Training, Pre-Opening and Renovation Coordination, along with expert testimony to the hospitality industry across North America.

Xanders heads two associated companies: Lodging Realty Services provides hotel brokerage on a national basis, and Lodging Management Services, LLC, assists on the development and operation of hotels nationwide.

His prior company was Cambridge Management Corporation, Tallahassee, Florida, from 1984 to 1993. He directed the operations of over ten hotels and condominiums. Two of the annual management contracts were extended five times until the properties were sold. Xanders has authored over 800 Feasibility Studies and Market Analyses. He has also developed numerous projects for investors that included the Feasibility Study, engagement of Architect, General Contractor, Franchise (Holiday Inn, Comfort Suites, Staybridge Suites, Suburban Extended Stay Hotel), construction and FF&E coordination, Pre-Opening Staffing and Operations Management.

From 1972 to 1984, Ed was Vice President and Regional Manager for Management Resources, Tallahassee, Florida, along with assignments at Hospitality Management Corporation, Metro Inns Management, and Westbrook Inn Management, all of Dallas, Texas. During this tenure, he served as General Manager of the Tallahassee Hilton (246 rooms) from 1979 to 1984. Additional Hilton Hotel Management assignments included Hiltons in Macon, GA; Amarillo, Ft. Worth, Midland, and Abilene, TX; Wichita, KA; and Albuquerque and Santa Fe, NM.

Ed has a Bachelor of Arts in Hotel and Restaurant Management from Michigan State University; was designated a Certified Hotel Administrator in 1980 by the American Hotel Lodging Association; and is a 1990 Graduate of the Realtor Institute of the National Association of Realtors. He has guest-lectured at major universities and hotel schools while also teaching AHLA Educational Institute classes.

Ed holds three professional Florida licenses: Community (Condominium) Association Management, Real Estate Broker, and Mortgage Broker Business. Lodging Realty Services, which provides Hotel Industry Real Estate Services, and Lodging Management Services, LLC, providing hotel management to all types of hotels and condominium associations, are both owned by Ed. He has published Management Case Studies in the *Florida Hotel Motel Association Journal* and the *Asian American Hotel Owners Association Hospitality* monthly magazine. Interim Hospitality Consultants has marketed its services in the national publications of *Hotel and Motel Management* and *Hotel Business*.

Ed is a past president of the Tallahassee Lodging and Restaurant Association, and Past Board Member of the Florida Hotel and Motel Association, Leon County United Way, and cofounder of the Tallahassee Area Convention and Visitors Bureau.



Ed has served various committee chairmanships and as a delegate to the American Hotel Lodging Association and is currently a member of the Extended-Stay Hotel Council, Tallahassee Chamber of Commerce, Florida State University Boosters, Springtime Tallahassee Festival, and Good Shepherd Catholic Church, along with membership in the Florida Bed and Breakfast Innkeepers Association, Asian American Hotel Owners Association, the National Association of Black Hotel Owners, Operators and Developers, the Latino Hotel Association, National Association of Condo Hotel Owners, and Superior Small Lodging of the United States. In 1999, he formed the International Association of Hospitality Advisors.

Ed and Judy have been married for over 30 years and have three grown sons.

Kim Pedersen
Senior Research Analyst



Kim Pedersen's diverse experience in hotel management extends from a 4-Star bed and breakfast hotel to the Florida 5-Star Boca Raton Resort and Club, as well as private club management and numerous hotel franchise properties. She comes from a long line of hotel and restaurant owners and grew up at her family's New Hampshire summer resort. Kim graduated from Florida State University with a bachelor's degree from the School of Hospitality Administration.

Kim may be reached at 317-832-8515 or PedeKLP@aol.com.

George C. Banks
Senior Research Analyst

George Banks' diverse experience includes several hotel feasibility study projects; Participation at InterContinental Hotels Group (IHG) Americas Investors & Leadership Conferences in Washington, DC, Austin, TX, Las Vegas, NV, and Atlanta, GA; Past Membership in the IHG Owners Association and a past member of the IHG Technology Committee; Background in attending hotel investment and marketing conferences in Phoenix, AZ, Chicago, IL, and Atlanta, GA. Previous Vice President of Summit Group Commercial Properties LLC, (Development Representative and Real Estate Broker specializing in Class "A" office buildings, retail life style centers, restaurants and hospitality). Hospitality Consultant with Structure Commercial Real Estate and Senior Research Analyst with Interim Hospitality Consultants, LLC. George graduated from the University of Central Florida with a bachelor's degree in Business Administration and graduated from Florida State University with an MPA.



George may be reached at 850-980-0008 or georgecbanks@gmail.com.



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www.interimhospitality.com • ihcex@comcast.net

Listed in the Top 20 Hotel Consulting Firms by *Hotel/Motel Management* since 2006
Member, International Association of Hospitality Advisors
Member, Extended-Stay Hotel Council, AHLA

Hotel Feasibility Studies and Operations Analysis

Selected List



New York, (Queens), NY



Greenville, MI

Edgemont, SD



Vernal, UT



Cumberland, MD
 Dickinson, ND

Brooklyn, NY
 Jim Thorpe, PA

Ridgeway, PA
 Midland, TX

Wytheville, VA
 Manitowish Waters, WI



Tallahassee, FL

Biloxi, MS

Houston (Katy), TX

Osa, Costa Rica



Celebration, FL

Kissimmee, FL

Slidell, LA



Ft. Myers, FL

Gainesville, FL

Orlando, FL



Luverne, AL
 Auburndale, FL
 Pensacola, FL

Plant City, FL
 Okeechobee, FL
 Jackson, GA

Marietta, GA
 Chicago (Calumet Park), IL
 S. Fulton, KY

Mount Morris, NY
 Geneseo, NY
 Myrtle Beach, SC

Plus

Enterprise, AL

Kenner, LA

Hammondsport, NY

Ardmore, OK

Premier

Jackson Township, NJ

St. Maartin, FWI



Lauderhill, FL
 Perdido Key, FL
 Vero Beach, FL

Greensboro, NC
 Raleigh, NC

Las Vegas, NV
 Washington Hgts, NY

Bluffton, SC
 Dallas, TX



Brandon, FL
Niceville, FL

Tallahassee, FL
Atlanta (Airport), GA

Marietta, GA
Grand Rapids, MI

Edmond, OK
Anderson, SC



Atlanta (East Point), GA

New York (Brooklyn), NY



Boonesboro, MD
Berlin, MD
Federalsburg, MD
Frostburg, MD
Cumberland, MD

Lusby, MD
Oakland, MD
Ocean Pines, MD
Pocomoke City, MD
Snow Hill, MD

Tanneytown, MD
Medina, NY
Allendale, SC
Amherst, VA
Appamattox, VA

Buena Vista, VA
Marion, VA
Purcellville, VA
Stuart, VA
Verona, VA



Blakely, GA
Cairo, GA

Hastings, MI
Leland, MS

Raleigh, NC

Hammondsport, NY



Crawfordville, FL
Eastpoint, FL
Lloyd, FL

N. Miami Beach, FL
West Park, FL
Largo, MD

Largo, MD
Bronx, NY

Valley Stream, NY
Suffolk, VA



Eutaw, AL

Hastings, MI

Leland, MS

Winfield, AL



Cadiz, OH



Pelham, AL
Crestview, FL
Davie, FL
DeLand, FL
Ft. Myers, FL
Lady Lake, FL
Pensacola, FL

Yulee, FL
Jasper, GA
Baton Rouge, LA
Taunton (Boston), MA
Raynham (Boston), MA
Grand Haven, MI (2)
Hastings, MI

Greenville, MS
Jackson, MS
Natchez, MS
Starkville, MS
Greensboro, NC
Magnolia, NC
Rose Hill, NC

Troutman, NC
Cortland, NY
Rossford, OH
Sandusky, OH
Mansfield, PA
Fort Mill, SC
Marinette, WI



Memphis, TN



Ft. Myers, FL

Sanford, FL

Jacksonville, NC

Allentown, PA



Rochester, NY

Memphis (Collierville), TN



Quincy, FL
Bainbridge, GA

Kenner, LA

New Orleans, LA

Allendale, SC



South Amboy, NJ

Willow Valley, PA

Youngstown, PA



Ocala, FL

Quincy, FL



Norfolk, VA



Jackson, MS



Pittsburgh, PA



Aguascalientes, Mexico
Ciudad del Carmen, Mexico

Léon, Mexico
Monterrey, Mexico

Poza Rica, Mexico
Querétaro, Mexico

San Luis Potosi, Mexico



Madison, AL

Ft. Walton Beach, FL

Plattsburgh, NY



Indianapolis, IN

Lancaster, PA



Birmingham, AL



Huntsville, AL
Winfield, AL
Little Rock, AR
Chipley, FL
Dade City, FL

Ft. Myers, FL
Lake Wales, FL
Quincy, FL
Palatka FL
Plant City, FL

St. Petersburg, FL
Cumberland, MD
Knightdale, NC
Rocky Mount, NC
Geneseo, NY

Plattsburgh, NY
Mansfield, PA
Oklahoma City, OK
Portsmouth, VA
Smithfield, VA



Birmingham, AL
Daphne, AL
Miami (Coconut Grove), FL
Fort Myers, FL
Melbourne, FL

Ocala, FL
Palm Bay, FL
Tallahassee, FL
Atlanta, GA
Atlanta (College Park), GA

Dalton, GA
Flowery Branch (Atl), GA
Hartwell, GA
Atlanta (Roswell), GA
Warm Springs, GA

New Orleans, LA
Interlochen, MI
Raleigh, NC



New Orleans, LA



Coral Springs, FL

Augusta, GA

Macon, GA

Tallahassee, FL



Crestview, FL
Miami (Miramar), FL
Naples, FL

Gettysburg, PA
Harrisburg, PA
Durham, NC

Canandagua, NY
New York (Bronx), NY

Port-au-Prince, Haiti
St. Maartin, FWI



Crossett, AR
Siloam Springs, AR
Montevallo, AL
Riverside (Rubidoux), CA
Victorville, CA
Fanning Springs, FL

Fort Myers, FL
Quincy, FL
Palatka, FL
College Park, GA
Kingsland, GA
Glasgow, KY

California, MD
Bordentown, NJ
Binghamton, NY
Holiday City, OH
Mason, OH
Sallisaw, OK

Allentown, PA
Breezewood, PA
Canonsburg, PA
Wytheville, VA
Wheeling, WV



Ocala, FL
Stuart, FL
Tallahassee, FL

Kingsland, GA
Williamsburg, IA
Louisville, KY

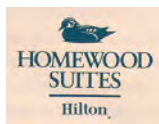
Jackson (Pearl), MS
Fayetteville, NC

Flemington, NJ
Flemington, NJ



Tallahassee, FL

Millville, NJ



Crestview, FL
Tallahassee, FL
Athens, GA

Atlanta, GA
Greenville, NC
Mason, OH

Harrisburg, PA
St. George, UT

Norfolk, VA
Green Bay (De Pere), WI



Stuart, FL

Dania Beach, FL

North Miami Beach, FL

New Orleans, LA



Norfolk, VA



Montgomery, AL
Augusta, GA

Delray Beach, FL
North Miami Beach, FL

Lexington, KY
Bluffton, SC

Suffolk, VA



Norfolk, VA



Greensboro, NC



Columbiana, AL

St. James Island, FL



Daphne, AL
Malbis, AL

Pensacola, FL
Olive Branch, MS

Southaven, MS
Lincoln, NE

Verona, NY
Wichita Falls, TX



Coral Springs, FL
Ft. Lauderdale, FL

Branson, MO
Chelsea, Manhattan, NY

Long Island City, NY
Middletown, NY

Palmyra, VA
Trinidad



Montgomery, AL
Ocala, FL
Pinellas Park, FL
Port Charlotte, FL

Port St. Joe, FL
Tallahassee, FL
Springfield, MA
Great Mills, MD

Baltimore, MD
Hattiesburg, MS
Horn Lake, MS
Meridian, MS

Dickinson, ND
Newark, NJ
Canton, OH
Richmond, VA



Birmingham, AL
Daphne, AL
Decatur, AL
Talladega, AL
Bushnell, FL
Brooksville, FL
Carrabelle, FL

East Point, FL
Lake Wales, FL
Ocala, FL
Franklin, KY
Thibodaux, LA
St. Rose (New Orleans), LA
Shreveport, LA

Slidell, LA
Detroit (Lincoln Park), MI
Leland, MS
Meridian, MS
N. Bergen, NJ
Salamanca, NY
Toledo (Maumee), OH

Wilkes-Barre, PA
Mount Pleasant, SC
Summerville, SC
Pasadena, TX
Williamsburg, VA



Tallahassee, FL



Vicksburg, MS



Geneseo, NY

Bedford, PA

Clarksville, TN



Gladstone, MO

Memphis, TN

Porto-au-Prince, Haiti

Williston, ND



Poconos, PA



Silver Spring, MD



Morrilton, AR



Headland, AL
Marion, AL
Union Springs, AL
Mena, AR

Jacksonville, FL
Port St. Joe, FL
Augusta, GA
Shreveport, LA

Wyndham, ME
Marlton, NJ
Niagara Falls, NY
Columbia, SC

Houston (Stafford), TX
Woodbridge, VA



Windham, ME

Marlton, NJ

Kennedale, TX



Charleroi, PA
Knoxville, TN

Portsmouth, VA

Richmond, VA

Wheeling, WV



Dothan, AL
Tallahassee, FL

Denver, NC
Union City, NJ

Memphis (Collierville), TN
Knoxville, TN

Wheeling, WV



Ocala, FL
Perry, FL

Tallahassee, FL
Meridian, MS

Washington, PA
Morgantown, WV

Traidelfhia, WV



Gulfport, MS



Atlanta (Six Flags), GA



Pensacola, FL

Vidalia, LA0



Macon, GA

Clarksville, TN



Bakersfield, CA

Pennsauken, NJ



Ramsey, NJ



Lynn Haven, FL

Macon, GA

Clarksville, TN



Greensboro, NC



Sarasota, FL

Oxford, MS



Indianapolis, IN



Delray Beach, FL

INDEPENDENT LODGING

Gulf Shores, AL
Cape Coral, FL
Crawfordville, FL
Daytona Beach, FL
Daytona Beach, FL
Immokalee, FL
Jacksonville, FL
Miami Beach, FL
Panama City Beach, FL
Port St. Joe, FL
St. James Island, FL
Tallahassee, FL
Tallahassee, FL
Dallas, GA
Kingsland, GA
Copper Harbor, MI
Biloxi, MS
Oxford, MS
Vicksburg, MS

Resort Hotel & Residences
Market-Driven Hotel
Wakulla Springs, FL
Desert Isle Inn
Maple Leaf Condo
Market-driven hotel
Edward Waters Hotel
Boutique Hotel
Pineapple Beach Resort
Port InnColumbia, SC
Condo Hotel
Hamilton Inn
Southgate Campus Center
Villager Lodge
Assisted Living Home
Keweenaw Mtn. Lodge
Barq Boutique Hotel
Ava Hotel and Spa
Delta Court Hotel

Villa Ridge, MO
Black Mountain, NC
Chama, NM
Endicott, NY
Mt. Morris, NY
Saratoga Springs, NY
Bluffton, SC
Columbia, SC
N. Myrtle Beach, SC
Chattanooga, TN
Copperhill, TN
Fort Worth, TX
Springdale, UT
Norfolk, VA
Petersburg, VA
Richland, WA
Black River Falls, WI
Costa Rica

Diamond Inn
Independent Resort
Chama Inn & Suites
Independent Living
Performing Arts Theatre
Roosevelt Inn & Suites
Hamilton Inn
Eagles Nest Resort
North Shore Inn & Suites
Hamilton Inn
Independent Hotel
Park Central Inn
Desert Pearl Inn
Tides Inn
Dozier Hotel
Guest House at PNNL
Majestic Pines Casino
Osa Resort Club

CONDOMINIUM HOTEL FEASABILITY STUDIES

Fort Morgan, AL
Gulf Shores, AL
Coral Springs, FL

The Sanctuary at Fort Morgan
Zydeco Hotel and Spa
Golf Resort

Miami, FL
Sarasota, FL
Palmyra, VA

Ocean 4
Condo Hotel and Theater
Rivanna Resort



Lodging Management Services assisted in the development of **Staybridge Suites**, **Candlewood Suites** and **Suburban Extended Stay Hotel**, Tallahassee, FL, **Wingate Inn**, Lynn Haven, FL and **Comfort Suites**, Suffolk, VA.



Tallahassee, FL



Tallahassee, FL



Tallahassee, FL



Lynn Haven, FL



Suffoll. VA



SOLD



Pensacola, FL



Donalsonville, GA



Valdosta, GA

INDUSTRY PARTICIPATION

	<i>Attend</i>	<i>Exhibit</i>	<i>Speaker</i>
American Hotel Lodging Association (Extended-Stay Council, since 1998)	✓		
Asian-American Hotel Owners Association Conference	✓	✓	✓
American Lodging Investment Summit Conference	✓	✓	
Atlanta (Hunter) Hotel Investment Conference	✓	✓	
Best Western Hotel Conference	✓	✓	✓
Boutique Hotel Conference	✓		
Cobblestone Hotels Conference	✓		✓
Choice Hotels International Conference	✓	✓	
Caribbean Hotel & Resort Investment Summit Conference	✓		
Condo Hotel Conference	✓	✓	✓
Florida State University, Hotel School			✓
Florida Bed & Breakfast Conference	✓	✓	✓
Hilton Hotels Worldwide Conference	✓		
Hotel Brokers International Conference	✓		✓
Hotel Opportunities Latin America Conference	✓		
InterContinental Hotel Group Conference	✓	✓	
Latino Hotel Restaurant Association	✓	✓	✓
Michigan State University, Hotel School	✓		✓
Midwest Hotel Lodging Conference	✓		✓
National Association of Black Hotel Owners, Operators and Developers Conference	✓	✓	✓
New York Investment Conference	✓		
Superior Small Lodging Conference	✓	✓	✓
The Lodging Conference	✓	✓	✓
Vantage Hotel Conference	✓	✓	
Interviewed on CNBC Cable News			✓



Courtyard by Marriott



Holiday Inn Express



Holiday Inn



Hampton Inn and Suites



Country Inn and Suites



Wingate Inn

Interim Hospitality Consultants Offers a Wide Array of Hospitality Assistance to Your Firm

Selected Completed Projects

Management Assistance:

Hotel Operations Analysis:

- | | | | |
|------------------------|--------------------------|----------------------------|-----------------------|
| 1. Hamilton Inn | Chattanooga, TN | 6. Holiday Express Inn & S | Russellville, AL |
| 2. Desert Pearl Inn | Springdale, UT | 7. Pineapple Beach Resort | Panama City Beach, FL |
| 3. Clarion Hotel | Atlanta (East Point), GA | 8. Holiday Inn Hotel | Louisville, KY |
| 4. Holiday Inn Express | Marianna, FL | 9. Four Points Sheraton | Cincinnati, OH |
| 5. Tides Inn | Norfolk, VA | 10. Diamond Inn | Villa Ridge, MO |

Quality Assurance Reviews:

- | | | | |
|---------------------|----------------------------|-------------------------------|---------------------------|
| 1. Tahitian Inn | Ft. Myers, FL | 8. Hampton Inn & Suites | Boynton Beach, FL |
| 2. Villager Lodge | Riviera Beach, FL | 9. Hampton Inn & Suites | Boca Raton, FL |
| 3. Villager Lodge | Homestead, FL | 10. Hampton Inn & Suites | Palm Beach Gardens, FL |
| 4. Travelodge | Altamonte Springs, FL | 11. Majestic Pines Casino/Htl | Black River Falls, WI |
| 5. Holiday Inn | Orlando (Florida Mall), FL | 12. Microtel Inn | Meridian, MS |
| 6. Villager Premier | Tucker, GA | 13. Tides Inn | Norfolk, VA |
| 7. Villager Lodge | Marietta, GA | 14. User Housing Facility | Dept Energy, Richland, WA |
| | | 15. Days Inn | Minneapolis, MN |

Hotel Operations Management Contract:

- | | | | |
|-----------------------------|---------------------|----------------------------|------------------------------|
| 1. North Shore Inn & Suites | N. Myrtle Beach, SC | 7. Holiday Inn | Statesboro, GA |
| 2. Comfort Inn & Suites | Cairo, GA | 8. Holiday Inn Express | Bainbridge, GA |
| 3. Days Inn | Glen Burnie, MD | 9. Suburban Extended Stay | Tallahassee, FL |
| 4. Desert Isle | Daytona Beach, FL | 10. Holiday Inn Exp H & S | Crawfordville, FL |
| 5. Quality Inn | Tallahassee, FL | 11. Holiday Inn Exp H & S | Grand Rapids, MI |
| 6. Maple Leaf Condo Hotel | Daytona Beach, FL | 12. Howard Johnson Exp H/S | Grand Rapids, MI |
| | | 13. Wingate Inn | Lynn Haven (Panama City), FL |

Market Research Studies:

- | | | | |
|--------------------|--------------------------|--------------------------|-----------------------------|
| 1. Comfort Suites | Nashville, TN | 9. Independent Living | Endicott, NY |
| 2. Super 8 Motel | Atlanta (Six Flags), GA | 10. Comfort Inn | Fern Park, FL |
| 3. Guest House Inn | Thomasville, GA | 11. Comfort Suites | Naples, FL |
| 4. Microtel Suites | Brunswick, GA | 12. Keweenaw Mtn Lodge | Copper Harbor, MI |
| 5. Hawthorn Suites | Richmond Hills, GA | 13. Sun Suites | Gulfport, MS |
| 6. Ramada Inn SE | Nashville, TN | 14. Comfort Inn & Suites | St. Louis Airport, MO |
| 7. Hawthorn Suites | Alpharetta (Atlanta), GA | 15. Diamond Inn | Villa Ridge (St. Louis), MO |
| 8. Microtel Suites | Freehold, NJ | 16. Tides Inn | Norfolk, VA |

Human Resources, Employee Guides, Employment Placement:

- | | | | |
|-------------------------|------------------|---------------------------|------------------------------|
| 1. Holiday Inn Express | Bainbridge, GA | 5. Hilton Hotel | Macon, GA |
| 2. Holiday Inn & Suites | Russellville, AL | 6. Park Central Inn | Ft. Worth, TX |
| 3. Ramada Limited | Gainesville, FL | 7. Suburban Extended Stay | Tallahassee, FL |
| 4. Desert Pearl Inn | Springdale, UT | 8. Holiday Inn Exp H & S | Crawfordville, FL |
| | | 9. Wingate Inn | Lynn Haven (Panama City), FL |

Pre-Opening Contracts

- | | | | |
|----------------------------|-----------------|---------------------------|------------------------------|
| 1. Comfort Inn & Suites | Cairo, GA | 5. Holiday Inn Express | Russellville, AL |
| 2. Hilton Hotel | Macon, GA | 6. Suburban Extended Stay | Tallahassee, FL |
| 3. Southgate Campus Center | Tallahassee, FL | 7. Holiday Inn Exp H & S | Crawfordville, FL |
| 4. Holiday Inn Express | Bainbridge, GA | 8. Holiday Inn Exp H & S | Grand Rapids, MI |
| | | 9. Wingate Hotel | Lynn Haven (Panama City), FL |

Asset Management

- | | | | |
|----------------------|-----------------|-------------------|-------------|
| 1. Staybridge Suites | Tallahassee, FL | 2. Comfort Suites | Suffolk, VA |
|----------------------|-----------------|-------------------|-------------|

Selected Completed Projects

Ownership Assistance:

Economic Impact::

- | | | | |
|----------------|---------------|----------------------------|------------------|
| 1. Hampton Inn | Dade City, FL | 2. Holiday Inn Express H&S | Grand Rapids, MI |
|----------------|---------------|----------------------------|------------------|

Internal Audit

- | | | | |
|-----------------|------------------|------------|------------------|
| 1. Best Western | Calumet Park, IL | 2. Super 8 | Calumet Park, IL |
|-----------------|------------------|------------|------------------|

Litigation Support — Expert Witness Testimony:

- | | | | |
|--------------------|-------------------|------------------------|-------------|
| 1. MainStay Suites | Atlanta, GA | 3. Comfort Suites | Decatur, AL |
| 2. Desert Isle | Daytona Beach, FL | 4. Holiday Inn Express | Cahokia, IL |

Anonymous Audits:

- | | | | |
|--------------------------|-----------------|-------------|------------------|
| 1. Microtel Inn & Suites | Meridian, MS | 3. Days Inn | Minneapolis, MN |
| 2. Hamilton Inn | Chattanooga, TN | 4. Port Inn | Port St. Joe, FL |

Real Estate Services:

The Real Estate arm of Interim Hospitality Consultants, Lodging Realty Services has the following listings
Hotels

- | | | | |
|----------------------------|------------|-------------------|---------------|
| 1. Wingate by Wyndham | Mobile, AL | 4. Howard Johnson | Pensacola, FL |
| 2. Microtel Inn and Suites | Daphne, AL | 5. Days Inn | Pensacola, FL |
| 3. Future Hotel Site | Quincy, FL | 6. Pensacola Inn | Pensacola, FL |

Bed and Breakfasts

- | | | | |
|---------------------------|-------------------------|------------------------|--------------------|
| 1. Calhoun St Inn | Tallahassee, FL | 7. G. V. Tillman House | Lake Wales, FL |
| 2. 1872 John Denham House | Monticello, FL | 8. Dickens Inn | Mims, FL..... SOLD |
| 3. Suwanee River Inn | Old Town, FL | 9. Sweet Magnolia | St. Marks, FL |
| 4. Heritage Country Inn | Ocala, FL..... SOLD | 10. 12 Oaks Resort | Monticello, FL |
| 5. Noble Manor | Pensacola, FL..... SOLD | 11. Lake Hampton B&B | Starke, FL |
| 6. The Footed Tub | Fort Green, FL | | |

Site Reviews:

- | | | | |
|----------------------------|----------------------------------|---------------------------|----------------------------|
| 1. Sleep Inn | Elkhart, IN | 21. Staybridge Suites | Orlando (I-Drive), FL |
| 2. Microtel Inn & Suites | Pulaski, TN | 22. Hawthorn Suites | Tallahassee, FL |
| 3. Country Inn & Suites | Virginia Beach, VA | 23. Wellesley Inn | Ramsey, NJ |
| 4. Comfort Inn | Stuart, FL | 24. Holiday Inn Express | Tallahassee, FL |
| 5. Eagles Nest Resort | Columbia, SC | 25. Baymont Inn | Shreveport (Greenwood), LA |
| 6. Hamilton Inn | Tallahassee, FL | 26. Hawthorn Suites | Atlanta (East Point), GA |
| 7. Hawthorn Suites | Tampa (Airport), FL | 27. Days Inn | Gainesville, FL |
| 8. Hawthorn Suites | Bonita Springs, FL | 28. Microtel Suites | New Orleans (Gretna), LA |
| 9. AmericInn | Ft. Myers, FL | 29. Microtel Inn & Suites | Ft. Myers, FL |
| 10. Microtel Inn & Suites | West Palm Beach (I-95), FL | 30. Wingate Inn | Ft. Lauderdale, FL |
| 11. Hawthorn Suites | West Palm Beach (Airport), FL | 31. Microtel Inn & Suites | Spanish Fort, AL |
| 12. Country Inns & Suites | West Palm Beach, FL | 32. La Quinta Inn | Orange Beach, AL |
| 13. Hawthorn Suites | W. Palm Beach (Gardens Mall), FL | 33. Country Inn & Suites | Tampa, FL |
| 14. Hawthorn Suites | Fort Myers, FL | 34. Microtel Inn | Wyoming, MN |
| 15. Wingate Inn | Lakeland, FL | 35. Hawthorn Suites | Blaine, MN |
| 16. La Quinta Inn & Suites | Columbia, LA | 36. Hampton Inn | Destin, FL |
| 17. Microtel Inn | Richmond Hills (Savannah), GA | 37. Microtel Inn | San Antonio, Texas |
| 18. Hamilton Inn | Bluffton, SC | 38. Sleep Inn | Quincy, FL |
| 19. Hawthorn Suites | Atlanta (Cumming), GA | 39. Residence Inn | Savannah, GA |
| 20. Best Western Inn | Havana, FL | 40. Westin Hotel | Greensboro, NC |
| | | 41. Market-driven | Tupelo, MS |

Selected Completed Projects

Development Assistance:

Feasibility Studies:

1. Microtel Inn & Suites	Decatur, AL	58. Comfort Suites	Crawfordville, FL
2. Travelodge to Quality Inn	Clarksville, TN	59. Microtel Inn & Suites	Ocala, FL
3. Microtel Inn (Update)	Franklin, KY	60. Hampton Inn	Chipley, FL
4. Country Inn & Suites	Sandusky, OH	61. MainStay Suites	Tallahassee, FL
5. Hawthorn Inn & Suites	Fort Myers, FL	62. Holiday Inn Express	Luverne, AL
6. Best Western Inn	Calumet Park (Chicago), IL	63. Suburban Extended Stay	Tallahassee, FL
7. Country Inn & Suites	Taunton (Boston), MA	64. Holiday Inn Hotel & Suites	Ocala, FL
8. Country Inn & Suites	Raynham (Boston), MA	65. Homewood by Hilton	Tallahassee, FL
9. Guest House Inn (Update)	Birmingham, AL	66. Holiday Inn Express	Holiday City, OH
10. Hawthorn Suites (Update)	Dalton, GA	67. Candlewood Suites	Niceville, FL
11. Hampton Inn & Suites	Ft. Myers, FL	68. Country Inn & Suites	Yulee, FL
12. Hawthorn Suites	Atlanta (Airport), GA	68. Best Western	Luverne, AL
13. Hawthorn Suites	Palm Bay, FL	69. Hampton Inn	Quincy, FL
14. Candlewood Suites	Atlanta (Airport), GA	70. Best Western Inn	Auburndale, FL
15. Hawthorn Suites	Birmingham, AL	71. Microtel Inn & Suites	Williamsburg, VA
16. Microtel Suites	Birmingham, AL	72. Holiday Inn Express H&S	Quincy, FL
17. Hawthorn Condo Resort	Warm Springs, GA	73. Candlewood Suites	Grand Rapids, MI
18. Microtel Inn & Suites	Lincoln Park (Detroit), MI	74. Holiday Inn Express H&S	Wheeling, WV
19. Hawthorn Suites	Coconut Grove (Miami), FL	75. Edward Waters Hotel	Jacksonville, FL
20. Country Inn & Suites	DeLand, FL	76. Staybridge Suites	Tallahassee, FL
21. Wingate Hotel	Beaufort, SC	77. Microtel Inn & Suites	Talladega, AL
22. Hawthorn Suites	Roswell (Atlanta), GA	78. Sleep Inn	Port St. Joe, FL
23. Hawthorn Suites	Ocala, FL	79. Holiday Inn Express	Crossett, AR
24. Hawthorn Suites	Dalton, GA	80. Four Points Sheraton	Indianapolis, IN
25. Shoney's Inn & Suites	Morrilton, AR	81. Country Inn & Suites	Jackson, MS
26. Hawthorn Suites	Flowery Branch (Atl), GA	82. Performing Arts Theatre	Mt. Morris, NY
27. Sleep Inn	Augusta, GA	83. Keweenaw Mtn. Lodge	Copper Harbor, MI
28. Holiday Inn Express	Binghamton, NY	84. MainStay Suites	Ocala, FL
29. Hilton Garden Inn	Miramar (Miami), FL	85. Cambria Suites	Lauderhill, FL
30. Best Western	Jackson, GA	86. Hilton Garden Inn	Naples, FL
31. Hawthorn Suites	College Park (Atlanta), GA	87. Holiday Inn Express H&S	Fort Myers, FL
32. Hawthorn Suites	Hartwell, GA	88. Sleep Inn and Suites	Jacksonville, FL
33. Hawthorn Suites	Melbourne, FL	89. Candlewood Suites	Brandon, FL
34. Microtel Suites	Meridian, MS	90. Hilton Garden Inn	Harrisburg, PA
35. Microtel Inn & Suites	Shreveport, LA	91. Microtel Inn and Suites	Lake Wales, FL
36. Microtel Inn & Suites	Pasadena, TX	92. Hampton Inn and Suites	Lake Wales, FL
37. Microtel Inn & Suites	Slidell, LA	93. Holiday Inn Express H&S	Rubidoux (Riverside), CA
38. Country Inn & Suites	Ft. Myers, FL	94. Best Western Exec Inn	Okeechobee, FL
39. Hawthorn Suites	Raleigh (Airport), NC	95. Country Inn and Suites	Crestview, FL
40. Hampton Inn	St. Petersburg, FL	96. Hilton Garden Inn	Crestview, FL
41. Port Inn	Port St. Joe, FL	97. Cambria Suites	Vero Beach, FL
42. Microtel Inn & Suites	Daphne, AL	98. Hilton Homewood Suites	De Pere (Green Bay), WI
43. Hawthorn Suites	Tallahassee, FL	99. Candlewood Suites	Tallahassee, FL
44. Villager Lodge	Dallas, GA	100. Hampton Inn and Suites	Huntsville, AL
45. Hawthorn Suites	New Orleans, LA	101. Microtel Inn & Suites	Leland, MS
46. Chama Inn & Suites	Chama, NM	102. Comfort Suites	Suffolk, VA
47. Microtel Inn & Suites	Bushnell, FL	103. AmericInn	Greenville, MI
48. Homewood Suites	Harrisburg, PA	104. Best Western	Pensacola, FL
49. Suburban Lodge	Meridian, MS	105. Roosevelt Inn & Suites	Saratoga Springs, NY
50. MainStay Suites	Meridian, MS	106. Hilton Homewood Suites	Norfolk, VA
51. Hilton Garden Inn	Gettysburg, PA	107. Country Inn & Suites	Natchez, MS
52. Microtel Inn & Suites	Leland, MS	108. Holiday Inn Hotel	Pearl (Jackson), MS
53. Hampton Inn	Dade City, FL	109. Country Inn & Suites	Lady Lake, FL
54. Holiday Inn Express	Wheeling, WV	110. MainStay Suites	Richmond, VA
55. Guest House at PNNL	Richland, WA	111. Hilton Homewood Suites	Mason, OH
56. Hearthside Inn	New Orleans, LA	112. Holiday Inn Express H&S	Mason, OH
57. Country Inn and Suites	Cortland, NY	113. Hampton Inn	Rocky Mount, NC
		114. Microtel Inn and Suites	East Point, FL

Selected Completed Projects

Feasibility Studies continued

115. La Quinta Inn & Suites	Malbis, AL	174. Lexington Hotel	Coral Springs, FL
116. Microtel Inn & Suites	Carrabelle, FL	175. Independent Hotel	Copperhill, TN
117. Holiday Inn Hotel	Fayetteville, NC	176. Hampton Inn and Suites	Knightdale, NC
118. Country Inn & Suites	Grand Haven, MI	177. Sheraton Four Points Hotel	Lancaster, PA
119. Microtel Inn & Suites	St. Rose (New Orleans), LA	178. Sleep Inn	Shreveport, LA
120. Courtyard by Marriott	Ft. Myers, FL	179. Comfort Inn	Raleigh, NC
121. TownePlace Suites	Pensacola, FL	180. Country Inn and Suites	Rose Hill, NC
122. Microtel Inn & Suites	Mount Pleasant, SC	181. Golf Resort Hotel	Coral Springs, FL
123. Microtel Inn & Suites	Summerville, SC	182. Wyndham Garden Inn	Indianapolis, IN
124. Element Extended Stay	Norfolk, VA	183. Cambria Suites	Perdido Key, FL
125. Hilton Garden Inn	Durham, NC	184. Country Inn and Suites	Jasper, GA
126. La Quinta Inn & Suites	Pensacola, FL	185. Hotel	Cape Coral, FL
127. Radisson Hotel	Memphis, TN	186. Comfort Inn & Suites	Eutaw, AL
128. Microtel Inn & Suites	Brooksville, FL	187. Country Inn & Suites (2)	Greensboro, NC
129. Hotel Indigo	Stuart, FL	188. Cambria Suites	Greensboro, NC
130. Microtel Inn & Suites	Maumee (Toledo), OH	189. Comfort Inn and Suites	Hastings, MI
131. Hyatt Summerfield	Norfolk, VA	190. Hawthorn Suites	Daphne, AL
132. Boutique Hotel	Miami Beach, FL	191. Microtel Inn & Suites	Daphne, AL
133. MainStay Suites	Horn Lake, MS	192. Aloft	Jamaica, Queens, NY
134. Golf Resort Hotel & Spa	Palmyra, VA	193. Country Inn & Suites	Grand Haven, MI
135. SpringHill Suites	Richmond, VA	194. Suburban Extended Stay	Ocala, FL
136. Zydeco Hotel & Spa	Gulf Shores, AL	195. Country Inn & Suites	Mansfield, PA
137. MainStay Suites	Montgomery, AL	196. MainStay Suites	Newark, NJ
138. Candlewood Suites	Anderson, SC	197. Staybridge Suites	Dothan, AL
139. Embassy Suites	Jackson, MS	198. Country Inn & Suites	Greenville, MS
140. Country Inn & Suites	Magnolia, NC	199. Crowne Plaza	Rochester, NY
141. Resort Hotel & Residences	Gulf Shores, AL	200. Courtyard by Marriott	Jacksonville, NC
143. Microtel Inn & Suites	Thibodaux, LA	201. Delta Court Hotel	Vicksburg, MS
144. La Quinta Inn & Suites	Southaven, MS	202. Residence Inn	Silver Spring, MD
145. Hampton Inn & Suites	Plattsburgh, NY	203. Best Western Inn/W.P.	Mount Morris, NY
146. Doubletree Hotel	South Amboy, NJ	204. Hyatt Place	Augusta, GA
147. AmericInn	Edgemont, SD	205. Hyatt Place	Montgomery, AL
148. Holiday Inn Express	Perry, FL	206. Hyatt Place	Bluffton, SC
149. Suburban Extended-Stay	Perry, FL	207. Hyatt Place	Lexington, KY
150. Condo Hotel	St. James Island, FL	208. Country Inn & Suites	Fort Mill, SC
151. Holiday Inn Hotel	Portsmouth, VA	209. Comfort Inn & Suites	Winfield, AL
152. Microtel Inn	Salamanca, NY	210. Hilton	Coral Springs, FL
153. Boutique Hotel	Oxford, MS	211. Lexington Hotel	Palmyra, VA
154. Lexington Hotel	Chelsea, Manhattan, NY	212. Cambria Suites	Dallas, TX
155. Key West Inn	Columbiana, AL	213. Comfort Inn & Suites	Leland, MS
156. Sleep Inn & Suites	Headland, AL	214. Sleep Inn & Suites	Columbia, SC
157. Condo Hotel	Sarasota, FL	215. Country Inn & Suites	Davie, FL
158. Country Inn & Suites	Marinette, WI	216. Best Western	Plant City, FL
159. Days Inn	Allendale, SC	217. Hampton Inn & Suites	Geneseo, NY
160. MainStay Suites	Springfield, MA	218. Hyatt Place	Suffolk, VA
161. MainStay Suites	Pinellas Park, FL	219. Holiday Inn Express	Palatka, FL
162. Homewood Suites	Greenville, NC	220. Hawthorn Suites	Interlochen, MI
163. La Quinta Inn & Suites	Lincoln, NE	221. Hilton Home2 Suites	Millville, NJ
164. Hyatt Place	North Miami Beach, FL	222. Holiday Inn Hotel	Stuart, FL
165. Comfort Suites	Eastpoint, FL	223. DoubleTree Hotel	Willow Valley, PA
166. Country Inn & Suites	Troutman, NC	224. La Quinta Inn & Suites	Verona, NY
167. Hotel Indigo	North Miami Beach, FL	225. Microtel Inn & Suites	N. Bergen, NJ
168. Cambria Suites	Bluffton, SC	226. Quality Inn	Geneseo, NY
169. Lexington Hotel	Long Island City, NY	227. Country Inn & Suites	Pensacola, FL
170. Cambria Suites	Washington Hgts, NY	228. Microtel Inn & Suites	Carrabelle, FL
171. Days Inn	Kenner, LA	229. Hampton Inn & Suites	Smithfield, VA
172. Hawthorn Suites	New Orleans, LA	230. Comfort Suites	N. Miami Beach, FL
173. Baymont Inn & Suites	Slidell, LA	231. Dozier Hotel	Petersburg, VA
		232. Best Western & Water Pk.	Geneseo, NY

Selected Completed Projects

Feasibility Studies continued

233. Lexington	Middletown, NY	288. Fairfield Inn	Ft Walton Beach, FL
234. Ascend Hotel	Manitowish Waters, WI	289. Market-driven hotel	Immokalee, FL
235. Staybridge Suites	Memphis (Collierville), TN	290. Hotel Indigo	Dania Beach, FL
236. Crowne Plaza	Memphis (Collierville), TN	291. Sleep Inn	Woodbridge, VA
236. InterContinental Hotel	Greensboro, NC	292. Holiday Inn Express	Allentown, PA
237. Ascend Collection Hotel	Brooklyn, NY	293. Holiday Inn Express	Breezewood, PA
238. Clarion Hotel	Brooklyn, NY	294. Suburban E/S Hotel	Traidelfphia, WV
239. Extended Stay Hotel	Monterrey, Mexico	295. Candlewood Suites	Edmond, OK
240. SpringHill Inn & Suites	Portsmouth, VA	296. Barq Boutique Hotel	Biloxi, MS
241. Country Inn & Suites	Rossford, OH	297. Quality Inn	Bedford, PA
242. MainStay Suites	Port Charlotte, FL	298. Sleep Inn	Mena, AR
243. Extended Stay Hotel	San Luis Potosi, Mexico	299. Sleep Inn	Union Springs, AL
244. Hampton Inn & Suites	Mansfield, PA	300. Sleep Inn/MainStay Suites	Kennedale, TX
245. Best Western Suites	Marietta, GA	301. Sleep Inn/MainStay Suites	Windham, ME
246. Candlewood Suites	Marietta, GA	302. Radisson Hotel	Williston, ND
247. Holiday Inn Express	College Park, GA	303. Best Western Plus	Enterprise, AL
248. Hotel Indigo	Dania Beach, FL	304. Comfort Inn	Blakely, GA
249. Comfort Suites	West Park, FL	305. MainStay Suites	Dickinson, ND
250. Radisson Hotel	Gladstone, MO	306. Homewood Suites	St. George, UT
251. Comfort Suites	Bronx, NY	307. Hampton Inn & Suites	Huntsville, AL
252. Holiday Inn Express	Victorville, CA	308. Holiday Inn	Louisville, KY
253. Country Inn & Suites	Pelham, AL	309. Ascent Collection	Midland, TX
254. Conrad Hotel	Memphis, TN	310. Hilton Garden Inn	St. Maartin, FWI
255. Country Inn & Suites	Washington, GA	311. Sleep Inn/MainStay Suites	Marlton, NJ
256. Hotel Indigo	New Orleans, LA	312. Best Western Premier	Jackson Twnp, NJ
257. Holiday Inn	Williamsburg, IA	313. Holiday Inn	Flemington, NJ
258. Cambria Suites	Las Vegas, NV	314. Holiday Inn Express	Glasgow, KY
259. La Quinta Inn & Suites	Malbis, AL	315. Fairfield Inn & Suies	Plattsburgh, NY
260. Extended Suites	Monterrey, Mexico	316. MainStay Suites	Baltimore, MD
261. Country Inn & Suites	Starkville, MS	317. Best Western Plus	Ardmore, OK
262. Holiday Inn Express	Wytheville, VA	318. La Quinta Suites	Wichita Falls, TX
263. Hyatt Place	Delray Beach, FL	319. Holiday Inn E xpress	California, MD
264. Wyndham Garden Hotel	Delray Beach, FL	320. Staybridge Suites	Knoxville, TN
265. Fairfield by Marriott	Plattsburgh, NY	321. Lexington Inn	Ft. Lauderdale, FL
266. Lexington Hotel	Branson, MO	322. Ascend Collection	Ridgeway, PA
267. Comfort Inn & Suites	Hastings, MI	323. Comfort Suites	Valley Stream, NY
268. Autograph Collection	Houston, TX	324. Hampton Inn	Oklahoma City, OK
269. MainStay Suites	Great Mills, MD	325. Comfort Inn	Hammondsport, NY
270. Holiday Inn	Kingsland, GA	326. Home2	Tallahassee, FL
271. Sleep Inn & Suites	Marion, AL	327. Best Western Plus	Kenner, LA
272. Ramada Inn	Poconos, PA	328. MainStay Suites	Canton, OH
273. Independent Resort	Black Mountain, NC	329. Sleep Inn & Suites	Niagara Falls, NY
274. TownePlace Suites	Vidalia, LA	330. Comf Inn/MainStay Sutes	Cadiz, OH
275. Homewood Suites	Atlanta, GA	331. La Quinta Inn	Olive Branch, MS
276. Baymont Inn & Suites	Kissimmee, FL	332. Holiday Inn Express	Montevallo, AL
277. Microtel Inn & Suites	Wilkes-Barre, PA	333. Holiday Inn Express	Fanning Springs, FL
278. Holiday Inn Express	Duncan, OK	334. Montevallo, AL	Holiday Inn Express
279. Osa Resort Club	Costa Rica	335. Sanford, FL	Marriott Courtyard
280. Holiday Inn Express & S.	Canonsburg, PA	336. Celebration, FL	Baymont Inn
281. Holiday Inn Express	Bordentown, NJ	337. Ocean Pines, MD	Cobbllestone Inn
282. EconoLodge	Ocala, FL	338. Berlin, MD	Cobbllestone Inn
283. Radisson Hotel	Porto-au-Prince, Haiti	339. Snow Hill, MD	Cobbllestone Inn
284. Wakulla Springs Lodge	Wakulla Springs, FL	340. Bonesboro, MD	Cobbllestone Inn
285. Staybridge Suites	Union City, NJ	341. Federalsburg, MD	Cobbllestone Inn
286. Suburban Hotel	Morgantown, WV	342. Coral Springs, FL	Lexington Hotel
287. Ascend Collection	Wytheville, VA	343. Pocomoke City, MD	Cobblesltnoe Inn

Selected Completed Projects

Feasibility Studies continued

334. Best Western	S. Fulton, KY	350 Hampton Inn	Cumberland, MD
335. Cobblestone Inn	Allendale, SC	351 Ascend Collection	Jim Thorpe, PA
336. Staybridge Suites	Denver, NC	352 Cobblestone Inn	Lusby, MD
337. Suburban Suites	Washington, PA	353 Cobblestone Inn	Verona, VA
338. Best Western Plus	Ardmore, OK	354 Cobblestone Inn	Medina, NY
339. SpringHill Suites	Charlottesville, PA	355 Holiday Inn Express	Kingsland, GA
340. Cobblestone Inn	Frostburg, MD	356 Best Western Plus	Hammondsport, NY
341. Lexington	Trinidad	357 Best Western E/S	Myrtle Beach, SC
342. Comfort Suites	Largo, MD	358 Ascend Collection	Cumberland, MD
343. Cobblestone Inn	Marian, VA	359 Cobblestone Inn	Marion, VA
344. Cobblestone Inn	Stuart, VA	360 MainStay Suites	Hattiesburg, MS
345. Cobblestone Inn	Appamattox, VA	361 Hampton Inn	Plant City, FL
346. Cobblestone Inn	Amherst, VA	362 EVEN Hotel	Pittsburgh, PA
347. Cobblestone Inn	Buena Vista, VA	363 Cobblestone Inn	Berlin, MD
348. Comfort Suites	Lloyd, FL	364 Holiday Inn Hotel	Tallahassee, FL
349. Cobblestone Inn	Oakland, MD	365 Country Inn and Suites	Baton Rouge, LA

Architectural Reviews:

1. Comfort Suites	Nashville, TN	6. Moorings Marina	Carrabelle, FL
2. Hampton Inn & Suites	Toledo, OH	7. Econo Lodge	Cairo, GA
3. Hampton Inn & Suites	Augusta, GA	8. Travel Lodge	Macon, GA
4. Holiday Inn Express	Binghamton, NY	9. Holiday Inn Express	Marianna, FL
5. Hawthorn Suites	Tallahassee, FL	10. Comfort Inn	Cairo, GA
		11. Microtel Inn & Suites	Marianna, FL

FEASIBILITY STUDIES

Authored by Edward L. Xanders, CHA

Partial Client List

Scott Shaw
Kissimmee, FL
364-6925-6506

Baymont Inn
Kissimmee, FL

Jake Whitfield
Lloyd Land Holdings
2910 Kerry Forest Pkwy, #D-352
Tallahassee, FL 32309
850-933-7303

Country Inn and Suites
Lloyd, FL

Ms. Amanda N. Glover, Dir
Economic Development
Augusta County
18 Government Center Lane
Verona, VA 24482
540-245-5619

Cobblestone Hotel
Verona, VA

John Genakos, Asso Dir
Maryland Economic Development
Corporation
300 E Lombard St, Suite 1000
410-625-3983

Hotel/Inn
Lusby, MD

Priyesh Patel
Crowne Hotels LLC
13400 Sutton Park Dr S, #1604
Jacksonville, FL 32224
904-493-9393

Holiday Inn Express
Kingsland, GA

Mark R. Nesselroad, CEO
Glenmark Holdings
6 Canyon Road, #300
Morgantown, WV 26508
304-599-3369, x 107

Suburban Ex-Stay Hotel
Washington, PA

Suburban Ex-Stay Hotel
St. Clairsville, OH

Morris Starkman
Starkman Properties, LLC
1939 Route 70 East, Suite 210
Cherry Hill, NJ 08003
856-424-0497

Sleep Inn/MainStay Suites
Marlton, NJ

Brian Harris
8805 State Route 415
Campbell, KY 14821
215-292-7252

Comfort Inn
Hammondsport, NY

Laura Aftosmis, Partner
Revest Properties
985 Towne Square Dr
Greensburg, PA 15601
724-838-0260

Holiday Inn Express and Suites
Canonsburg, PA

Andrea A. White, Pres
The Stokely Company
620 Campbell Station Rd, Suite 27
Knoxville, TN 37934
865.966.4878

Staybridge Suites
Knoxville, TN

Bernie Moyle
Vantage Hospitality
3300 North University Dr, Suite 500
Coral Springs, FL 33065
954-593-3844

Lexington Inn
Ft. Lauderdale, FL

Don Rogers. SVP
Compass Bank
321 Belleaire Blvd, 2nd Floor
Mobile, AL 36606
251-470-7467

132-room Hotel Indigo
New Orleans, LA

David Warner
Tapper & Company
208 Monument Ave
Port St. Joe, FL 32457
850-227-1111

Wakulla Springs Lodge
Wakulla, FL

Robert W. Bittner
16563 Lincoln Highway
Breezewood, PA 15533
814-285-2275

Holiday Inn Express
Breezewood, PA

Francisco Hernandez
Tana Holdings
Presidente Masoryk #29 Piso 2
Col. Chapultepec de Morales
Mexico D.F. 11570
1 (305) 433.5672

Extended Suites
Aguascalientes, Mexico

Extended Suites
Coatzacoalcos, Mexico

Dominique F. Carvonis, President
MAC, S.A.
Visa Lodge
Rue des Nimes
Route de l'Aéroport
Port-au-Prince, Haiti
305-283-6919

Hilton Garden Inn
Port-au-Prince, Haiti

Marlon Phoenix
Phoenix and Associates
384 E. Goodman Rd, Suite 136
Southaven, MS 38671
662-404-4990

1. Conrad Hotel
Memphis, TN
2. Staybridge Suites
3. Crowne Plaza
Collierville, TN

Bill Brantley
Bunn-Brantley Enterprises, Inc.
389 Instrument Drive
Rocky Mount, NC 27804
252-977-9111

Hampton Inn
Rocky Mount, NC

Hank Thomas
1793 Kanawaha Trail
Stone Mountain, GA 30087
770-331-3270

Courtyard by Marriott
Jacksonville, NC

Shirley Waring
Hotel Delta Court, LLC
2613 Confederate Avenue
Vicksburg, MS 39180
301-634-0113

Hotel Indigo
Dania Beach, FL
Delta Court Hotel
Vicksburg, MS

David Henderson
302 S. Mass. Ave., Suite 223
Landland, FL 33801
863-682-2000

Country Inn & Suites
Plant City, FL

Sam Agee, Chairman
Gateway Hospitality
111 Stonemark Lane, Suite 202
Columbia, SC 29210
803-795-7979

Home2 Suites
Tallahassee, FL

Ahmad Siddiqui
1000 Veterans Memorial Blvd
Kenner, LA 70119
504-463-5612

Best Western Plus
Kenner, LA

Ashish Shah
7804 Niagra Falls Blvd
Niagra Falls, NY 14304
716-748-9400

Sleep Inn and Suites
Niagara Falls, NJ

Edward Littlejohn
356 Main Street
Wintersville, OH 43953
740-632-1196

Comfort Inn/MainStay Suites
Cadiz, OH

Donny Singh
3085 Church Road
Southaven, MS 38672
901-331-9742

La Quinta Inn
Olive Branch, MS

Mitesh V. Patel
2432 Veterans Boulevard
Ardmore, OK
405-388-7728

La Quinta Suites
Wichita Falls, TX

Herman Lehman
City of Montevallo
545 Main St
Montevallo, AL 35115

Holiday Inn Express
Montevallo, AL

David Padot
7272 Cardinal Trail
Fanning Springs, FL 32693
352-222-6656

Holiday Inn Express
Fanning Springs, FL

Nilesh Patel
601 N. 1st Street
Madill, OK 73446
580-795-4876

Best Western Plus
Ardmore OK

B. F. Patel
200 Rainbow Boulevard
Niagara Falls, NY 14303
716-998-2623

Courtyard Suites
Niagara Falls, NY

Neil Patel
1520 Gulf Blvd, # 406
Clearwater, FL 33767
727-871-5876

Quality Inn
Leesburg, FL.

Bhadresh Patel
1555 Bear Creek Pike
Columbia, TN 38401
931-505-0550

70-room Best Western
Columbia, TN

Julian Cope, Exec. Sec
Bullock County Econ. Devel.
106 Conecuh Avenue East
Union Springs, AL 36089
C: 334-381-0821

Sleep Inn
Union Springs, AL

Sam Patel
Best Western Plus
715 Bollweevil Circle
Enterprise, AL 36330
334-475-0306

Best Western Plus
Enterprise, AL

Bob Hart, Exec Dir
Kennedale Econo Devel Corp
405 Municipal Dr
Kennedale, TX 76060
817-532-6291

Sleep Inn/MainStay Suites
Kennedale, TX

Derek Rowley
SunRiver St. George
1404 W. SunRiver Pky, Ste 200
St. George, UT 84790
435-673-4300

Homewood Suites
Hyatt House
Residence Inn
St. George, Utah

Kiran Patel
1010 West Chester Road
Madison, AL 35758
256-374-9021

Hampton Inn and Suites
Huntsville, AL

Jillian-Marie Nargi
Mona Shah & Associates
299 roadway, Suite 1005
New York, NY 10007
212-233-7473

Holiday Inn Hotel
Louisville, KY

Hervé Dorvil
Chambre Consulaire Interprofessionnelle
10 Rue Jean-Jacques Fayel
Concordia, St. Maarten
05-90-87-8442

Hilton Garden Inn
St. Marten, FWI

Claude Kemp
24 Parliament Drive
Mount Holly, NJ 08060
829-438-8598

Best Western Premier
Jackson Township, NJ

Suresh Patel
350 Parsippany Blvd
Boonton, NJ 07005
973-334-5499

Holiday Inn Hotel
Flemington, NJ

Vic Patel
1564 Stillwater Court
Bowling Green, KY 42103
270-991-2997

Holiday Inn Express
Glasgow, KY

Kalpesh Patel
YUG CORP.
820 Hwy 59 North
Heavener, OK 74937
918-721-3530

Sleep Inn
Mena, AR

Muhittin Arda Kandirali
Proposal Coordinator
Serka Services, LLC
8230 Leesburg Park, Suite 7000
Vienna, VA 22122
703 288 1555

Radisson Hotel
Williston, ND

MainStay Suites
Dickinson, ND

Ascend Collection Hotel
Midland, TX

Erik Heyland
Heyland Development
194 Central Street
Saugus, MA 019006
781-231-1349

Sleep Inn and MainStay Suites combination
hotel
Windham, ME

Jeffery Calhoun
SAC Incorporated
4588 Business 220
Bedford, PA 15522
814-623-8114

Comfort Suites
Bedford, PA

Calvin Glover
300 Greystone Court, #401
Fredericksburg, VA 22401
803-479-4053

Sleep Inn
Woodbridge, VA

Rob Brooks
34203 Singletary Drive
Myakka City, FL 34251
941-322-2820

Holiday Inn Express
Allentown, PA

John O'Donnell, President
Mainstream Construction Group, Inc.
725 Sunshine Lane
Altamonte Springs, FL 32714
407-862-6445

Osa Resort Club
Puerto Jimenez, Costa Rica

Dinkerrao Taylor
James Taylor
2001 Hamilton Street, No. 326
Philadelphia, PA 19130
609-208-2345

Holiday Inn Express hotel
Bordentown, NJ

Vince Bruner
110 Eglin Parkway SE
Fort Walton Beach, FL 32548
850-243-4227

87-room Fairfield Inn
Fort Walton Beach, FL

Kim Mehta
Candlewood Suites
279 Secaucus Road
Secaucus, NJ 07094
732-644-6921

Staybridge Suites
Union City, NJ

Marie Capita, Manager
Immokalee Business Development Center
310 Alachua Street
Immokalee, FL 34142
239-269-9629

market-driven hotel
Immokalee, FL

Mark R. Nesselroad
Glenmark Holding
6 Canyon Road, #300
Morgantown, WV 20508
304-599-3369

Suburban E/S Hotel
Tridelfia, WV

Scott Patel
5725 SW 5th Street
Oklahoma City, OK 73128
405-819-7343

Candlewood Suites
Edmond, OK

Josh Caillavet
508 Natchez Street
New Orleans, LA 70130
504-810-6207

Barq Boutique Hotel
Biloxi, MS

Bill Smith
395 Chapman Road
Wytheville, VA 26382
276-620-6202

George Wythe Hotel
Ascend Collection
Wytheville, VA

Mitesh Patel
2432 Veterans Blvd.
Ardmore, OK 73401
405-388-7728

Holiday Inn Express
Duncan, OK

Richard Zentner
388 State Route 487
Bloomsburg, PA 17815
570-784-0111

Microtel Inn and Suites
Wilkes-Barre, PA

Sachin Patel
Diplomat Companies
2100 Parklake Dr NE, Suite A
Atlanta, GA. 30345
770-938-2060

116-rm Homewood Suites
Atlanta, GA

Anil Patel
Asutosh Group
220 Ponte Vedra Park Dr., Suite 140
Ponte Vedra Beach, FL 32082
904-493-9393

Holiday Inn
Kingsland, GA

Guy Curley, President
Hickory Hills Lodge LLC
22501 Iverson Drive
Great Mills, MD 20634
301-862-5246

MainStay Suites
Great Mills, MD

Anup Shah
Alpha Hotel Group
52 Riley Road, #421
Celebration, FL 34747
407-301-8165

Stadium Inn & Suites
Kissimmee, FL

Dr. Seth Lartey, Pastor
AME Zion Church
630 N. Patterson Ave
Winston-Salem, NC 27101
(336) 918-4994

Independent Resort
Black Mountain, NC

Louis Carbone
Coastal Design Development Group
90 SE 4 Ave, #1
Delray Beach, FL 33483
561-272-3419

Wyndham Garden Inn
Delray Beach, FL

Nick Patel
820 Lithia Road
Wytheville, VA 24382
276-620-9393

Holiday Inn Express
Wytheville, VA

Bridget Chisholm
BWC Consulting
802 Walker Ave, Suite 5
Memphis, TN 38126
901-435-1667

InterContinental Hotel
Greensboro, NC

Richard Zentner
388 State Route 487
Bloomsburg, PA 17815
570-784-0111

Country Inn and Suites
Mansfield, PA

Hon. L. Louise Lucas
1214 County Street
Post Office Box 700
Portsmouth, VA 23705
757-328-2966

Hampton Inn & Suites
Portsmouth, VA

Sanjay Patel
Diplomat Companies
2100 Parklake Dr. NE, Ste A
Atlanta, GA. 30345
770-938-2060

Best Western Suites
Candlewood Suites
Marietta, GA

Jeremy Earle, Exec Dir
Comm Redev Agency
100 W Dania Beach Blvd
Dania Beach, FL 33004
954-924-6800

Holiday Inn Express
College Park, GA
Hotel Indigo
Dania Beach, FL

Joseph Alexander
1175 Boston Road
Bronx, NY 10456
917-567-1798

Comfort Suites
Bronx, NY

Sam Patel
12175 Mariposa Road
Victorville, CA 92395
760-963-2820

207-room Hilton Garden Inn
Bronx, NY
71-room Holiday Inn Express
Victorville, CA

Al Hill
Hillcrest Development
1315 Franklin Grove Rd, #110
Dixon, IL 61021
815-288-4672

Country Inn and Suites
Pelham (Birmingham), AL

Asrar Khan, President
Khan Hospitality Inc.
411 E. Huntington Dr., Suite 215
Arcadia, CA 91006
626-254-9500

Radisson Hotel
Gladstone, MO

Dr. Keith Newby, M.D.
Newby Enterprises LLC
400 Gresham Drive, Suite 507
Norfolk, VA 23507
757-719-0060

Hyatt Place
Suffolk, VA

Jas Ahluwalia
1922 South Breeze Drive
Orlando, FL 32836
407-363-4496

Holiday Inn Express
Palatka, FL

Don Rodgers, SVP
Compass Bank
321 Belleaire Blvd, 2nd Floor
Mobile, AL 36606
251-470-7467

60-room La Quinta Inn and Suites
Malbis, AL

Jeff Moyle, Vice-President
Moyle Construction and Development, Inc.
46702 Highway M-26
Houghton, MI 49931
906-482-3000

Country Inn and Suites
Grand Haven, MI

Blaise Holzbauer
Willow Valley Resort
2416 Willow Street Pike
Lancaster, PA 17602
1-800-444-1714

DoubleTree Hotel
Lancaster, PA

Matthew Bedosky
581 Harry L Drive
Johnson City, NY 13790
607-770-9333

La Quinta Inn
Verona, NY

Tom Bauer
Bauer and Company
625 St. Charles Ave., #1A
New Orleans, LA 70130
225-939-2680

1. Country Inn and Suites
Natchez, MS
2. Indigo Hotel
New Orleans, LA

Dinesh Patel
5226 Kingsford Court
West Chester, OH 45069
513-259-7040

1. Hilton Homewood Suites
Mason, Ohio
2. Holiday Inn Express Hotel & Suites
Mason, Ohio

John McGraw
37 Deer Park Road
Manitowish Waters, WI 54545
715-904-0020

Condominium Hotel
Manitowish Waters, WI

Maurice Snipes
395 Franklin Street
Bloomfield, NJ 07003
973-445-1933

MainStay Suites
Newark, NJ

Steve Benjamin
700 Gervais Street, #300
Columbia, SC 29201
803-227-2236

Sleep Inn and Suites
Columbia, SC

Jay Patel
1130 Motel Drive
Chipley, FL 32428
850-258-3302

Staybridge Suites
Dothan, AL

David Hauseman
Hauseman Group
1231 Collier Road, NW, #C
Atlanta, GA 30318
404-231-5900

1. Comfort Inn & Suites
Winfield, AL
2. Comfort Inn & Suites
Leland, MS
3. Country Inn & Suites
Greenville, MS



Office: 850-893-6010
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www.interimhospitality.com

Edward L. Xanders, CHA, President

4145 Yardley Circle, Tallahassee, FL 32309-2942

Interim Hospitality Consultants Offers a Wide Array of Hospitality Services for Your Firm.

MANAGEMENT ASSISTANCE

1. *Hotel Operations*: General Manager of any size property/development at any location.
2. *Quality Assurance Programs*: Independent evaluation.
3. *Yield Management*: Maximize room revenues from an hourly to a seasonal basis.
4. *Front Office/Reservation Systems Training*: From the first customer greeting to night audit operations.
5. *Marketing Studies*: Formal studies to expose primary and secondary markets; personnel training.
6. *Human Resource Programs*: Position description, employee guides, wage and benefit reviews, task training.

OWNERSHIP ASSISTANCE

1. *Financial Operations Analysis* by department to maximize profits.
2. *Operations Manuals Consolidation* of your policies and procedures in compliance with state/federal laws and franchisee requirements.
3. *Litigation Support* with expert witness testimony.
4. *Anonymous Audits* of service and management standards.
5. *Lodging Realty Services* through Lodging Realty Services, LLC.
6. *Appraisal Services* through members of the Appraisal Institute of America.
7. *Mortgage Brokerage Services* for real estate financing.

DEVELOPMENT ASSISTANCE

1. *Feasibility Studies*: Authored over 600 franchisor and lender approved studies for over 60 brands.
2. *Impact Studies* to determine from a third-party standpoint the effect of new hotel development.
3. *Architectural Reviews* from a Hotel Operations perspective to eliminate errors and increase productivity.
4. *Remodeling Coordination* from project review to oversight management, including design, purchasing and installation.
5. *Construction Coordination*: Coordinating the efforts of the architect, general contractor, franchisee and ownership from a daily or project review perspective.
6. *Pre-Opening Management Functions* Includes permits/licensing, FF&E installation, punch lists, staffing, training and marketing.

Edward L. Xanders, CHA, President, Broker
Kim Pedersen, Senior Research Analyst
George C. Banks, Senior Research Analyst



American Hotel Lodging Association
Extended-Stay Hotel Council, AHLA
International Association of Hospitality Advisors
National Association of Black Hotel Owners, Operators and Developers
Asian American Hotel Owners Association, authored articles for AAHOA publications
National Association of Condo Hotel Owners
Latino Hotel Association
Superior Small Lodging of America
Florida Bed and Breakfast Association
Hotel Brokers International





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Tallahassee, FL 32309-2942
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Phone: 850-893-6010
Fax: 850-893-8345
Cell: 850-443-5010

**Hotel Properties Assisted by
Edward L. Xanders, CHA
Selected List**

1. ***Candlewood Suites, Tallahassee, Florida.***
Asset Management and Pre-Opening Management of the development of a 113-room extended-stay hotel.
2. ***Country Inn and Suites, Rose Hill, North Carolina***
Asset Management and co-ordinate the development of a Country Inn and Suites.
3. ***Comfort Suites, Suffolk, Virginia***
Asset Management in assisting the ownership (Temple Beth-El) in final negotiation of franchise and management company contracts.
4. ***Wingate Inn, Lynn Haven, Florida***
Pre-Opening and Management Contracts
In 2005 Lodging Management Services was awarded the Pre-Opening and Hotel Management Contracts for the Wingate Inn, Lynn Haven (Panama City), Florida. Market Research dictated that the 68-room hotel be positioned as a Boutique Hotel with upgraded bedding, amenities and an Aquatic Center to meet the local competition. Within 65 days of opening, the property had obtained parity within its Competitive Set at 98.6% RevPAR.
5. ***Staybridge Suites, Tallahassee, Florida***
Asset Management Contract
Assisting the Project Developer as the Asset Manager in all phases of Pre-Opening, Architectural, Interior Design; Furniture, Fixtures and Equipment purchasing of the 104-unit Staybridge Suites Hotel. Total development cost estimated at \$17 million.
6. ***Suburban Extended Stay Hotel***
Pre-Opening and Management Contracts
Conversion of the 120-room exterior-corridor, two-story transient hotel into an Extended-Stay Hotel with an appraised value of \$6 million. Through innovative design, a standard 12'x23' room was adjusted to include a sleep/sofa, desk with ergonomic chair and armoire with a 27-inch television living area. Queen-sized bed with double night stands, sleeping space, Kitchen area of two-seat dining table with wall sconce, 12-cubic-foot, 2-door refrigerator with ice maker, full-size dishwasher, 19"x17" sink with disposal, two-burner cook top, full-size

microwave hood and cabinets; dressing area of double rack closet shelves, vanity with framed mirror. Annual Occupancy of 80% was achieved within seven months of opening.

7. ***Holiday Inn and Suites, Russellville, Alabama***

Complete direction of all pre-opening activities for a six-week period.
Expert Witness for Comfort Suites, Decatur, Alabama.

8. ***Desert Pearl Inn, Springdale, Utah, at Zion National Park***

Recruitment of a new General Manager. Perform a Quality Assurance Review. Review Front Office Procedures to effect maximum Yield Management and Internal Controls. Review all Reservation Procedures; all Marketing Programs; all Human Resource Programs. Analyze prior Financial Reports to maximize profitability. Review all Operations Manuals, Policies, and Procedures for compliance with state/federal statutes and industry standards. Perform an Anonymous Audit of Reservations, and Management Operations.

9. ***Proposed Comfort Suites, Naples, Florida***

Performed all Market Research with Franchise and Design recommendations on the proposed hotel development.

10. ***Park Central Inn, Ft. Worth, Texas***

Hotel Market Analysis, Quality Assurance, Evaluation, Recruitment of a General Manager to reposition an independent hotel in downtown Ft. Worth, Texas.

11. ***The Tides Inn, Norfolk, Virginia***

Quality Assurance Evaluation to reposition the property in the market place.

12. ***Ramada Limited, Gainesville, Florida***

Assisted the first-time hotel owner with final remodeling requirements of converting a 100-room independent motel. Purchased and directed the installation of FF&E. Held Training Classes for all employees on the new Franchise programs. Revisited the property on four occasions to assist management to successfully complete a Quality Assurance Evaluation and Programs to pass a Franchise Inspection.

13. ***Days Inn, Baltimore (Glen Burnie), Maryland***

Was Interim General Manager and coordinated the changing of a 130-room Holiday Inn into a Days Inn during the first 6 weeks under new ownership.

14. ***Holiday Inn, Statesboro, Georgia***

As Interim General Manager, had complete authority in implementing a \$300,000 Property Improvement Program over a 4- month period to successfully pass a Holiday Inn Corporate Inspection in the 129-room hotel.

15. ***Holiday Inn Express, Bainbridge, Georgia***

Authored the Feasibility Study, presentation before lenders, assisted with the architectural design, specifications, bidding and installation of furniture, fixtures, and equipment for the 50-room motel. Interim General Manager on two occasions to re-market position the motel to pass Franchise inspections.

16. ***Ramada Inn Southeast, Nashville, Tennessee***

On two separate occasions, conducted Hotel Market Analyses, Sales Training of new Marketing staff, Quality Assurance Evaluation, Developed new Market Sales leads of potential room sales of over \$750,000 per year.

17. ***Sleep Inn, Nashville, Tennessee and
Comfort Inn and Suites, Goodlettsville, Tennessee***

Innovative Preconstruction Design Recommendations

18. ***Comfort Inn, Cairo, Georgia***

Successfully petitioned city council for revision to city ordinance regulating sale of liquor by the drink. Authored Feasibility Study, selected Franchise, architectural design input of 75% of the project, reviewed general contractor bids and purchased all operational supplies. Coordinated all FF&E installations. Completed final punch lists. Selected, hired, and trained all management and staff. Directed all Pre-Opening Marketing for the 50-room, 80-seat restaurant, 60-seat lounge.

19. ***Best Western, Nashville, Tennessee***

Innovative Preconstruction Design Recommendations

20. ***Howard Johnson, Windsor, Ontario, Canada***

Marketing and Site Review prior to purchase decision.

21. ***SouthGate Campus Centre, Tallahassee, Florida***

The upscale luxury student residence of 268 rooms also had a cafeteria, ballroom, food court (6 national franchises), convenience store, bookstore, copy center, hair salon, dry cleaner, sports lounge, fitness center, and a computer lab. Developed all pre-opening brochures, video tapes and collateral materials. Directed all public relations, direct mail campaign, and sales solicitations as the Marketing Director.

22. ***Weatherspoon Guest House, Apalachicola, Florida.***

Directed the total redesign of 70-year-old antebellum house into a 4-room bed and breakfast inn. Specified bids and purchased all FF&E.

23. ***Shoneys Inn, Thomasville, Georgia***

Designed lobby, front office, and housekeeping facilities for the 100-room motel.

24. ***Hilton Hotel and Convention Center, Macon, Georgia***

Project coordination on the \$9 million property rebuilding. Coordinated the efforts of the owner (life insurance company), franchisor, management company, general contractor, architect, and interior designer while keeping the 306-room, full-service hotel open over a 15-month period.

25. ***Hilton Hotel, Tallahassee***

As General Manager, directed a multimillion-dollar renovation program to the Coffee Shop, Front Desk, Lobby Bar, Show Lounge, and all Guest Rooms of the 246-room, full-service hotel.

26. ***Hilton Hotel, Augusta, Georgia***

Coordinated the design and construction of an indoor pool/health facility and guest room renovation for the 210-room, full-service hotel.

27. ***Powdermill Inn, Bessemer, Michigan***

As General Manager, provided design input into guest rooms, food and beverage, lobby, and front desk for the 55-unit condominium ski resort.

28. ***Hilton Hotel, Sioux City, Iowa***

Coordinated all FF&E installations, hired and trained the management and staff of the 200-room, full-service hotel.

29. ***Sheraton Inn, Dallas, Texas***

Six months prior to opening, named restaurant and lounge, purchased interior decor, coordinated all FF&E installations, hired and trained management and staff for the 150-room, full-service hotel.

30. ***Registry Hotel, Dallas, Texas***

Responsible for obtaining all occupancy permits and licenses four months prior to the opening of the 250-room, full-service hotel.

31. ***North Shore Inn and Suites, North Myrtle Beach, South Carolina***

Hotel Operations Contract of the 80-room reflagged Wingate Inn.

TOOLS:

Hospitality industry courses and programs of the Educational Institute of the American Hotel Lodging Association are used as needed if franchisee materials are unavailable. The Uniform System of Accounts is utilized in all accounting, along with programs from the National Restaurant Association in Food and Beverage operations. Our personnel are trained and screened in leading hotel computer systems.

AVAILABILITY:

The availability of short-term management, by the very nature of the work, involves short notice. However, all engagements are scheduled to insure that all tasks are 100% completed in a timely manner.

TIMETABLE:

All engagements have a predetermined and approved duration ranging from two weeks to six months, depending on the scope of the work.

FEES:

All fees are negotiated according to the scope of the engagement and include rate, expenses, and payment schedule.

NOTES:

**Top 20 Hotel Consulting Firms
Since 2006**



Edward L. Xanders, CHA, *President*
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Tallahassee, Florida 32309-2942
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Fax: (850) 893-8345
Cellular: (850) 443-5010
www.interimhospitality.com
ihcex@comcast.net



Letter of Agreement

for

FEASIBILITY STUDY

This is a Letter of Agreement for a Feasibility Study to be provided to Chuck Bell, Director Planning and Development for the City of Lockport at One Locks Plaza in Lockport, NY 14094 (the Client), and to be conducted by Interim Hospitality Consultants, Tallahassee, Florida.

Hotel Location

The Client has proposed a Feasibility Study for the development of a Market-Driven Hotel in Lockport, New York.

Purpose of the Market analysis

Interim Hospitality Consultants will develop a professional independent hotel market analysis to evaluate current and projected market conditions that will affect the operation and market position of the proposed Hotel. The objectives of the IHC study will be to:

1. Evaluate the market potential of the proposed hotel, based on an analysis of the market support for lodging facilities on the site.
2. Project levels of market penetration, occupancy and average room rate for the hotel for the first five years of operations
3. Comment on the appropriate number, types and sizes of guest rooms, food and beverage facilities, meeting rooms and other amenities which would best serve the needs of the market.
4. Prepare detailed projections of cash flow from operations, before fixed charges, for the hotel for the first five years of operation.

5. Provide a written report containing the conclusions of the IHC Feasibility Study presenting the financial projections for the proposed mixed-use development.

1. Market Analysis

The market analysis for the proposed hotel will include a variety of steps designed to determine trends in the demand for hotel rooms. Cumulatively, these steps will enable IHC to comment on the overall market potential for a lodging facility on the site.

Interim Hospitality Consultants will conduct an analysis of the site and the surrounding area to evaluate their impact on future lodging trends, IHC will investigate such factors as ease of access to the site, visibility, the supportive nature of surrounding land use, and planned developments in the proposed hotel's market area.

Interim Hospitality Consultants will investigate trends in economic and demographic factors in the general market area to determine the economic environment within which the hotel would operate as well as likely market sources and generators of demand. Particular attention will be given to those economic indices which would be most relevant to the success of the hotel.

The supply and demand analysis will be designed to identify trends in the supply of and demand for rooms on both a general and competitive market basis and to project the future supply and demand situation.

Interim Hospitality Consultants will develop a census of the competitive hotel facilities in the market area as well as those under construction, or announced. The census will encompass the proposed hotel's market area in general, but more detailed information will be developed on properties considered to be competitive with the proposed hotel. To the extent that the information is available, the census will include the following factors:

- Location
- Number of rooms
- Published room rates
- Annual and seasonal/daily occupancy patterns
- Market mix of guests
- Type and class of food, beverage and meeting facilities
- Other amenities offered

Interim Hospitality Consultants' analysis will be oriented toward determining the strength and growth of available markets, trends in occupancy patterns, utilization levels, and factors important to the success of comparable lodging facilities.

Based on the information obtained, IHC will reach market conclusions regarding the proposed hotel as follows:

1. Determine the current overall market demand for rooms in the competitive market area and the share of market demand that is generated by commercial travelers, tourists, meeting delegates, and any other identifiable source. IHC will estimate the extent to which the proposed hotel could penetrate local market demand for lodging accommodations.
2. Comment on the appropriate mix and type of guest rooms, food and beverage facilities, function/meeting rooms and other amenities that would best serve the needs of the market.
3. Project the potential utilization of the proposed hotel, IHC will project annual occupancy rates, average room rates, and the market mix of guests for a five-year period.

II. Financial Analysis

Annual projections of cash flow from operations before fixed charges will be prepared for the first five operating years. Interim Hospitality Consultants' projections will be presented in current year's (inflated) dollars. Bases for the financial projections will be made explicit in the financial section of the written report.

III. Written Report

Interim Hospitality Consultants will present a written report containing findings and recommendations concerning the proposed project. Interim Hospitality Consultants warrants that the report will be prepared in accordance with industry standards for such reports. Though the exact format of the report will evolve as the engagement progresses, the following topics will be discussed:

- Market Area Analysis
- Site Location and Evaluation

- Supply and Demand Analysis
- Proposed Facilities and Services
- Projected Utilization
- Financial Analysis

Interim Hospitality Consultants will not ascertain the legal and regulatory requirements applicable to the project, including zoning, other state and local government regulations, permits and licenses. Further, no effort will be made to determine the possible effect on this project of present or future federal, state or local legislation, including any environmental or ecological matters, or an analysis of the potential impact of possible energy shortages.

Interim Hospitality Consultants projections will be based on estimates, assumptions and other information developed from research of the market, knowledge of the industry and meetings with you and other partner(s), if needed, during which IHC will be provided with all pertinent information. The sources of information and bases of the estimates and assumptions will be stated in the written report. The terms of this engagement are such that IHC will have no obligation to revise the written report or projected results to reflect events or conditions which occur subsequent to the date of the written report. However, IHC will be available to discuss the necessity for revision in view of changes in the economic or market factors affecting the proposed project.

The projections will be based on estimates and assumptions developed in connection with the market study. However, some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the projection period will vary from the projections, and the variations may be material.

Interim Hospitality Consultants Feasibility findings and projections are intended solely for the Client and in support of an application with a lending institution for financing of the proposed hotel. They may also be submitted to a hotel franchisor or management company in order to generate interest in licensing or managing the property or to a lending institution in support of an application with a lending institution for financing of the proposed hotel; and should not be relied on for any other purpose. The report will contain a statement to that effect. Otherwise, neither the report, the projections nor their contents are to be referred to or quoted

in any registration statement, prospectus, loan or other agreement or document without prior written consent from IHC.

Communication

During the course of the Feasibility Study, Interim Hospitality Consultants has planned for two meetings with the Client.

1. At the beginning of the engagement to inspect the sites, discuss the plans for the proposed hotel, and discuss any additional guidelines which are important to the study.
2. At the end of the market analysis, or after the draft financial analysis, to discuss the findings and conclusions.

All written correspondence will be delivered by overnight courier.

Four copies of the Feasibility Study signed and bound, and one electronic copy, will be provided to the Client for his use. Additional copies may be obtained at reproduction cost.

Fees and Time Table

Based on the scope, the work outlined and our 30 years of experience in the Hospitality Industry, we submit our consultation fee of \$4,500, plus expenses, for the Feasibility Study:

Retainer with signed Letter of Agreement	\$2,000
Balance due with Final Report	\$2,500, plus expenses

As of this date, we are also submitting a proposal for a Feasibility Study in North Tonawanda, NY. If the Field Research for that study can be performed simultaneously with the Field Research for this Study, the business expenses for both projects will be split with the other city. At the completion of this project the Client will be sent the Conclusions Section of the Market analysis and invoiced for payment in full for this project. Upon receipt of such payment, the Market analysis will be forwarded to the Client. Payment may be made by check or money order.

Possibly during the course of the study, findings may lead Interim Hospitality Consultants to a negative conclusion concerning the market support for the proposed mixed-use development,

IHC will so advise you to discuss the findings. If the decision is then made to discontinue the study, IHC's fee will be a one-week consulting fee rate of \$3,500, plus out-of-pocket expenses to that date, against which your advance retainer will be applied.

Notwithstanding the provisions contained in this Letter of Agreement, it is hereby understood and agreed that the individual accepting this Letter of Agreement by signing the same shall be personally responsible to Interim Hospitality Consultants for all costs and expenses set forth herein and incurred by Interim Hospitality Consultants in the execution of its duties and responsibilities hereunder and the total cost of collection of such fees and expenses, including attorney fees at all levels.

Submitted by:

Interim Hospitality Consultants

Accepted by:

City of Lockport, NY



10/10/14

Edward L. Xanders, CHA
President

Date



Chuck Bell
Director of Planning & Development

Date

APPENDIX

Niagara USA, 2014 Travel Guide, “See Niagara Up Close and Powerful” published by Niagara Tourism and Convention Corporation.