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April 10, 2025

Mr. Peter Carr
City Manager
City of Orland
815 Fourth Street
Orland, CA 95963

Email: citymanager@cityoforland.com

Re: Proposed Hotel, Orland, CA

Dear Mr. Carr:

In accordance with Component 1 of our proposal, the following letter summarizes our findings, conclusions, and recommendations relative to the development of a hotel in Orland, California.

Our findings and conclusions are based upon our present knowledge and information with respect to economic and demographic data, room night demand sources, and the status of the competitive hotel market at the completion of our fieldwork and analysis in March and April 2025, respectively.

Preliminary Conclusions

Based on our review and analysis of the competitive trade area, as well as current and prospective hotel supply and demand trends, we are of the opinion that there is ***sufficient market support*** for the development of a 90-unit hotel in Orland, California.

Based on our preliminary discussions and analysis, the location of the subject site, as well as available hotel brands, we are of the opinion that a *Fairfield Inn and Suites* (*Marriott*) is the best product and brand to develop on the site given its proximity to key area demand generators and amenities, as well as the expanding residential base in Orland. Further, 90 units is the recommended room count based on the sizing of other properties in the market, current and prospective demand levels, fill patterns, and seasonality.

Other brands considered for the site included *TownePlace Suites by Marriott, Home2 Suites by Hilton, Hampton Inn by Hilton,* and *Tru by Hilton.* All of these would be viable brands for the market and site. However, given the fact that Orland and this section of the Interstate 5 (I-5) corridor has not witnessed any new (nationally-branded) hotel development for some time, we concluded that the strength and popularity of the *Fairfield* brand would mitigate any perceived financial and investment risk associated with the project by prospective developers, and be able to effectively attract both transient and group demand. Additionally, the strong, internationally-recognized branding of *Marriott* will allow it to achieve above fair share penetration levels in terms of occupancies, average room rates, and RevPARs against its competitive set. Likewise, its affiliation with the *Marriott Bonvoy* loyalty program gives this brand another competitive advantage.

Additionally, and in accordance with our proposal, we evaluated three potential sites/areas for hotel development. Based on that review, the preferred site for hotel development is the one immediately adjacent to the *Starbucks* (known as Site 1). Site 1 offers the best site ambience, as well as proximity to several area amenities, and is easily accessible to I-5. It should be noted that all three sites/areas were located in close proximity to Exits 619 or 618 of I-5, and as a result, they offer very similar characteristics and levels of access and visibility, which prospective developers may view differently in the future, depending upon surrounding development trends or infrastructure enhancements.

With that said, we estimate that a 90-unit *Fairfield Inn and Suites by Marriott* developed on Site 1 can achieve a stabilized occupancy level of 75 percent at an average daily room rate of $147.00, assumed to be the 3rd year after opening, or 2030. This equates to a RevPAR of $110.25 (expressed in 2025 dollars). These performance indicators translate to total revenue and EBITDA After Reserve of $3.7 million and $1.02 million, respectively.

Project Summary & Projected Stabilized Operating Results (in Current Value $)	
Subject Property	Proposed Hotel
No. of Rooms	90
Estimated Opening Date	1st Quarter 2028
Occupancy	75%
ADR	$147.00
RevPAR	$110.25
Total Revenue	$3,728,000
EBITDA After Reserve	$1,023,000

Source: REV*PAR* International, Inc.

A market penetration, full pro forma operating statements, and a DCF valuation are included in the *Addenda*. We suggest that you compare these financial results against estimated development costs, which we can prepare for you if you so desire, to ensure that they will be sufficient to entice private sector interest in the project.

The balance of this letter summarizes our findings and conclusions in support of the above.

Overview of Potential Hotel Development Sites

The city of Orland put forth seven sites for potential hotel development, which we then (per our agreement) distilled to the following three sites/areas as having the best potential for hotel development:

- Site 1 – *Starbucks* site;
- Site 2 – Westside of I-5 at Exit 619; an area that represents a collection of potential sites for development both to the north and south of Newville Road near the existing *Pilot Travel Center* truck stop; and
- Site 3 – A very large parcel of land (roughly 80 acres) to the immediate west of I-5 at Exit 618.

The aerial to the right identifies the location of the three potential hotel sites.

The three sites/areas under consideration for hotel use are located at the two major exits along I-5, the major thoroughfare in the market, which connects the entire west coast from Canada to Mexico and generates considerable transient room night demand. A huge cluster of agricultural demand generators are also spread throughout Orland and neighboring cities. Furthermore, both transient and group leisure demand generators are also located throughout the market so demand is emanating from all directions.

In order to evaluate the three site locations, we prepared a site matrix that ranks each site against the others relative to nine primary factors associated with successful hotel development, where success is defined as achieving above average top line performance (occupancy, ADR, RevPAR) relative to a defined competitive set. Essentially, the matrix establishes the best site by identifying the specific factor (inclusive of pertinent market factors, coupled with any unique criteria), assigning a weight to it based on parameter importance, ranking each site against the other, and aggregating the scores (with the ***highest score*** establishing the best site). The following table summarizes the results of this analysis.

Site Matrix for Proposed Hotel – Orland, CA							
Parameter	**Importance**	**Site 1** ***Starbucks*** **Site**		**Site 2** ***Exit 619 – Westside I-5***		**Site 3** ***Exit 618 – Westside I-5***	
		Site Rank	**Score**	**Site Rank**	**Score**	**Site Rank**	**Score**
Proximity to Demand	3	2	6	2	6	2	6
Proximity to Area Amenities	3	3	9	2	6	1	3
Proximity to Leisure Attractions	2	2.5	5	2.5	5	1	2
Surrounding Ambiance/Site Aesthetics	2	3	6	1.5	3	1.5	3
Ease of Overall Development (adequate parcel size)	2	2	4	2	4	2	4
Ease of Overall Development (ability to acquire and develop)	2	2	4	3	6	1	2
Ease of Access	1	2.5	2.5	1	1	2.5	2.5
Distance to Major Airport	1	2	2	2	2	2	2
Overall Visibility	1	3	3	1.5	1.5	1.5	1.5
	Total		**41.5**		**34.5**		**26.0**

Importance Ranking: 3 - Most Important; 2 - Important; and 1 – Less Important
Score Ranking: 3 - Best -- 1 – Worst; if two scores are equal (i.e., 1.5 or 2.5), the two sites are considered equal.
The highest score establishes the best site.
Source: REV*PAR* International, Inc.

All sites are privately owned, and thus will need to be acquired by the potential developer or the city in order to pursue hotel development.

Given that the three sites are located within a short distance of each other along I-5, all are ultimately conducive for hotel development. However, our review of the available sites indicates that the preferred site location is Site 1 for the reasons mentioned above. Additionally, several amenities are located proximate to Site 1 including *Starbucks, Subway, Burger King, Blue Plate Special Trattoria, Benji's, Farwood Bar and Grill,* and the *I-5 Café*, to name a few. In speaking with hotel development representatives and area hotel managers, this site is preferred given its ease of access from I-5, proximity to existing amenities, the downtown market, good visibility, and the ability to develop complementary amenities on surrounding parcels such as retail and full-service restaurants. This effectively elevated Site 1 over the others provided, including Sites 2 and 3.

Regarding Site 2, while close to the truck stop, it is located a bit further from amenities and has some existing issues with site aesthetics. Site 3 at Exit 618 does not offer as robust an amenity base as Exit 619 and is currently farm land with surrounding residential, which is why it ranks at the bottom of our evaluation.

As a result, the balance of our study assumes Site 1 as the development site for the hotel.

Area Review

The city of Orland is situated in northern California, within Glenn County, and is the county's largest city. Known as the "Queen Bee Capital," the city ships almost one half a million bees around the world and has deep roots in food production and agriculture, with over 1,100 farms spanning more than 480,000 acres, which sustains the local economy. Orland is located in the Sacramento Valley and is conveniently positioned along I-5, the major north-south highway connecting the region to both Northern and Southern California, and supporting roughly 55,000 to 65,000 vehicles per day (with roughly 25 percent of that total considered commercial vehicles and semi-trucks), a figure that has steadily increased over the last five years.

The city is located approximately 100 miles north of Sacramento and 157 miles northeast of San Francisco. Additionally, the city is within close proximity to the agricultural hubs of Chico and the surrounding farming regions. Orland has also been designated as an "Opportunity Zone," a federal program that offers tax incentives to investors who hold their investments for five to 10 years, creating the potential for increased activity in the area.

It should be noted that this area of the country is prone to large wildfires that have occurred erratically throughout the market over the years, with the most recent being the 2024 *Park Fire*, which burned from July to September of 2024 just east of Chico, causing significant damage and destroying over 429,000 acres and numerous homes. These types of fires can cause temporary increases in hotel occupancies as companies and agencies focused on remediation and renovation of these communities fill hotel rooms, along with displaced residents and businesses during the recovery periods.

Economic/ Demographic Indicators

According to *Woods & Poole Economics*, from 2014 to 2024, the Glenn County economy has grown minimally in all major economic indicators, including population (0.4 percent), retail sales (2.9 percent), and employment (0.6 percent). These compound annual growth rates are in line with or slightly trailing the rates of growth experienced across the state of California and the nation as a whole. The rate of unemployment has been decreasing in Glenn County from 10.8 percent in 2014 to 6.3 percent in 2024, which is significantly higher than the state of California and the nation. A table with the pertinent economic and demographic trends for the county, state, and the U.S. is provided in the *Addenda*.

Demand Generators

Glenn County benefits from a strong agricultural base, which serves as one of the largest room night demand generators in the market. The region's warm summer climate and fertile soil provide favorable conditions for crops such as almonds, walnuts, rice, and dozens of other crops. Agriculture has continued to be one of the strongest industries within Glenn County with the gross production value in agricultural commodities amounting to over $710 million in 2023 (latest data available), up 22 percent from the previous year, per the *County of Glenn Department of Food and Agriculture*. In addition to the above, a large water reclamation project is due to begin in 2026. The 10-year long *Sites Reservoir* project will generate significant hotel demand and economic impact for the region over that time. The project is being completed roughly 35 miles to the southwest of Orland near the city of Maxwell.

Orland attracts seasonal and extended-stay travelers associated with harvesting, processing, and distribution activities. The demand for lodging increases during key agricultural periods, especially during the almond harvest in late summer to early Fall and rice harvest in the Fall. Agricultural companies operating in the area include *Baugher Ranch Organics, TM Duche Nuts, Omega Walnuts, Capay Farms, Riverwest Processing,* and *Olivarez Honeybees,* to name a few. *Baugher Ranch Organics* recently opened a ready-to-eat packaging and pasteurizing facility, and completed a 30,000-square foot automated production facility to enhance efficiency, consistency, and product quality.

Given the significant amount of commercial vehicle traffic along I-5, the area between Willows (15 to 20 minutes) to the south and Corning (15 to 20 minutes) to the north, supports several large truck stops such as *Pilot, Loves,* and *Petro Travel Centers.* These outlets serve as a vital stop for long-haul truckers and travelers, and in some instances generate base room night demand for area hotels in the form of locally negotiated accounts.

The *Orland Airport Industrial Park* is a 65-acre commercial and industrial development located directly east of the *Orland Haigh Field Airport* in Orland. The industrial park currently offers an *Amazon* warehouse, which serves as a fulfillment center and opened in 2022 with roughly 150 employees.

Other demand generators include the *Rolling Hills Casino Resort and Golf Club, Glenn County Fair,* and the *Black Butte Lake* recreational area, which offers a variety of outdoor recreational activities. Located seven miles west of Willows is the *Thunderhill Raceway Park,* one of the top road racing tracks in Northern California and a premier motorsports facility known for hosting a variety of racing events. The racetrack attracts approximately 92,000 visitors annually with around 74,000 attendees traveling from outside Glenn County, per the *Center for Economic Development* at *California State University.* Beyond this, and closer to Exit 618 off I-5, at the intersection of South Street and Cortina Drive near the *Grocery Outlet* shopping mall, several small medical facilities and a senior apartment facility are proposed for development.

Finally, the city of Chico, which is situated roughly 20 miles east of Orland, serves as a central economic hub for the region. The city is home to *California State University – Chico, Butte College,* and the *Enloe Medical Center,* which recently celebrated the groundbreaking for its new $154 million *Gonzales Comprehensive Cancer Center*, set to open in the Summer of 2026. Chico also serves as a key retail and shopping destination for neighboring towns such as Orland, Corning, and Willows, drawing visitors for a variety of consumer services. As the hub of economic and educational activity, Chico continues to be a critical player in the region's growth and development.

Conclusion

Based on our review of the market's economic indicators, as well as discussions with individuals familiar with the local economy, the underlying catalysts for growth are present moving forward, so positive market growth should continue into the foreseeable future, barring any unforeseen natural, economic, or political events. In response, hotel demand is anticipated to parallel these trends.

Competitive Lodging Market

Based on our research and interviews, we identified 11 hotels (listed in the table to the right) that will represent varying levels of competition to the subject hotel. These properties are considered competitive, to varying degrees, based on location, quality, facilities, chain-affiliation, room rate structure, and/or market orientation. We further split the hotels into primary and secondary sets, with the primary hotels located near the preferred subject site along I-5 between Willows and Corning, and the secondary set representing hotels located in Chico.

Competitive Supply

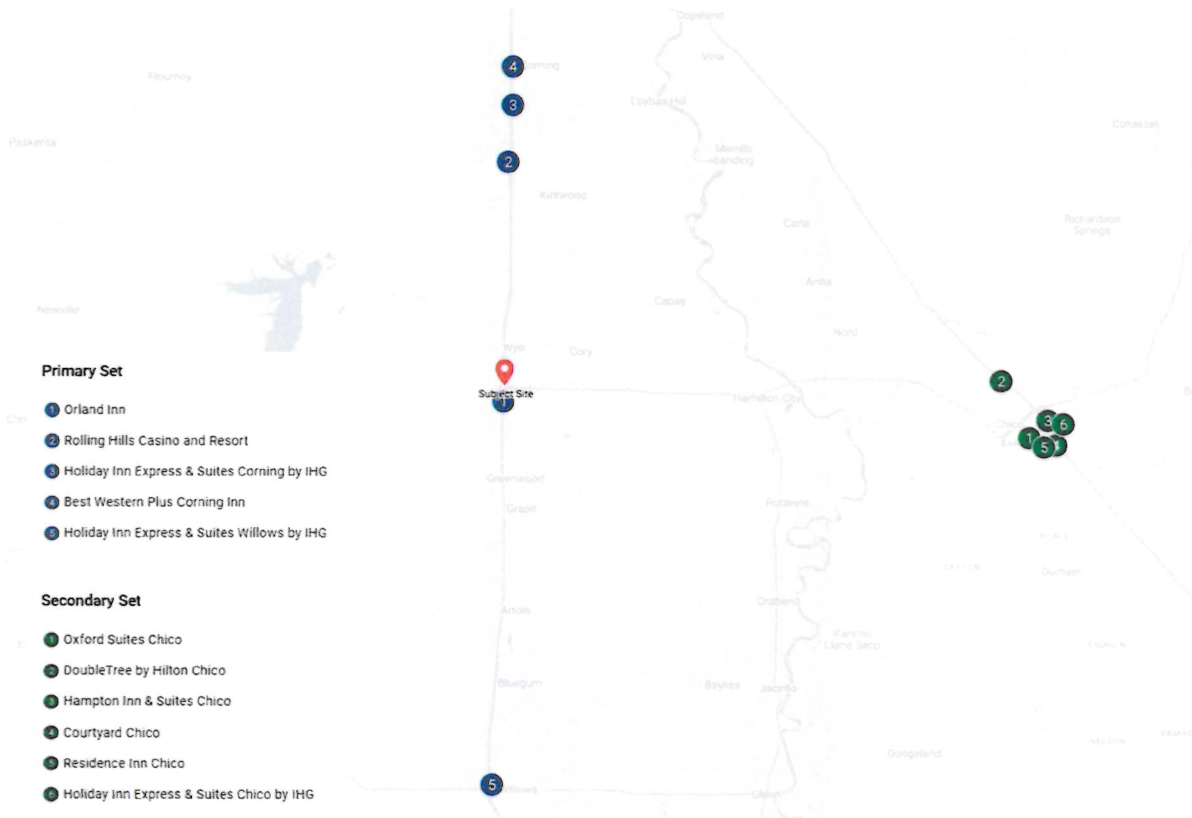
Competitive Hotels	Room Count	Opening Year
Primary Set		
Orland Inn	40	1985
Rolling Hills Casino & Resort	110	2004
Holiday Inn Express & Suites Corning	78	78
Best Western Plus Corning Inn	58	58
Holiday Inn Express & Suites Willows	62	62
Subtotal	**348**	--
Secondary Set		
Oxford Suites Chico	184	1994
DoubleTree by Hilton Chico	174	1974
Hampton Inn & Suites Chico	148	2022
Courtyard Chico	90	2005
Residence Inn Chico	78	2005
Holiday Inn Express & Suites Chico	93	2019
Subtotal	**767**	--
Total	**1,115**	--

Source: STR; compiled by REV*PAR* International, Inc.

In terms of hotel product, the subject hotel would compete most directly with the two *Holiday Inns & Suites* in Willows and Corning for room night demand that is generated along I-5 ,which includes extended-stay, corporate/leisure transient, and group demand. Within the immediate primary market, we excluded the lower-quality hotels, such as the *Quality Inn and Suites, Best Western Willows, Econo Lodge, Super 8,* and the *American Inn.*

Beyond this, there are no other higher-quality hotels available to potential guests in the Orland market. The *Rolling Hills Resort* has a small (quality) hotel component that performs very well, but is predominantly filled with casino guests, especially on weekends. Based on this and corresponding demand levels, we would conclude that there is currently a lack of high-quality contemporary lodging facilities in the market, which would indicate that any new hotel developed at the preferred site could benefit greatly by shifting existing market share from some of the current hotels.

Following is a map illustrating the location of the competitive set relative to the subject.



Historical Market Performance

A summary of the historical trends for the defined competitive set is provided in the following table.

Historical Operating Performance of the Competitive Market					
Year	Available Room Nights	Occupied Room Nights	Annual Occupancy	Average Daily Rate	RevPAR
2020	352,955	236,362	67.0%	$129.55	$86.76
2021	352,955	272,289	77.1%	$137.90	$106.38
2022	406,975	272,562	67.0%	$140.68	$94.22
2023	406,975	281,094	69.1%	$137.58	$95.03
2024	406,975	287,559	70.7%	$141.15	$99.73
CAGR (1)	**3.6%**	**5.0%**	**--**	**2.2%**	**3.5%**

Note: (1) Compound Annual Growth Rate.
Source: REV*PAR* International, Inc.

During the analysis period, hotel room night demand increased 5.0 percent on a compound annual basis, while supply increased 3.6 percent during the same period, leading to fluctuating occupancy levels between 67 and 77 percent. The decline in occupied room nights and market performance in 2020 was the result of the COVID-19 pandemic, but due to the hotels' location along I-5 and proximity to the base agricultural demand, the market did not witness as steep of a decline as other markets in the state. The market then rebounded above pre-pandemic levels in 2021, driven by a significant increase in leisure transient demand. Demand subsided minimally into 2022 as the leisure business declined slightly, and corporate and group demand rebounded but did not fully return. Occupancy further increased to 71 percent as of year-end 2024 boosted by ongoing growth in corporate demand along I-5, as well as displacement demand from the large *Park Fire*.

During the historical period, average daily rate (ADR) for the competitive set increased steadily, from $129 in 2020 to $141 for year-end 2024, representing a 2.2 percent compounded annual growth rate; however, the ADR has remained largely flat since 2021, the year following the COVID-19 pandemic, as most product has not been sufficiently renovated and is tired, making price gains difficult. The opening of the *Hampton Inn* in Chico helped push rate to an extent, but the market is also constrained by fire demand (which usually is accommodated at the $109 government per diem), as well as established negotiated rates with local educational institutions and corporate accounts. As well, increased price competition along the I-5 corridor has also been a factor regarding local pricing fundamentals.

Due to the increases in both occupancy and ADR during this period, RevPAR, a statistic that illustrates the performance of all available rooms, increased by 3.5 percent compounded annually during the same period.

Historical Market Segmentation

A summary of the historical market segmentation for the competitive set is provided in the following table.

Historical Market Mix for the Defined Competitive Set					
Market Segment	2020		2024		Compound Annual Growth
	Total Occupied Rooms	% of Total	Total Occupied Rooms	% of Total	
Commercial	55,790	24%	66,210	23%	4.4%
Leisure	113,873	48%	95,838	33%	(4.2%)
Group	32,883	14%	63,850	22%	18.0%
Extended-Stay	33,816	14%	61,662	21%	16.2%
Total	**236,362**	**100%**	**287,559**	**100%**	**5.0%**

Source: REV*PAR* International, Inc.

For year-end 2024, the market segmentation of the competitive set is 23 percent corporate transient, 33 percent leisure transient, 22 percent group, and 21 percent extended-stay. The growth in commercial and extended-stay demand is a result of the growing agricultural-related demand sources and housing base in the market, as well as the impact of the 2024 *Park Fire*, which drove extended-stay demand above historical levels. Moreover, a significant portion of the leisure transient demand is emanating from the interstate, which has declined since 2020 as it was leisure demand that increased significantly coming out of COVID-19, as many workers left the city for remote work and families took extended vacations. As a result, the hotels in the competitive set were well-positioned to grow demand and rate in line with increasing transient demand. Meanwhile, group demand has also increased during this time for largely the same reasons.

Seasonality

Room night demand in the market is moderately seasonal with occupancies typically declining from November through February due to declines in leisure transient and group demand because of the colder weather. July through October are the strongest months due to increased leisure and group demand, most notably in the months of August and September and during harvest seasons. The steady presence of agricultural demand due to year-round activities in the market serves to somewhat mitigate the impact of seasonality.

Future Additions to Supply

During our research and analysis, we identified one new hotel project, besides the 90-unit subject hotel, planned within the defined competitive trade area. The company that owns the *Oxford Suites* is developing the 112-room *Hotel Katerina* adjacent to their *Oxford Suites* hotel along State Route 99 in Chico. However, this project is expected to be only minimally competitive with the subject hotel due to its more upscale market positioning and lack of brand affiliation.

We were made aware of a few rumored hotel projects planned in the city of Willows; however, they were not included in our market analysis due to their highly speculative nature and the low probability of coming to fruition. Examples include a 94-room *Hampton Inn* (local developer), 107 room-*Towneplace Suites by Marriott* (*Kumar Holdings*), and a 100-room *Home2 Suites* (*Kumar Holdings*). All of these were rumored to be developed at Exit 603 in Willows. Still, given that the majority of these rumored projects are with *Hilton*, it became one of many factors in our decision to recommend *Marriott*.

With the foregoing in mind, we estimate a net increase of 202 new rooms, which reflects the addition of the subject hotel and the *Hotel Katerina* to the competitive set by 2028 and an 18 percent increase to the defined competitive supply. Should other projects be developed, they could impact the subject hotel's estimated performance.

Supply and Demand Projections

Future growth in room night demand for the competitive set is based on historical trends, coupled with future growth prospects of the local economy. We expect new growth to be driven by the continued expansion of local agricultural facilities, as well as the ongoing 10-year *Sites Reservoir* dam reclamation project. We also considered the continued growth of the local residential market throughout the region. Additionally, a portion of the anticipated growth in room night demand is a result of latent demand associated with the opening of new hotel supply in the market, inclusive of the subject. The following table summarizes the future supply and demand growth for the competitive set.

Summary of Future Supply and Demand Growth					
Year	Supply		Demand		Market Occupancy
	Room Nights	% Change	Room Nights	% Change	
2024	407,000	0	287,600	2.3%	71%
2025	427,400	5.0%	298,300	3.7%	70%
2026	447,900	4.8%	310,000	3.9%	69%
2027	447,900	0	318,000	2.6%	71%
2028	480,700	7.3%	333,200	4.8%	69%
2029	480,700	0	339,200	1.8%	71%
2030	480,700	0	343,300	1.2%	71%
CAGR (1)	**2.8%**	--	**3.0%**	--	--

Note: (1) Compound Annual Growth Rate.
Source: REV*PAR* International, Inc.

Between 2024 and 2030, the hotel market is projected to increase by an average of 2.8 percent annually, or by roughly 73,700 annual available room nights. During this period, occupied room night demand captured by the competitive hotels is projected to increase at a compound annual rate of 3.0 percent, or by approximately 55,700 room nights. As a result, market occupancy is expected to decrease to 69 percent in 2026 as the market absorbs these new rooms. It then increases and restabilizes at 71 percent in 2029 and beyond.

Facility Recommendations

Based on the above-noted characteristics of the market area, the site location, and the nature of the competitive supply, both existing and into the future, we are of the opinion that the site lends itself best to a branded, mid-level transient-focused hotel. We concluded that the strongest brand potentially available in this class is *Marriott International's Fairfield Inn and Suites* product. In addition to there being no existing *Marriott* product in the corridor, the brand equity and loyalty associated with the *Marriott* brand name is significant, allowing the hotels to consistently operate above fair share penetration levels in terms of occupancy levels, average room rates, and resultant RevPAR.

Based upon our market research and analysis, we recommend that the size of the hotel be approximately 90 units. This room count will be beneficial to further compete for both corporate and leisure transient demand with the other hotels in the market, while at the same time allow a developer to maximize revenue in the peak periods, with a hotel that is likely to operate at above-market occupancies and ADR.

Proposed 90-unit Fairfield Inn and Suites Room Type Segmentation		
Room Type	Count	Percentage of Total
Standard Room	72	80%
Suite	18	20%
Total	**90**	**100%**

Source: REV*PAR* International, Inc.

Specific to the development of the *Fairfield Inn and Suites by Marriott*, we suggest that the guest room inventory be in line with the brand standard mix comprised of 72 (80 percent) standard rooms and 18 (20 percent) suites. This room mix will accommodate a wide range of demand, as well as being attractive to commercial transient demand, visiting families, SMERF-related weekend leisure travelers, and event-driven, group-based demand in the market. We also recommend that 50 percent of the standard rooms offer a king-sized bed, while the remaining 50 percent have two queen beds. All of the suites should offer a king bed with a pull-out sofa in the living room. Further, we recommend that the hotel offer adjoining rooms that connect a king-bedded room to a two queen-bedded room to accommodate families traveling for youth sports or SMERF-related events. This configuration will allow the hotel to appeal to the corporate traveler, while still providing flexibility to accommodate leisure travelers, SMERF groups, and families during the weekends and summer months.

In-room amenities should include a coffee maker, complimentary wireless internet, telephone, computer-ready desk with tech charging station, mini-refrigerator and microwave, sitting area with a chair and ottoman or sofa bed, and flat panel televisions with screen-casting options, iron and ironing board, clock radio with smartphone dock, hair dryer, and bathroom toiletries. Further standard amenities should include mirrors, artwork, an iron with an ironing board, and lamps.

In addition to the guestroom amenities, we recommend that the following facilities and services be available at the hotel:

- Complimentary breakfast, served in a shared, dedicated area;
- Indoor pool with loungers and seating;
- A small 500-square foot boardroom;
- Fitness center;
- Sundry shop open 24-7 for guests to purchase food, drinks, and other essentials;
- Guest laundry facilities;
- Complimentary wireless high-speed internet access throughout the hotel; and
- Adequate (complimentary) self-parking for hotel guests.

We believe that the foregoing facilities and amenities will position the property to compete directly within the competitive set of hotels.

Estimated Operating Performance

Based on the foregoing assumptions, REV*PAR* International prepared estimates of future operating performance for the proposed 90-unit *Fairfield Inn and Suites by Marriott* as summarized in the following table. For the purpose of this analysis, REV*PAR* International assumed that the hotel would open in 1st quarter of 2028.

Proposed 90-Room Fairfield Inn and Suites, Orland, CA
Projected Operating Results

Year	Occupancy	ADR (1)	RevPAR	Market Occupancy	Total Revenue	EBITDA After Reserve	
						$ Amount	%
Stabilized Year (2)	75%	$147.00	$110.25	--	$3,728,000	$1,023,000	27.4%
2028	64%	$161.00	$103.04	69%	$3,491,000	$943,000	27.0%
2029	70%	$165.00	$115.50	71%	$3,909,000	$1,075,000	27.5%
2030	75%	$170.00	$127.50	71%	$4,311,000	$1,178,000	27.3%
2031	75%	$176.00	$132.00	71%	$4,463,000	$1,228,000	27.5%
2032	75%	$181.00	$135.75	71%	$4,590,000	$1,259,000	27.4%
2033	75%	$186.00	$139.50	71%	$4,718,000	$1,291,000	27.4%
CAGR (3)	**3.2%**	**2.9%**	**6.2%**	--	**6.2%**	**6.5%**	--

Notes: (1) Average daily rate has been rounded to the nearest dollar.
(2) Presented in 2025 dollars.
(3) Compound Annual Growth Rate.
Source: REV*PAR* International, Inc.

Included in the *Addenda* is a copy of the market penetration analysis from which our occupancy estimates were derived, as well as complete financial pro-formas for the hotel, and the associated comparable data. We have also included a valuation of the going concern using the discounted cash flow analysis. This valuation does not constitute as an appraisal and should not be construed as such.

All projections and calculations are based on the financial operating data for comparable hotels and industry statistics for similar properties. Data for five comparable properties is presented in the *Addenda*. To provide a common basis for comparison, the comparable properties' statements have been adjusted by the *Consumer Price Index* to reflect 2025 value dollars. We also reviewed *The Trends Report*, prepared by *CBRE*, and a custom *Benchmarker Report*, prepared by *CBRE,* which reports the revenues and expenditures of comparable hotels. The *Uniform System of Accounts for the Lodging Industry*, recommended by the *American Hotel and Lodging Association* and used throughout the industry, has been used in the classification of revenues and expenses in this report. To portray price level changes, we assumed a 3.0 percent annual inflation rate based on the *Congressional Budget Office* (CBO) forecasts of future inflation through the use of the *Consumer Price Index for All Urban Consumers* (CPI-U).

The following summarizes several notable assumptions for our estimates, presented in 2025 value dollars:

- The hotel will be operated in a competent and efficient manner. Among the primary responsibilities of management are the maintenance of the quality level of the facility, and the execution of an aggressive marketing effort prior to and after opening. To reflect that, we have deducted a base management fee of 3.0 percent of total revenue.
- A sales and marketing program would commence at least four to six months prior to opening.
- Other operated department annual revenue is estimated at $81,000 in a stabilized year (2025 value dollars), which is primarily comprised of sundry/retail shop and laundry revenue. We estimate this department will have a 67 percent expense ratio.
- Rentals and Other Income is estimated at $25,000 and includes pet fees, damage fees, attrition and other minor revenues.
- We have deducted 10.5 percent of rooms revenue annually for the cost of the *Fairfield Inn and Suites* franchise, including royalty fees (5.0 percent), marketing fees (2.0 percent), cost of a brand-loyalty/rewards program 2.5 percent), and other fees (1.0 percent). We assumed a ramp up in the royalty fees during the initial years of operation equating to a discount of 2.0 percent in Year 1, 1.0 percent in Year 2, and stabilizing in Year 3.
- Energy and Property Operations and Maintenance estimates are based on historical expenses of the comparable hotels.
- Building and content insurance expense was based on a review of the comparable hotels.
- Real estate taxes have been based on market comparables and current mill rates.
- A 4.0 percent reserve for replacement has been assumed, which is considered standard and necessary for the long-term maintenance of the hotel.

Next Steps

Now that the market study has been completed, you may require further assistance in bringing the project to fruition. REV*PAR* International stands ready to act as an advisor on your behalf on any pertinent activities. Examples of these services include:

- Prepare a marketing pitchbook;
- Estimating development costs;
- Preparing ROI analysis based on financing structure and cost of construction;
- Project management; and/or
- Asset management/Owner's representative services.

These services can be defined and explained at the appropriate time. Once the scope of work is defined, we can provide our professional fees, which can be fixed, hourly, or a combination thereof, depending upon the nature of the work.

Please note that the estimates provided in this letter are preliminary in nature, and subject to change based on additional or new information. This letter has been prepared primarily to provide you with an opinion as to the subject's future operating performance under certain assumptions. The document was prepared ***primarily for your internal use***, as it is an abbreviated letter report presenting limited information associated with the due diligence undertaken by our firm. As such, we caution you as to its distribution to 3rd parties, particularly potential sources of financing. If you have additional questions or comments, please let us know.

Regards,
REV*PAR* International, Inc.

REVPAR International, Inc

ADDENDA

Economic and Demographic Trends			
Year	**Glenn County**	**State of California**	**United States**
	Population Trends (000)		
2014	28.046	38,639.373	319,193.123
2024	29.047	40,079.137	338,712.837
CAGR [1] 2014-2024	**0.4%**	**0.4%**	**0.6%**
2034 [2]	29.867	42,754.002	360,685.310
CAGR [1] 2024-2034	**0.3%**	**0.6%**	**0.6%**
	Employment Trends (000)		
2014	11.405	17,282.882	146,318.667
2024	11.989	18,551.783	161,041.167
CAGR [1] 2014-2024	**0.6%**	**0.8%**	**0.8%**
2034 [2]	14.696	29,580.261	242,816.472
CAGR [1] 2024-2034	**2.1%**	**4.8%**	**4.2%**
	Unemployment Rates		
2014	10.8%	7.6%	6.2%
2023	6.3%	4.7%	3.6%
2024	6.8%	5.3%	4.0%
	Retail Sales Trends [3]		
2014	240.944	$589,499.530	$4,969,891.043
2024	319.452	$750,203.709	$6,150,874.984
CAGR [1] 2014-2024	**2.9%**	**2.4%**	**2.2%**
2034 [2]	364.462	$885,913.484	$7,252,579.654
CAGR [1] 2024-2034	**1.3%**	**1.7%**	**1.7%**

Notes: [1] Compound Annual Growth Rate.
[2] Projected data.
[3] In millions of 2009 dollars.

Sources: Woods & Poole Economics, Inc. and the U.S. Bureau of Labor Statistics (BLS); compiled by REV*PAR* International, Inc.

Market Penetration Analysis
Proposed Hotel
Orland, CA

Year	Year 1 2028		Year 2 2029		Year 3 2030		Year 4 2031		Year 5 2032		Year 6 2033		Year 7 2034	
Available Rooms in Comp. Set	1,317		1,317		1,317		1,317		1,317		1,317		1,317	
Available Room Nights														
Subject Hotel	32,850		32,850		32,850		32,850		32,850		32,850		32,850	
Total Market	480,705		480,705		480,705		480,705		480,705		480,705		480,705	
Subject's Fair Share	6.8%		6.8%		6.8%		6.8%		6.8%		6.8%		6.8%	
Commercial		**Market Mix**		**Market Mix**		**Market Mix**		**Market Mix**		**Market Mix**		**Market Mix**		**Market Mix**
Total Segment Demand	79,800		81,400		82,200		82,200		82,200		82,200		82,200	
Fair Share of Demand	5,453		5,563		5,617		5,617		5,617		5,617		5,617	
Penetration Rate	73%		81%		89%		89%		89%		89%		89%	
Demand Captured	4,000	19%	4,500	20%	5,000	20%	5,000	20%	5,000	20%	5,000	20%	5,000	20%
Leisure														
Total Segment Demand	114,600		116,900		118,100		118,100		118,100		118,100		118,100	
Fair Share of Demand	7,831		7,989		8,071		8,071		8,071		8,071		8,071	
Penetration Rate	141%		144%		149%		149%		149%		149%		149%	
Demand Captured	11,000	52%	11,500	50%	12,000	49%	12,000	49%	12,000	49%	12,000	49%	12,000	49%
Group														
Total Segment Demand	71,400		72,500		73,600		73,600		73,600		73,600		73,600	
Fair Share of Demand	4,879		4,954		5,030		5,030		5,030		5,030		5,030	
Penetration Rate	93%		101%		100%		100%		100%		100%		100%	
Demand Captured	4,500	21%	5,000	22%	5,000	20%	5,000	20%	5,000	20%	5,000	20%	5,000	20%
Extended Stay														
Total Segment Demand	67,400		68,400		69,500		69,500		69,500		69,500		69,500	
Fair Share of Demand	4,606		4,674		4,749		4,749		4,749		4,749		4,749	
Penetration Rate	33%		42%		53%		53%		53%		53%		53%	
Demand Captured	1,500	7%	2,000	9%	2,500	10%	2,500	10%	2,500	10%	2,500	10%	2,500	10%
Total Demand														
Total Market Demand	333,200		339,200		343,300		343,300		343,300		343,300		343,300	
Fair Share of Demand	22,770		23,180		23,460		23,460		23,460		23,460		23,460	
Penetration Overall	92%	100%	99%	100%	104%	100%	104%	100%	104%	100%	104%	100%	104%	100%
Demand Captured	21,000		23,000		24,500		24,500		24,500		24,500		24,500	
Estimated Subject Occ.	**64%**		**70%**		**75%**		**75%**		**75%**		**75%**		**75%**	
Estimated Market Occ.	**69%**		**71%**		**71%**		**71%**		**71%**		**71%**		**71%**	

Summary Operating Statement (in a Stabilized Year)
Proposed Hotel, Orland, CA

For a Representative Year in Current Value Dollars

Number of Rooms:	90
Annual # of Available Rooms:	32,850
Annual occupancy rate:	75%
Annual # of Occupied Rooms	24,638
Average Daily Rate	$147.00
RevPAR	$110.25

	Amount	Ratio	PAR	POR
DEPARTMENTAL REVENUES				
Rooms	$3,622,000	97.2%	$40,244	$147.01
Other Operated Departments	$81,000	2.2%	$900	$3.29
Rentals & Other Income	$25,000	0.7%	$278	$1.01
TOTAL REVENUE	**$3,728,000**	**100.0%**	**$41,422**	**$151.31**
DEPARTMENTAL EXPENSES [1]				
Rooms	$996,000	27.5%	$11,067	$40.43
Other Operated Departments	$54,000	66.7%	$600	$2.19
TOTAL DEPARTMENTAL EXPENSES	**$1,050,000**	**28.2%**	**$11,667**	**$42.62**
TOTAL DEPARTMENTAL INCOME	**$2,678,000**	**71.8%**	**$29,755**	**$108.70**
UNDISTRIBUTED OPERATING EXPENSES				
Administrative and General	$333,000	8.9%	$3,700	$13.52
IT & Telecommunications	$81,000	2.2%	$900	$3.29
Sales and Marketing	$489,000	13.1%	$5,433	$19.85
Sales and Marketing (only)	*$108,000*	*2.9%*	*$1,200*	*$4.38*
Franchise Fees (only)	*$381,000*	*10.2%*	*$4,233*	*$15.46*
Property Operations and Maintenance	$153,000	4.1%	$1,700	$6.21
Energy, Water, and Waste	$162,000	4.3%	$1,800	$6.58
TOTAL UNDISTRIBUTED EXPENSES	**$1,218,000**	**32.7%**	**$13,533**	**$49.44**
GROSS OPERATING PROFIT	**$1,460,000**	**39.2%**	**$16,222**	**$59.26**
MANAGEMENT FEES	$112,000	3.0%	$1,244	$4.55
INCOME BEFORE FIXED CHARGES	**$1,348,000**	**36.2%**	**$14,978**	**$54.71**
FIXED CHARGES				
Property and Other Taxes	$86,000	2.3%	$956	$3.49
Insurance	$90,000	2.4%	$1,000	$3.65
TOTAL FIXED CHARGES	**$176,000**	**4.7%**	**$1,956**	**$7.14**
EBITDA [2]	**$1,172,000**	**31.4%**	**$13,022**	**$47.57**
LESS: REPLACEMENT RESERVES	$149,000	4.0%	$1,656	$6.05
EBITDA LESS RESERVE	**$1,023,000**	**27.4%**	**$11,366**	**$41.52**

Notes:
[1] Departmental ratios reflect a percentage of department expenses to department revenues and will not add to total department expe
[2] EBITDA defined as earnings before debt interest, taxes, depreciation and amortization.
Please note that columns may not add due to rounding.
Source: REVPAR International, Inc.

Summary Operating Statement
Proposed Hotel, Orland, CA

	Amount	Ratio	PAR	POR	Amount	Ratio	PAR	POR	Amount	Ratio	PAR	POR
		Year 1				**Year 2**				**Year 3**		
Fiscal Year:		2028				2029				2030		
Number of Rooms:		90				90				90		
Annual # of Available Rooms:		32,850				32,850				32,850		
Annual occupancy rate:		64%				70%				75%		
Annual # of Occupied Rooms		21,024				22,995				24,638		
Average Daily Rate		$161.00				$165.00				$170.00		
RevPAR		$103.04				$115.50				$127.50		
DEPARTMENTAL REVENUES												
Rooms	$3,385,000	97.0%	$37,611	$161.01	$3,794,000	97.1%	$42,156	$164.99	$4,188,000	97.1%	$46,533	$169.98
Other Operated Departments	$79,000	2.3%	$878	$3.76	$87,000	2.2%	$967	$3.78	$94,000	2.2%	$1,044	$3.82
Rentals & Other Income	$27,000	0.8%	$300	$1.28	$28,000	0.7%	$311	$1.22	$29,000	0.7%	$322	$1.18
TOTAL REVENUE	**$3,491,000**	**100.0%**	**$38,789**	**$166.05**	**$3,909,000**	**100.0%**	**$43,434**	**$169.99**	**$4,311,000**	**100.0%**	**$47,899**	**$174.98**
DEPARTMENTAL EXPENSES [1]												
Rooms	$972,000	28.7%	$10,800	$46.23	$1,067,000	28.1%	$11,856	$46.40	$1,155,000	27.6%	$12,833	$46.88
Other Operated Departments	$53,000	67.1%	$589	$2.52	$58,000	66.7%	$644	$2.52	$63,000	67.0%	$700	$2.56
TOTAL DEPARTMENTAL EXPENSES	**$1,025,000**	**29.4%**	**$11,389**	**$48.75**	**$1,125,000**	**28.8%**	**$12,500**	**$48.92**	**$1,218,000**	**28.3%**	**$13,533**	**$49.44**
TOTAL DEPARTMENTAL INCOME	**$2,466,000**	**70.6%**	**$27,400**	**$117.29**	**$2,784,000**	**71.2%**	**$30,934**	**$121.07**	**$3,093,000**	**71.7%**	**$34,366**	**$125.54**
UNDISTRIBUTED OPERATING EXPENSES												
Administrative and General	$284,000	8.1%	$3,156	$13.51	$333,000	8.5%	$3,700	$14.48	$384,000	8.9%	$4,267	$15.59
IT & Telecommunications	$97,000	2.8%	$1,078	$4.61	$91,000	2.3%	$1,011	$3.96	$94,000	2.2%	$1,044	$3.82
Sales and Marketing	$418,000	12.0%	$4,644	$19.88	$483,000	12.4%	$5,367	$21.00	$566,000	13.1%	$6,289	$22.97
Sales and Marketing (only)	*$130,000*	*3.7%*	*$1,444*	*$6.18*	*$122,000*	*3.1%*	*$1,356*	*$5.31*	*$125,000*	*2.9%*	*$1,389*	*$5.07*
Franchise Fees (only)	*$288,000*	*8.2%*	*$3,200*	*$13.70*	*$361,000*	*9.2%*	*$4,011*	*$15.70*	*$441,000*	*10.2%*	*$4,900*	*$17.90*
Property Operations and Maintenance	$136,000	3.9%	$1,511	$6.47	$161,000	4.1%	$1,789	$7.00	$177,000	4.1%	$1,967	$7.18
Energy, Water, and Waste	$151,000	4.3%	$1,678	$7.18	$170,000	4.3%	$1,889	$7.39	$188,000	4.4%	$2,089	$7.63
TOTAL UNDISTRIBUTED EXPENSES	**$1,086,000**	**31.1%**	**$12,067**	**$51.66**	**$1,238,000**	**31.7%**	**$13,756**	**$53.84**	**$1,409,000**	**32.7%**	**$15,656**	**$57.19**
GROSS OPERATING PROFIT	**$1,380,000**	**39.5%**	**$15,333**	**$65.64**	**$1,546,000**	**39.5%**	**$17,178**	**$67.23**	**$1,684,000**	**39.1%**	**$18,710**	**$68.35**
MANAGEMENT FEES	$105,000	3.0%	$1,167	$4.99	$117,000	3.0%	$1,300	$5.09	$130,000	3.0%	$1,444	$5.28
INCOME BEFORE FIXED CHARGES	**$1,275,000**	**36.5%**	**$14,166**	**$60.64**	**$1,429,000**	**36.6%**	**$15,878**	**$62.14**	**$1,554,000**	**36.0%**	**$17,266**	**$63.07**
FIXED CHARGES												
Property and Other Taxes	$94,000	2.7%	$1,044	$4.47	$97,000	2.5%	$1,078	$4.22	$100,000	2.3%	$1,111	$4.06
Insurance	$98,000	2.8%	$1,089	$4.66	$101,000	2.6%	$1,122	$4.39	$104,000	2.4%	$1,156	$4.22
TOTAL FIXED CHARGED	**$192,000**	**5.5%**	**$2,133**	**$9.13**	**$198,000**	**5.1%**	**$2,200**	**$8.61**	**$204,000**	**4.7%**	**$2,267**	**$8.28**
EBITDA [2]	**$1,083,000**	**31.0%**	**$12,033**	**$51.51**	**$1,231,000**	**31.5%**	**$13,678**	**$53.53**	**$1,350,000**	**31.3%**	**$14,999**	**$54.79**
RESERVE FOR REPLACEMENT	$140,000	4.0%	$1,556	$6.66	$156,000	4.0%	$1,733	$6.78	$172,000	4.0%	$1,911	$6.98
EBITDA *Less* Reserve	**$943,000**	**27.0%**	**$10,477**	**$44.85**	**$1,075,000**	**27.5%**	**$11,945**	**$46.75**	**$1,178,000**	**27.3%**	**$13,088**	**$47.81**

Notes: [1] Departmental ratios reflect a percentage of department expenses to department revenues and will not add to total department expenses.
[2] EBITDA defined as earnings before debt interest, taxes, depreciation and amortization.
Please note that columns may not add due to rounding.

Source: REVPAR International, Inc.

Summary Operating Statement
Proposed Hotel, Orland, CA

	Year 4				Year 5				Year 6			
Fiscal Year:	2031				2032				2033			
Number of Rooms:	90				90				90			
Annual # of Available Rooms:	32,850				32,850				32,850			
Annual occupancy rate:	75%				75%				75%			
Annual # of Occupied Rooms	24,638				24,638				24,638			
Average Daily Rate	$176.00				$181.00				$186.00			
RevPAR	$132.00				$135.75				$139.50			
	Amount	Ratio	PAR	POR	Amount	Ratio	PAR	POR	Amount	Ratio	PAR	POR
DEPARTMENTAL REVENUES												
Rooms	$4,336,000	97.2%	$48,178	$175.99	$4,459,000	97.1%	$49,544	$180.98	$4,583,000	97.1%	$50,922	$186.02
Other Operated Departments	$97,000	2.2%	$1,078	$3.94	$100,000	2.2%	$1,111	$4.06	$103,000	2.2%	$1,144	$4.18
Rentals & Other Income	$30,000	0.7%	$333	$1.22	$31,000	0.7%	$344	$1.26	$32,000	0.7%	$356	$1.30
TOTAL REVENUE	**$4,463,000**	**100.0%**	**$49,589**	**$181.15**	**$4,590,000**	**100.0%**	**$50,999**	**$186.30**	**$4,718,000**	**100.0%**	**$52,422**	**$191.50**
DEPARTMENTAL EXPENSES [1]												
Rooms	$1,189,000	27.4%	$13,211	$48.26	$1,225,000	27.5%	$13,611	$49.72	$1,262,000	27.5%	$14,022	$51.22
Other Operated Departments	$65,000	67.0%	$722	$2.64	$67,000	67.0%	$744	$2.72	$69,000	67.0%	$767	$2.80
TOTAL DEPARTMENTAL EXPENSES	**$1,254,000**	**28.1%**	**$13,933**	**$50.90**	**$1,292,000**	**28.1%**	**$14,355**	**$52.44**	**$1,331,000**	**28.2%**	**$14,789**	**$54.02**
TOTAL DEPARTMENTAL INCOME	**$3,209,000**	**71.9%**	**$35,656**	**$130.25**	**$3,298,000**	**71.9%**	**$36,644**	**$133.86**	**$3,387,000**	**71.8%**	**$37,633**	**$137.47**
UNDISTRIBUTED OPERATING EXPENSES												
Administrative and General	$400,000	9.0%	$4,444	$16.24	$411,000	9.0%	$4,567	$16.68	$421,000	8.9%	$4,678	$17.09
IT & Telecommunications	$97,000	2.2%	$1,078	$3.94	$100,000	2.2%	$1,111	$4.06	$103,000	2.2%	$1,144	$4.18
Sales and Marketing	$585,000	13.1%	$6,500	$23.74	$602,000	13.1%	$6,689	$24.43	$619,000	13.1%	$6,878	$25.12
Sales and Marketing (only)	*$129,000*	*2.9%*	*$1,433*	*$5.24*	*$133,000*	*2.9%*	*$1,478*	*$5.40*	*$137,000*	*2.9%*	*$1,522*	*$5.56*
Franchise Fees (only)	*$456,000*	*10.2%*	*$5,067*	*$18.51*	*$469,000*	*10.2%*	*$5,211*	*$19.04*	*$482,000*	*10.2%*	*$5,356*	*$19.56*
Property Operations and Maintenance	$183,000	4.1%	$2,033	$7.43	$188,000	4.1%	$2,089	$7.63	$194,000	4.1%	$2,156	$7.87
Energy, Water, and Waste	$193,000	4.3%	$2,144	$7.83	$199,000	4.3%	$2,211	$8.08	$205,000	4.3%	$2,278	$8.32
TOTAL UNDISTRIBUTED EXPENSES	**$1,458,000**	**32.7%**	**$16,199**	**$59.18**	**$1,500,000**	**32.7%**	**$16,667**	**$60.88**	**$1,542,000**	**32.7%**	**$17,134**	**$62.59**
GROSS OPERATING PROFIT	**$1,751,000**	**39.2%**	**$19,457**	**$71.07**	**$1,798,000**	**39.2%**	**$19,977**	**$72.98**	**$1,845,000**	**39.1%**	**$20,499**	**$74.89**
MANAGEMENT FEES	$134,000	3.0%	$1,489	$5.44	$138,000	3.0%	$1,533	$5.60	$142,000	3.0%	$1,578	$5.76
INCOME BEFORE FIXED CHARGES	**$1,617,000**	**36.2%**	**$17,968**	**$65.63**	**$1,660,000**	**36.2%**	**$18,444**	**$67.38**	**$1,703,000**	**36.1%**	**$18,921**	**$69.12**
FIXED CHARGES												
Property and Other Taxes	$103,000	2.3%	$1,144	$4.18	$106,000	2.3%	$1,178	$4.30	$109,000	2.3%	$1,211	$4.42
Insurance	$107,000	2.4%	$1,189	$4.34	$111,000	2.4%	$1,233	$4.51	$114,000	2.4%	$1,267	$4.63
TOTAL FIXED CHARGED	**$210,000**	**4.7%**	**$2,333**	**$8.52**	**$217,000**	**4.7%**	**$2,411**	**$8.81**	**$223,000**	**4.7%**	**$2,478**	**$9.05**
EBITDA [2]	**$1,407,000**	**31.5%**	**$15,635**	**$57.11**	**$1,443,000**	**31.4%**	**$16,033**	**$58.57**	**$1,480,000**	**31.4%**	**$16,443**	**$60.07**
RESERVE FOR REPLACEMENT	$179,000	4.0%	$1,989	$7.27	$184,000	4.0%	$2,044	$7.47	$189,000	4.0%	$2,100	$7.67
EBITDA *Less* Reserve	**$1,228,000**	**27.5%**	**$13,646**	**$49.84**	**$1,259,000**	**27.4%**	**$13,989**	**$51.10**	**$1,291,000**	**27.4%**	**$14,343**	**$52.40**

Notes:
[1] Departmental ratios reflect a percentage of department expenses to department revenues and will not add to total department expenses.
[2] EBITDA defined as earnings before debt interest, taxes, depreciation and amortization.
Please note that columns may not add due to rounding.

Source: REVPAR International, Inc.

Summary Operating Statement
Proposed Hotel, Orland, CA

	Year 7				Year 8				Year 9			
Fiscal Year:	2034				2035				2036			
Number of Rooms:	90				90				90			
Annual # of Available Rooms:	32,850				32,850				32,850			
Annual occupancy rate:	75%				75%				75%			
Annual # of Occupied Rooms	24,638				24,638				24,638			
Average Daily Rate	$192.00				$198.00				$203.00			
RevPAR	$144.00				$148.50				$152.25			
	Amount	**Ratio**	**PAR**	**POR**	**Amount**	**Ratio**	**PAR**	**POR**	**Amount**	**Ratio**	**PAR**	**POR**
DEPARTMENTAL REVENUES												
Rooms	$4,730,000	97.1%	$52,556	$191.98	$4,878,000	97.2%	$54,200	$197.99	$5,001,000	97.1%	$55,567	$202.98
Other Operated Departments	$106,000	2.2%	$1,178	$4.30	$109,000	2.2%	$1,211	$4.42	$113,000	2.2%	$1,256	$4.59
Rentals & Other Income	$33,000	0.7%	$367	$1.34	$34,000	0.7%	$378	$1.38	$35,000	0.7%	$389	$1.42
TOTAL REVENUE	**$4,869,000**	**100.0%**	**$54,101**	**$197.63**	**$5,021,000**	**100.0%**	**$55,789**	**$203.80**	**$5,149,000**	**100.0%**	**$57,212**	**$208.99**
DEPARTMENTAL EXPENSES [1]												
Rooms	$1,300,000	27.5%	$14,444	$52.77	$1,339,000	27.4%	$14,878	$54.35	$1,379,000	27.6%	$15,322	$55.97
Other Operated Departments	$71,000	67.0%	$789	$2.88	$73,000	67.0%	$811	$2.96	$75,000	66.4%	$833	$3.04
TOTAL DEPARTMENTAL EXPENSES	**$1,371,000**	**28.2%**	**$15,233**	**$55.65**	**$1,412,000**	**28.1%**	**$15,689**	**$57.31**	**$1,454,000**	**28.2%**	**$16,155**	**$59.02**
TOTAL DEPARTMENTAL INCOME	**$3,498,000**	**71.8%**	**$38,868**	**$141.98**	**$3,609,000**	**71.9%**	**$40,100**	**$146.48**	**$3,695,000**	**71.8%**	**$41,057**	**$149.97**
UNDISTRIBUTED OPERATING EXPENSES												
Administrative and General	$435,000	8.9%	$4,833	$17.66	$450,000	9.0%	$5,000	$18.26	$459,000	8.9%	$5,100	$18.63
IT & Telecommunications	$106,000	2.2%	$1,178	$4.30	$109,000	2.2%	$1,211	$4.42	$112,000	2.2%	$1,244	$4.55
Sales and Marketing	$639,000	13.1%	$7,100	$25.94	$658,000	13.1%	$7,311	$26.71	$675,000	13.1%	$7,500	$27.40
Sales and Marketing (only)	*$141,000*	*2.9%*	*$1,567*	*$5.72*	*$145,000*	*2.9%*	*$1,611*	*$5.89*	*$149,000*	*2.9%*	*$1,656*	*$6.05*
Franchise Fees (only)	*$498,000*	*10.2%*	*$5,533*	*$20.21*	*$513,000*	*10.2%*	*$5,700*	*$20.82*	*$526,000*	*10.2%*	*$5,844*	*$21.35*
Property Operations and Maintenance	$200,000	4.1%	$2,222	$8.12	$206,000	4.1%	$2,289	$8.36	$212,000	4.1%	$2,356	$8.60
Energy, Water, and Waste	$211,000	4.3%	$2,344	$8.56	$218,000	4.3%	$2,422	$8.85	$224,000	4.4%	$2,489	$9.09
TOTAL UNDISTRIBUTED EXPENSES	**$1,591,000**	**32.7%**	**$17,677**	**$64.58**	**$1,641,000**	**32.7%**	**$18,233**	**$66.61**	**$1,682,000**	**32.7%**	**$18,689**	**$68.27**
GROSS OPERATING PROFIT	**$1,907,000**	**39.2%**	**$21,191**	**$77.40**	**$1,968,000**	**39.2%**	**$21,867**	**$79.88**	**$2,013,000**	**39.1%**	**$22,368**	**$81.70**
MANAGEMENT FEES	$146,000	3.0%	$1,622	$5.93	$151,000	3.0%	$1,678	$6.13	$155,000	3.0%	$1,722	$6.29
INCOME BEFORE FIXED CHARGES	**$1,761,000**	**36.2%**	**$19,569**	**$71.48**	**$1,817,000**	**36.2%**	**$20,189**	**$73.75**	**$1,858,000**	**36.1%**	**$20,646**	**$75.41**
FIXED CHARGES												
Property and Other Taxes	$112,000	2.3%	$1,244	$4.55	$116,000	2.3%	$1,289	$4.71	$119,000	2.3%	$1,322	$4.83
Insurance	$117,000	2.4%	$1,300	$4.75	$121,000	2.4%	$1,344	$4.91	$125,000	2.4%	$1,389	$5.07
TOTAL FIXED CHARGED	**$229,000**	**4.7%**	**$2,544**	**$9.29**	**$237,000**	**4.7%**	**$2,633**	**$9.62**	**$244,000**	**4.7%**	**$2,711**	**$9.90**
EBITDA [2]	**$1,532,000**	**31.5%**	**$17,025**	**$62.18**	**$1,580,000**	**31.5%**	**$17,556**	**$64.13**	**$1,614,000**	**31.3%**	**$17,935**	**$65.51**
RESERVE FOR REPLACEMENT	$195,000	4.0%	$2,167	$7.91	$201,000	4.0%	$2,233	$8.16	$206,000	4.0%	$2,289	$8.36
EBITDA *Less* Reserve	**$1,337,000**	**27.5%**	**$14,858**	**$54.27**	**$1,379,000**	**27.5%**	**$15,323**	**$55.97**	**$1,408,000**	**27.3%**	**$15,646**	**$57.15**

Notes: [1] Departmental ratios reflect a percentage of department expenses to department revenues and will not add to total department expenses.
[2] EBITDA defined as earnings before debt interest, taxes, depreciation and amortization.
Please note that columns may not add due to rounding.

Source: REVPAR International, Inc.

Summary Operating Statement
Proposed Hotel, Orland, CA

	Year 10				Year 11				Year 12			
Fiscal Year:	2037				2038				2039			
Number of Rooms:	90				90				90			
Annual # of Available Rooms:	32,850				32,850				32,850			
Annual occupancy rate:	75%				75%				75%			
Annual # of Occupied Rooms	24,638				24,638				24,638			
Average Daily Rate	$210.00				$216.00				$222.00			
RevPAR	$157.50				$162.00				$166.50			
	Amount	**Ratio**	**PAR**	**POR**	**Amount**	**Ratio**	**PAR**	**POR**	**Amount**	**Ratio**	**PAR**	**POR**
DEPARTMENTAL REVENUES												
Rooms	$5,174,000	97.1%	$57,489	$210.01	$5,322,000	97.2%	$59,133	$216.01	$5,470,000	97.1%	$60,778	$222.02
Other Operated Departments	$116,000	2.2%	$1,289	$4.71	$119,000	2.2%	$1,322	$4.83	$123,000	2.2%	$1,367	$4.99
Rentals & Other Income	$36,000	0.7%	$400	$1.46	$37,000	0.7%	$411	$1.50	$38,000	0.7%	$422	$1.54
TOTAL REVENUE	**$5,326,000**	**100.0%**	**$59,178**	**$216.17**	**$5,478,000**	**100.0%**	**$60,866**	**$222.34**	**$5,631,000**	**100.0%**	**$62,567**	**$228.55**
DEPARTMENTAL EXPENSES [1]												
Rooms	$1,420,000	27.4%	$15,778	$57.64	$1,463,000	27.5%	$16,256	$59.38	$1,507,000	27.6%	$16,744	$61.17
Other Operated Departments	$77,000	66.4%	$856	$3.13	$79,000	66.4%	$878	$3.21	$82,000	66.7%	$911	$3.33
TOTAL DEPARTMENTAL EXPENSES	**$1,497,000**	**28.1%**	**$16,634**	**$60.76**	**$1,542,000**	**28.1%**	**$17,134**	**$62.59**	**$1,589,000**	**28.2%**	**$17,655**	**$64.50**
TOTAL DEPARTMENTAL INCOME	**$3,829,000**	**71.9%**	**$42,544**	**$155.41**	**$3,936,000**	**71.9%**	**$43,732**	**$159.76**	**$4,042,000**	**71.8%**	**$44,912**	**$164.06**
UNDISTRIBUTED OPERATING EXPENSES												
Administrative and General	$477,000	9.0%	$5,300	$19.36	$490,000	8.9%	$5,444	$19.89	$502,000	8.9%	$5,578	$20.38
IT & Telecommunications	$115,000	2.2%	$1,278	$4.67	$119,000	2.2%	$1,322	$4.83	$123,000	2.2%	$1,367	$4.99
Sales and Marketing	$698,000	13.1%	$7,756	$28.33	$719,000	13.1%	$7,989	$29.18	$738,000	13.1%	$8,200	$29.95
Sales and Marketing (only)	*$154,000*	*2.9%*	*$1,711*	*$6.25*	*$159,000*	*2.9%*	*$1,767*	*$6.45*	*$163,000*	*2.9%*	*$1,811*	*$6.62*
Franchise Fees (only)	*$544,000*	*10.2%*	*$6,044*	*$22.08*	*$560,000*	*10.2%*	*$6,222*	*$22.73*	*$575,000*	*10.2%*	*$6,389*	*$23.34*
Property Operations and Maintenance	$218,000	4.1%	$2,422	$8.85	$225,000	4.1%	$2,500	$9.13	$231,000	4.1%	$2,567	$9.38
Energy, Water, and Waste	$231,000	4.3%	$2,567	$9.38	$238,000	4.3%	$2,644	$9.66	$245,000	4.4%	$2,722	$9.94
TOTAL UNDISTRIBUTED EXPENSES	**$1,739,000**	**32.7%**	**$19,323**	**$70.58**	**$1,791,000**	**32.7%**	**$19,899**	**$72.69**	**$1,839,000**	**32.7%**	**$20,434**	**$74.64**
GROSS OPERATING PROFIT	**$2,090,000**	**39.2%**	**$23,221**	**$84.83**	**$2,145,000**	**39.2%**	**$23,833**	**$87.06**	**$2,203,000**	**39.1%**	**$24,478**	**$89.42**
MANAGEMENT FEES	$160,000	3.0%	$1,778	$6.49	$165,000	3.0%	$1,833	$6.70	$169,000	3.0%	$1,878	$6.86
INCOME BEFORE FIXED CHARGES	**$1,930,000**	**36.2%**	**$21,443**	**$78.34**	**$1,980,000**	**36.1%**	**$22,000**	**$80.37**	**$2,034,000**	**36.1%**	**$22,600**	**$82.56**
FIXED CHARGES												
Property and Other Taxes	$123,000	2.3%	$1,367	$4.99	$126,000	2.3%	$1,400	$5.11	$130,000	2.3%	$1,444	$5.28
Insurance	$128,000	2.4%	$1,422	$5.20	$132,000	2.4%	$1,467	$5.36	$136,000	2.4%	$1,511	$5.52
TOTAL FIXED CHARGED	**$251,000**	**4.7%**	**$2,789**	**$10.19**	**$258,000**	**4.7%**	**$2,867**	**$10.47**	**$266,000**	**4.7%**	**$2,955**	**$10.80**
EBITDA [2]	**$1,679,000**	**31.5%**	**$18,654**	**$68.15**	**$1,722,000**	**31.4%**	**$19,133**	**$69.89**	**$1,768,000**	**31.4%**	**$19,645**	**$71.76**
RESERVE FOR REPLACEMENT	$213,000	4.0%	$2,367	$8.65	$219,000	4.0%	$2,433	$8.89	$225,000	4.0%	$2,500	$9.13
EBITDA *Less* Reserve	**$1,466,000**	**27.5%**	**$16,287**	**$59.50**	**$1,503,000**	**27.4%**	**$16,700**	**$61.00**	**$1,543,000**	**27.4%**	**$17,145**	**$62.63**

Notes: [1] Departmental ratios reflect a percentage of department expenses to department revenues and will not add to total department expenses.
[2] EBITDA defined as earnings before debt interest, taxes, depreciation and amortization.
Please note that columns may not add due to rounding.

Source: REVPAR International, Inc.

Discounted Cash Flow Analysis
Proposed Hotel, Orland, CA

Upon Opening 2028			
Year	EBITDA Less Reserve	Present Value Factor @ 11.0%	Present Value
1	$943,000	0.900901	$849,550
2	$1,075,000	0.811622	$872,494
3	$1,178,000	0.731191	$861,343
4	$1,228,000	0.658731	$808,922
5	$1,259,000	0.593451	$747,155
Present Value of Cash Flows			$4,139,464
Present Value of Reversion			
$14,057,556	x	0.593451	$8,342,475
Calculation of Reversion			
6 Year EBITDA Less Reserve			
$1,291,000	capitalized @	9.0%	$14,344,444
Less Cost of Sale/Refinance @		2.0%	($286,889)
Net Reversion			$14,057,556
TOTAL NET PRESENT VALUE			$12,481,939
Rounded			$12,500,000
Per Room			$138,889

Upon Stabilization 2030			
Year	EBITDA Less Reserve	Present Value Factor @ 11.0%	Present Value
1	$1,178,000	0.900901	$1,061,261
2	$1,228,000	0.811622	$996,672
3	$1,259,000	0.731191	$920,570
4	$1,291,000	0.658731	$850,422
5	$1,337,000	0.593451	$793,444
Present Value of Cash Flows			$4,622,370
Present Value of Reversion			
$15,015,778	x	0.593451	$8,911,133
Calculation of Reversion			
6 Year EBITDA Less Reserve			
$1,379,000	capitalized @	9.0%	$15,322,222
Less Cost of Sale/Refinance @		2.0%	($306,444)
Net Reversion			$15,015,778
TOTAL NET PRESENT VALUE			$13,533,503
Rounded			$13,500,000
Per Room			$150,000

Source: REVPAR International, Inc.

Range of Financial Comparables' Summary of Operating Statements

Comparables	Min	Max	Average
Number of Rooms	66	116	83
Occupancy	55.0%	80.0%	65.0%
Average Daily Rate	$110.00	$185.00	$150.00
RevPAR	$60.50	$148.00	$97.50

	Ratio to Sales Comparables			Per Available Room Comparables			Per Occ. Rm. Night Comparables		
	Min	Max	Average	Min	Max	Average	Min	Max	Average
DEPARTMENTAL REVENUES									
Rooms	97.5%	99.4%	98.5%	$28,076	$52,429	$41,545	$111.64	$266.93	$175.32
Food & Beverage	0.0%	0.0%	0.0%	$0	$0	$0	$0.00	$0.00	$0.00
Other Operated Departments	0.6%	2.4%	1.4%	$310	$968	$542	$1.37	$3.90	$2.24
Rentals & Other Income	0.0%	0.8%	0.2%	$0	$222	$44	$0.00	$0.88	$0.18
TOTAL REVENUE	**100.0%**	**100.0%**	**100.0%**	**$28,787**	**$52,820**	**$42,131**	**$114.47**	**$268.53**	**$177.74**
DEPARTMENTAL EXPENSES [1]									
Rooms	20.3%	33.0%	27.5%	$9,057	$13,920	$11,109	$36.01	$54.18	$46.10
Food & Beverage	0.0%	0.0%	0.0%	$0	$0	$0	$0.00	$0.00	$0.00
Other Operated Departments	0.0%	52.7%	20.7%	$0	$258	$120	$0.00	$1.02	$0.48
TOTAL DEPARTMENTAL EXPENSES	**20.2%**	**32.7%**	**27.3%**	**$9,173**	**$13,996**	**$11,229**	**$37.04**	**$54.18**	**$46.58**
TOTAL DEPARTMENTAL INCOME	**67.3%**	**79.8%**	**72.7%**	**$19,472**	**$41,701**	**$30,902**	**$77.43**	**$214.35**	**$131.16**
UNDISTRIBUTED OPERATING EXPENSES									
Administrative and General	5.2%	12.4%	9.7%	$2,692	$5,169	$3,893	$13.84	$19.53	$15.97
IT & Telecommunications	0.0%	4.1%	1.6%	$0	$2,154	$703	$0.00	$11.07	$3.31
Sales and Marketing	8.6%	16.3%	13.1%	$4,049	$8,533	$5,448	$15.93	$43.86	$23.60
Property Operations and Maintenance	3.2%	7.1%	5.6%	$1,181	$3,704	$2,434	$5.09	$19.04	$10.31
Energy, Water, and Waste	3.6%	7.1%	4.9%	$1,234	$3,720	$2,093	$4.91	$19.12	$9.14
TOTAL UNDISTRIBUTED EXPENSES	**29.2%**	**39.8%**	**34.8%**	**$10,930**	**$20,802**	**$14,571**	**$43.46**	**$106.92**	**$62.33**
GROSS OPERATING PROFIT	**29.7%**	**44.3%**	**37.9%**	**$8,542**	**$23,405**	**$16,331**	**$33.97**	**$107.43**	**$68.83**
MANAGEMENT FEES	1.3%	4.0%	3.0%	$523	$2,090	$1,302	$2.11	$8.05	$5.45
INCOME BEFORE FIXED CHARGES	**26.7%**	**40.4%**	**34.8%**	**$7,689**	**$21,314**	**$15,030**	**$30.58**	**$99.38**	**$63.38**
FIXED CHARGES									
Rent	0.0%	1.1%	0.3%	$0	$433	$110	$0.00	$1.75	$0.46
Property and Other Taxes	2.2%	4.8%	3.7%	$1,154	$1,876	$1,496	$4.07	$9.64	$6.41
Insurance	1.4%	2.2%	1.6%	$508	$816	$677	$2.19	$4.19	$2.85
TOTAL FIXED CHARGED	**3.7%**	**6.4%**	**5.6%**	**$1,811**	**$2,790**	**$2,282**	**$6.92**	**$14.34**	**$9.72**
EBITDA [2]	**20.4%**	**36.6%**	**29.2%**	**$5,878**	**$19,345**	**$12,748**	**$23.37**	**$85.04**	**$53.65**
LESS: REPLACEMENT RESERVES	4.0%	4.0%	4.0%	$1,154	$2,113	$1,689	$4.59	$10.82	$7.13
EBITDA LESS RESERVCE	**16.4%**	**32.6%**	**25.2%**	**$4,724**	**$17,233**	**$11,059**	**$18.78**	**$74.22**	**$46.53**

Notes:
[1] Departmental ratios reflect a percentage of department expenses to department revenues and will not add to total department expenses.
[2] EBITDA defined as earnings before debt interest, taxes, depreciation and amortization.
Please note that columns may not add due to rounding.
Source: REVPAR International, Inc.

Summary of Benchmarker Comparables
Reflecting Statements of Operating Income & Expenses for the Year 2023
(Numbers Inflated to Present Value Dollar)

	Comparative Set - Average of 8 properties
Average Number of Rooms	85
Average Occupancy	70.8%
Average ADR	$152.88
Average RevPAR	$108.22

	$ Amount	Ratio to Sales	Amount per Avail. Rms.	Amount per Occ. Rms.
DEPARTMENTAL REVENUES				
Rooms	$3,352,346	97.8%	$39,497	$152.88
Food and Beverage	$0	0.0%	$0	$0.00
Other Operated Departments	$37,653	1.1%	$444	$1.71
Rentals & Other Income	$37,468	1.1%	$442	$1.70
TOTAL REVENUE	**$3,427,466**	**100.0%**	**$40,383**	**$156.30**
DEPARTMENTAL EXPENSES [1]				
Rooms	$896,444	26.7%	$10,562	$40.88
Food and Beverage	$0	0.0%	$0	$0.00
Other Operated Departments	$16,540	43.9%	$195	$0.75
TOTAL DEPARTMENTAL EXPENSES	**$912,983**	**26.6%**	**$10,757**	**$41.63**
TOTAL DEPARTMENTAL INCOME	**$2,514,484**	**73.4%**	**$29,625**	**$114.67**
UNDISTRIBUTED OPERATING EXPENSES				
Administrative and General	$325,435	9.5%	$3,834	$14.85
IT & Telecommunications	$79,251	2.3%	$934	$3.61
Sales and Marketing (Includes Franchise Fees)	$454,712	13.3%	$5,357	$20.74
Property Operations and Maintenance	$151,248	4.4%	$1,783	$6.89
Energy, Water, and Waste	$164,605	4.8%	$1,939	$7.50
TOTAL UNDISTRIBUTED EXPENSES	**$1,175,251**	**34.3%**	**$13,846**	**$53.59**
GROSS OPERATING PROFIT	**$1,339,233**	**39.1%**	**$15,779**	**$61.08**
MANAGEMENT FEES	$101,114	3.0%	$1,191	$4.61
INCOME BEFORE FIXED CHARGES	**$1,238,119**	**36.1%**	**$14,587**	**$56.47**
FIXED CHARGES				
Income	$477	0.0%	$5	$0.02
Rent	$130,519	3.8%	$1,538	$5.95
Property and Other Taxes	$144,633	4.2%	$1,704	$6.59
Insurance	$89,261	2.6%	$1,052	$4.07
Other	($48,199)	-1.4%	-$568	-$2.20
TOTAL FIXED CHARGES	**$315,737**	**9.2%**	**$3,720**	**$14.40**
EBITDA [2]	**$922,382**	**26.9%**	**$10,868**	**$42.06**

Notes:

[1] Ratio to revenue shown as a percentage of corresponding departmental revenue.

[2] EBITDA defined as earnings before debt interest, taxes, depreciation and amortization.

Please note that columns may not add due to rounding.

Source: CBRE Hotels Benchmarker

BENCHMARKER®

Comparative Set - Average of 8 Properties

85
70.8%
$142.63
$100.96

CBRE HOTELS

The World's Leading Hotel Experts.

We are pleased to provide you with the following Benchmarker® report

Here are the Search Criteria

Property Type(s):	Limited-Service H
Room Range:	0 to 160
Area:	California
Affliations(s):	N/A
Year:	2023

About the selected Comparable Group

Number of Properties:	8
Average Number of Rooms:	85
Average Occupancy:	70.8%
Average Daily Rate per Occupied Room (ADR):	$142.63
Average Daily Rate per Available Room (RevPAR):	$100.96

Note to Readers: Benchmarker® is a compilation of hotel operating data obtained through voluntary contributions by hotel owners and managers in the U.S. Reports may contain information derived from estimates when specific dollar amounts are not available.

Here are the hotels used in your report

Comparable Group	**ID Number**	**Street Address**	**City**	**State**	**Rooms**
Best Western Plus Dixon Davis	69032	1345 Commercial Way	Dixon	California	101
Hampton Inn & Suites Windsor	21170	8937 Brooks Rd S	Windsor	California	116
Fairfield Inn Tracy	22536	2410 Naglee Rd	Tracy	California	64
Fairfield Inn Vacaville	22539	370 Orange Dr	Vacaville	California	81
Fairfield Inn Visalia	22540	140 S Akers St	Visalia	California	63
Hampton Inn Tracy	12158	2400 Naglee Rd	Tracy	California	62
Holiday Inn Express & Suites Modesto	23605	4300 Bangs Ave	Modesto	California	95
La Quinta Inns & Suites Madera	52383	317 N G St	Madera	California	97

BENCHMARKER INCOME STATEMENT

SUMMARY

Comparative Set - Average of 8 Properties

85	Average Number of Rooms
70.8%	Average Occupancy
$142.63	Average ADR
$100.96	Average RevPAR

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REVENUE AND EXPENSES	Comparative Set - Average of 8 Properties			
	Year End 2023 Average $	Ratio To Revenue	$ Per Available Room/Year	$ Per Occupied Room/Day
Revenues				
Rooms	$3,127,560	97.8%	$36,849	$142.63
Food and Beverage	$0	0.0%	$0	$0.00
Other Operated Departments	$35,128	1.1%	$414	$1.60
Miscellaneous Income	$34,956	1.1%	$412	$1.59
Total Operating Revenue	$3,197,643	100.0%	$37,675	$145.82
Departmental Costs and Expenses**				
Rooms	$836,334	26.7%	$9,854	$38.14
Food and Beverage	$0	0.0%	$0	$0.00
Other Operated Departments	$15,431	43.9%	$182	$0.70
Total Costs and Expenses	$851,764	26.6%	$10,036	$38.84
Total Departmental Profit	$2,345,879	73.4%	$27,639	$106.98
Undistributed Operating Expenses				
Administrative and General	$303,613	9.5%	$3,577	$13.85
Information and Telecommunications Systems	$73,937	2.3%	$871	$3.37
Sales and Marketing (Includes Franchise Fees)	$424,222	13.3%	$4,998	$19.35
Property Operation and Maintenance	$141,106	4.4%	$1,663	$6.43
Utility Costs	$153,568	4.8%	$1,809	$7.00
Total Undistributed Expenses	$1,096,446	34.3%	$12,918	$50.00
Gross Operating Profit	$1,249,433	39.1%	$14,721	$56.98
Management Fees	$94,334	3.0%	$1,111	$4.30
Income Before Non-Operating Income and Expenses	$1,155,099	36.1%	$13,609	$52.68
Non-Operating Income and Expenses				
Income	$445	0.0%	$5	$0.02
Rent	$121,767	3.8%	$1,435	$5.55
Property Taxes and Other Municipal Charges	$134,935	4.2%	$1,590	$6.15
Insurance	$83,276	2.6%	$981	$3.80
Other	($44,967)	-1.4%	($530)	($2.05)
Total Non-Operating Income and Expenses	$294,566	9.2%	$3,471	$13.43
EBITDA***	$860,533	26.9%	$10,139	$39.24

** Ratio to revenue shown as a percentage of corresponding departmental revenue
*** Before deductions for capital reserve, interest, income taxes, depreciation, and amortization

NC - Not Comparable
* Expressed as percentage

BENCHMARKER DEPARTMENT STATEMENT

ROOMS

Comparative Set - Average of 8 Properties

85 Average Number of Rooms
70.8% Average Occupancy
$142.63 Average ADR
$100.96 Average RevPAR

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REVENUE AND EXPENSES	Comparative Set - Average of 8 Properties			
	Year End 2023 Average $	**Ratio To Revenue	$ Per Available Room/Year	$ Per Occupied Room/Day
Revenues				
Net Revenue				
Rooms	$3,127,560	100.0%	$36,849	$142.63
Expenses				
Salaries and Wages - Management	$21,267	0.7%	$251	$0.97
Salaries and Wages - Non-Management	$399,456	12.8%	$4,706	$18.22
Service Charge Distribution	$0	0.0%	$0	$0.00
Contract/Leased/Outsourced Labor	$88	0.0%	$1	$0.00
Bonuses and Incentives	$5,239	0.2%	$62	$0.24
Unassigned Salaries and Wages	$0	0.0%	$0	$0.00
Total Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	$426,050	13.6%	$5,020	$19.43
Payroll-Related Expenses	$116,674	3.7%	$1,375	$5.32
Total Labor Costs and Related Expenses	$542,723	17.4%	$6,394	$24.75
Laundry, Linen, and Supplies	$90,533	2.9%	$1,067	$4.13
Commissions	$85,511	2.7%	$1,007	$3.90
Reservation Expenses	$15,626	0.5%	$184	$0.71
Training	$27	0.0%	$0	$0.00
Complimentary Services, Gifts, F&B, and In-Room Entertainment	$98,980	3.2%	$1,166	$4.51
All Other Expenses	$2,934	0.1%	$35	$0.13
Total Rooms Department Expenses	$836,334	26.7%	$9,854	$38.14
Rooms Department Profit	$2,291,227	73.3%	$26,995	$104.49

** Ratio to revenue shown as a percentage of corresponding departmental revenue
*** Before deductions for capital reserve, interest, income taxes, depreciation, and amortization

NC - Not Comparable
* Expressed as percentage

BENCHMARKER DEPARTMENT STATEMENT

FOOD AND BEVERAGE

Comparative Set - Average of 8 Properties

85 Average Number of Rooms
70.8% Average Occupancy
$142.63 Average ADR
$100.96 Average RevPAR

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REVENUE AND EXPENSES	Comparative Set - Average of 8 Properties			
Food and Beverage Revenue	Year End 2023 Average $	**Ratio To Revenue	$ Per Available Room/Year	$ Per Occupied Room/Day
Food				
Venues	$0	0.0%	$0	$0.00
Room Service	$0	0.0%	$0	$0.00
Mini-Bar	$0	0.0%	$0	$0.00
Banquet	$0	0.0%	$0	$0.00
Total Food Revenue	$0	0.0%	$0	$0.00
Beverage				
Venues	$0	0.0%	$0	$0.00
Room Service	$0	0.0%	$0	$0.00
Mini-Bar	$0	0.0%	$0	$0.00
Banquet	$0	0.0%	$0	$0.00
Total Beverage Revenue	$0	0.0%	$0	$0.00
Total Food and Beverage Revenue	$0	0.0%	$0	$0.00
Other Revenue				
Function Room Rental and Setup Charges	$0	0.0%	$0	$0.00
Audiovisual Rental	$0	0.0%	$0	$0.00
Surcharges and Services Charges	$0	0.0%	$0	$0.00
Miscellaneous Other	$0	0.0%	$0	$0.00
Total Other Revenue	$0	0.0%	$0	$0.00
Total Departmental Revenue	$0	0.0%	$0	$0.00
Cost of Sales				
Cost of Food Sales**	$0	0.0%	$0	$0.00
Cost of Beverage Sales**	$0	0.0%	$0	$0.00
Audiovisual Cost**	$0	0.0%	$0	$0.00
Miscellaneous Cost**	$0	0.0%	$0	$0.00
Total Cost of Sales	$0	0.0%	$0	$0.00
Gross Profit	$0	0.0%	$0	$0.00
Expenses				
Salaries and Wages - Management	$0	0.0%	$0	$0.00
Salaries and Wages - Non-Management	$0	0.0%	$0	$0.00
Service Charge Distribution	$0	0.0%	$0	$0.00
Contract/Leased/Outsourced Labor	$0	0.0%	$0	$0.00
Bonuses and Incentives	$0	0.0%	$0	$0.00
Unassigned Salaries and Wages	$0	0.0%	$0	$0.00
Total Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	$0	0.0%	$0	$0.00
Payroll-Related Expenses	$0	0.0%	$0	$0.00
Total Labor Costs and Related Expenses	$0	0.0%	$0	$0.00
Laundry, Linen, and Supplies	$0	0.0%	$0	$0.00
Training	$0	0.0%	$0	$0.00
All Other Expenses	$0	0.0%	$0	$0.00
Total Expenses (Excluding Cost of Sales)	$0	0.0%	$0	$0.00
Food and Beverage Departmental Expenses	$0	0.0%	$0	$0.00
Departmental Income (Loss)	$0	0.0%	$0	$0.00

** Ratio to revenue shown as a percentage of corresponding departmental revenue
*** Before deductions for capital reserve, interest, income taxes, depreciation, and amortization

NC - Not Comparable
^ Expressed as percentage

BENCHMARKER DEPARTMENT STATEMENT

ADMINISTRATIVE AND GENERAL

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Comparative Set - Average of 8 Properties

85 Average Number of Rooms
70.8% Average Occupancy
$142.63 Average ADR
$100.96 Average RevPAR

REVENUE AND EXPENSES	**Year End 2023 Average $**	**Ratio to Department Expense**	**$ Per Available Room/Year**	**$ Per Occupied Room/Day**
	Comparative Set - Average of 8 Properties			
Expenses				
Salaries and Wages - Management	$88,768	29.2%	$1,046	$4.05
Salaries and Wages - Non-Management	$0	0.0%	$0	$0.00
Service Charge Distribution	$0	0.0%	$0	$0.00
Contract/Leased/Outsourced Labor	$187	0.1%	$2	$0.01
Bonuses and Incentives	$8,781	2.9%	$103	$0.40
Unassigned Salaries and Wages	$0	0.0%	$0	$0.00
Total Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	$97,735	32.2%	$1,152	$4.46
Payroll-Related Expenses	$28,110	9.3%	$331	$1.28
Total Labor Costs and Related Expenses	$125,845	41.4%	$1,483	$5.74
Credit Card Commissions	$88,570	29.2%	$1,044	$4.04
Provision for Doubtful Accounts	$6,045	2.0%	$71	$0.28
Legal and Professional Fees	$27,144	8.9%	$320	$1.24
Training	$5,852	1.9%	$69	$0.27
All Other Expenses	$50,158	16.5%	$591	$2.29
Total Administrative & General Expenses	$303,613	100.0%	$3,577	$13.85

** Ratio to revenue shown as a percentage of corresponding departmental revenue
*** Before deductions for capital reserve, interest, income taxes, depreciation, and amortization

NC - Not Comparable
* Expressed as percentage

BENCHMARKER DEPARTMENT STATEMENT

INFORMATION AND TELECOMMUNICATIONS SYSTEMS EXPENSES

Comparative Set - Average of 8 Properties

85 Average Number of Rooms
70.8% Average Occupancy
$142.63 Average ADR
$100.96 Average RevPAR

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REVENUE AND EXPENSES	**Comparative Set - Average of 8 Properties**			
	Year End 2023 Average $	**Ratio to Department Expense**	**$ Per Available Room/Year**	**$ Per Occupied Room/Day**
Expenses				
Salaries and Wages - Management	$0	0.0%	$0	$0.00
Salaries and Wages - Non-Management	$0	0.0%	$0	$0.00
Service Charge Distribution	$0	0.0%	$0	$0.00
Contract/Leased/Outsourced Labor	$0	0.0%	$0	$0.00
Bonuses and Incentives	$0	0.0%	$0	$0.00
Unassigned Salaries and Wages	$0	0.0%	$0	$0.00
Total Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	$0	0.0%	$0	$0.00
Payroll-Related Expenses	$0	0.0%	$0	$0.00
Total Labor Costs and Related Expenses	$0	0.0%	$0	$0.00
Cost of Service - Phone (complimentary and administrative)	$7,768	10.5%	$92	$0.35
Cost of Service - Internet (complimentary and administrative)	$12,954	17.5%	$153	$0.59
System Expenses - Operated Departments	$14,567	19.7%	$172	$0.66
System Expenses - Undistributed Departments	$30,755	41.6%	$362	$1.40
Training	$0	0.0%	$0	$0.00
All Other Expenses	$7,893	10.7%	$93	$0.36
Total Information and Telecommunications Expenses	$73,937	100.0%	$871	$3.37

** Ratio to revenue shown as a percentage of corresponding departmental revenue
*** Before deductions for capital reserve, interest, income taxes, depreciation, and amortization

NC - Not Comparable
* Expressed as percentage

BENCHMARKER DEPARTMENT STATEMENT

SALES AND MARKETING

Comparative Set - Average of 8 Properties

85 Average Number of Rooms
70.8% Average Occupancy
$142.63 Average ADR
$100.96 Average RevPAR

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REVENUE AND EXPENSES	Year End 2023 Average $	Ratio to Department Expense	$ Per Available Room/Year	$ Per Occupied Room/Day
	Comparative Set - Average of 8 Properties			
Sales and Marketing Expenses				
Salaries and Wages - Management	$38,028	9.0%	$448	$1.73
Salaries and Wages - Non-Management	($1,331)	-0.3%	($16)	($0.06)
Service Charge Distribution	$0	0.0%	$0	$0.00
Contract/Leased/Outsourced Labor	$732	0.2%	$9	$0.03
Bonuses and Incentives	$1,334	0.3%	$16	$0.06
Unassigned Salaries and Wages	$0	0.0%	$0	$0.00
Total Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	$38,762	9.1%	$457	$1.77
Payroll-Related Expenses	$8,819	2.1%	$104	$0.40
Total Labor Costs and Related Expenses	$47,581	11.2%	$561	$2.17
Marketing-Related Expenses				
Total Franchise Related Marketing Expenses	$337,168	79.5%	$3,973	$15.38
Advertising / Media	$4,751	1.1%	$56	$0.22
Training	$867	0.2%	$10	$0.04
Website	$9,313	2.2%	$110	$0.42
Promotion/Public Relations	$441	0.1%	$5	$0.02
All Other Sales and Marketing	$24,100	5.7%	$284	$1.10
Total Sales and Marketing Expenses	$424,222	100.0%	$4,998	$19.35

** Ratio to revenue shown as a percentage of corresponding departmental revenue
*** Before deductions for capital reserve, interest, income taxes, depreciation, and amortization

NC - Not Comparable
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BENCHMARKER DEPARTMENT STATEMENT

PROPERTY MAINTENANCE AND UTILITIES

Comparative Set - Average of 8 Properties

85 Average Number of Rooms
70.8% Average Occupancy
$142.63 Average ADR
$100.96 Average RevPAR

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REVENUE AND EXPENSES	**Comparative Set - Average of 8 Properties**			
	Year End 2023 Average $	**Ratio to Department Expense**	**$ Per Available Room/Year**	**$ Per Occupied Room/Day**
Property Maintenance Expenses				
Salaries and Wages - Management	$5,457	1.9%	$64	$0.25
Salaries and Wages - Non-Management	$43,658	14.8%	$514	$1.99
Service Charge Distribution	$0	0.0%	$0	$0.00
Contract/Leased/Outsourced Labor	$0	0.0%	$0	$0.00
Bonuses and Incentives	$845	0.3%	$10	$0.04
Unassigned Salaries and Wages	$0	0.0%	$0	$0.00
Total Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	$49,959	17.0%	$589	$2.28
Payroll-Related Expenses	$14,121	4.8%	$166	$0.64
Total Labor Costs and Related Expenses	$64,080	21.7%	$755	$2.92
Contract Services	$34,378	11.7%	$405	$1.57
All Other Expenses	$42,648	14.5%	$502	$1.94
Total Property Maintenance Expenses	$141,106	47.9%	$1,663	$6.43
Utility Costs				
Electricity	$107,625	36.5%	$1,268	$4.91
Water / Sewer	$28,719	9.7%	$338	$1.31
Steam	$0	0.0%	$0	$0.00
Gas / Fuel	$17,164	5.8%	$202	$0.78
Other	$60	0.0%	$1	$0.00
Total Utilities	$153,568	52.1%	$1,809	$7.00
Total Maintenance & Utility Expenses	$294,674	100.0%	$3,472	$13.44

** Ratio to revenue shown as a percentage of corresponding departmental revenue
*** Before deductions for capital reserve, interest, income taxes, depreciation, and amortization

NC - Not Comparable
* Expressed as percentage

BENCHMARKER SUMMARY

LABOR COST ANALYSIS

Comparative Set - Average of Properties

Average Number of Rooms
Average Occupancy
Average ADR
Average RevPAR

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REVENUE AND EXPENSES	Comparative Set - Average of 8 Properties			
	Year End 2023 Average $	Ratio To Revenue	$ Per Available Room/Year	$ Per Occupied Room/Day
Rooms Department				
Salaries, Wages, Service Charges, Contracted Labor and Bonuses	$426,050	13.3%	$5,020	$19.43
Payroll-Related Expenses	$116,674	3.6%	$1,375	$5.32
Total Labor Costs and Related Expenses	$542,723	17.0%	$6,394	$24.75
Food and Beverage Department				
Salaries, Wages, Service Charges, Contracted Labor and Bonuses	$0	0.0%	$0	$0.00
Payroll-Related Expenses	$0	0.0%	$0	$0.00
Total Labor Costs and Related Expenses	$0	0.0%	$0	$0.00
Other Operated Department				
Salaries, Wages, Service Charges, Contracted Labor and Bonuses	$3,066	0.1%	$36	$0.14
Payroll-Related Expenses	$470	0.0%	$6	$0.02
Total Labor Costs and Related Expenses	$3,536	0.1%	$42	$0.16
Administrative and General Department				
Salaries, Wages, Service Charges, Contracted Labor and Bonuses	$97,735	3.1%	$1,152	$4.46
Payroll-Related Expenses	$28,110	0.9%	$331	$1.28
Total Labor Costs and Related Expenses	$125,845	3.9%	$1,483	$5.74
Information and Telecommunicatoins Department				
Salaries, Wages, Service Charges, Contracted Labor and Bonuses	$0	0.0%	$0	$0.00
Payroll-Related Expenses	$0	0.0%	$0	$0.00
Total Labor Costs and Related Expenses	$0	0.0%	$0	$0.00
Marketing Department				
Salaries, Wages, Service Charges, Contracted Labor and Bonuses	$38,762	1.2%	$457	$1.77
Payroll-Related Expenses	$8,819	0.3%	$104	$0.40
Total Labor Costs and Related Expenses	$47,581	1.5%	$561	$2.17
Property Maintenance Department				
Salaries, Wages, Service Charges, Contracted Labor and Bonuses	$49,959	1.6%	$589	$2.28
Payroll-Related Expenses	$14,121	0.4%	$166	$0.64
Total Labor Costs and Related Expenses	$64,080	2.0%	$755	$2.92
Total Overall Payroll & Related Expenses				
Salaries, Wages, Service Charges, Contracted Labor and Bonuses	$615,573	19.3%	$7,253	$28.07
Payroll-Related Expenses	$168,193	5.3%	$1,982	$7.67
Total Overall Payroll and Related Expenses	$783,766	24.5%	$9,234	$35.74

** Ratio to revenue shown as a percentage of corresponding departmental revenue
*** Before deductions for capital reserve, interest, income taxes, depreciation, and amortization

NC - Not Comparable
* Expressed as percentage