



Core DISTINCTION GROUP

HOTEL MARKET FEASIBILITY STUDY PROPOSAL

PREPARED BY

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TAKING THE FIRST STEP TO DEVELOP A NEW HOTEL

WHAT CAN A NEW HOTEL DO FOR YOUR COMMUNITY?

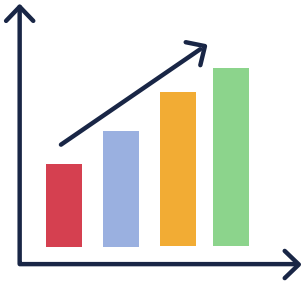
ESTIMATED ECONOMIC IMPACT

A new hotel in your community can have a very large Direct Economic Impact and an even larger Indirect Economic Impact. To help you understand this impact, Core Distinction Group compiles Estimated Economic Impact within our reporting. These estimates help community leaders understand the impact to the local economy and economic development. Below is a sample of what a new hotel can bring to your community:

DIRECT REVENUE

When considering the potential Direct Economic Impact of a new hotel in the community, look at the direct tax revenue the community is gaining from the project. This takes into consideration lodging/bed taxes (when applicable), sales taxes, and real estate taxes. Below you will find the estimated tax revenue* of this project broken out into each category (Ramp Up Year):

NEW HOTEL REVENUE	\$1,140,000
NEW SALES TAX REVENUE	\$64,350
NEW LODGING/BED TAX REVENUE	\$35,100
NEW REAL ESTATE TAX REVENUE	\$75,000



*All taxes based on a new 50 room, upper mid-scale hotel, with an average daily rate of \$100 at 65% occupancy. Sales tax estimates based on 5.5% Sales Tax. Lodging tax estimates based on 3% Lodging Tax. Real Estate Taxes also an estimate based on Real Estate/Property Taxes from a past project of Core Distinction Group in Iowa.

INDIRECT REVENUE

When considering the potential Indirect Economic Impact of a new hotel in the community, look at the spending of the guest within the community. For the purpose of this summary, we have identified the potential spending on food/dining, entertainment/activities and alcoholic beverages (if applicable). Below you will find the estimated revenue** brought into your community indirectly by a new hotel broken down into each category (Ramp Up Year):

ESTIMATED NEW FOOD/DINING REVENUE	\$540,000
ESTIMATED NEW ENTERTAINMENT/ACTIVITIES REVENUE	\$540,000
ESTIMATED NEW ALCOHOLIC BEVERAGE REVENUE	\$252,000

ESTIMATED NEW INDIRECT FULL-TIME EQUIVALENT JOBS CREATED	18.4
ESTIMATED NEW SALES TAX FROM INDIRECT REVENUE	\$73,260

** Indirect revenue based on the "Ramp Up Year" of a new 50 room, upper mid-scale hotel at 65% occupancy. New estimated revenues in Food/Dining, Entertainment/Activities, and Alcoholic Beverages based on one person per room sold at the current average amount spent per traveler according to budgetyourtravel.com. Estimated indirect job creation based on industry standard labor percentage of revenue and current wages collected from salary.com. Estimated additional sales taxes from indirect revenue based on 5.5% Sales Taxes.

ABOUT US

LEADERSHIP

LISA PENNAU

Mrs. Pennau offers more than 25 years of hospitality industry experience. She began in the industry as a rental car agent at the airport in Oshkosh, Wisconsin where she worked while completing her degrees in both hospitality management and sales & marketing at the local college. Lisa moved on to work as a manager in training for Super 8 hotels in Wichita, Kansas and quickly was promoted to general manager of a Super 8 in Omaha, Nebraska. She was recruited by Baymont to become a traveling manager and served several distressed Midwest properties until moving on to work for Hilton as a General Manager at a Hampton Inn Minnetonka, MN. When that hotel sold, Lisa was promoted by the new owners to Regional Director of Operations for Pillar Hotels overseeing 25+ Midwest hotels, in both rural and metropolitan markets, including Minnesota, Wisconsin, Illinois, Iowa, North Dakota, and South Dakota. During her 10 years as Regional Director of Operations, Lisa oversaw multiple brands such as: Choice, Hilton, Hyatt, IHG, and Marriott. In her final year with Pillar she received the highest honor of Regional Director of the Year for Highest Performing Hotels in all capacities including, revenue, operations, guest service score, turnover, etc.



JESSICA JUNKER

Miss Junker offers more than 18 years of hospitality industry experience. From her beginning in the industry as a banquet server at a full-service hotel in downtown Green Bay, Wisconsin, to overseeing that very property as the manager in only a couple of years. Jessica moved on to work as a Director of Sales at a Residence Inn by Marriott, Area Director of Sales with Interstate Hotels, and Regional Director of Sales and Marketing with Pillar Hotels working on Sales, Marketing, and Revenue Management of anywhere between 15 and 52 hotels with every major and not so major brand in the country. After learning everything she needed about running a hotel, she set her sights on what happens before a hotel is built. She worked in many separate executive roles within an up-and-coming hotel franchise. Miss Junker offers hands-on expert knowledge in hotel operations, sales, marketing, training, contracting, development, construction, really all things hotels. She gained this knowledge from industry leaders like Marriott, Hilton, InterContinental Hotels Group, Choice Hotels, TMI Hospitality, Interstate Hotels, Pillar Hotels & Resorts, Cobblestone Hotels, Wyndham Hotels & Resorts, and many more.



ABOUT US

TESTIMONIALS AND REFERENCES

URBANA, OH/CHAMPAIGN ECONOMIC PARTNERSHIP MARCIA BAILEY

"For quite some time we had been looking at the possibility of a new hotel in our community. We hired Core Distinction Group to perform a hotel feasibility study for us. Jessica did a great job in answering questions, touring the city and conducting demand generator interviews. The analysis that was completed gave us the information we needed to begin the process of working on the project. We would highly recommend using their services."

FAIRFIELD BAY, AR MAYOR PAUL WELLENBERGER

"I called Core Distinction Group with a need for a new Feasibility study and a pretty unrealistic time frame. We had interested investors and interested bankers, but they wanted an updated study reflecting the hotel specifics. Not only was Ms. Junker responsive, she and her team worked over the July 4th weekend to get us what we needed, when we needed it. I highly recommend this company. We had a study done two years earlier. That study cost twice as much, took twice as long and the product was not nearly as thorough and complete as what we received from Core Distinction Group."

METAMORA, IL KEN MAURER

"Core Distinction Group did a great job for the Village of Metamora. The study was a quality study accepted by all of the hotel chains I contacted."

ADDITIONAL REFERENCES

HUTCHINSON, MN - BRIAN FORCIER
PHONE: 218-590-8205

ERIE, PA - TOM KENNEDY
PHONE: 814-451-1100

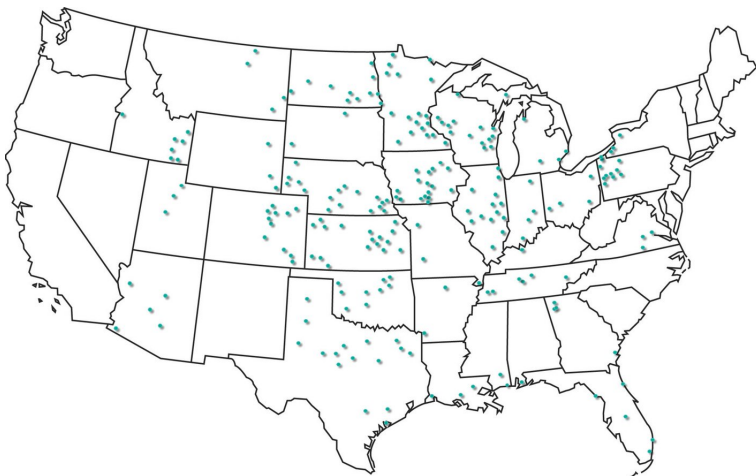
SAUK CITY, WI - VICKI BREUNIG
PHONE: 608-643-3932

ST. MARY'S, PA - BOOKA HANES
PHONE: 814-335-6405

WAYNE COUNTY, TN - CHRISTINE CHAPMAN
PHONE: 931-722-3575

GLADSTONE, MO - JOSH BERGER
PHONE: 402-405-1823

URBANA, OH - MARCIA BAILEY
PHONE: 937-653-7200



SCOPE OF WORK



Core Distinction Group takes immense pride in the work we do. Throughout each phase of our projects we communicate with our clients regularly. This ensures everyone involved in the project is up-to-date on the progress. We also keep a very tight timeline on our projects. Each phase is well thoughtout and followed consistently. The objective of our studies are to identify and determine the need for lodging in the community, the loss of lodging to the area due to lack of quality or amount of lodging, as well as determine if there is enough need to justify a new hotel. A new hotel that makes good business sense. Below you will find each part and its timing in the process:

KICKOFF MEETING, RESEARCH & COMMUNITY OUTREACH

This phase involves speaking with community leaders to compile a list of potential demand generators in the local and regional community. Research and Community Outreach is conducted within the first one to two weeks following receipt of the retainer.

SITE VISIT & COMMUNITY INTERVIEWS

This phase involves an in-depth local tour given by community leaders to help Core Distinction understand said community and need for lodging. The tour also includes a detailed analysis of potential sites for the project.

DEMAND GENERATOR INTERVIEWS

This phase involves conducting online and phone interviews with potential demand generators gathered during the Research and Community Outreach of the study process. This phase will take place in the first two weeks of the study process. In some cases, interviews are done during visit as well.

DATA COMPILATION

This phase of the process involves compiling all the data gathered during our visit to gain the overall picture of what is needed for the community. This phase is conducted in the two weeks following our community visit completion.

***DATA RECEIVING & REPORTING**

Once all the demand generator information is gathered, Core Distinction Group begins pulling industry data for target market as well as industry trends to help us gain a better understanding of the local and regional opportunity areas.

COST GATHERING

This involves all things cost. Core Distinction Group gathers actual cost for the development, construction, financing, taxes, and all other ongoing costs associated with the specific project.

PROJECT PRO FORMA

Immediately following Development and Operational Cost Gathering, Core Distinction Group will construct a project, brand, market, and scale specific Pro Forma that is bank, investor, brand and developer friendly.

DRAFT COMPLETION/SUBMITTAL

After Core Distinction has conducted all previous phases, we complete a draft of the study and financial pro forma and submit it for review by the contracted entity. Changes to the study may be made at this point but are limited to spelling and grammar updates.

FINAL









After all requested changes are made and final payment is received, Core Distinction Group will submit a final draft of the Hotel Market Feasibility Study and Brand Specific Pro Forma to the community for distribution.

*If at this point, Core Distinction Group does not feel there is enough need for lodging to merit the costs of a new build hotel, we will stop the process, communicate with the community and offer alternative options for accommodations. If this happens, the contracted entity is not responsible for the remaining study costs highlighted in (Cost) and will receive a report indicating the reasoning behind the decision.

ALL-INCLUSIVE PRICING

The cost to complete your community's Comprehensive Hotel Market Feasibility Study would be \$12,500. This fee is all-inclusive and will give you every tool you would need to bring a hotel to your community. Once your organization has decided to move forward in hiring Core Distinction Group, LLC to conduct your study, we will require a signed contract and 50% (\$6,250) non-refundable retainer. The remaining 50% (\$6,250) will be required prior to your organization receiving the Final Draft. If at any given point after the Site Visit and Community Tour, our company believes that a new hotel project in your community does not make good business sense, we will reach out to you to discuss. If after the discussion of all data with your organization, all parties believe that we have come to the proper determination, we will cease all project work and you will not be responsible for the remainder of the fee/cost. In addition, Core Distinction Group, LLC does not charge for additional time spend on the project after questions from investors, bankers, brands and so on are complete. Core Distinction Group, LLC will also include one additional Pro Forma update with-in a year of the project completion at no additional charge of changes in fees or costs.

Below you will find a breakdown of what is included in our pricing:

Travel - Airfare, Accommodations, Rental Car, Meals and any Out of Pocket Expenses	
Industry Reports	
Community Visit and Site Analysis	
Data Compilation/Gathering	
Hotel Market Feasibility Study Completion	
	Introduction/Objective
	Market Overview
	Site Analysis
	Economic Overview
	Lodging Demand Overview
	Community Interview/Survey Details
	Lodging Supply Overview
	Conclusion/Scale, Size and Amenity Recommendations
Financial Projections/Proforma (2 Separate Brand Specific Proformas)	
Total All-In Project Cost	\$ 12,500

SUMMARY AND SAMPLES

SUMMARY

With over 500 Hotel Market Feasibility Studies complete for municipalities and organizations across the United States, Core Distinction Group has developed a wonderful reputation for our professionalism, knowledge, and customer service. Our completed reports offer each person involved a complete understanding and detailed description of what makes the most business sense in your community. Once your study is complete, you will have the pieces you need to develop a new hotel including but not limited to the following:

- Introduction/Objective
- Executive Summary
- Community Overview
- Market Demand Area
- Site Analysis
- Economic Overview
- Lodging Demand Overview
- Demand Generator Survey Details
- Lodging Supply Overview
- Industry Trend Data
- Conclusion/Recommendations
- Estimated Economic Impact
- Development Cost Breakdown
- Complete Financial Projections/Pro Forma



SAMPLES

Please review the samples provided following this page. We have included a sample of our Hotel Market Feasibility Study and our Financial Projections.

CONTACT US TODAY TO SCHEDULE YOUR FIRST STEP TO DEVELOP A NEW HOTEL!
JESSICA JUNKER - MANAGING PARTNER
920-740-1647 - J.JUNKER@COREDISTINCTIONGROUP.COM
WWW.COREDISTINCTIONGROUP.COM



Core DISTINCTION GROUP

COMPREHENSIVE HOTEL MARKET FEASIBILITY STUDY

PREPARED FOR

BELLINGHAM, WASHINGTON

PREPARED BY

Core Distinction Group, LLC

Lisa Pennau - Founding Partner

l.pennau@coredistinctiongroup.com

Jessica Junker - Managing Partner

j.junker@coredistinctiongroup.com

Offices in Wisconsin

INCLUDES

Introduction/Objective

Community Overview

Executive Summary

Economic Overview

Market Demand

Site Analysis

Lodging Demand

Lodging Supply

Room Share Overview

Economic Impact

Conclusion

TAKING THE FIRST STEP TO DEVELOP A NEW HOTEL



Date Thursday, February 3, 2022

Attn: Eric Heiborn (Waypoint Views LLC)

Address 1201 11th Street #201

City, State, Zip Bellingham, WA 98225

In accordance with our agreement, Core Distinction Group, LLC. has completed a Comprehensive Hotel Market Feasibility Study to determine if Bellingham, WA has the potential to support a new hotel. In addition, the aforementioned study includes a complete Pro Forma based on construction costs and operating costs provided by the brand(s) requested by you.

As in all studies of this type, the estimated results are based upon competent and efficient management and an effective marketing program and presume no significant change in the competitive position of the hotel industry from that set forth in this report. We have no responsibility to update this report for events and circumstances occurring after completion of our research conducted in January & February 2022. These projections are based upon estimates, assumptions and other information developed from our research and we do not warrant that they will be attained. We do not consider the legal and regulatory requirements applicable to this project, including zoning, permits, licenses and other state and local government regulations.

This report has been prepared for your use and guidance in determining whether hotel development should be pursued in your community and to share with developers, hotel franchise companies, and potential lenders/investors. Neither our name nor the material submitted may be used in any prospectus or used in offerings or representations in connection with the sale of securities or participation interests without our express written permission.

Please do not hesitate to call if Core Distinction Group can be of any further assistance in the interpretation and application of our findings, recommendations and conclusions. We appreciate the cooperation you extended to us during the course of our agreement and look forward to working with you again in the future.

Sincerely,

Jessica Junker
Partner



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Introduction

The following Comprehensive Lodging Feasibility Study Report will review the potential development of a hotel in Bellingham, WA.

Intended Use - This report is to be used by the Client for determining feasibility and attracting a new hotel.

Intended User - Waypoint Views LLC is the only intended user for this report.

Core Distinction Group LLC (CDG) has been engaged to provide this Comprehensive Lodging Feasibility Study Report for the Bellingham, WA market area. This Lodging Feasibility Study provides an overview of information concerning the market area and the factors that would affect the possible development of a hotel facility in this community.

The consultant from Core Distinction Group LLC met with representatives of the community and the surrounding area to gather information pertinent to hotel development. Comprehensive research was performed and reviewed regarding the community's economic indicators, competitive lodging supply, and lodging demand generators. CDG performed field research to determine the relationship between the community and its lodging need. Economic indicators were studied to determine the stability and future growth potential of the general market. The research was conducted as a macro and micro market analysis of the Bellingham, WA and the areas immediately surrounding area to determine their viability to support the potential of a hotel development.

This report will present projections for stabilized hotel operation based upon current operating performance in the market area. Occupancy, Average Daily Room Rate, and Sales Revenue projections for the hotel were based upon a detailed review of the field research data. Also, recommendations as to the property type, suggested property size, services, and amenities were included. These projections and recommendations were based upon the market demand research for a potential lodging facility.

This report provides statistical and highlighted narratives to support the conclusions regarding the market area and its ability to support potential hotel development.

General Assumptions - For the purpose of this assignment, we assumed the proposed property will be operated as an upper-mid scaled to upper scaled, franchised hotel with a central reservations system that is fully-integrated with a recognized marketing platform. If this or any of the following are not followed, it could affect the overall feasibility of subject property.

Introduction (continued)

Operational Assumptions - For the purpose of this assignment, we assume the subject property would be managed by a professional hotel management company at an industry standard fee between five and seven percent.

Franchise Fees - For the purpose of this assignment, we assume the subject property would pay franchise fees quoted to Core Distinction Group, LLC by either the developer or franchise representative. In the event that Core Distinction Group is not able to receive a quote, fees will be based on the franchise's registered Franchise Disclosure Document.

SAMPLE

Community Overview

For the purpose of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group, LLC representatives gathered information and history about the market to give readers a brief summary. This section offers that Community Overview.

SAMPLE

Community Overview and History

Bellingham is a coastal city in Washington State, near the Canadian border. It's a port for ferries to Alaska. East is Mount Baker, a huge snow-capped volcano with ski runs.

The city of Bellingham, incorporated in 1903, consolidated four settlements: Bellingham, Whatcom, Fairhaven, and Sehome. It takes its name from Bellingham Bay, named by George Vancouver in 1792, for Sir William Bellingham, the Controller of Storekeeper Accounts of the Royal Navy during the Vancouver Expedition. Today, Bellingham is the northernmost city with a population of more than 50,000 people in the contiguous United States. It is a popular tourist destination known for its easy access to outdoor recreation in the San Juan Islands and North Cascades. Bellingham is undergoing redevelopment on more than 100 acres of former industrial land in its Waterfront District, with a hotel, conference center, condos, retirement living, retail and commercial development planned for the site.

Downtown Bellingham offers a vibrant and abundant amount of events and attractions. The Bellingham Farmers Market is open on Saturdays from early April to late December. Originally opened in 1993, the Farmers Market now features more than fifty vendors, music and community events. The association also operates a weekly Wednesday market in nearby Fairhaven. Wednesday nights in the summer see Downtown Sounds, a family-friendly concert series featuring food booths and a beer garden with local breweries held on Bay Street. From May to September, the Downtown Bellingham Partnership runs the Commercial Street Night Market, with local food, artisan vendors, live music and performances.

Bellingham is bisected by Interstate 5, which connects it to Seattle, Vancouver, and Portland, Oregon. The city also has three state highways: State Route 11, a scenic byway through the Chuckanut Mountains; State Route 539, which connects to Lynden and the Canadian border; and State Route 542, which travels east to the Mount Baker Ski Area. The Bellingham International Airport offers scheduled commuter flights to and from Seattle and Friday Harbor, Washington, and regularly scheduled jet service to various West Coast airports via Alaska Airlines, Allegiant Air, and Southwest Airlines. Alaska Airlines and Allegiant Air used to fly to Hawaii from Bellingham, serving Honolulu, Kahului, and Kona at various times, but this service ceased by 2019. The airport is home of the first Air and Marine Operations Center, to assist the US Department of Homeland Security with border surveillance.

Executive Summary

For the purpose of this Comprehensive Hotel Market Feasibility Study, an executive summary will provide an overview of the document to follow. The Executive Summary will contain the following information:



Current Hotel Segment Recommendations for Market Studied



Current Hotel Size Recommendations for Market Studied



Current Hotel Room Configuration Recommendations for Market Studied



Current Economic Impact of Hotel for Market Studied

Further detailed information on findings from research analysis conducted will be highlighted throughout this report. Further detail on the projections and conclusions can be found in the Projections section of this report.

Executive Summary

Property segment recommended for the potential development of a hotel is an Upper Midscale hotel. This type of hotel would allow the property to be positioned properly at the subject site. It is anticipated that a new hotel would capture displaced Lodging Demand currently staying in markets surrounding Bellingham, WA. Additionally, the newness of the hotel should be well received in the marketplace. It's location will be ideal to serve Bellingham and regional markets. This type of hotel would also be capable of adjusting rates to best fit the demand in the market and the seasonality of the area.

Property size recommendation of a newly developed hotel was researched to be between 70-90 guestrooms in this report. This would position it to be similar in size to the average room size of 60-104 noted by the competitive sets surveyed. The size would assist the property in achieving the Occupancy projections listed in this report. It is not advisable to over-build in this market at this time. Expansion of the hotel in future years could be considered as the market's Lodging Demand grows. Adjusting the room count will modify Performance.

The recommended Sleeping Room Configuration should be compatible with the overall Market Segmentation of the area. The property should offer a comparable selection of extended stay guestrooms with both single occupancy king bedded rooms to double occupancy double queen bedded guestrooms.

Economic Impact Potential: There are multiple economic impacts of building and developing a new hotel in a community. Some direct impact drivers include projected hotel revenue including all room revenues, meeting room revenue, as well as vending/bar revenue. On average, this size property will create 20-35 full time jobs. Part-time employment varies by hotel need and hiring practices. Additional economic development will include taxes, which include all sales taxes collected on hotel revenue, as well as all payroll related taxes collected from full-time hotel employees and temporary construction workers. Local governments will also collect new property taxes from the operation of the hotel. Indirect impact includes all jobs and income generated by businesses that supply goods and services to the hotel. A few examples of businesses that will indirectly benefit from the development of a hotel include suppliers of room related goods (housekeeping supplies, room amenities, etc.), telecommunication vendors (internet, cable, etc.), utility companies, food and beverage suppliers, and other hotel related vendors.

Economic Overview

For the purpose of this Comprehensive Hotel Market Feasibility Study, an Economic Overview will provide an overview of the economic condition of the market studied. The Economic Overview will contain the following information:



Consumer Spending Report



Daytime Employment Report



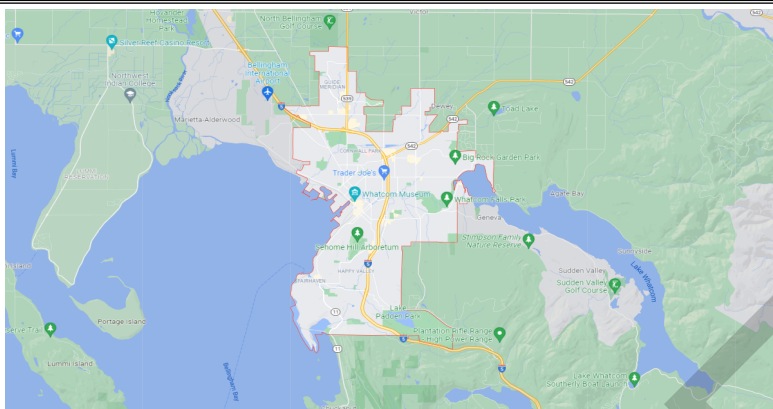
Demographic Detail Report



Demographic Market Comparison Report

Consumer Spending Report

Bellingham, WA 98225



2021 Annual Spending (\$000s)	1 Mile	3 Mile	5 Mile
Total Specified Consumer Spending	\$202,556	\$1,106,437	\$1,472,970
Total Apparel	\$10,071	\$53,653	\$70,208
Women's Apparel	3,717	20,634	27,314
Men's Apparel	2,026	11,038	14,544
Girl's Apparel	732	3,669	4,712
Boy's Apparel	568	2,787	3,564
Infant Apparel	654	2,889	3,600
Footwear	2,373	12,635	16,474
Total Entertainment & Hobbies	\$31,331	\$169,505	\$226,092
Entertainment	4,707	25,866	35,150
Audio & Visual Equipment/Service	6,898	35,655	46,740
Reading Materials	583	3,116	4,147
Pets, Toys, & Hobbies	5,673	30,113	39,919
Personal Items	13,470	74,755	100,135
Total Food and Alcohol	\$58,120	\$305,411	\$400,253
Food At Home	30,146	158,164	206,817
Food Away From Home	23,796	125,756	165,296
Alcoholic Beverages	4,178	21,491	28,141
Total Household	\$29,468	\$172,406	\$234,789
House Maintenance & Repair	4,137	30,411	43,654
Household Equip & Furnishings	12,225	68,314	91,696
Household Operations	9,680	53,322	71,494
Housing Costs	3,427	20,359	27,945

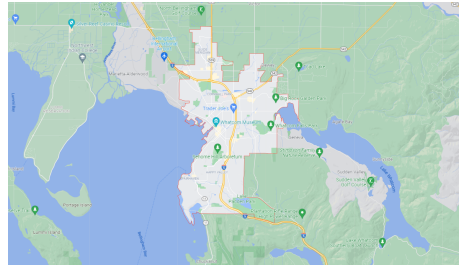
Consumer Spending Report

Bellingham, WA 98225			
2021 Annual Spending (000s)	1 Mile	3 Mile	5 Mile
Total Transportation/Maint.	\$52,982	\$284,764	\$377,791
Vehicle Purchases	25,623	138,298	184,087
Gasoline	14,059	73,281	95,841
Vehicle Expenses	955	5,845	8,288
Transportation	5,608	31,675	42,722
Automotive Repair & Maintenance	6,737	35,665	46,854
Total Health Care	\$9,362	\$52,970	\$71,271
Medical Services	5,583	31,680	42,653
Prescription Drugs	2,806	15,725	21,131
Medical Supplies	973	5,565	7,487
Total Education/Day Care	\$11,223	\$67,728	\$92,566
Education	6,477	40,311	55,303
Fees & Admissions	4,747	27,417	37,263

Daytime Employment Report

1 Mile Radius

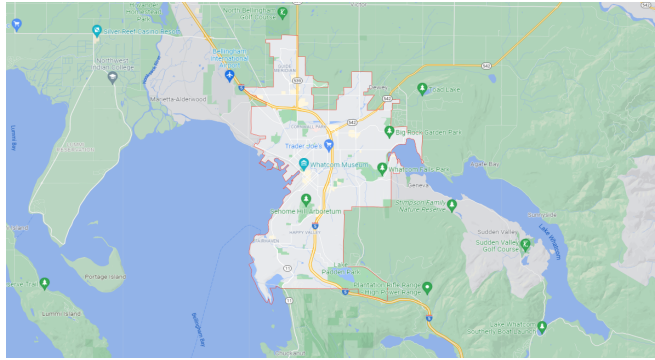
Bellingham, WA 98225



Business Employment by Type	# of Businesses	# Employees	#Emp/Bus
Total Businesses	2,283	18,383	8
Retail & Wholesale Trade	256	2,107	8
Hospitality & Food Service	160	2,138	13
Real Estate, Renting, Leasing	79	648	8
Finance & Insurance	169	1,163	7
Information	48	506	11
Scientific & Technology Services	347	1,534	4
Management of Companies	1	3	3
Health Care & Social Assistance	614	2,434	4
Educational Services	62	2,526	41
Public Administration & Sales	75	2,142	29
Arts, Entertainment, Recreation	55	357	6
Utilities & Waste Management	58	673	12
Construction	72	492	7
Manufacturing	59	538	9
Agriculture, Mining, Fishing	4	26	7
Other Services	224	1,096	5

Demographic Detail Report

Bellingham, WA 98225



Radius	1 Mile		3 Mile		5 Mile	
Population						
2026 Projection	19,880		95,363		121,907	
2021 Estimate	18,139		87,197		111,562	
2010 Census	15,270		74,283		95,860	
Growth 2021 - 2026	9.60%		9.37%		9.27%	
Growth 2010 - 2021	18.79%		17.38%		16.38%	
2021 Population by Age						
Age 0 - 4	1,421	7.83%	5,761	6.61%	6,959	6.24%
Age 5 - 9	1,179	6.50%	5,132	5.89%	6,320	5.67%
Age 10 - 14	884	4.87%	4,502	5.16%	5,766	5.17%
Age 15 - 19	759	4.18%	4,505	5.17%	5,955	5.34%
Age 20 - 24	1,446	7.97%	7,252	8.32%	9,241	8.28%
Age 25 - 29	2,036	11.22%	8,314	9.53%	10,048	9.01%
Age 30 - 34	2,032	11.20%	7,705	8.84%	9,137	8.19%
Age 35 - 39	1,869	10.30%	7,192	8.25%	8,611	7.72%
Age 40 - 44	1,468	8.09%	6,100	7.00%	7,523	6.74%
Age 45 - 49	1,037	5.72%	4,845	5.56%	6,214	5.57%
Age 50 - 54	805	4.44%	4,206	4.82%	5,597	5.02%
Age 55 - 59	707	3.90%	4,067	4.66%	5,551	4.98%
Age 60 - 64	666	3.67%	4,141	4.75%	5,730	5.14%
Age 65 - 69	621	3.42%	4,128	4.73%	5,757	5.16%
Age 70 - 74	511	2.82%	3,616	4.15%	5,081	4.55%
Age 75 - 79	334	1.84%	2,551	2.93%	3,607	3.23%
Age 80 - 84	183	1.01%	1,538	1.76%	2,181	1.95%
Age 85+	180	0.99%	1,642	1.88%	2,285	2.05%
Age 65+	1,829	10.08%	13,475	15.45%	18,911	16.95%
Median Age	33.30		35.30		36.40	
Average Age	34.50		37.50		38.50	

Demographic Detail Report

Bellingham, WA 98225					
Radius	1 Mile		3 Mile		5 Mile
2021 Population By Race	18,139		87,197		111,562
White	15,623	86.13%	74,134	85.02%	94,898 85.06%
Black	357	1.97%	1,489	1.71%	1,807 1.62%
Am. Indian & Alaskan	423	2.33%	1,516	1.74%	1,872 1.68%
Asian	738	4.07%	5,538	6.35%	7,314 6.56%
Hawaiian & Pacific Island	46	0.25%	267	0.31%	371 0.33%
Other	952	5.25%	4,252	4.88%	5,301 4.75%
Population by Hispanic Origin	18,139		87,197		111,562
Non-Hispanic Origin	16,670	91.90%	78,947	90.54%	101,559 91.03%
Hispanic Origin	1,468	8.09%	8,249	9.46%	10,003 8.97%
2021 Median Age, Male	33.80		34.70		35.50
2021 Average Age, Male	34.60		36.70		37.50
2021 Median Age, Female	32.80		35.90		37.30
2021 Average Age, Female	34.40		38.40		39.50
2021 Population by Occupation Classification	14,501		70,898		91,324
Civilian Employed	8,200	56.55%	42,631	60.13%	54,589 59.78%
Civilian Unemployed	879	6.06%	2,947	4.16%	3,788 4.15%
Civilian Non-Labor Force	5,417	37.36%	25,250	35.61%	32,851 35.97%
Armed Forces	5	0.03%	70	0.10%	96 0.11%
Households by Marital Status					
Married	1,458		11,981		17,268
Married No Children	933		7,569		10,875
Married w/Children	525		4,412		6,393
2021 Population by Education	14,214		65,530		83,768
Some High School, No Diploma	818	5.75%	3,390	5.17%	4,046 4.83%
High School Grad (Incl Equivalency)	2,148	15.11%	11,162	17.03%	14,062 16.79%
Some College, No Degree	4,175	29.37%	19,702	30.07%	25,707 30.69%
Associate Degree	1,765	12.42%	5,487	8.37%	6,447 7.70%
Bachelor Degree	3,244	22.82%	15,579	23.77%	20,361 24.31%
Advanced Degree	2,064	14.52%	10,210	15.58%	13,145 15.69%

Demographic Detail Report

Bellingham, WA 98225						
Radius	1 Mile		3 Mile		5 Mile	
2021 Population by Occupation	14,979		79,832		102,194	
Real Estate & Finance	286	1.91%	1,767	2.21%	2,377	2.33%
Professional & Management	3,632	24.25%	20,429	25.59%	26,920	26.34%
Public Administration	294	1.96%	2,011	2.52%	2,629	2.57%
Education & Health	2,158	14.41%	11,476	14.38%	14,682	14.37%
Services	2,583	17.24%	9,423	11.80%	11,353	11.11%
Information	173	1.15%	843	1.06%	1,016	0.99%
Sales	1,521	10.15%	9,057	11.35%	11,611	11.36%
Transportation	673	4.49%	2,122	2.66%	2,227	2.18%
Retail	896	5.98%	5,476	6.86%	6,901	6.75%
Wholesale	162	1.08%	1,101	1.38%	1,372	1.34%
Manufacturing	593	3.96%	4,022	5.04%	5,270	5.16%
Production	923	6.16%	5,173	6.48%	6,883	6.74%
Construction	383	2.56%	2,580	3.23%	3,060	2.99%
Utilities	208	1.39%	1,310	1.64%	1,844	1.80%
Agriculture & Mining	51	0.34%	492	0.62%	660	0.65%
Farming, Fishing, Forestry	38	0.25%	303	0.38%	429	0.42%
Other Services	405	2.70%	2,247	2.81%	2,960	2.90%
2021 Worker Travel Time to Job	7,788		39,881		51,059	
<30 Minutes	6,402	82.20%	32,862	82.40%	41,926	82.11%
30-60 Minutes	1,051	13.50%	5,704	14.30%	7,417	14.53%
60+ Minutes	335	4.30%	1,315	3.30%	1,716	3.36%
2010 Households by HH Size	6,352		31,538		40,524	
1-Person Households	2,767	43.56%	11,059	35.07%	13,458	33.21%
2-Person Households	1,911	30.09%	11,074	35.11%	14,548	35.90%
3-Person Households	785	12.36%	4,432	14.05%	5,775	14.25%
4-Person Households	531	8.36%	3,200	10.15%	4,359	10.76%
5-Person Households	225	3.54%	1,137	3.61%	1,547	3.82%
6-Person Households	85	1.34%	411	1.30%	541	1.34%
7 or more Person Households	48	0.76%	225	0.71%	296	0.73%
2021 Average Household Size	2.00		2.20		2.20	
Households						
2026 Projection	8,463		40,048		50,995	
2021 Estimate	7,699		36,633		46,697	
2010 Census	6,352		31,538		40,525	
Growth 2021 - 2026	9.92%		9.32%		9.20%	
Growth 2010 - 2021	21.21%		16.16%		15.23%	

Demographic Detail Report

Bellingham, WA 98225				
Radius	1 Mile	3 Mile	5 Mile	
2021 Households by HH Income	7,698	36,634	46,698	
<\$25,000	2,139 27.79%	7,824 21.36%	9,230 19.77%	
\$25,000 - \$50,000	1,677 21.78%	7,307 19.95%	8,761 18.76%	
\$50,000 - \$75,000	1,436 18.65%	7,338 20.03%	9,486 20.31%	
\$75,000 - \$100,000	1,108 14.39%	5,035 13.74%	6,643 14.23%	
\$100,000 - \$125,000	509 6.61%	3,261 8.90%	4,294 9.20%	
\$125,000 - \$150,000	279 3.62%	1,771 4.83%	2,390 5.12%	
\$150,000 - \$200,000	273 3.55%	2,205 6.02%	3,069 6.57%	
\$200,000+	277 3.60%	1,893 5.17%	2,825 6.05%	
2021 Avg Household Income	\$65,265	\$77,576	\$82,016	
2021 Med Household Income	\$50,531	\$58,355	\$61,007	
2021 Occupied Housing	7,699	36,633	46,697	
Owner Occupied	2,158 28.03%	15,882 43.35%	22,753 48.72%	
Renter Occupied	5,541 71.97%	20,751 56.65%	23,944 51.28%	
2010 Housing Units	7,863	36,968	47,166	
1 Unit	3,071 39.06%	19,218 51.99%	26,289 55.74%	
2 - 4 Units	1,162 14.78%	4,486 12.13%	5,460 11.58%	
5 - 19 Units	1,589 20.21%	6,150 16.64%	6,970 14.78%	
20+ Units	2,041 25.96%	7,114 19.24%	8,447 17.91%	
2021 Housing Value	2,158	15,881	22,753	
<\$100,000	151 7.00%	1,048 6.60%	1,214 5.34%	
\$100,000 - \$200,000	100 4.63%	647 4.07%	870 3.82%	
\$200,000 - \$300,000	283 13.11%	1,352 8.51%	2,014 8.85%	
\$300,000 - \$400,000	593 27.48%	4,161 26.20%	5,851 25.72%	
\$400,000 - \$500,000	489 22.66%	3,850 24.24%	5,327 23.41%	
\$500,000 - \$1,000,000	490 22.71%	4,475 28.18%	6,669 29.31%	
\$1,000,000+	52 2.41%	348 2.19%	808 3.55%	
2021 Median Home Value	\$391,905	\$419,026	\$426,797	
2021 Housing Units by Yr Built	7,949	38,074	48,725	
Built 2010+	1,251 15.74%	4,663 12.25%	5,769 11.84%	
Built 2000 - 2010	707 8.89%	5,395 14.17%	8,043 16.51%	
Built 1990 - 1999	439 5.52%	6,361 16.71%	9,258 19.00%	
Built 1980 - 1989	256 3.22%	3,495 9.18%	4,604 9.45%	
Built 1970 - 1979	700 8.81%	5,478 14.39%	6,789 13.93%	
Built 1960 - 1969	626 7.88%	2,583 6.78%	3,008 6.17%	
Built 1950 - 1959	430 5.41%	1,994 5.24%	2,407 4.94%	
Built <1949	3,540 44.53%	8,105 21.29%	8,847 18.16%	
2021 Median Year Built	1959	1982	1986	

Demographic Market Comparison Report

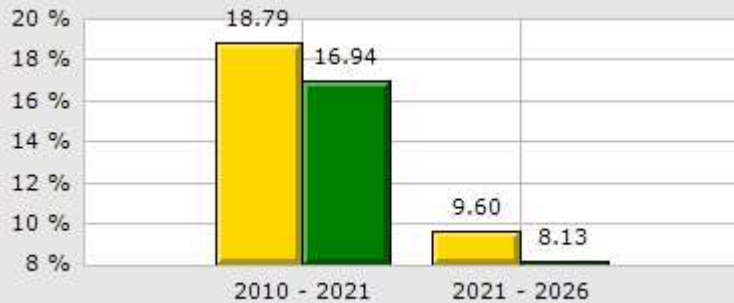
1 mile radius

Bellingham, WA 98225

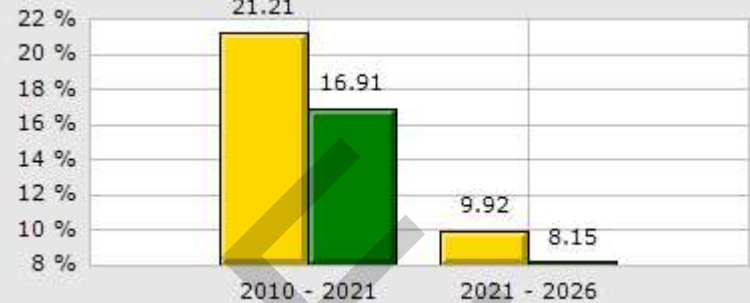
Type: Retail
County: Whatcom

1 Mile
County

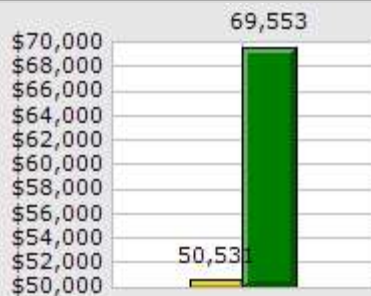
Population Growth



Household Growth



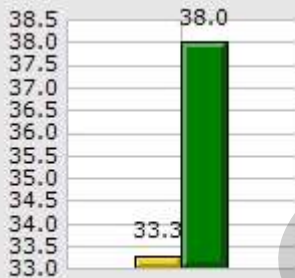
2021 Med Household Inc



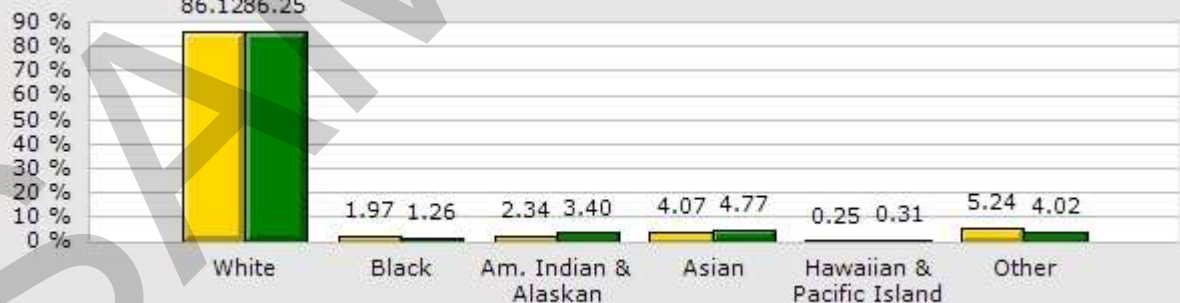
2021 Households by Household Income



2021 Median Age



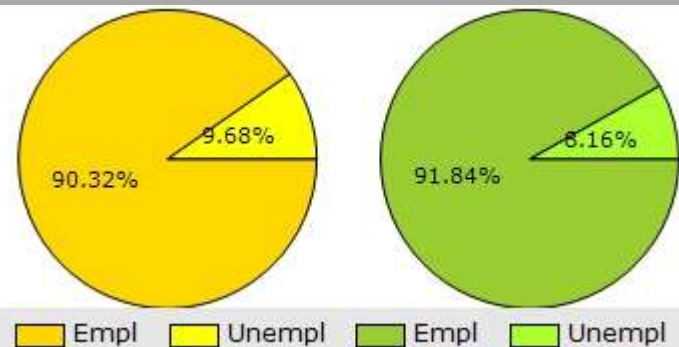
2021 Population by Race



2021 Renter vs. Owner



2021 Employed vs. Unemployed



Demographic Market Comparison Report

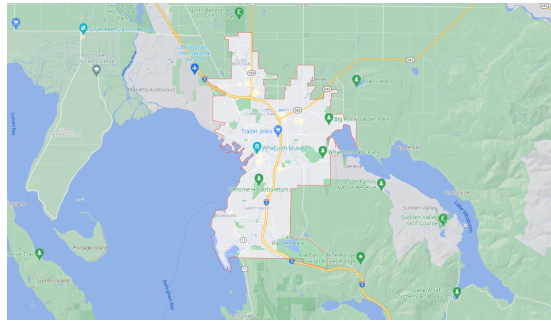
1 mile radius

Bellingham, WA 98225				
Type: Retail County: Whatcom				
	1 Mile		County	
Population Growth				
Growth 2010 - 2021	18.79%		16.94%	
Growth 2021 - 2026	9.60%		8.13%	
Empl	8,200	90.32%	110,957	91.84%
Unempl	879	9.68%	9,859	8.16%
2021 Population by Race				
White	15,623	86.12%	201,998	86.25%
Black	357	1.97%	2,956	1.26%
Am. Indian & Alaskan	424	2.34%	7,955	3.40%
Asian	739	4.07%	11,165	4.77%
Hawaiian & Pacific Island	46	0.25%	729	0.31%
Other	951	5.24%	9,411	4.02%
Household Growth				
Growth 2010 - 2021	21.21%		16.91%	
Growth 2021 - 2026	9.92%		8.15%	
Renter Occupied	5,541	71.97%	35,596	38.04%
Owner Occupied	2,158	28.03%	57,969	61.96%
2021 Households by Household Income				
Income <\$25K	2,139	27.79%	15,099	16.14%
Income \$25K - \$50K	1,677	21.78%	16,546	17.68%
Income \$50K - \$75K	1,436	18.65%	18,519	19.79%
Income \$75K - \$100K	1,108	14.39%	14,747	15.76%
Income \$100K - \$125K	509	6.61%	10,375	11.09%
Income \$125K - \$150K	279	3.62%	6,067	6.48%
Income \$150K - \$200K	273	3.55%	6,592	7.05%
Income \$200K+	277	3.60%	5,620	6.01%
2021 Med Household Inc				
2021 Median Age		33.30	38.00	

Demographic Trend Report

1 Mile Radius

Bellingham, WA 98225



Description	2010		2021		2026	
Population	15,270		18,139		19,880	
Age 0 - 4	475	3.11%	1,421	7.83%	1,534	7.72%
Age 5 - 9	415	2.72%	1,179	6.50%	1,430	7.19%
Age 10 - 14	386	2.53%	884	4.87%	1,200	6.04%
Age 15 - 19	1,491	9.76%	759	4.18%	969	4.87%
Age 20 - 24	4,402	28.83%	1,446	7.97%	1,070	5.38%
Age 25 - 29	1,756	11.50%	2,036	11.22%	1,513	7.61%
Age 30 - 34	1,057	6.92%	2,032	11.20%	1,895	9.53%
Age 35 - 39	823	5.39%	1,869	10.30%	2,004	10.08%
Age 40 - 44	752	4.92%	1,468	8.09%	1,834	9.23%
Age 45 - 49	714	4.68%	1,037	5.72%	1,484	7.46%
Age 50 - 54	690	4.52%	805	4.44%	1,125	5.66%
Age 55 - 59	676	4.43%	707	3.90%	876	4.41%
Age 60 - 64	578	3.79%	666	3.67%	736	3.70%
Age 65 - 69	321	2.10%	621	3.42%	656	3.30%
Age 70 - 74	195	1.28%	511	2.82%	570	2.87%
Age 75 - 79	166	1.09%	334	1.84%	440	2.21%
Age 80 - 84	154	1.01%	183	1.01%	283	1.42%
Age 85+	216	1.41%	180	0.99%	259	1.30%
Age 15+	13,991	91.62%	14,654	80.79%	15,714	79.04%
Age 20+	12,500	81.86%	13,895	76.60%	14,745	74.17%
Age 65+	1,052	6.89%	1,829	10.08%	2,208	11.11%
Median Age	26		33		36	
Average Age	32.60		34.50		35.70	
Population By Race	15,270		18,139		19,880	
White	13,547	88.72%	15,623	86.13%	16,967	85.35%
Black	244	1.60%	357	1.97%	408	2.05%
Am. Indian & Alaskan	324	2.12%	423	2.33%	469	2.36%
Asian	466	3.05%	738	4.07%	850	4.28%
Hawaiian & Pacific Islander	31	0.20%	46	0.25%	55	0.28%
Other	645	4.22%	952	5.25%	1,131	5.69%

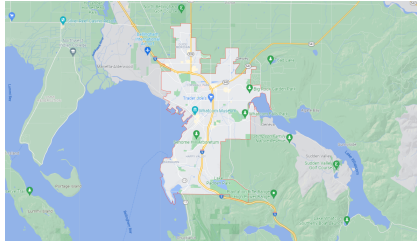
Demographic Trend Report

1 Mile Radius

Bellingham, WA 98225					
Description	2010		2021		2026
Population by Race (Hispanic)	936		1,468		1,722
White	778	83.12%	1,200	81.74%	1,401 81.36%
Black	24	2.56%	40	2.72%	49 2.85%
Am. Indian & Alaskan	45	4.81%	86	5.86%	104 6.04%
Asian	13	1.39%	19	1.29%	22 1.28%
Hawaiian & Pacific Islander	12	1.28%	21	1.43%	26 1.51%
Other	64	6.84%	103	7.02%	120 6.97%
Household by Household Income	6,354		7,698		8,461
<\$25,000	2,768	43.56%	2,139	27.79%	2,277 26.91%
\$25,000 - \$50,000	1,684	26.50%	1,677	21.78%	1,815 21.45%
\$50,000 - \$75,000	894	14.07%	1,436	18.65%	1,603 18.95%
\$75,000 - \$100,000	615	9.68%	1,108	14.39%	1,244 14.70%
\$100,000 - \$125,000	164	2.58%	509	6.61%	578 6.83%
\$125,000 - \$150,000	98	1.54%	279	3.62%	315 3.72%
\$150,000 - \$200,000	93	1.46%	273	3.55%	309 3.65%
\$200,000+	38	0.60%	277	3.60%	320 3.78%
Average Household Income	\$41,422		\$65,265		\$66,643
Median Household Income	\$30,306		\$50,531		\$52,031

Demographic Summary Report

Bellingham, WA 98225



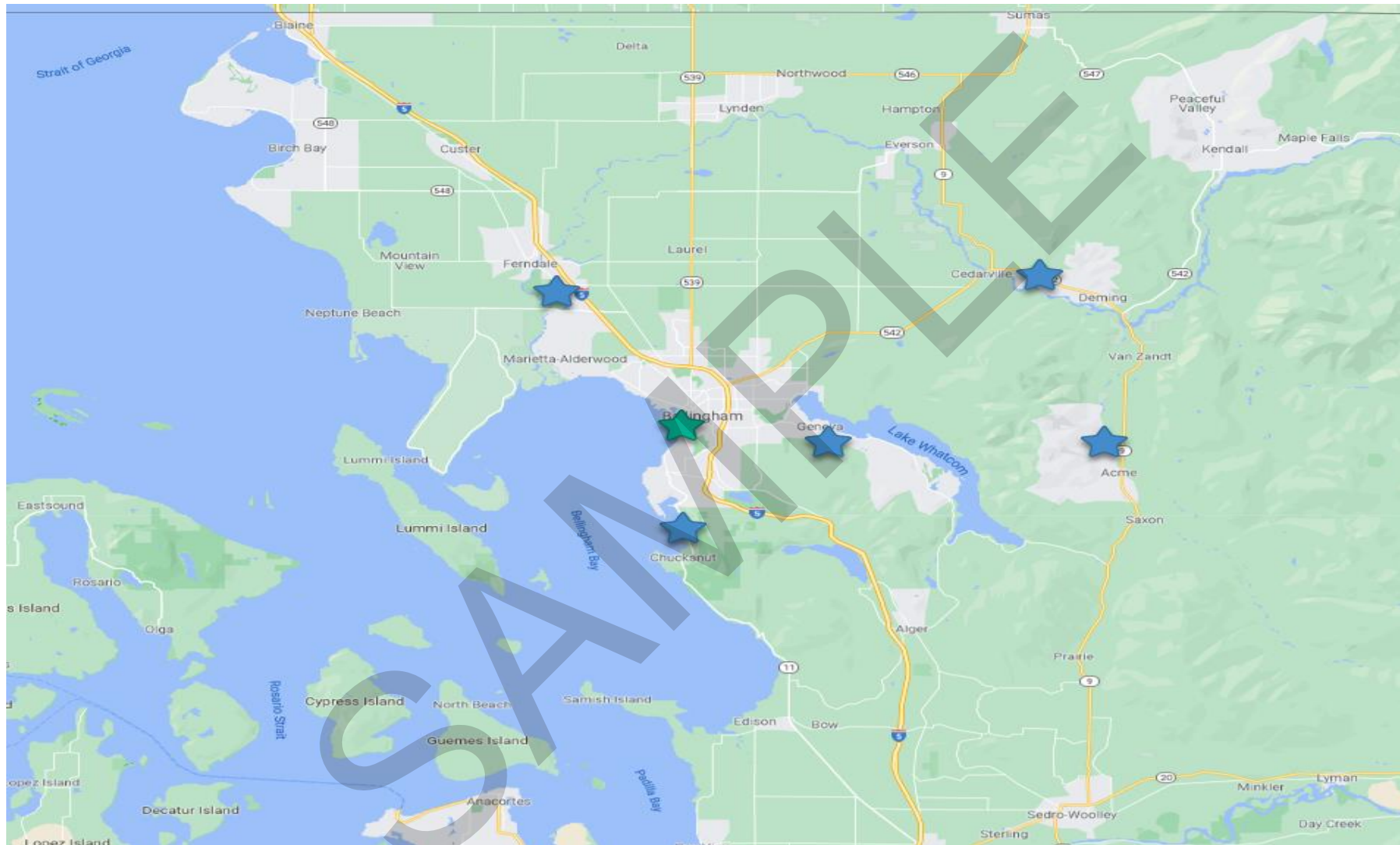
Radius	1 Mile		3 Mile		5 Mile	
Population						
2026 Projection	19,880		95,363		121,907	
2021 Estimate	18,139		87,197		111,562	
2010 Census	15,270		74,283		95,860	
Growth 2021 - 2026	9.60%		9.37%		9.27%	
Growth 2010 - 2021	18.79%		17.38%		16.38%	
2021 Population by Hispanic Origin	1,469		8,250		10,002	
2021 Population	18,139		87,197		111,562	
White	15,623	86.13%	74,134	85.02%	94,898	85.06%
Black	357	1.97%	1,489	1.71%	1,807	1.62%
Am. Indian & Alaskan	423	2.33%	1,516	1.74%	1,872	1.68%
Asian	738	4.07%	5,538	6.35%	7,314	6.56%
Hawaiian & Pacific Island	46	0.25%	267	0.31%	371	0.33%
Other	952	5.25%	4,252	4.88%	5,301	4.75%
U.S. Armed Forces	5		74		101	
Households						
2026 Projection	8,463		40,048		50,995	
2021 Estimate	7,699		36,633		46,697	
2010 Census	6,352		31,538		40,525	
Growth 2021 - 2026	9.92%		9.32%		9.20%	
Growth 2010 - 2021	21.21%		16.16%		15.23%	
Owner Occupied	2,158	28.03%	15,882	43.35%	22,753	48.72%
Renter Occupied	5,541	71.97%	20,751	56.65%	23,944	51.28%
2021 Households by HH Income	7,698		36,634		46,698	
Income: <\$25,000	2,139	27.79%	7,824	21.36%	9,230	19.77%
Income: \$25,000 - \$50,000	1,677	21.78%	7,307	19.95%	8,761	18.76%
Income: \$50,000 - \$75,000	1,436	18.65%	7,338	20.03%	9,486	20.31%
Income: \$75,000 - \$100,000	1,108	14.39%	5,035	13.74%	6,643	14.23%
Income: \$100,000 - \$125,000	509	6.61%	3,261	8.90%	4,294	9.20%
Income: \$125,000 - \$150,000	279	3.62%	1,771	4.83%	2,390	5.12%
Income: \$150,000 - \$200,000	273	3.55%	2,205	6.02%	3,069	6.57%
Income: \$200,000+	277	3.60%	1,893	5.17%	2,825	6.05%
2021 Avg Household Income	\$65,265		\$77,576		\$82,016	
2021 Med Household Income	\$50,531		\$58,355		\$61,007	

Market Demand

The economic vitality of the market and the surrounding markets or feeder markets, is an important consideration in forecasting lodging demand and future revenue potential. The market lodging demand area for a lodging facility is the geographical region where the sources of demand and the competitive supply are located. In the following document you will find a map of the estimated market lodging demand area for the subject market.

SAMPLE

Market Lodging Demand Area: (Focus Area of Sales Efforts of Additional Lodging)



★ Immediate Feeder Market

★ Secondary Feeder Market

** Feeder Market = Outlying Community that feeds travelers into desired market (Sales Focus Area)

Source: Google Maps; Core Distinction Group, LLC.

Site Analysis

For the purposes of this Comprehensive Hotel Market Feasibility Study, a representative with Core Distinction Group LLC evaluated all sites and, although a site has not yet been selected, we recommend that all the selected sites will be improved with a limited-service lodging facility. The potential locations are detailed in the following pages including analysis of each site.



Site Rating, Location, Land



Frontage, Topography, Drainage



Environmental Hazards, Ground Stability, Utilities



Parking, Easements/Encroachments/Restrictions



Traffic Counts

It is important to analyze the site with respect to regional and local transportation routes and demand generators, including ease of access. A detail of traffic information will follow the individual site information in this report.

Site - 1215 Commercial St. Bellingham WA 98225					
Visibility	1	2	3	4	5
Accessibility	1	2	3	4	5
Traffic Counts	1	2	3	4	5
Site Prep	1	2	3	4	5
Major Utilities	1	2	3	4	5
Zoning	1	2	3	4	5
Area Support Services	1	2	3	4	5
Demand Generator Position	1	2	3	4	5
Competition Position	1	2	3	4	5
Overall Result			96%	43	45
Location	Located in the vicinity of the Highway 50, west entrance to Bellingham, near the fairgrounds.				
Land Area	The recommended site size for proposed property is one to two acres.				
Frontage	This proposed should offer frontage or high visibility to Highway 50.				
Topography	The area offers many options with very little issues. The topography does not appear to have development issues at this time.				
Drainage	No drainage issues were observed at the time of visit and none were disclosed to Core Distinction Group at the time of Site Visit.				
Environmental Hazards	An environmental assessment report was not provided for review. However, these issues are out of Core Distinction Group's scope of work and expertise. It is assumed that property is not adversely affected by these hazards.				
Ground Stability	A soil report was not provided for review. However, these issues are out of Core Distinction Group's scope of work and expertise. It is assumed that property is not adversely affected by these hazards.				
Utilities	It is to the understanding of Core Distinction Group that water, electricity and sewer are available in the general area.				
Parking	This area is assumed to offer a site that will be able to accommodate the appropriate number of parking spaces.				
Easements, Encroachments and Restrictions	Core Distinction Group was not provided a title report on said site and was not made aware of any easements, encroachments or restrictions that would affects this site.				

Traffic Count Report

1215 Commercial St, Bellingham, WA 98225

Building Type: General Retail

Secondary: -

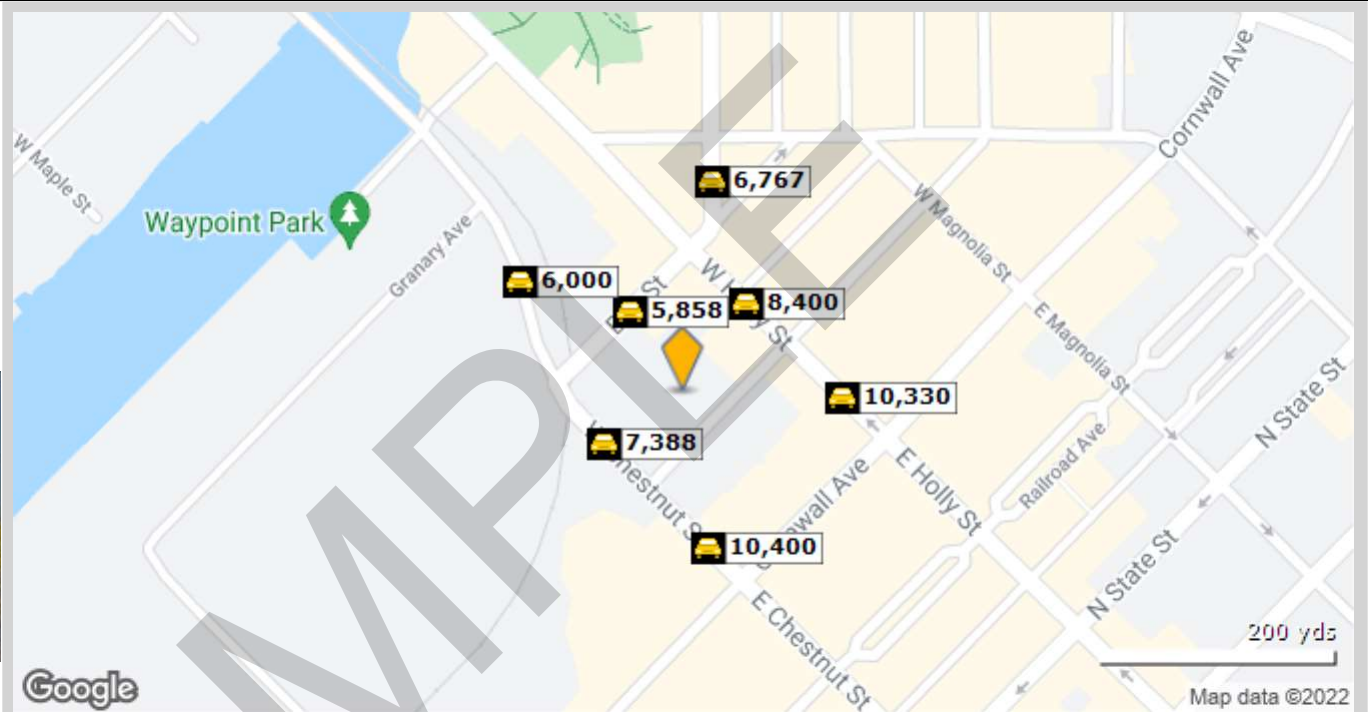
GLA: 11,000 SF

Year Built: 1920

Total Available: 11,000 SF

% Leased: 100%

Rent/SF/Yr: \$18.00



	Street	Cross Street	Cross Str Dist	Count Year	Avg Daily Volume	Volume Type	Miles from Subject Prop
1	Chestnut St	W Chestnut St	0.03 NW	2018	7,388	MPSI	.04
2	Bay St	W Holly St	0.04 NE	2018	5,858	MPSI	.05
3	W Holly St	Commercial St	0.03 SE	2018	8,264	MPSI	.06
4	W Holly St	Commercial St	0.03 SE	2014	8,400	ADT	.06
5	Chestnut St	Cornwall Ave	0.02 SE	2014	10,400	ADT	.08
6	W Holly St	Commercial St	0.04 NW	2015	10,824	MPSI	.08
7	W Holly St	Cornwall Ave	0.03 SE	2018	10,330	MPSI	.08
8	Chestnut St	W Chestnut St	0.06 S	2018	6,750	MPSI	.10
9	Chestnut St	W Chestnut St	0.05 S	2015	6,000	MPSI	.10
10	Prospect St	W Champion St	0.02 N	2018	6,767	MPSI	.11

Lodging Demand

For the purposes of this Comprehensive Hotel Market Feasibility Study, it is important to understand the overall demand of lodging in the market as well as surrounding markets. This section reviews need in the areas based on the following market segments:



Major Events



Demand Generators and Attractions

In addition to a breakdown and overview of the market's lodging demand segmentation, this sections also details the sources of said lodging demand and in some cases, identifies when the demand peaks.

Annual (Large) Events:

Polar Bear Plunge at Birch Bay - This annual Birch Bay ritual draws hundreds of participants and onlookers each year. The Polar Bear Plunge is becoming a destination spot for the holiday. Participants come from as far away as Germany, Tokyo, Chicago, and British Columbia to plunge into the bay's chilly water.

Padden Polar Dip & Resolution Run - Celebrate New Year's Day with a quick chilly dip in the swim area at Lake Padden, then enjoy some coffee and hot cocoa to help everyone stay warm. Before the Dip join us for the Resolution Run-Walk around beautiful Lake Padden (2.6-mile loop).

Bellingham Human Rights Film Festival - This 10-day film festival features 20 documentary films shown for free admission in February with post-screening discussions led by the filmmaker and/or local people who are involved with the issues raised by the films. Opening night is held at the Pickford Film Center and showings continue for the next nine days at Fairhaven College Auditorium and other venues in Whatcom County. This film festival has been recognized by "Audience Awards" as one of nine "film festivals that make a difference".

Bellingham Cocktail Week is a community-wide celebration that unites talented humans, fine spirits, and fresh products to create delicious handcrafted cocktails showcasing the best our region has to offer. What began as a small, downtown-focused event in 2015 has steadily grown into a city-wide affair encompassing all of their unique neighborhoods.

Whatcom Cultural Arts Festival - Kicking off after the Historic Fairhaven Fourth Friday, Allied Arts' Whatcom Cultural Art Festival is two-day celebration of Whatcom County's arts, music, performances and food. Learn about the diverse cultural communities in Whatcom county while promoting and supporting cultural diversity.

Whatcom County Home and Garden Show - The largest home show north of Seattle and it's in Lynden! Come see the biggest and best display of products for your home and garden in Northwest Washington. With over 200 vendors there is something for everyone.

Bellingham's St. Patrick's Day Parade is a "green" parade to honor our police and fire departments. Featuring the grand marshal, dancers, pipe and marching bands, plus human- and green-powered floats. All are welcome.

Spring Craft & Antique Show - Welcome spring with over 100 of the Northwest's finest artisans selling handcrafted gifts, home decor, garden and vintage treasures. Creativity and inspiration abound in Lynden with live entertainment.

Annual (Large) Events:

The Wings Over Water Birding Festival in Blaine celebrates the incredible variety of migratory birds, which flock to Drayton Harbor and Semiahmoo Bay each winter and spring. Visit the festival for a day-long birding expo with free activities for the whole family, including wildlife demonstrations, bird viewing stations, exhibits, displays, craft vendors and more. For a small fee, wildlife cruises of Drayton Harbor are available on the MV Plover Ferry.

Dirty Dan Day Seafood Festival - Food and games, live music, fish fillet contest, salmon toss, cupcake eating contest, toy boat building, interactive fish art, 1800's dress up, cooking demos, chili cook-off, and the world's only piano race!

April Brew's Day - Join local and regional brewers as they share their micro-brews for a fundraising event benefiting the Max Higbee Center, a nonprofit agency that provides recreational opportunities for teens and adults with developmental disabilities. Admission includes a collectible tasting glass and tickets for tasting beer. Local talent by various bands will be there, as well as food from some of Bellingham's finest food trucks.

Bellingham Beer Week - Bellingham loves beer so much that there's a whole week dedicated to our local brewers. Bellingham Beer Week began in September 2012 and has recently changed to occur in April with a like-minded group of publicans, craft brewers, and supporters of great beers from Bellingham's Tap Trail. Previously, Bellingham's many craft breweries and pubs (Chuckanut, Boundary Bay, Kulshan, K2, Aslan, Wander, Structures, Menace, Stones Throw, Elizabeth Station and McKays Tap house) plan to participate, as well as numerous beer pubs, restaurants, and supporting businesses.

Recreation Northwest Expo - Check out the best and the brightest in local and regional outdoor recreation. Hear captivating speakers. Meet face-to-face with health professionals, nutrition experts, local gyms, personal trainers, bike shops, running stores, paddling outfitters, outdoor media, outdoor activity clubs, stewardship organizations and representatives from your favorite local recreation events and races.

Procession of the Species Parade - is a joyous, spontaneous artistic pageant where community members celebrate their relationships with each other and with the natural world.

Annual (Large) Events:

The WWU Alumni Weekend (formerly known as Back2Bellingham) is a Western Washington University alumni event filled with over 100 offerings that provide opportunities to reconnect with classmates, friends, faculty, staff, and students while taking advantage of diverse activities designed to help you reconnect with Western. The weekend is also a great time to share your Western Experience and the fun of the weekend with your family.

Bellingham Technical College Welding Rodeo - The Welding Rodeo features an array of industry vendor booths, forged items, public welding opportunities and the up-close-and-personal view of welding and art in action. Friday showcases 10 amateur or high school/college level teams, and Saturday showcases 10 professional-level teams competing for prizes and cash over eight hours. The public is invited both days.

Ski to Sea Race & Fairhaven Festival - Bellingham's annual Ski to Sea Race is a 93.5-mile, 8-person relay encompassing seven different sports from the snowfields of Mount Baker, down Highway 542 and the Nooksack River and across Bellingham Bay via downhill skiing, cross-country skiing, running, canoeing, bike riding and kayaking. The Fairhaven Festival is near the Ski to Sea race finish line, with live music on two stages, food and crafts booths, beer garden and more. Ski to Sea attracts not only high-caliber athletes, but teams seeking non-competitive adventure and fun. The Ski to Sea Race is held on the Sunday of Memorial Day weekend every year. The Ski to Sea Junior Race is the weekend prior to Memorial Day weekend with the Ski to Sea Junior Parade is the evening before. The Ski to Sea Blossomtime Parade is held Saturday of Memorial Day weekend, as is the Ski to Sea Block Party at Boundary Bay Brewery. The Fairhaven Festival is held near the finish line, during the Ski to Race on the Sunday of Memorial Day Weekend.

Lummi Stommish Water Festival – Lummi Nation - The Lummi Stommish Water Festival began back in 1946 when World War II veterans were coming home and Lummi World War I veterans decided to gather in celebration of their safe return. Stommish is a Cowichan word meaning “warrior,” and it has become an internationally renowned gathering, which includes the “War Canoe races,” a “Sla-hal Bone Game” tournament, and an “Honoring All Veterans” Pow Wow. Stommish is a multi-cultural contemporary Coast Salish gathering which includes fun and enjoyment for the whole family. This annual event features athletic events, traditional singing and dancing, a traditional Lummi-Style salmon barbeque, a carnival and a moonlight concert series featuring Native comedians and local musicians all throughout the weekend. Admission is free and Stommish is open to the public.

Annual (Large) Events:

Deming Logging Show - features 31 events and exhibitions demonstrating the talents and strengths of local loggers. Don't miss axe throwing, speed climbing, log rolling, chainsaw bucking and the ironman.

The Padden Triathlon is an excellent first, second or twenty-second triathlon. Short Course and Long Course available with relay teams welcome. Athena and Clydesdale divisions now offered. Registration capped at 325 entrants per race.

Bellingham Swim Run - Discovered by the Swedes in 2006, they called it Swim Run, because you swim and run, swim and run, swim and run. Utilizing Lake Padden and the beautiful forested trails that surround the lake, Bellingham Swim Run participants are treated to an inspiring and challenging course. You have your choice of the 15 km sprint length event (yes in the world of Swim Run, 15 km is seen as a sprint), or the user friendly 5 km super sprint.

Kulshan Quest Adventure Racing - Explore the NW corner of Washington State as only an adventure race can offer. Find adventure, challenge, and beauty in our 3-hour and 12-hour races.

Bellingham Festival of Music - Under the direction of maestro Michael Palmer, the Bellingham Festival Orchestra brings together principal players from major American and European orchestras and exceptional musicians from regional and national ensembles to present concerts of classical music at the highest caliber of artistic excellence.

Bellingham's Haggen Family 4th of July Celebration - Each year, the Port of Bellingham partners with Haggen Food and Pharmacy and the Bellingham Regional Chamber of Commerce to put on the Haggen Family Fourth of July Festival at Zuanich Point Park. Festivities run from 1:00 pm to 10:00 pm, ending with an evening fireworks show over Bellingham Bay at around 10:30 pm. Activities include art and photo display in the Squalicum Boathouse, arts and crafts, beer garden, kids zone, live music and vendors for food.

Blaine's Old Fashioned 4th Festival & Street Fair - Come to spend the day celebrating the 4th of July in Blaine with day-long activities that include a pancake breakfast, a parade at noon, an art and crafts fair with over 80 vendors, a show and shine, live entertainment, and plenty of good food.

Downtown Sounds is a series of free outdoor concerts for the entire family to enjoy. The event is celebrated in the Arts District of Bellingham, on the 1300 block of Bay Street. Each night will feature performances from popular bands and music from various genres, local food vendors, and a 21+ beverage garden.

Annual (Large) Events:

The Bellingham Pride Parade began in 1999 with just a half-dozen picnic tables at Fairhaven Park. Today, the festivities have grown and Bellingham Pride is now the second largest pride event in Washington State. The parade starts at Ohio Street and travels south on Cornwall Avenue heading towards Railroad Avenue in Downtown Bellingham. The festival takes place at Depot Market Square with live music, food, vendors and more.

Northwest Raspberry Festival - July is National Raspberry Month and at the peak of the summer harvest season, Lynden hosts the Northwest Raspberry Festival, filled with delicious family-friendly fun! Savor fresh raspberry sundaes on locally-produced ice cream, listen to live jazz, sidewalk shop and taste in downtown Lynden. Kids' activities include inflatable games, face painting, a Rookies 3-on-3 basketball tournament, and Very Berry Storytime at the Lynden Library. Annual Curt Maberry Memorial Classic 3-on-3 Basketball Tournament. Raspberry pancake breakfast at the Lynden Community Center, followed by a 5K fun run/walk, Razz & Shine car show, and wine tasting at Samson Estates located on a working raspberry farm.

Tour De Whatcom - Enjoy all the NW has to offer in one beautiful ride: Mt. Baker, Lake Whatcom, valleys, rivers, lush farmland, beaches and the Puget Sound. Rides vary from 22 to 100 miles – you'll find a great ride for every member of the family on this supported ride which features rest stops benefiting local charities and an After Party at Boundary Bay Brewery.

Lake Whatcom Triathlon - This is how Bellingham does Olympic-Distance triathlon. The event welcomes beginner to elite athletes in individual and relay divisions. TRI Bellingham! New for 2019: Individual Sprint Course, Aqua bike and Youth Splash & Dash.

Ferndale Old Settler's Picnic - Pioneer Park is the spotlight of this annual community celebration in Ferndale, occurring the last weekend of July. Ferndale Heritage Society volunteers open the park's historic cabins for public viewing. The overall event is organized by the Old Settler's Association. It includes a parade, baseball tournaments, crafts, food vendors, a talent show, musical entertainment, nonprofit expo, flower show and beer garden. It is the longest continually running annual picnic in the state.

Puget Sound Antique Tractor Show & Pull - Learn how farming was done in the good old days. This annual threshing bee and tractor show is held at Berthussen Park and includes threshing demonstrations, antique tractors and parades daily, steam-powered sawmill demonstrations, antique and tractor pulls and more.

Annual (Large) Events:

The Northwest Washington Fair is a six-day event located in Lynden, WA. Highlights include local ice cream by the Whatcom County Dairy Women, draft horse competitions, livestock judging, food and craft displays, a demolition derby and nightly entertainment in the grandstands.

Chuckanut Classic (formerly known as Chuckanut Century) is hosted every year by the Mt Baker Bicycle Club. There are distance options including 25, 50, 62, 100, and the double-metric century of 124 miles. All versions begin at Boundary Bay Brewery in downtown Bellingham. Riders may then choose to travel either north to Birch Bay or south along scenic Chuckanut Drive past Samish Bay and Padilla Bay.

Birch Bay Days and Crab Festival - Birch Bay Discovery Days is a great weekend for the entire family. Fun activities abound with a grand parade down Birch Bay Drive, arts and crafts fair (Saturday & Sunday) and a variety of food vendors. There's plenty of more to do this day; kite flying on the beach, clamming, wakeboarding and lots of family fun.

Whatcom County Farm Tour is an annual event where over a dozen farms around Whatcom County open their doors to the public. The farm tour is a festive day of fresh flavors and local food explorations. See the bounty of Whatcom County on this free, family-friendly self-guided tour. Enjoy a leisurely stroll through fields and orchards, exciting interactive activities and the chance to discover the roots of abundant food grown in Northwest Washington. Choose a favorite few stops or be ambitious and hit them all. Held the second Saturday of September and organized by Sustainable Connections.

Bellingham Traverse - The Traverse is a multi-sport event for solo, tandem and relay teams. The event has a strong salmon theme running through it. Participants, aka spawners, are encouraged to "think like fish" as they go through the course. This is a community event that displays a wide range of athletic abilities from the hard-core to those out in costumes just for fun. The public is encouraged to come out and cheer on the spawners. The event starts at noon at the Bellingham Farmers Market and makes its way through Boulevard Park, Fairhaven, Lake Padden, around Lake Samish, to Fairhaven and Marine Park. Finishers complete the last leg together up Wharf Street to finish at Boundary Bay.

Bellingham Bay Marathon - Often called "the most beautiful marathon in the Pacific Northwest," the Bellingham Bay Marathon offers scenic courses, with views of Bellingham Bay, San Juan islands, and North Cascade mountains.

Annual (Large) Events:

Bellingham Sea Feast is a celebration of Bellingham's maritime heritage legacy, bustling working waterfront, internationally-renowned fishing & seafood industries, unsurpassed culinary bounty, and top-drawer regional entertainment. The waterfront has defined Bellingham from its very beginnings, and this two-day festival shows from sea-to-plate why the ocean, the bay, and Salish Sea set Bellingham apart.

Mt. Baker Hill Climb - Ascend 4,098 feet from Glacier to Artist Point in just over 22 miles. This timed race offers Recreational and Competitive division including cash prizes for the top 3 Male and Female finishers. Scenic Hwy 542 is closed to traffic for this event.

Whatcom Artists Studio Tour brings the public into artists' working studios for a two weekend, self-guided tour and sale. The Tour began with ten artists and has grown to be a well-orchestrated tour featuring over 50 artists working in more than a dozen different media, and featuring 41 studios scattered throughout Bellingham and Whatcom County. The tour includes both emerging and established area artists. Each studio features the work of the primary artist, and some may include additional artists as well, providing a unique variety of artwork.

Cloud Mountain Farm Fruit Festival is an annual event that has been held for over 20 years. They have close to 200 varieties of common and uncommon fruits, cider, nuts, plus rare fruit jellies and sauces for you to taste and enjoy. These are all fruits you can grow in NW Washington. Live music provides a pleasant background to this event. This is a festive family outing that many people annually attend.

Fall Craft & Antique Show during the Fall is at the Northwest Washington Fairgrounds. Over 100 artisans. Enjoy shopping for that special handcrafted gift or unique vintage treasure for your home. Have lunch or a latte in the cafe while enjoying ongoing entertainment.

Allied Arts Holiday Festival of the Arts -The Annual Holiday Festival of the Arts is a six-week-long (mid-Nov-Dec) festival featuring the work of over one hundred local artisans and craftspeople. The affordable handmade products range from jewelry to paintings and wearable art to specialty foods. Weekends are packed with activities; hear live local music, catch some artists in action, and bring the kids in for fun art projects.

Annual (Large) Events:

Holiday Port Festival & Gingerbread House Contest - The annual Holiday Port Festival is the first weekend in December and takes place at the Bellingham Cruise Terminal in the historic Fairhaven district. It features performances by local choirs, orchestras, bands and dance groups. Meanwhile, sugar plum fairies transform the Bellingham Cruise Terminal into a sweet gingerbread house contest during the first weekend of December.

Fairhaven Winterfest - It kicks off on the day after Thanksgiving, when Black Friday morning turns into a glittering Friday evening in Bellingham's Fairhaven Historic District and the Victorian-era streets of Fairhaven are officially lit with thousands of tiny lights. The festival begins with an evening art walk through the district's unique shops. Jingle bells and the familiar clop of hooves set the tone each Saturday in Fairhaven, (end of Nov-Dec), as shoppers and families enjoy free horse-drawn wagon rides through city blocks built in the 1800s, as well as appearances by Santa at the Fairhaven Village Inn.

Olde Fashioned Christmas in Ferndale - Bring your sweet tooth to celebrate Olde Fashioned Christmas in Ferndale during the first weekend of December. The city is home to Pioneer Park, featuring a collection of actual log cabins built by the first settlers to the region in the late 1800s. Each year, members of the Ferndale Heritage Society spend weeks decorating the cabins for the holidays as the pioneers would have done, then don period costumes to welcome visitors with traditional holiday cheer.

Lynden's Lighted Parade - Lynden's annual holiday celebration begins at 6:00 p.m. on the first Saturday of December with the beloved Lighted Christmas Parade. This event captures the ultimate charm of a farming community, as well as honoring Lynden's Dutch roots. The procession starts at Fairway Center and travels along Front Street throughout downtown Lynden. Visitors should bundle up in warm clothes and bring their own hot cocoa and lawn chairs! In addition, don't forget to take a tour of unique light displays and decorated storefronts throughout the city during Lynden in Lights; illuminated designs including Nativity sets, Dutch children, poinsettias, and windmills shine brightly throughout the holiday season for all to see.

Annual Ring of Fire & Hope - Celebrating the transition of the New Year, the community of Birch Bay presents two unique activities. On December 31, the Annual Ring of Fire & Hope takes place after dark. The crescent-shaped shoreline of the bay is lit with hundreds of road flares to signify hope for the coming year. On January 1, at noon, the Annual Birch Bay Polar Bear Plunge promises to wake up participants with a quick jump into the bay's frigid and refreshing water.

Attractions & Demand Generators:

Mount Baker Theatre - A 1,517-seat performing arts venue and national historic landmark in Bellingham, Washington. The theater hosts professional productions and concerts as well as community performances from the north of Puget Sound. The theater's main stage is the largest theatrical venue in Washington north of Seattle's Paramount and 5th Avenue. The Mount Baker Theatre occupies half a city block. It has three distinct facilities for concerts, live theater, films, receptions, and other events. All public facilities, except the balcony, are fully ADA accessible. Some non-public facilities, such as backstage and storage spaces, may not be accessible. The Mount Baker Theatre hosts a variety of events including live theater, concerts, movies, arts festivals, and comedy shows.

SPARK Museum of Electrical Invention (formerly the American Museum of Radio and Electricity) - An interactive museum located in Bellingham, Washington, United States, which offers educational experiences for audiences of all ages through galleries and public programs that illustrate the development and use of electricity, radio and the related inventions that changed the course of human history. The museum features a collection of artifacts showcasing four centuries of human innovation from 1580 into the 1950s.

Whatcom Museum - Housed in the Old City Hall, Light catcher building and Syre Education Center, was originally built in 1892 as the city hall for the former town of New Whatcom, before it was joined with surrounding towns to form Bellingham. In 2009, The Whatcom Museum opened a location in the newly designed Light catcher building. The Light catcher, designed by Seattle-based Olson Kundig Architects, is named for its 37 feet high and 180 feet long translucent wall, which facilitates a number of energy saving strategies. Currently, the Whatcom Museum is a three building campus that includes Old City Hall, Syre Education Center and Light catcher which encloses the Family Interactive Gallery.

Bellingham Railway Museum displays a pictorial and text history of railroad traffic in Bellingham and Whatcom/Skagit Counties, as well as a large electric model railroad, an exhibit of railroad lanterns, and a train simulator based on Microsoft Train Simulator software. A research library is also hosted. It opened in 2003 and is volunteer operated.

Whatcom Falls Park - A 241-acre park in Bellingham, Washington, United States. The falls are on Whatcom Creek, which leads from Lake Whatcom to Bellingham Bay. The park has four sets of waterfalls and several miles of well maintained walking trails.

Attractions & Demand Generators:

Larrabee State Park - A public recreation area located on Samish Bay on the western side of Chuckanut Mountain, 6 mi south of the city of Bellingham, Washington. It was created in 1915 as Washington's first state park. The park covers 2,748 acres and features fishing, boating, and camping as well as mountain trails for hiking and biking.

Lake Padden - A lake located in Bellingham, Washington, United States. It was named for a homesteader in the area, Michael Padden. The park is popular during the spring and summer, and features numerous picnic areas as well as playgrounds. There are also numerous trails located around the lake and throughout the surrounding forest that are used for hiking and biking. A public golf course is located along the eastern shore. A significant piece of geography besides the lake itself is a 1,000-foot ridge that separates the lake from Interstate 5 to the south.

Lake Samish - A lake south of Bellingham, Washington, United States. Visible to the west of Interstate 5 when travelling between Alger and Bellingham, Lake Samish is heavily used for recreation in the summer months by local residents. The lake shoreline is heavily developed and home sites cover almost the entire shoreline. Lake Samish is bordered on the south by Blanchard Mountain and on the north by Chuckanut Pass. Public access is limited but a Whatcom County park with a rough boat launch is located along the northern shore.

Lake Whatcom - Located in Whatcom County, Washington, United States. It is the drinking water source for approximately 85,000 residents in the city of Bellingham as well as Whatcom County. It is approximately 10 miles in length and 1 mile in width at its widest. Lake Whatcom is located and managed within three political jurisdictions: the city of Bellingham, Whatcom County, and the Lake Whatcom Water and Sewer District. The lake is a popular area for motor boating, swimming, fishing, and other recreational activities.

Bellingham Bay - A bay of the Salish Sea located in Washington State in the United States. It is separated from the Strait of Georgia on the west by the Lummi Peninsula, Portage Island, and Lummi Island. It is bordered on the east by Bellingham, Washington, to the south-east by the Chuckanut Mountains, and to the south by Samish Bay. The Nooksack River empties into the bay, as does Whatcom Creek. Bellingham Bay is named for Sir William Bellingham, who was controller of the storekeeper's account for the Royal Navy at the time that the Vancouver Expedition visited the bay in June 1792. The first European entry of the bay was by the Spanish schooner Santa Saturnina under José María Narváez, during the 1791 expedition of Francisco de Eliza. Narváez named it Seno Gaston.

Attractions & Demand Generators:

Mount Baker - Also known as Koma Kulshan or simply Kulshan, is a 10,781 ft. active glacier-covered andesitic stratovolcano in the Cascade Volcanic Arc and the North Cascades of Washington in the United States. Mount Baker has the second-most thermally active crater in the Cascade Range after Mount St. Helens. About 30 miles due east of the city of Bellingham, Whatcom County, Mount Baker is the youngest volcano in the Mount Baker volcanic field. While volcanism has persisted here for some 1.5 million years, the current volcanic cone is likely no more than 140,000 years old, and possibly no older than 80–90,000 years. Older volcanic edifices have mostly eroded away due to glaciation. After Mount Rainier, Mount Baker has the heaviest glacier cover of the Cascade Range volcanoes; the volume of snow and ice on Mount Baker, is greater than that of all the other Cascades volcanoes (except Rainier) combined. Mt. Baker Ski Area is a ski resort in the northwest United States, located in Whatcom County, Washington, at the end of State Route 542. The base elevation is at 3,500 feet, while the peak of the resort is at 5,089 feet. It is about ten miles south of the 49th parallel, the international border with Canada. Despite its name, the Mt. Baker Ski Area is actually closer to Mount Shuksan than Mount Baker. The ski area is home to the world's greatest recorded snowfall in one season, 1,140 inches, during the 1998–99 season. Mt. Baker also enjoys one of the highest average annual snowfall of any resort in the world, with 641 inches. The ski area is known for numerous challenging in-bounds routes and for the many backcountry opportunities that surround it. The backcountry is accessible from several chairlifts, and access is permitted from the resort following the Mt. Baker Ski Area backcountry policy.

Mount Shuksan - A glaciated massif in the North Cascades National Park. Shuksan rises in Whatcom County, Washington immediately to the east of Mount Baker, and 11.6 miles south of the Canada–US border. The mountain's name Shuksan is derived from the Lummi word, said to mean "high peak". The highest point on the mountain is a three sided peak known as Summit Pyramid. The mountain is composed of Shuksan greenschist, oceanic basalt that was metamorphosed when the Easton terrane collided with the west coast of North America, approximately 120 million years ago. The Mount Baker Highway, State Route 542, is kept open during the winter to support Mt. Baker Ski Area. In late summer, the road to Artist Point allows visitors to travel a few miles higher for a closer view of the peak. Picture Lake is accessible on the highway and reflects the mountain, making it a popular site for photography. Sulphide Creek Falls, one of the tallest waterfalls in North America, plunges off the southeastern flank of Mount Shuksan. There are four other tall waterfalls that spill off Mount Shuksan and neighboring Jagged Ridge and Seahpo Peak, mostly sourced from small snowfields and glaciers.

Attractions & Demand Generators:

Bellingham Bells - The Bells play in the West Coast League: a summer, college, wood-bat league for up-and-coming college baseball players. The WCL season runs from early June to late August, with Bells home games being played at the newly renovated Joe Martin Field. In 2014, the Bells won their first WCL Championship with a 2-1 series win over Corvallis.

Bellingham Bulldogs - Playing in the semi-professional Pacific Football League, the Bulldogs are Bellingham's football team. You can see the Bulldogs in action from mid-April to late June at Civic Stadium. The Bulldogs also offer a youth camp and cheerleading.

Bellingham Blazers - The Blazers play in the Northern Pacific Hockey League, an American Tier III Junior Hockey League. Since joining the NPHL in 2012, the Blazers have won two NPHL titles. They play at the Bellingham Sportsplex from mid-September to early April and games are often played on Friday or Saturday nights.

Bellingham Roller Betties - The Roller Betties are a female, flat-track roller derby league. The Roller Betties host bouts at the Lynden Skate way and Bellingham Sportsplex. Part of the Women's Flat Track Derby Association, an international roller derby league, the Betties season begins in late January and goes to late June.

Chuckanut Bay Rugby is made up of seven youth teams and a men's and a women's team. It is part of USA Rugby, the Pacific Northwest Rugby Football Union and the British Columbia Rugby Union. The teams play home games in Ferndale, and admission is always free. Chuckanut Bay also hosts a Can/Ams 7's Tournament every second Saturday in July.

Bellingham United FC - Known to fans as the "Hammers," Bellingham United FC is the local semi-pro soccer team and plays in the Evergreen Premier League Washington, of which it is a founding member. The EPLWA season runs from mid-April to late-July, and United plays its home games at Civic Stadium. Bellingham United FC often fields current and former local college players.

Bellingham Figure Skating Club - This club is a USFSA Recreational Competitive Club. The BFSC is a club sanctioned by US Figure Skating. We are a 501(c)3 non-profit volunteer-run organization whose purpose is to support and build awareness of figure skating in our community. The club also attracts annual events bringing in competitors from the region.

Attractions & Demand Generators:

Bellingham Slam - A semi-professional basketball team that formerly competed for seven seasons in the International Basketball League. Before joining the IBL, they played two seasons in the American Basketball Association. They were originally expected to play in Everett, Washington, but were relocated to Bellingham, Washington under the ownership of John Dominguez.

Whatcom Pavilion - A 1,200 seat multi-purpose arena located in Bellingham, Washington, United States on the campus of Whatcom Community College. It is home to the Whatcom Community College Orcas and the Bellingham Slam of the International Basketball League, as well as the Bellingham Roller Betties roller derby league.

Bellingham Sportsplex - An American multi-use sports facility located in Bellingham, Washington. The Sportsplex contains two turf fields, primarily used for indoor soccer, and an ice rink, used by local amateur ice hockey teams, figure skating lessons and performances, and home games for the Whatcom Soccer Academy Rapids soccer games and Western Washington University hockey teams. Bellingham Sportsplex offer a large ice skating rink and two different sized indoor soccer fields. All fields/rinks are labeled and easy to find once you enter the complex. SaviBank Ice Arena, Judd & Black Field, & Performance PT Field.

Joe Martin Field - A baseball park in the northwest United States, located in Bellingham, Washington. It was a minor league ballpark in the Class A-Short Season Northwest League for 24 seasons, from 1973 through 1996. The ballpark hosted three different NWL teams. In 1999, it became the home of the Bellingham Bells of the Pacific International League (PIL). The Bells played in the PIL for six years. In 2005, the team chose to become one of the founding franchises of the West Coast Collegiate Baseball League. Today, the league was later renamed the West Coast League and features some of the finest collegiate players in the country. Each summer the Bells play around 30 home games at Joe Martin Field as part of their WCL schedule which features teams from Washington, Oregon, and British Columbia. In 2014, the natural grass playing surface was replaced with synthetic Field Turf; the renovation cost about \$1.44 million and was completed in March 2015. The field has an unorthodox southwest alignment (home plate to center field); the recommended alignment is east-northeast, nearly opposite. Its elevation is approximately 140 feet above sea level.

Attractions & Demand Generators:

Western Washington University (WWU or Western) - A public university in Bellingham. WWU offers a variety of bachelor's and master's degrees. In 2019, there were 16,142 students, 15,240 of whom were undergraduate students, and 664 full time faculty. Its athletic teams are known as the Vikings, which compete in division II of the National Collegiate Athletic Association. The main campus is located on 215 acres in Bellingham, Washington. Branch campuses are located in Anacortes and Lakewood, Washington. The university is accredited by the Northwest Commission on Colleges and Universities.

Whatcom Community College (WCC or Whatcom) - A public community college in Bellingham, Washington, in Whatcom County. Established in 1967, Whatcom has been accredited by the Northwest Commission on Colleges and Universities since 1976. Whatcom offers transfer degrees, professional and technical training programs, basic education, job skills, online courses, and Community & Continuing Education classes.

Bellingham Technical College (Bellingham Tech or BTC) - A public technical college in Bellingham, Washington. Although it awards some bachelor's degrees, it primarily awards associate degrees.

Top Employers will be a factor in the success of this potential project. The top employers in the area are:

3M	General Motors
Alcoa	General Electric
Alpha Technologies	Haggen
Anvil	Halliburton
ARAMARK	Honeywell
Bellingham Public Schools	IBM
Bellingham Technical Collage	Johnson & Johnson
Bellis Fair Mall	LSC Communications
Boehringer Ingelheim	McDonalds
BP Cherry Point	Nestle
Caterpillar	Oracle
Chevron	Perken Elmer
Coca Cola	Prudential Financial
CSC	RR Donnelly
Deloitte	St. Joseph Hospital
Donnelley Financial Solutions	United Technologies Corporation
Ecolab	United Parcel Service
ExxonMobil	Verizon
Family Care Network	Western Washington University
FIS	Whatcom County
Fred Meyer	Zodiac Interiors

Lodging Supply

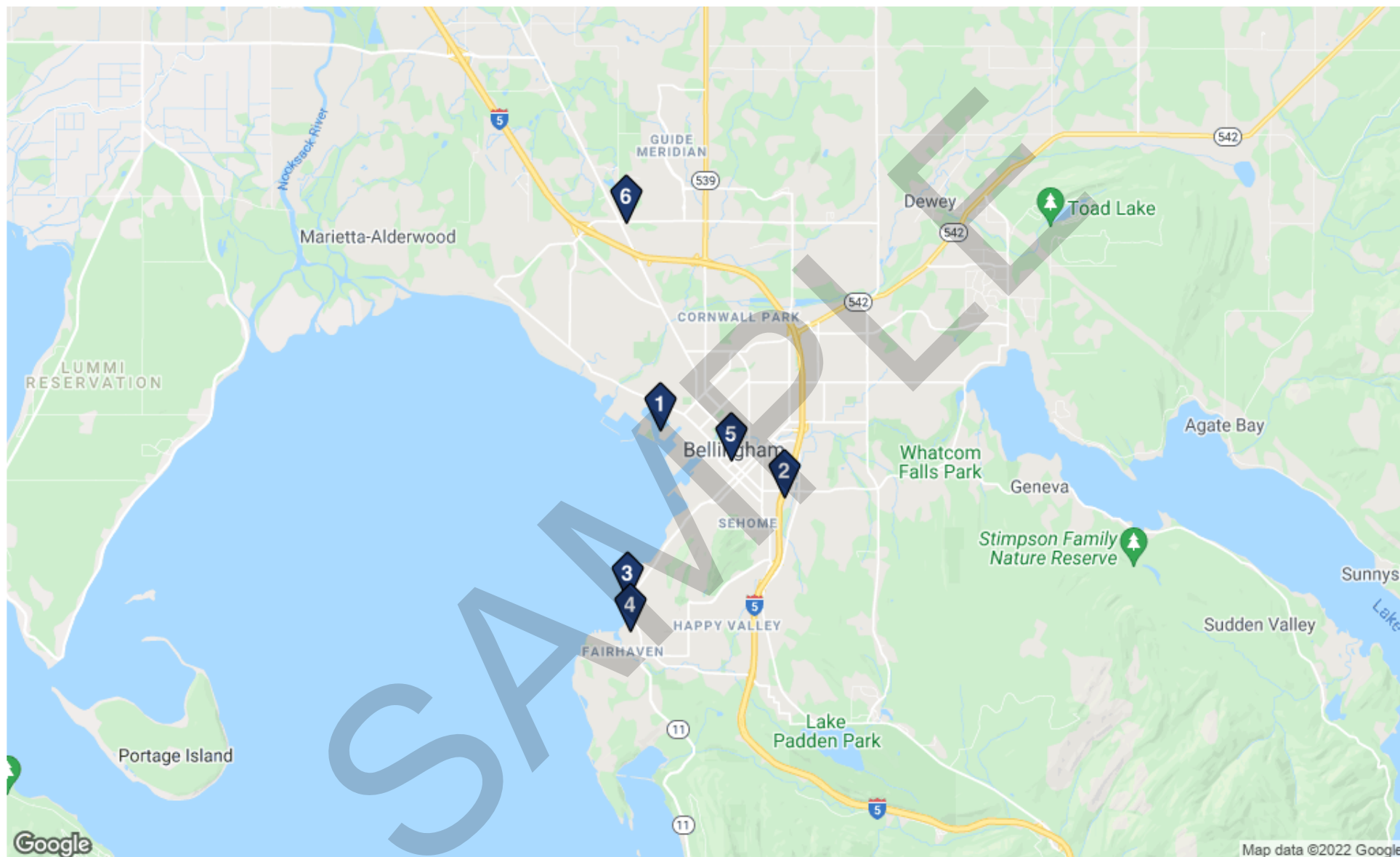
For the purposes of this Comprehensive Hotel Market Feasibility Study, the competitive set includes properties that were determined to be competitive with the proposed hotel based on either their location, brand affiliation, facilities and amenities offered, rate structure, community surveys, and/or market orientation. There are many instances where independent and/or economy hotels do not report to the reporting agency.

In some cases, Core Distinction Group must access data from surrounding or Secondary market hotels to obtain a Smith Travel Research (STR)/CoStar report. This can also include a Secondary Competitive Set. The following information will be presented in Lodging Supply:



Primary Competitive Set Property Overviews

Property Map Overview



Property Summary Report

Hotel Bellwether

1 Bellwether Way
Bellingham, WA 98225 - Bellingham/Northwest Submarket

Upscale
Class



HOSPITALITY

Hotel Opened	Aug 2001
Operation Type	Independent
Operation Status	Open

BUILDING

Type	Hotel
Year Built	2000
Rooms	66
Location	Suburban
Stories	3
Primary Corridors	Interior
Meeting Space	6,844 SF

LAND

Land Acres	0.88 AC
Zoning	PCM
Parcel	380225-301323-0000

EXPENSES

Taxes	\$1,339.80/Room (2020)
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SPACE FEATURES

- Business Center
- On-Site Bar
- Restaurant
- Fitness Center
- On-Site Retail
- Spa

TRANSPORTATION

Airport	11 min drive to Bellingham International Airport
Walk Score®	Car-Dependent (38)
Transit Score®	Some Transit (33)

TENANTS

Lighthouse Bar & Grill	1,500 SF
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PROPERTY CONTACTS

True Owner	Molnar Group 1285 W Broadway Vancouver, BC V6H 3X8 1 (604) 730-7333 (p) 1 (604) 730-7339 (f)	Recorded Owner	Harbor Bellwether/Investments LLP 570-1285 W Broadway Vancouver, BC V5Z1E9 1 (604) 730-7333 (p)
Previous True Owner	Molnar Group 1285 W Broadway Vancouver, BC V6H 3X8 1 (604) 730-7333 (p) 1 (604) 730-7339 (f)	Developer	Molnar Group 1285 W Broadway Vancouver, BC V6H 3X8 1 (604) 730-7333 (p) 1 (604) 730-7339 (f)

Property Summary Report

Four Points by Sheraton Bellingham Hotel & Conference Center

Upscale
Class

714 Lakeway Dr
Bellingham, WA 98229 - Bellingham/Northwest Submarket



HOSPITALITY

Brand	Four Points by Sheraton
Hotel Opened	Jun 1977
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	Jun 1977
Rooms	132
Location	Suburban
Stories	4
Primary Corridors	Interior
Meeting Space	11,916 SF

LAND

Land Acres	6.38 AC
Zoning	PC
Parcel	380331-525455-0000

EXPENSES

Taxes	\$861.10/Room (2021)
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SPACE FEATURES

- Business Center
- Meeting Event Space
- Pool
- Fitness Center
- On-Site Bar
- Restaurant

TRANSPORTATION

Airport	11 min drive to Bellingham International Airport
Walk Score®	Car-Dependent (41)
Transit Score®	Some Transit (48)

PROPERTY CONTACTS

True Owner	Today's VI LLC 835 Airport Blvd Burlingame, CA 94010
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Parent Company	Marriott International
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Property Summary Report

Curio Collection by Hilton The Chrysalis Inn & Spa Bellingham

Upper Upscale
Class

804 10th St
Bellingham, WA 98225 - Bellingham/Northwest Submarket



HOSPITALITY

Brand	Curio Collection by Hilton
Hotel Opened	Jun 2001
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	2001
Rooms	45
Location	Suburban
Stories	3
Primary Corridors	Interior
Meeting Space	2,310 SF

LAND

Land Acres	0.67 AC
Zoning	UV
Parcel	370201-060357-0000

EXPENSES

Taxes	\$2,375.08/Room (2021)
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PARKING

Spaces	25 Surface
Ratio	0.56/Room

SPACE FEATURES

- Beach (direct access)
- Meeting Event Space
- On-Site Retail
- Spa
- Business Center
- On-Site Bar
- Restaurant

TRANSPORTATION

Parking	25 available (Surface); Ratio of 0.56/Room
Airport	16 min drive to Bellingham International Airport
Walk Score®	Somewhat Walkable (66)
Transit Score®	Some Transit (37)

TENANTS

Keenan's At Pier	500 SF
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PROPERTY CONTACTS

True Owner	Keenko LLC 804 10th St Bellingham, WA 98225 (360) 676-8844 (p)	Recorded Owner	Keenko LLC 804 10th St Bellingham, WA 98225 (360) 676-8844 (p)
Parent Company	Hilton Worldwide		

Property Summary Report

Fairhaven Village Inn

1200 10th St
Bellingham, WA 98225 - Bellingham/Northwest Submarket

Upper Midscale
Class



HOSPITALITY

Operation Type	Independent
Operation Status	Open

BUILDING

Type	Hotel
Year Built	1999
Rooms	22
Location	Suburban
Stories	3
Primary Corridors	Interior

LAND

Land Acres	0.32 AC
Zoning	CC
Parcel	370201-075115-0000

EXPENSES

Taxes	\$1,548.15/Room (2021)
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PARKING

Spaces	26 Surface
Ratio	1.18/Room

TRANSPORTATION

Parking	26 available (Surface);Ratio of 1.18/Room
Airport	17 min drive to Bellingham International Airport
Walk Score®	Very Walkable (85)
Transit Score®	Some Transit (38)

PROPERTY CONTACTS

True Owner	Shannon Gene V & Constance L 98 Morey Ave Bellingham, WA 98225 (360) 738-6430 (p)	Recorded Owner	Shannon Gene V 1140 10th St Bellingham, WA 98225
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Property Summary Report

The Leo

1224 Cornwall Ave
Bellingham, WA 98225 - Bellingham/Northwest Submarket

Upper Midscale
Class



HOSPITALITY

Hotel Opened	Jun 1883
Operation Type	Independent
Operation Status	Open

BUILDING

Type	Hotel
Year Built	Jun 1883
Year Renov	2019
Rooms	39
Location	Suburban
Stories	3
Primary Corridors	Interior

LAND

Land Acres	0.49 AC
Zoning	CC
Parcel	380330-166103-0000

EXPENSES

Taxes	\$392.87/Room (2021)
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SPACE FEATURES

- Business Center

TRANSPORTATION

Airport	11 min drive to Bellingham International Airport
Walk Score®	Walker's Paradise (96)
Transit Score®	Good Transit (56)

PROPERTY CONTACTS

True Owner	Daylight Properties 1155 N State St Bellingham, WA 98225 (360) 734-6600 (p)
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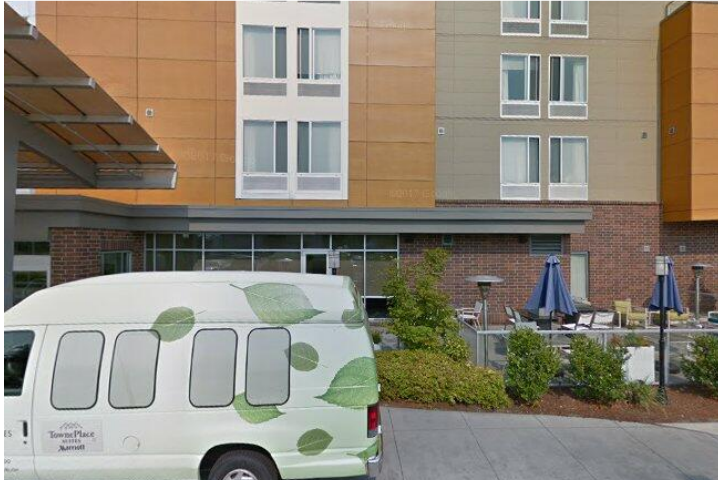
Recorded Owner	Oakland Llc 1224 Cornwall Ave Bellingham, WA 98225
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Property Summary Report

SpringHill Suites Bellingham

4040 Northwest Ave
Bellingham, WA 98226 - Bellingham/Northwest Submarket

Upscale
Class



HOSPITALITY

Brand	SpringHill Suites
Hotel Opened	Oct 2013
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	Oct 2013
Rooms	122
Location	Suburban
Stories	5
Primary Corridors	Interior
Meeting Space	2,820 SF

LAND

Land Acres	1.56 AC
Zoning	PCM2.5
Parcel	380213-053522-0000

EXPENSES

Taxes	\$1,755.43/Room (2021)
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SPACE FEATURES

- Business Center
- Meeting Event Space
- Pool
- Fitness Center
- On-Site Bar
- Restaurant

TRANSPORTATION

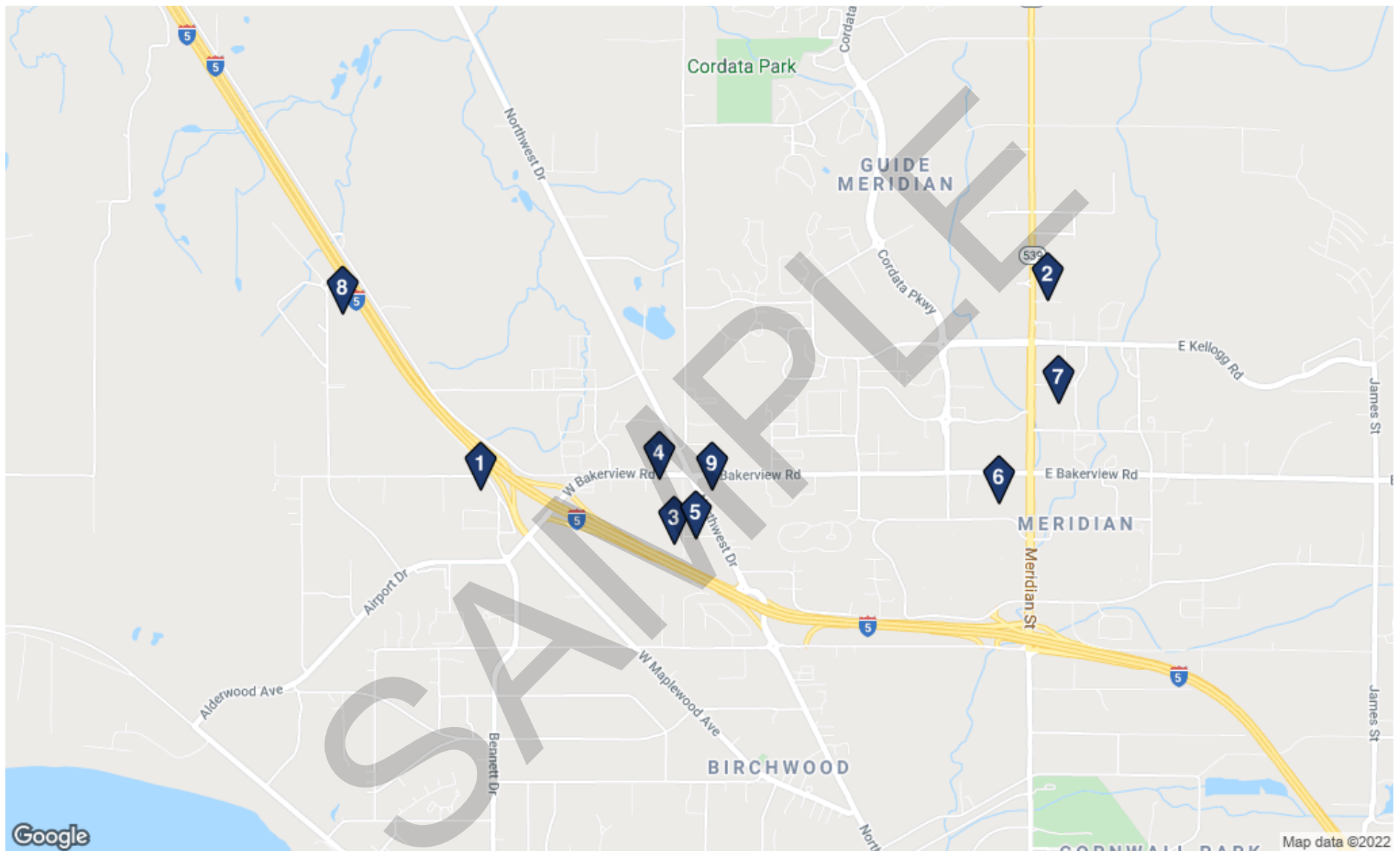
Airport	5 min drive to Bellingham International Airport
Walk Score®	Somewhat Walkable (61)
Transit Score®	Some Transit (41)

PROPERTY CONTACTS

True Owner	360 Hotel Group 9600 Harbour Pl Mukilteo, WA 98275 (425) 775-9600 (p) (425) 775-9669 (f)
Previous True Owner	Marriott International 7750 Wisconsin Ave Bethesda, MD 20814 (301) 380-3000 (p) (301) 380-3967 (f)
Parent Company	Marriott International

Recorded Owner	Bellingham Owner LLC 3500 SW 188th St Lynnwood, WA 98037
Architect	Baggen Associates 9914 NE 134th Ct Kirkland, WA 98034

Property Map Overview



Property Summary Report

Best Western Plus Bellingham Airport Hotel

3985 Bennett Dr
Bellingham, WA 98225 - Bellingham/Northwest Submarket

Upper Midscale
Class



HOSPITALITY

Brand	Best Western Plus
Hotel Opened	Dec 1991
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	1991
Year Renov	2005
Rooms	132
Location	Suburban
Stories	4
Primary Corridors	Interior
Meeting Space	5,375 SF

LAND

Land Acres	3.90 AC
Zoning	GI

EXPENSES

Taxes	\$681.98/Room (2021)
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PARKING

Spaces	250 Surface
Ratio	1.89/Room

PARCEL

380214-193543-0000, 380214-211526-0000

SALE

Sold Price	\$8,566,886 (\$64,901/Room)
Date	Apr 2018
Sale Type	Investment

SPACE FEATURES

- Business Center
- Fitness Center
- Pool

TRANSPORTATION

Parking	250 available (Surface); Ratio of 1.89/Room
Airport	4 min drive to Bellingham International Airport
Walk Score®	Car-Dependent (26)

TENANTS

Fox Hall At Hampton Inn	-	Hotel Bellingham	-
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Property Summary Report

Comfort Inn Bellingham

4282 Meridian St
Bellingham, WA 98226 - Bellingham/Northwest Submarket

Upper Midscale
Class



HOSPITALITY

Brand	Comfort Inn
Hotel Opened	Nov 1992
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	Nov 1992
Rooms	85
Location	Suburban
Stories	3
Primary Corridors	Interior
Meeting Space	420 SF

LAND

Land Acres	1.68 AC
Zoning	PC
Parcel	380307-026248-0000

EXPENSES

Taxes	\$616.82/Room (2021)
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PARKING

Spaces	50 Surface
Ratio	0.59/Room

SPACE FEATURES

- Business Center
- Fitness Center
- Pool

SALE

Sold Price	\$8,400,000 (\$98,824/Room)
Date	Apr 2016
Sale Type	Investment
Cap Rate	8.58%
Financing	Down Payment of \$950,370 (15.9%) 1st Mortgage: The Peoples Bank

TRANSPORTATION

Parking	50 available (Surface);Ratio of 0.59/Room
Airport	9 min drive to Bellingham International Airport
Walk Score®	Somewhat Walkable (65)
Transit Score®	Some Transit (45)

Property Summary Report

Hampton by Hilton Bellingham Airport

1055 W Bakerview Rd
Bellingham, WA 98226 - Bellingham/Northwest Submarket

Upper Midscale
Class



HOSPITALITY

Brand	Hampton by Hilton
Hotel Opened	May 2021
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	May 2021
Rooms	98
Location	Suburban
Stories	3
Primary Corridors	Interior
Meeting Space	600 SF

LAND

Land Acres	5.52 AC
Zoning	IC
Parcel	380214-492427-0000

EXPENSES

Taxes	\$161.47/Room (2021)
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SPACE FEATURES

- Business Center
- Fitness Center
- Meeting Event Space
- Pool

TRANSPORTATION

Airport	5 min drive to Bellingham International Airport
Walk Score®	Car-Dependent (38)

TENANTS

Baker Roofing Co	500 SF
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PROPERTY CONTACTS

True Owner	Erck Hotels 8214 O'Reilly Dr Helena, MT 59602 (406) 546-4448 (p)	Recorded Owner	Bakerview Road Lodging Investors LLC
Developer	Erck Hotels 8214 O'Reilly Dr Helena, MT 59602 (406) 546-4448 (p)	Architect	Johnson Braund Design Group, Inc. 15200 52nd Ave S Tukwila, WA 98188 (206) 766-8300 (p) (206) 766-8080 (f)
Parent Company	Hilton Worldwide		

Property Summary Report

La Quinta Inns & Suites Bellingham

1063 W Bakerview Rd
Bellingham, WA 98226 - Bellingham/Northwest Submarket

Upper Midscale
Class



HOSPITALITY

Brand	La Quinta Inns & Suites
Hotel Opened	Dec 2013
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	Dec 2013
Rooms	81
Location	Suburban
Stories	4
Primary Corridors	Interior
Meeting Space	1,288 SF

LAND

Land Acres	1.16 AC
Zoning	PIC
Parcel	380214-488506-0000

EXPENSES

Taxes	\$833.97/Room (2021)
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SPACE FEATURES

- Business Center
- Meeting Event Space
- Public Access Wifi
- Fitness Center
- Pool

TRANSPORTATION

Airport	6 min drive to Bellingham International Airport
Walk Score®	Somewhat Walkable (59)
Transit Score®	Some Transit (36)

PROPERTY CONTACTS

True Owner	Pacific Inns 2333 NW Vaughn St Portland, OR 97210 (503) 484-1107 (p)
Previous True Owner	Harinder Bains 321 N Johnson St Kennewick, WA 99336 (253) 326-7297 (p)
Parent Company	Wyndham Hotels & Resorts

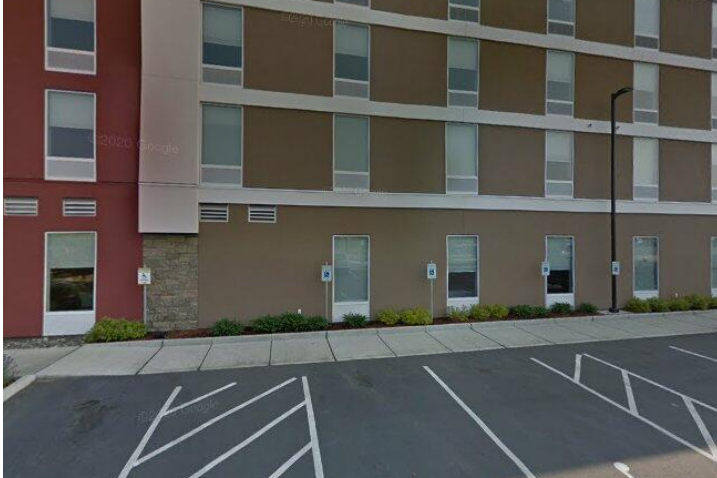
Recorded Owner	Parador Inc
Architect	Dale Sweeney Design 4165 178th Ln SE Bellevue, WA 98008

Property Summary Report

Home2 Suites by Hilton Bellingham Airport

805 Home Ln
Bellingham, WA 98226 - Bellingham/Northwest Submarket

Upper Midscale
Class



HOSPITALITY

Brand	Home2 Suites by Hilton
Hotel Opened	Mar 2015
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	Mar 2015
Rooms	105
Location	Suburban
Stories	4
Primary Corridors	Interior
Meeting Space	348 SF

LAND

Land Acres	1.83 AC
Zoning	PIC
Parcel	380213-016455-0000

EXPENSES

Taxes	\$884.44/Room (2021)
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SPACE FEATURES

- Business Center
- Fitness Center
- Meeting Event Space
- Pool

TRANSPORTATION

Airport	6 min drive to Bellingham International Airport
Walk Score®	Car-Dependent (47)
Transit Score®	Some Transit (39)

PROPERTY CONTACTS

True Owner	Erck Hotels 8214 O'Reilly Dr Helena, MT 59602 (406) 546-4448 (p)
Architect	Jensen/Fey 7730 Leary Way Redmond, WA 98052

Recorded Owner	Home Lane Lodging Investors Llc 4825 Reserve St Missoula, MT 59808
Parent Company	Hilton Worldwide

Property Summary Report

Oxford Suites Bellingham

4051 Meridian St
Bellingham, WA 98226 - Bellingham/Northwest Submarket

Upper Midscale
Class



HOSPITALITY

Brand	Oxford Suites
Hotel Opened	Aug 2015
Operation Type	Chain Management
Operation Status	Open

BUILDING

Type	Hotel
Year Built	2015
Rooms	99
Location	Suburban
Stories	6
Primary Corridors	Interior
Meeting Space	1,861 SF

LAND

Land Acres	1.92 AC
Zoning	PC
Parcel	380213-520517-0000

EXPENSES

Taxes	\$1,125.76/Room (2021)
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SPACE FEATURES

- Fitness Center
- On-Site Bar
- Restaurant
- Meeting Event Space
- Pool

TRANSPORTATION

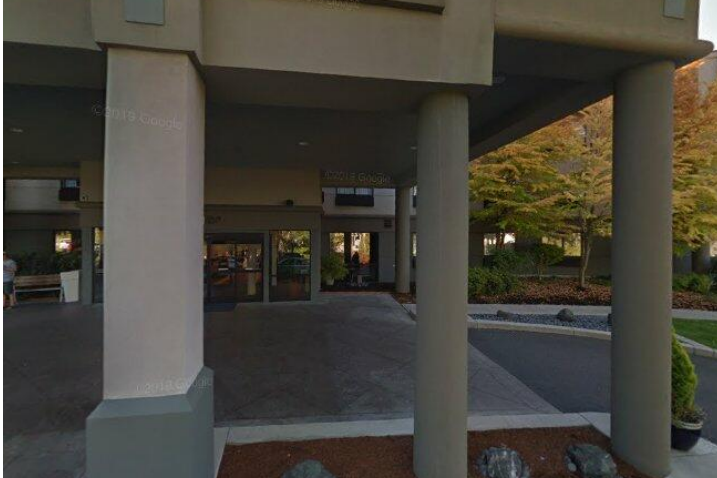
Airport	7 min drive to Bellingham International Airport
Walk Score®	Somewhat Walkable (69)
Transit Score®	Some Transit (45)

Property Summary Report

Holiday Inn Express Bellingham

4160 Meridian St
Bellingham, WA 98226 - Bellingham/Northwest Submarket

Upper Midscale
Class



HOSPITALITY

Brand	Holiday Inn Express
Hotel Opened	Aug 1993
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	1993
Rooms	101
Location	Suburban
Stories	3
Primary Corridors	Interior

LAND

Land Acres	6.07 AC
Zoning	C
Parcel	380307-036100-0002

EXPENSES

Taxes	\$332.48/Room (2021)
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SPACE FEATURES

- Business Center
- Pool

TRANSPORTATION

Airport	8 min drive to Bellingham International Airport
Walk Score®	Somewhat Walkable (69)
Transit Score®	Some Transit (45)

PROPERTY CONTACTS

True Owner	Masaji Kaihata 205 W Smith Rd Bellingham, WA 98226
Parent Company	IHG Hotels & Resorts

Recorded Owner	Masaji Kaihata 205 W Smith Rd Bellingham, WA 98226
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Property Summary Report

Holiday Inn & Suites Bellingham

4260 Mitchell Way
Bellingham, WA 98226 - Bellingham/Northwest Submarket

Upper Midscale
Class



HOSPITALITY

Brand	Holiday Inn
Hotel Opened	Mar 2017
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	Mar 2017
Rooms	153
Location	Suburban
Stories	4
Primary Corridors	Interior
Meeting Space	7,698 SF

LAND

Land Acres	4.69 AC
Zoning	AO
Parcel	380211-010245-001

SPACE FEATURES

- Business Center
- Meeting Event Space
- On-Site Retail
- Restaurant
- Fitness Center
- On-Site Bar
- Pool

TRANSPORTATION

Airport	4 min drive to Bellingham International Airport
Walk Score®	Car-Dependent (13)

TENANTS

Holiday Inn & Suites Bellingham	19,000 SF	Northwater	1,000 SF
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PROPERTY CONTACTS

True Owner	Hotel Services Group 1111 Cleveland Ave Mount Vernon, WA 98273 (360) 404-2117 (p) (360) 404-2055 (f)	Developer	Hotel Services Group 1111 Cleveland Ave Mount Vernon, WA 98273 (360) 404-2117 (p)
Parent Company	IHG Hotels & Resorts		

Property Summary Report

TownePlace Suites Bellingham

4040 Northwest Ave
Bellingham, WA 98226 - Bellingham/Northwest Submarket

Upper Midscale
Class



HOSPITALITY

Brand	TownePlace Suites
Hotel Opened	Feb 2015
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	2013
Rooms	83
Location	Suburban
Stories	5
Primary Corridors	Interior
Meeting Space	3,760 SF

LAND

Land Acres	1.00 AC
Zoning	PCM2.5
Parcel	380213-053522-0000

EXPENSES

Taxes	\$2,580.27/Room (2021)
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SPACE FEATURES

- Business Center
- Fitness Center
- Pool

TRANSPORTATION

Airport	5 min drive to Bellingham International Airport
Walk Score®	Somewhat Walkable (61)
Transit Score®	Some Transit (41)

PROPERTY CONTACTS

True Owner	360 Hotel Group 9600 Harbour Pl Mukilteo, WA 98275 (425) 775-9600 (p) (425) 775-9669 (f)
Developer	360 Hotel Group Ltd 19009 33rd Ave W Lynnwood, WA 98036
Parent Company	Marriott International

Recorded Owner	Bellingham Owner LLC 3500 SW 188th St Lynnwood, WA 98037
Architect	Baggen Associates 9914 NE 134th Ct Kirkland, WA 98034

STR/COSTAR Global Data

For the purposes of this Comprehensive Hotel Market Feasibility Study, as stated previously, the competitive set includes those midscale and upper midscale properties that were determined could be competitive with the proposed hotel based on either their location, brand affiliation, facilities and amenities offered, rate structure, community interviews, and/or market orientation. Core Distinction Group must follow specific guidelines in order to access accurate CoStar/STR Global Data. The following guidelines must be followed:



Property Minimum - A trend or a competitive set must include a minimum of three participating properties, not including the subject property if selecting a competitive set. Of the three, there must be a minimum of two properties not affiliated with the subject property (brand, parent, management, ownership and/or asset manager). The minimum number of properties must report data before performance data will be released.



Company Minimum - A trend or a competitive set must include a minimum of two companies not affiliated with the request or the subject property (brand, parent, management, ownership and/or asset manager).



Property - No single property can account for more than 50% of the total participating room supply of a competitive set, excluding the rooms of the subject property and other properties from the same company as the subject (parent, management, ownership and/or asset manager).



Brand - No single brand (e.g. Holiday Inn, Comfort Inn) can account for more than 50% of the total participating room supply of a competitive set, excluding the rooms of the subject and other properties from the same company as the subject.



Company - No single company (e.g. Hilton Worldwide, Interstate Hotels & Resorts, Host Hotels & Resorts) can account for more than 70% of the total participating room supply of a competitive set, excluding the rooms of the subject property and other properties from the same company as the subject (parent, management, ownership and/or asset manager).

This section will include the data provided by CoStar/STR Global.

Star Global - CoStar - Data by Measure - Primary Comp Set

Occupancy (%)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2017	50.8%	65.2%	68.0%	69.7%	69.8%	74.3%	78.8%	80.5%	75.2%	67.0%	54.9%	52.6%	67.2%
2018	48.8%	57.2%	63.9%	71.3%	70.8%	75.6%	78.9%	83.0%	75.7%	67.9%	58.1%	52.4%	67.0%
2019	50.1%	56.4%	70.0%	70.1%	68.6%	72.7%	78.4%	82.4%	72.9%	66.8%	59.1%	53.7%	66.8%
2020	49.9%	61.9%	33.6%	18.3%	24.4%	37.6%	48.7%	59.0%	57.4%	52.4%	39.0%	34.9%	43.1%
2021	39.8%	45.7%	55.8%	66.2%	61.8%	72.1%	81.1%	78.5%	69.0%	60.8%	60.5%	57.5%	62.9%
Avg	47.9%	57.3%	58.3%	59.1%	59.1%	66.5%	73.2%	76.7%	70.0%	63.0%	54.3%	50.2%	61.3%

ADR (\$)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2017	\$104.31	\$105.82	\$107.87	\$111.13	\$117.15	\$128.87	\$142.83	\$143.80	\$129.92	\$116.01	\$109.86	\$111.16	\$119.06
2018	\$105.66	\$107.44	\$111.79	\$116.76	\$122.39	\$132.01	\$145.75	\$146.36	\$129.80	\$116.81	\$108.59	\$107.70	\$120.92
2019	\$105.56	\$107.24	\$111.93	\$116.70	\$122.60	\$134.89	\$143.64	\$147.47	\$128.89	\$115.95	\$109.48	\$109.14	\$121.12
2020	\$105.98	\$109.67	\$105.01	\$89.37	\$95.60	\$105.60	\$119.77	\$120.30	\$112.02	\$104.97	\$97.31	\$98.11	\$105.31
2021	\$97.32	\$99.93	\$101.34	\$107.30	\$115.44	\$127.93	\$152.58	\$155.99	\$137.63	\$122.65	\$114.06	\$112.56	\$124.63
Avg	\$103.77	\$106.02	\$107.59	\$108.25	\$114.64	\$125.86	\$140.91	\$142.78	\$127.65	\$115.28	\$107.86	\$107.73	\$117.36

RevPAR (\$)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2017	\$53.00	\$68.95	\$73.35	\$77.41	\$81.80	\$95.80	\$112.54	\$115.79	\$97.70	\$77.74	\$60.33	\$58.47	\$81.07
2018	\$51.60	\$61.46	\$71.46	\$83.23	\$86.66	\$99.74	\$115.07	\$121.51	\$98.26	\$79.37	\$63.09	\$56.45	\$82.33
2019	\$52.91	\$60.51	\$78.39	\$81.80	\$84.10	\$98.07	\$112.66	\$121.52	\$93.95	\$77.43	\$64.73	\$58.64	\$82.06
2020	\$52.85	\$67.85	\$35.32	\$16.32	\$23.28	\$39.74	\$58.30	\$71.00	\$64.25	\$55.01	\$37.96	\$34.29	\$46.35
2021	\$38.78	\$45.69	\$56.57	\$71.01	\$71.30	\$92.18	\$123.69	\$122.49	\$94.94	\$74.58	\$69.00	\$64.67	\$78.45
Avg	\$49.83	\$60.89	\$63.02	\$65.95	\$69.43	\$85.11	\$104.45	\$110.46	\$89.82	\$72.83	\$59.02	\$54.50	\$73.78

Revenue (\$)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2017	\$696,610	\$1,515,153	\$2,479,205	\$3,463,914	\$4,539,087	\$5,757,655	\$7,236,925	\$8,758,878	\$10,001,605	\$11,023,464	\$11,790,850	\$12,559,434	\$79,822,780
2018	\$678,230	\$1,407,836	\$2,347,115	\$3,405,743	\$4,544,799	\$5,813,516	\$7,325,977	\$8,923,076	\$10,172,894	\$11,216,098	\$12,018,553	\$12,760,468	\$80,614,305
2019	\$695,419	\$1,413,818	\$2,444,235	\$3,489,606	\$4,600,280	\$5,853,590	\$7,341,312	\$8,946,061	\$10,146,771	\$11,169,247	\$11,996,503	\$12,770,887	\$80,867,729
2020	\$697,993	\$1,507,349	\$1,973,803	\$2,160,316	\$2,467,755	\$2,975,579	\$3,745,482	\$4,683,076	\$5,504,174	\$6,230,639	\$6,715,731	\$7,168,532	\$45,830,429
2021	\$512,106	\$1,057,151	\$1,804,195	\$2,711,661	\$3,653,312	\$4,831,397	\$6,464,810	\$8,082,452	\$9,295,801	\$10,280,700	\$11,162,514	\$12,016,500	\$71,872,599
Avg	\$656,072	\$1,380,261	\$2,209,711	\$3,046,248	\$3,961,047	\$5,046,347	\$6,422,901	\$7,878,709	\$9,024,249	\$9,984,030	\$10,736,830	\$11,455,164	\$71,801,568

Name of Property	Class	Date Opened	Rooms
Hotel Bellwether	Independent	2001	66
Curio Collection by Hilton	Upper Upscale	2001	45
Fairhaven Village Inn	Upper Midscale	1999	22
The Leo	Upper Midscale	1883	39
Springhill Suites Bellingham	Upscale	2013	122
Average Rooms:			59

Star Global - CoStar - 12 Month Moving Average - Primary Comp Set

Occupancy (%)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2017	66.4%	66.8%	67.3%	67.4%	67.3%	67.4%	67.3%	67.1%	67.0%	67.3%	67.1%	67.2%	67.1%
2018	67.1%	66.5%	66.1%	66.2%	66.3%	66.4%	66.4%	66.7%	66.7%	66.8%	67.0%	67.0%	66.6%
2019	67.1%	67.1%	67.6%	67.5%	67.3%	67.1%	67.0%	67.0%	66.8%	66.7%	66.7%	66.9%	67.1%
2020	66.8%	67.2%	64.1%	60.2%	56.5%	53.6%	51.0%	49.0%	47.7%	46.5%	44.8%	43.2%	54.2%
2021	42.3%	41.1%	43.0%	46.7%	49.9%	52.7%	55.5%	57.1%	58.1%	58.8%	60.6%	62.5%	50.9%
Avg	61.9%	61.7%	61.6%	61.6%	61.5%	61.4%	61.4%	61.4%	61.3%	61.2%	61.2%	61.4%	61.5%

ADR (\$)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2017	\$118.93	\$118.98	\$119.01	\$119.02	\$119.10	\$119.16	\$119.33	\$119.55	\$119.89	\$120.11	\$120.44	\$120.70	\$119.52
2018	\$120.82	\$121.06	\$121.46	\$121.46	\$122.40	\$122.70	\$123.00	\$123.34	\$123.33	\$123.39	\$123.25	\$123.02	\$122.44
2019	\$122.99	\$122.99	\$122.91	\$122.92	\$122.94	\$123.17	\$122.95	\$123.06	\$122.96	\$122.89	\$122.94	\$123.00	\$122.98
2020	\$123.03	\$123.10	\$123.33	\$123.20	\$122.24	\$119.85	\$116.71	\$112.65	\$110.53	\$109.32	\$108.44	\$107.65	\$116.67
2021	\$106.98	\$106.06	\$105.61	\$106.27	\$107.68	\$110.07	\$114.63	\$118.96	\$121.34	\$122.70	\$123.33	\$123.69	\$92.13
Avg	\$118.55	\$118.44	\$118.46	\$118.57	\$118.87	\$118.99	\$119.32	\$119.51	\$119.61	\$119.68	\$119.68	\$119.61	\$119.11

RevPAR (\$)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2017	\$78.94	\$79.49	\$80.05	\$80.19	\$80.13	\$80.29	\$80.31	\$80.20	\$80.34	\$80.79	\$80.86	\$81.15	\$80.23
2018	\$81.04	\$80.46	\$80.30	\$80.30	\$81.19	\$81.52	\$81.73	\$82.22	\$82.26	\$82.40	\$82.63	\$82.45	\$81.54
2019	\$82.56	\$82.49	\$83.08	\$82.96	\$82.75	\$82.62	\$82.42	\$82.44	\$82.09	\$81.92	\$82.05	\$82.23	\$82.47
2020	\$82.21	\$82.77	\$79.11	\$74.23	\$69.02	\$64.18	\$59.52	\$55.20	\$52.73	\$50.81	\$48.59	\$46.51	\$63.74
2021	\$45.30	\$43.59	\$45.41	\$49.65	\$53.73	\$58.04	\$63.59	\$67.97	\$70.49	\$72.15	\$74.70	\$77.28	\$46.88
Avg	\$74.01	\$73.76	\$73.59	\$73.47	\$73.36	\$73.33	\$73.51	\$73.61	\$73.58	\$73.61	\$73.77	\$73.92	\$73.63

Revenue (\$)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2017	\$12,216,160	\$12,301,776	\$12,387,783	\$12,410,249	\$12,401,678	\$12,425,829	\$12,428,064	\$12,411,944	\$12,433,743	\$12,503,391	\$12,514,502	\$12,559,434	\$148,994,553
2018	\$12,541,054	\$12,452,117	\$12,427,344	\$12,501,263	\$12,565,147	\$12,615,295	\$12,648,486	\$12,723,632	\$12,730,724	\$12,752,069	\$12,787,137	\$12,760,468	\$151,504,736
2019	\$12,777,657	\$12,766,450	\$12,857,588	\$12,844,331	\$12,815,949	\$12,800,541	\$12,775,803	\$12,783,453	\$12,734,345	\$12,713,617	\$12,738,417	\$12,770,887	\$153,379,038
2020	\$12,773,460	\$12,864,417	\$12,300,454	\$11,441,596	\$10,638,361	\$9,892,876	\$9,175,057	\$8,507,902	\$8,128,289	\$7,832,278	\$7,490,115	\$7,168,532	\$118,213,337
2021	\$6,982,645	\$6,718,334	\$6,998,924	\$7,719,877	\$8,354,089	\$9,024,349	\$9,887,860	\$10,567,908	\$10,960,160	\$11,218,593	\$11,615,315	\$12,016,500	\$112,064,554
Avg	\$11,458,195	\$11,420,619	\$11,394,419	\$11,383,463	\$11,355,045	\$11,351,778	\$11,383,054	\$11,398,968	\$11,397,452	\$11,403,990	\$11,429,097	\$11,455,164	\$136,831,244

Star Global - CoStar - Data by Measure - Secondary Comp Set

Occupancy (%)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2017	53.6%	68.2%	70.9%	71.9%	71.6%	77.1%	80.4%	81.6%	76.6%	69.4%	55.5%	52.1%	69.1%
2018	51.3%	58.2%	66.6%	74.3%	72.4%	77.3%	80.0%	84.6%	77.4%	70.1%	60.2%	53.8%	68.9%
2019	53.1%	58.8%	73.4%	73.2%	70.7%	73.2%	79.4%	83.6%	73.4%	67.2%	60.2%	55.0%	68.4%
2020	52.4%	64.0%	37.2%	19.9%	26.5%	41.6%	52.0%	62.8%	62.3%	56.9%	43.9%	38.4%	46.5%
2021	44.4%	49.9%	61.3%	72.1%	65.0%	76.1%	85.9%	83.0%	73.1%	64.5%	65.3%	61.5%	67.8%
Avg	51.0%	59.8%	61.9%	62.3%	61.2%	69.1%	75.5%	79.1%	72.6%	65.6%	57.0%	52.2%	63.9%

ADR (\$)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2017	\$99.24	\$100.54	\$102.32	\$105.47	\$109.52	\$120.22	\$134.94	\$136.86	\$123.31	\$110.06	\$103.85	\$103.34	\$112.47
2018	\$101.49	\$102.64	\$106.43	\$111.95	\$116.04	\$124.67	\$138.80	\$140.61	\$123.82	\$110.49	\$102.41	\$100.12	\$114.96
2019	\$101.18	\$101.55	\$106.49	\$110.83	\$113.67	\$125.90	\$134.74	\$138.71	\$120.57	\$107.70	\$102.03	\$100.75	\$113.68
2020	\$100.29	\$102.67	\$100.26	\$89.47	\$89.63	\$97.59	\$107.69	\$107.58	\$102.22	\$97.09	\$92.60	\$91.35	\$98.20
2021	\$91.97	\$93.67	\$96.66	\$102.24	\$108.48	\$122.13	\$147.70	\$149.83	\$131.58	\$114.70	\$106.60	\$105.28	\$119.04
Avg	\$98.83	\$100.21	\$102.43	\$103.99	\$107.47	\$118.10	\$132.77	\$134.72	\$120.30	\$108.01	\$101.50	\$100.17	\$110.71

RevPAR (\$)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2017	\$53.19	\$68.61	\$72.56	\$75.85	\$78.37	\$92.71	\$108.51	\$111.67	\$94.44	\$76.35	\$57.60	\$53.89	\$78.65
2018	\$52.01	\$59.77	\$70.85	\$83.13	\$83.99	\$96.40	\$111.03	\$118.90	\$95.84	\$77.48	\$61.65	\$53.86	\$80.41
2019	\$53.68	\$59.74	\$78.19	\$81.16	\$80.33	\$92.13	\$107.02	\$116.02	\$88.53	\$72.39	\$61.42	\$55.44	\$78.84
2020	\$52.56	\$65.73	\$37.33	\$17.78	\$23.79	\$40.64	\$56.04	\$67.52	\$63.69	\$55.21	\$40.66	\$35.10	\$46.34
2021	\$40.87	\$46.75	\$59.25	\$73.74	\$70.50	\$92.98	\$126.86	\$124.37	\$96.18	\$74.00	\$69.56	\$64.73	\$80.76
Avg	\$50.46	\$60.12	\$63.64	\$66.33	\$67.40	\$82.97	\$101.89	\$107.70	\$87.74	\$71.09	\$58.18	\$52.60	\$72.51

Revenue (\$)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2017	\$1,131,158	\$1,317,886	\$1,887,127	\$1,909,092	\$2,038,361	\$2,333,538	\$2,822,166	\$2,904,340	\$2,377,110	\$1,985,757	\$1,449,805	\$1,401,564	\$23,557,904
2018	\$1,352,813	\$1,404,121	\$1,842,696	\$2,092,406	\$2,184,398	\$2,426,480	\$2,887,780	\$3,092,522	\$2,412,174	\$2,015,059	\$1,551,732	\$1,400,940	\$24,663,121
2019	\$1,396,235	\$1,403,361	\$2,033,688	\$2,042,673	\$2,089,299	\$2,318,817	\$2,783,544	\$3,017,490	\$2,228,418	\$1,882,705	\$1,545,888	\$1,442,017	\$24,184,135
2020	\$1,367,035	\$1,544,025	\$971,033	\$447,614	\$618,884	\$1,022,914	\$1,457,542	\$1,756,028	\$1,603,105	\$1,435,906	\$1,023,335	\$912,821	\$14,160,242
2021	\$1,062,886	\$1,098,172	\$1,541,118	\$1,855,947	\$2,047,818	\$2,613,563	\$3,685,007	\$3,612,497	\$2,703,620	\$2,149,504	\$1,955,403	\$1,880,329	\$26,205,864
Avg	\$1,262,025	\$1,353,513	\$1,655,132	\$1,669,546	\$1,795,752	\$2,143,062	\$2,727,208	\$2,876,575	\$2,264,885	\$1,893,786	\$1,505,233	\$1,407,534	\$22,554,253

Name of Property	Class	Date Opened	Rooms
Best Western Plus Bellingham Airport	Upper Midscale	1991	132
Comfort Inn Bellingham	Upper Midscale	1992	85
Hampton by Hilton Bellingham Airport	Upper Midscale	2021	98
LaQuinta Inns & Suites Bellingham	Upper Midscale	2013	81
Home2 Suites by Hilton Bellingham Airport	Upper Midscale	2015	105
Oxford Suites Bellingham	Upper Midscale	2015	99
Holiday Inn Express Bellingham	Upper Midscale	1993	101
Holiday Inn Express Bellingham	Upper Midscale	2017	153
TownPlace Suites Bellingham	Upper Midscale	2015	83
Average Rooms:			104

Star Global - CoStar - 12 Month Moving Average - Secondary Comp Set

Occupancy (%)													
YR.	January	February	March	April	Mam	June	July	August	September	October	November	December	MTD
2017	68.8%	69.3%	69.8%	69.9%	69.8%	70.1%	70.1%	70.0%	69.9%	70.2%	69.7%	69.3%	69.7%
2018	68.9%	68.1%	67.7%	67.9%	68.0%	68.0%	68.0%	68.2%	68.3%	68.4%	68.7%	68.9%	68.3%
2019	69.0%	69.1%	69.7%	69.6%	69.4%	69.1%	69.1%	69.0%	68.6%	68.4%	68.4%	68.5%	69.0%
2020	68.5%	68.8%	65.8%	61.4%	57.6%	55.1%	52.7%	51.0%	50.0%	49.2%	47.8%	46.4%	56.2%
2021	45.7%	44.6%	46.7%	51.0%	54.4%	57.3%	60.4%	62.3%	63.2%	63.9%	65.5%	67.3%	56.9%
Avg	64.2%	64.0%	63.9%	64.0%	63.8%	63.9%	64.1%	64.1%	64.0%	64.0%	64.0%	64.1%	64.0%

ADR (\$)													
YR.	January	February	March	April	Mam	June	July	August	September	October	November	December	MTD
2017	\$111.94	\$112.04	\$111.97	\$111.90	\$111.86	\$111.98	\$112.54	\$113.29	\$113.87	\$114.04	\$114.23	\$114.33	\$112.83
2018	\$114.34	\$114.44	\$114.84	\$115.40	\$115.98	\$116.40	\$116.78	\$117.25	\$117.30	\$117.33	\$117.15	\$116.91	\$116.18
2019	\$116.85	\$116.77	\$116.69	\$116.60	\$116.39	\$116.46	\$116.05	\$115.83	\$115.50	\$115.29	\$115.26	\$115.28	\$116.08
2020	\$115.23	\$115.23	\$115.34	\$115.10	\$114.25	\$111.94	\$108.67	\$104.37	\$102.19	\$101.05	\$100.31	\$99.64	\$108.61
2021	\$98.94	\$98.08	\$97.77	\$98.56	\$100.04	\$102.82	\$108.36	\$113.47	\$116.17	\$117.40	\$117.75	\$117.93	\$107.27
Avg	\$111.46	\$111.31	\$111.32	\$111.51	\$111.70	\$111.92	\$112.48	\$112.84	\$113.01	\$113.02	\$112.94	\$112.82	\$112.19

RevPAR (\$)													
YR.	January	February	March	April	Mam	June	July	August	September	October	November	December	MTD
2017	\$77.06	\$77.67	\$78.14	\$78.24	\$78.09	\$78.46	\$78.89	\$79.26	\$79.61	\$80.00	\$79.62	\$79.26	\$78.69
2018	\$78.75	\$77.93	\$77.79	\$78.39	\$78.86	\$79.17	\$79.38	\$80.00	\$80.11	\$80.21	\$80.54	\$80.54	\$79.31
2019	\$80.68	\$80.68	\$81.30	\$81.14	\$80.83	\$80.48	\$80.13	\$79.89	\$79.29	\$78.86	\$78.84	\$78.97	\$80.09
2020	\$78.88	\$79.34	\$75.87	\$70.66	\$65.86	\$61.62	\$57.29	\$53.18	\$51.13	\$49.67	\$47.97	\$46.24	\$61.48
2021	\$45.25	\$43.79	\$45.65	\$50.25	\$54.38	\$58.96	\$65.46	\$70.67	\$73.45	\$74.96	\$77.13	\$79.35	\$61.61
Avg	\$72.12	\$71.88	\$71.75	\$71.74	\$71.60	\$71.74	\$72.23	\$72.60	\$72.72	\$72.74	\$72.82	\$72.87	\$72.23

Revenue (\$)													
YR.	January	February	March	April	Mam	June	July	August	September	October	November	December	MTD
2017	\$19,295,483	\$19,448,771	\$19,936,504	\$20,321,772	\$20,651,501	\$21,111,317	\$21,599,354	\$22,077,724	\$22,541,205	\$23,030,389	\$23,287,354	\$23,557,905	\$256,859,279
2018	\$23,779,560	\$23,865,794	\$23,821,363	\$24,004,677	\$24,150,714	\$24,243,656	\$24,309,270	\$24,497,452	\$24,532,516	\$24,561,818	\$24,663,745	\$24,663,120	\$291,093,685
2019	\$24,706,542	\$24,705,782	\$24,896,774	\$24,847,042	\$24,751,942	\$24,644,279	\$24,540,043	\$24,465,011	\$24,281,255	\$24,148,901	\$24,143,057	\$24,184,134	\$294,314,762
2020	\$24,154,935	\$24,295,599	\$23,232,944	\$21,637,884	\$20,167,469	\$18,871,567	\$17,545,564	\$16,284,102	\$15,658,789	\$15,211,990	\$14,689,437	\$14,160,241	\$225,910,521
2021	\$13,856,092	\$13,410,239	\$13,980,324	\$15,388,657	\$16,817,592	\$18,408,240	\$20,635,705	\$22,492,175	\$23,592,690	\$24,306,288	\$25,238,356	\$26,205,865	\$234,332,223
Avg	\$21,158,522	\$21,145,237	\$21,173,582	\$21,240,006	\$21,307,844	\$21,455,812	\$21,725,987	\$21,963,293	\$22,121,291	\$22,251,877	\$22,404,390	\$22,554,253	\$260,502,094

Primary Competitive Set Date

For the purposes of this Comprehensive Hotel Market Feasibility Study, the competitive set includes properties that were determined to be competitive with the proposed hotel based on either their location, brand affiliation, facilities and amenities offered, rate structure, community surveys, and/or market orientation. There are many instances where independent and/or economy hotels do not report to the reporting agency. The following information will be analyzed in Competitive Set Analysis:



Key Performance Indicators



Supply & Demand/Supply & Demand Changes



Occupancy/Occupancy Changes



Average Daily Rate/Average Daily Rate Changes

Primary Competitive Hotel Properties Data Summary

Primary Competitive Set			
Property Name	Industry Segment	Open Date	Room Count
Hotel Bellwether	Independent	2001	66
Four Points Bellingham Hotel & Conference Center	Upscale	1977	132
Springhill Suites Bellingham	Upscale	2013	122
Curio Collection by Hilton	Upper Upscale	2001	45
Fairhaven Village Inn	Upper Midscale	1999	22
The Leo	Upper Midscale	1883	39
Primary Competitive Set Room Count Average			71
Source: CoStar/STR Core Distinction Group, LLC			

Primary Competitive Set Current			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
YTD	62.5%	\$123.69	\$77.28
3 Month Average	59.6%	\$116.53	\$69.42
12 Month Average	62.5%	\$123.69	\$77.28
Source: CoStar/STR Core Distinction Group, LLC			

Primary Competitive Set Prior Year			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
12 Month Average	44.8%	\$108.00	\$49.00
Source: CoStar/STR Core Distinction Group, LLC			

Primary Competitive Set Year Over Year Percentage Change			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
Percent of Change	39.4%	14.1%	59.0%
Source: CoStar/STR Core Distinction Group, LLC			

Primary Competitive Hotel Quoted Rates

Primary Competitive Set Listed Rates				
Property Name	May-22	Jul-22	Sep-22	Nov-22
Hotel Bellwether	\$269	\$399	\$499	\$309
Four Points Bellingham Hotel & Conference Center	\$155	\$199	\$199	\$155
Springhill Suites Bellingham	\$134	\$170	\$170	\$134
Curio Collection by Hilton	\$225	\$320	\$280	\$220
Fairhaven Village Inn	\$199	\$329	\$229	\$189
The Leo	\$98	\$116	\$116	\$159
Average Independent	\$269	\$399	\$499	\$309
Average Upscale	\$145	\$185	\$185	\$145
Average Upper Midscale	\$174	\$255	\$208	\$189
Primary Competitive Set Average	\$180	\$256	\$249	\$194
Primary Competitive Set Rate Average				\$220
Source: Google Travel				

Primary Competitive Set Trend			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
YTD	62.5%	\$123.69	\$77.28
3 Month Average	59.6%	\$116.53	\$69.42
12 Month Average	62.5%	\$123.69	\$77.28
Source: CoStar/STR Core Distinction Group, LLC			

Projected Primary Competitive Set Rates	
Time Frame	Average Daily Rate
3 Month Average	\$116.53
12 Month Average	\$123.69
Future Quoted Rate Average	\$219.67
Projected Average Daily Rates	\$153.30
Source: Google Travel/CoStar/STR Core Distinction Group, LLC	

Search Analytics

INVENTORY ROOMS
426 +0%
Prior Period 426

UNDER CONSTRUCTION ROOMS
0 -
Prior Period 0

12 MO OCC RATE
62.5% +39.4%
Prior Period 44.8%

12 MO ADR
\$124 +14.1%
Prior Period \$108

12 MO REVPAR
\$77 +59.0%
Prior Period \$49

MARKET SALE PRICE/ROOM
\$131K -0.6%
Prior Period \$132K

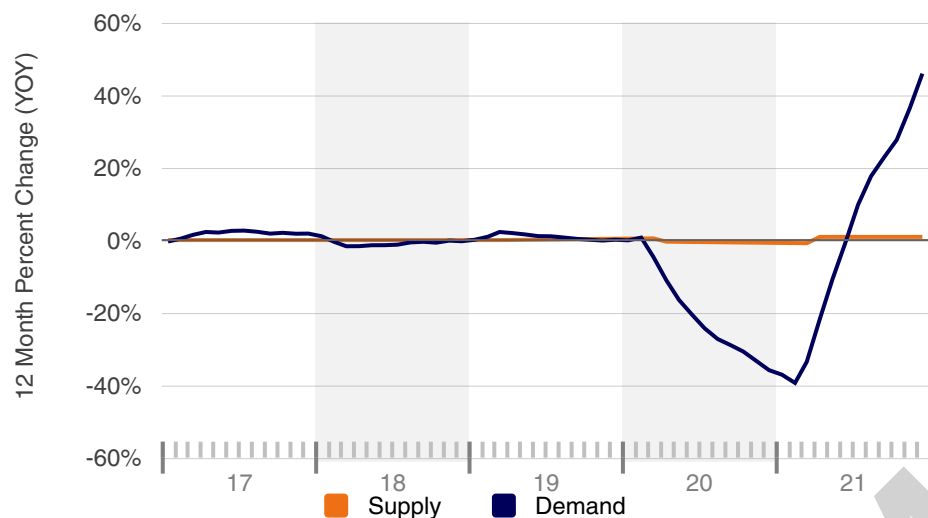
MARKET CAP RATE
8.7% -0.1%
Prior Period 8.8%

Key Metrics

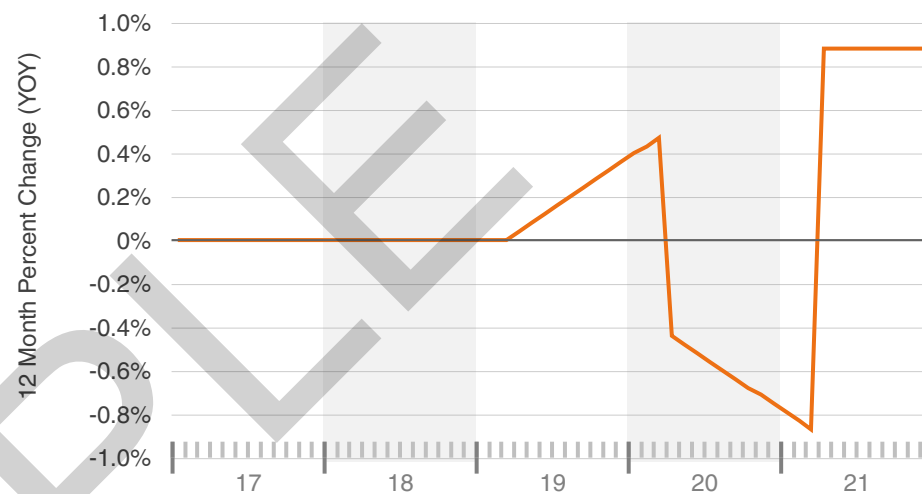
Inventory		Sales Past Year	
Existing Properties	6	Sales Volume	\$0
12 Mo Delivered Rooms	0	Properties Sold	0
12 Mo Delivered Properties	0	Months to Sale	-
12 Mo Recently Opened Rooms	0	Average Price Per Building	-
12 Mo Recently Opened Properties	0	Market Price Per Room	\$131K
Under Construction Properties	0	Market Cap Rate	8.7%

Performance Trend	
Occupancy Rate	57.5%
Average Daily Rate	\$112.56
Revenue Per Available Room	\$64.67
YTD Occupancy Rate	62.5%
YTD Average Daily Rate	\$123.69
YTD RevPAR	\$77.28
3 Mo Occupancy Rate	59.6%
3 Mo Average Daily Rate	\$116.53
3 Mo RevPAR	\$69.42
12 Mo Occupancy Rate	62.5%
12 Mo Average Daily Rate	\$123.69
12 Mo RevPAR	\$77.28

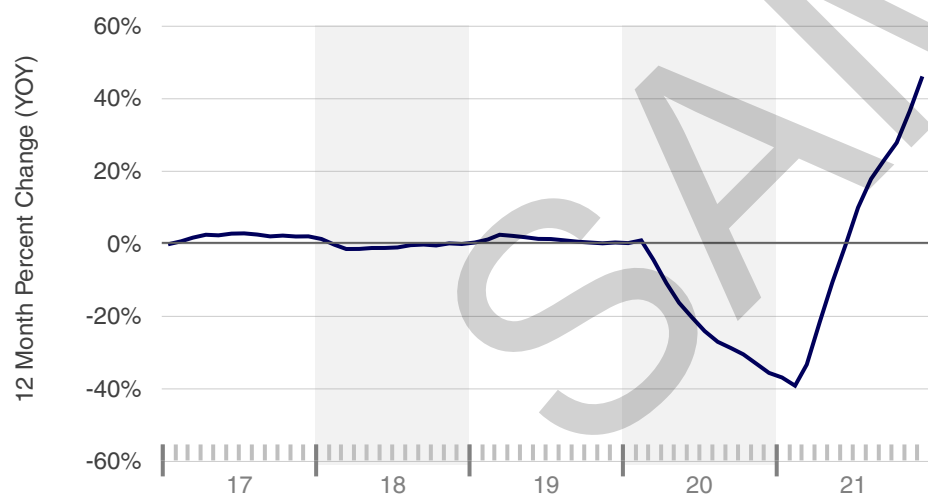
Supply & Demand Change



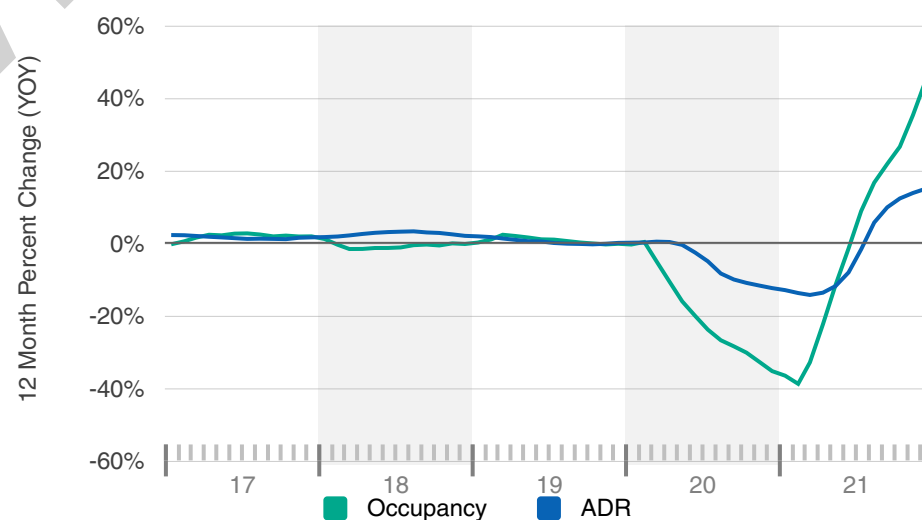
Supply Change



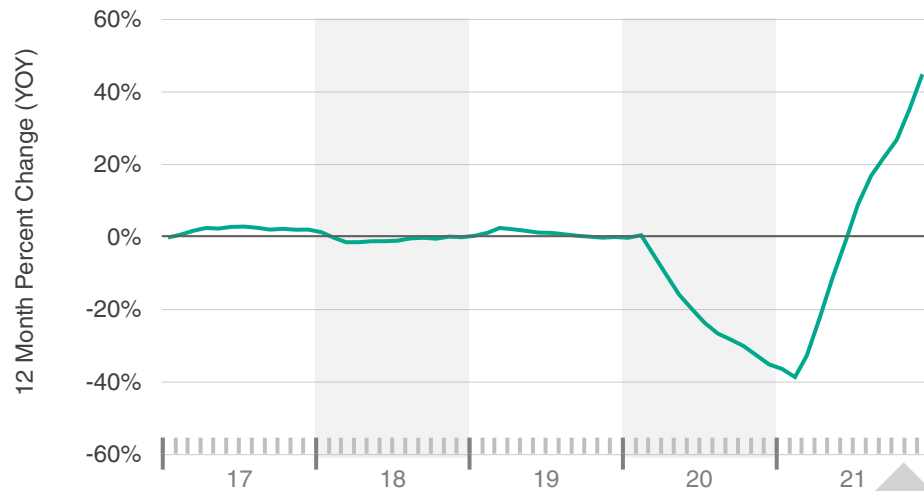
Demand Change



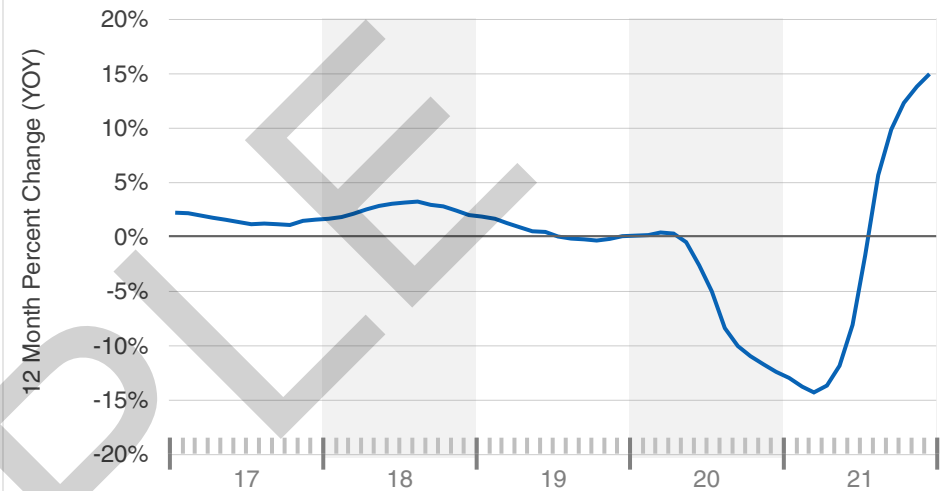
Occupancy & ADR Change



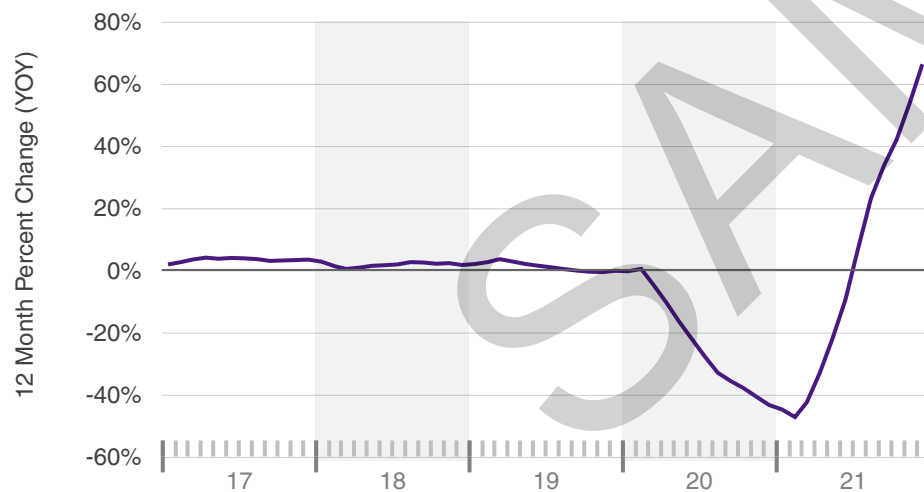
Occupancy Change



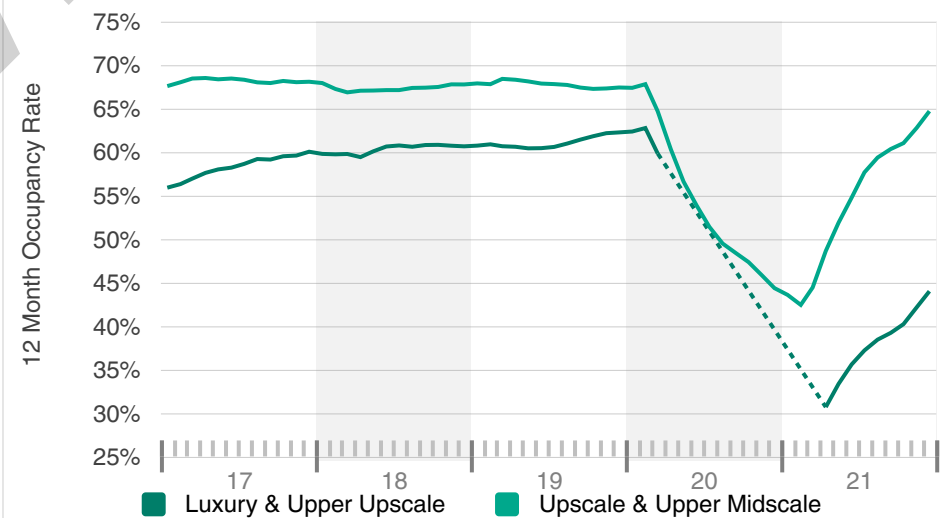
ADR Change



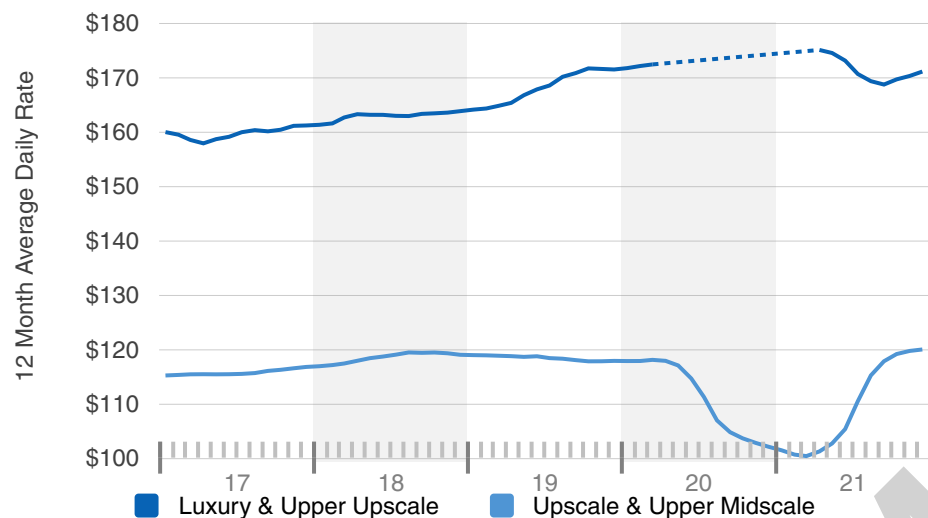
RevPAR Change



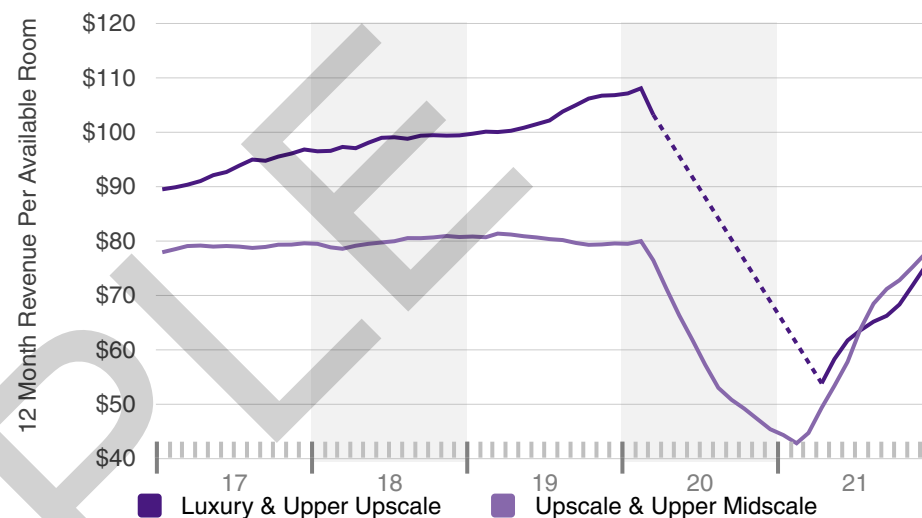
Occupancy By Class



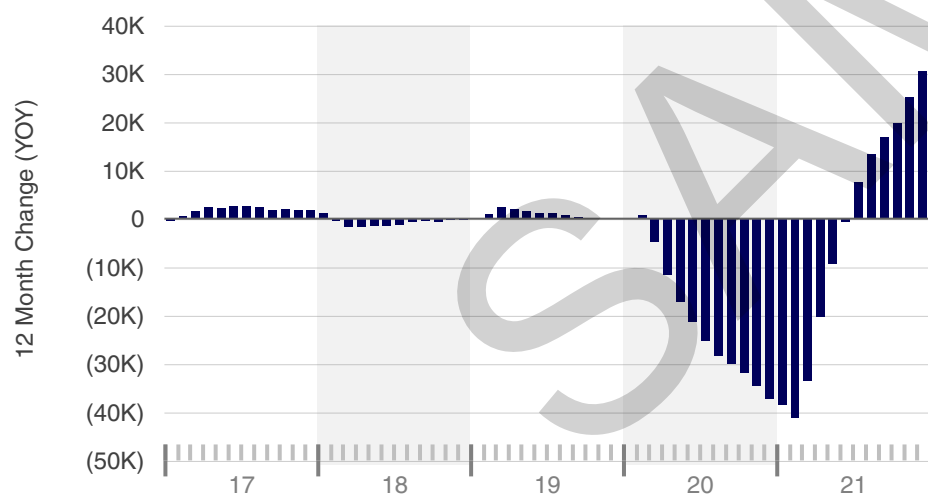
ADR By Class



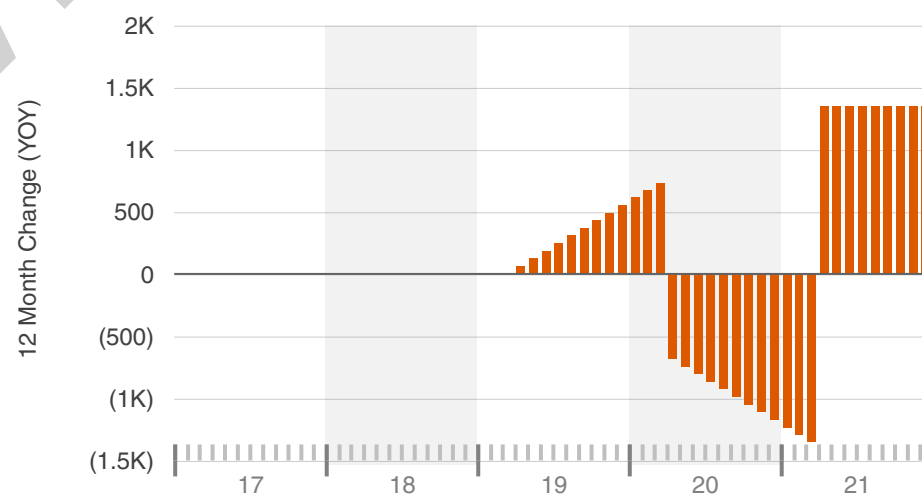
RevPAR By Class



Demand Change

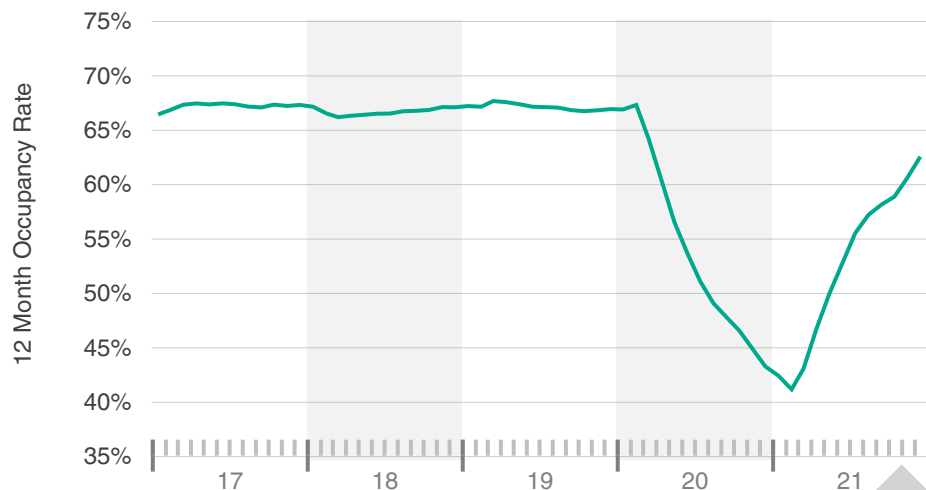


Supply Change

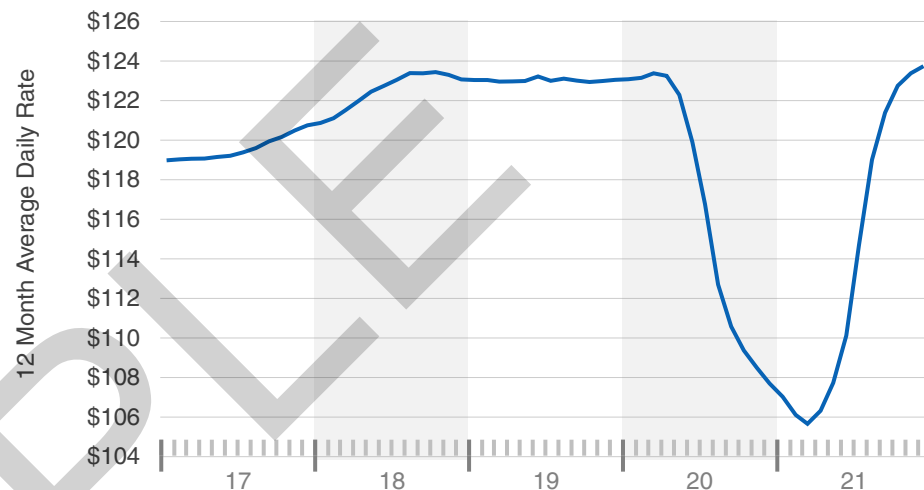


Search Analytics

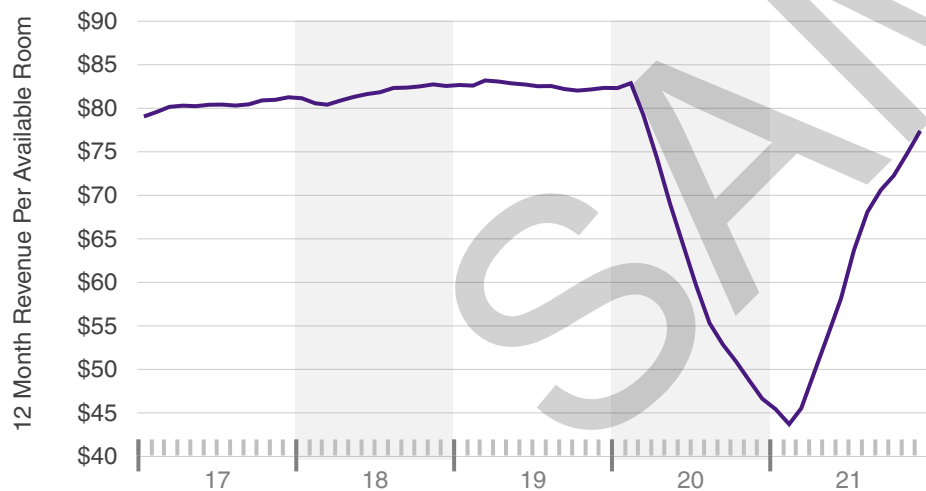
Occupancy



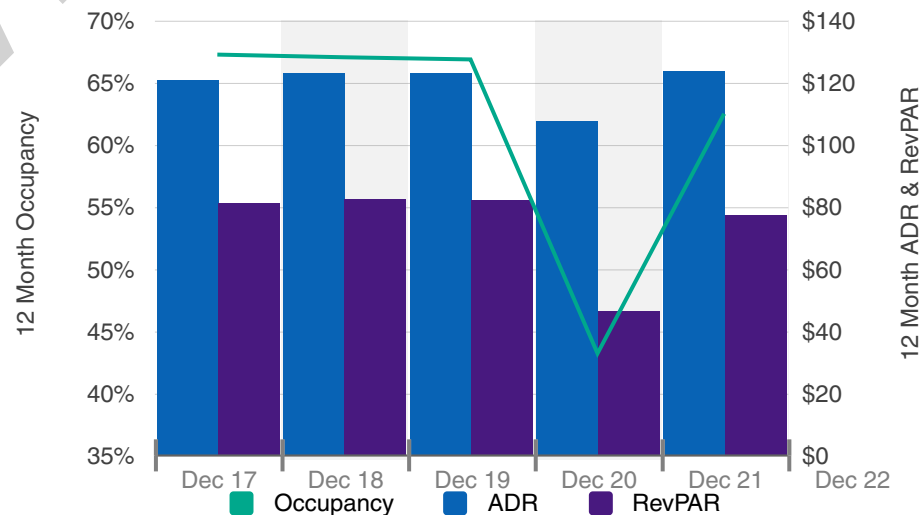
ADR



RevPAR

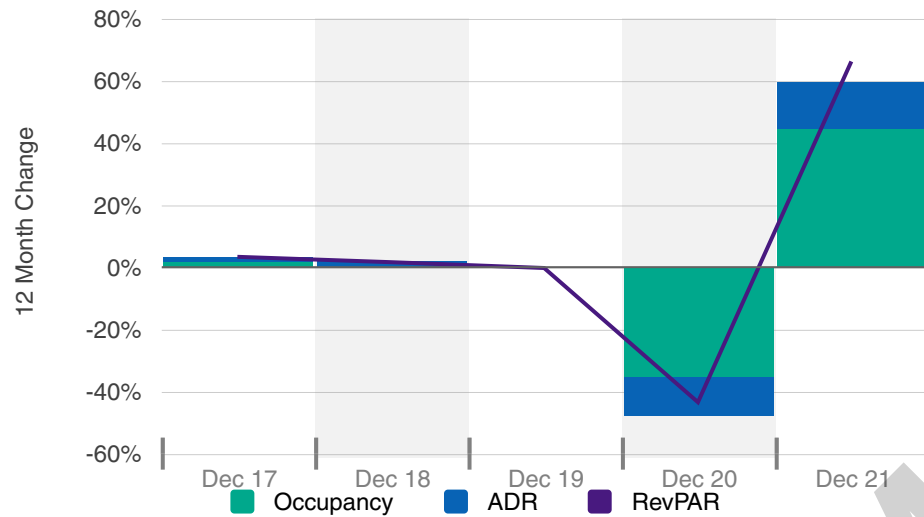


Occupancy, ADR & RevPAR

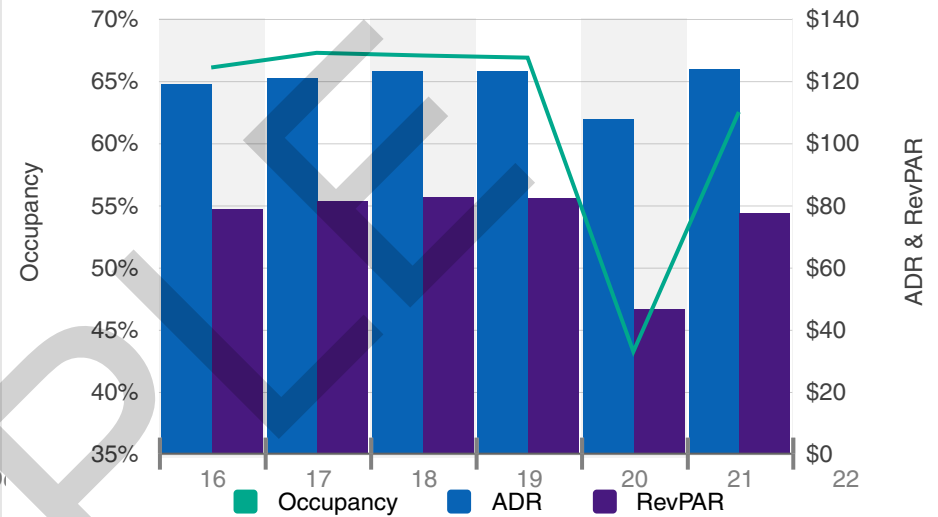


Search Analytics

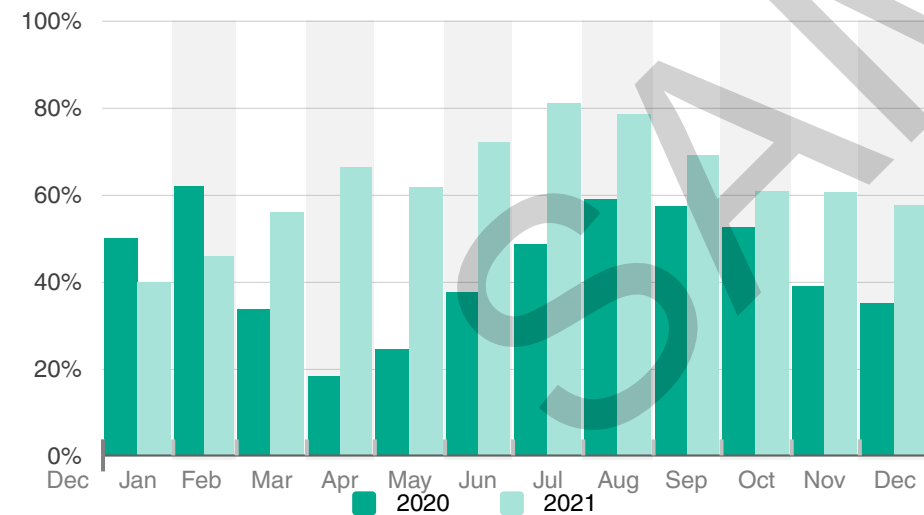
RevPAR Growth Composition



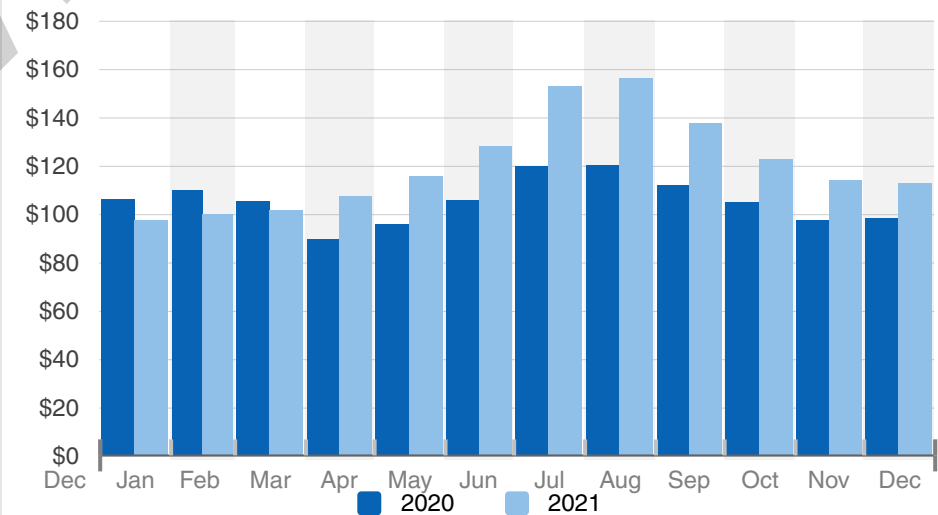
Occupancy, ADR & RevPAR Annualized vs YTD



Occupancy Monthly

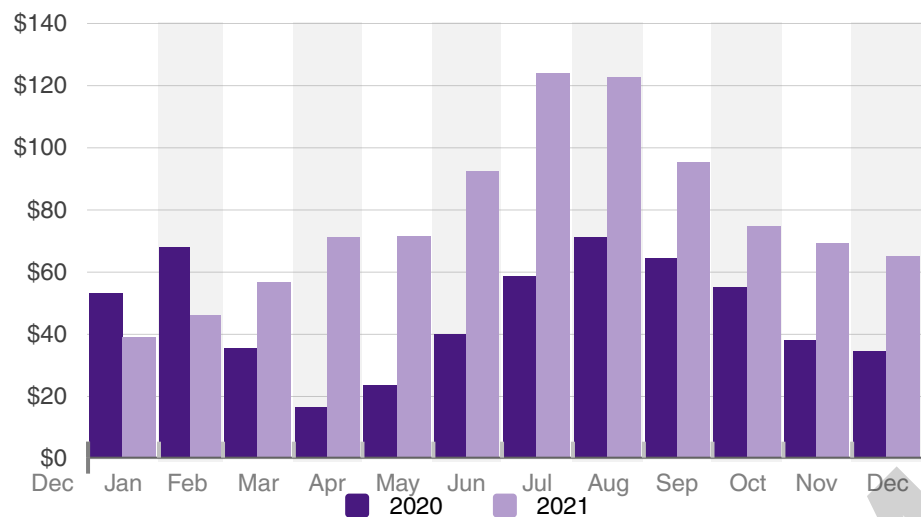


ADR Monthly



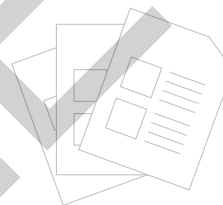
Search Analytics

RevPAR Monthly



Rooms Delivered

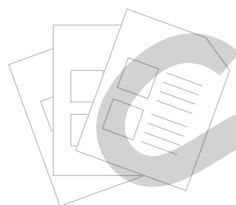
No Data Available



No data available for the past 5 years

Rooms Under Construction

No Data Available



No data available for the past 5 years

Delivered, Demolished & Net Delivered Rooms

No Data Available



No data available for the past 5 years

Rooms Delivered By Class

No Data Available



No data available for the past 5 years

Demolished Rooms

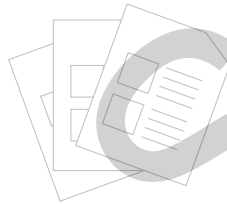
No Data Available



No data available for the past 5 years

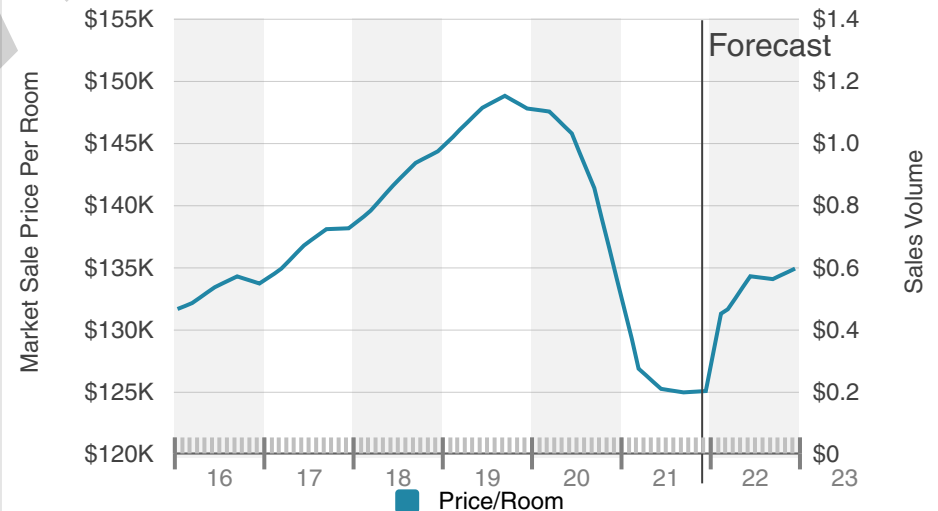
Rooms Under Construction % of Inventory

No Data Available



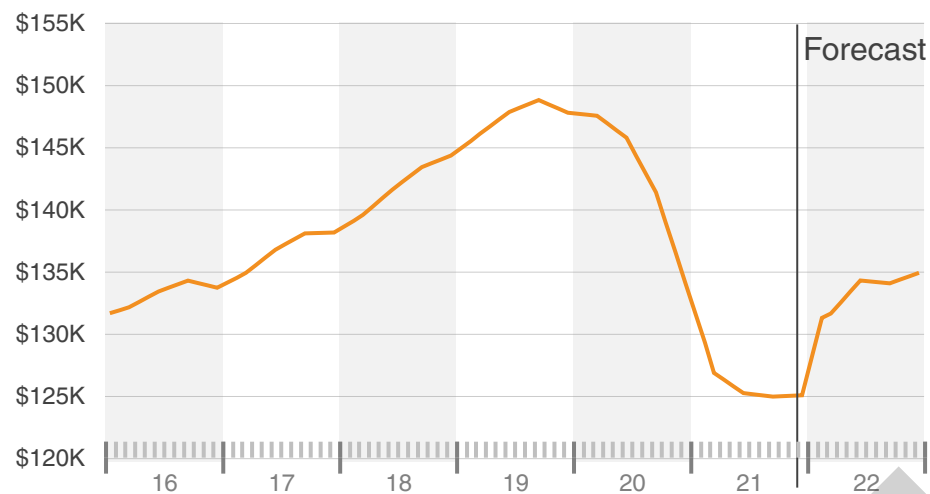
No data available for the past 5 years

Sales Volume & Market Sale Price Per Room



Search Analytics

Market Sale Price Per Room

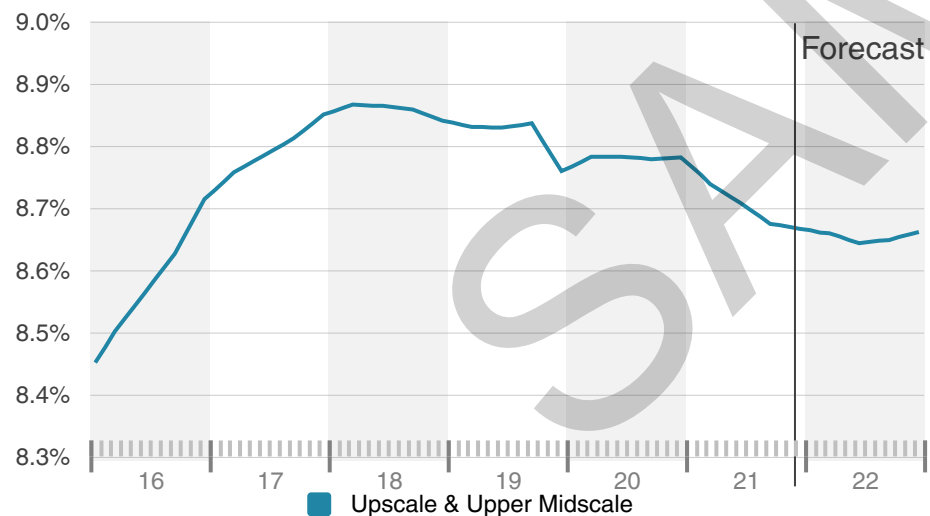


Sales Volume

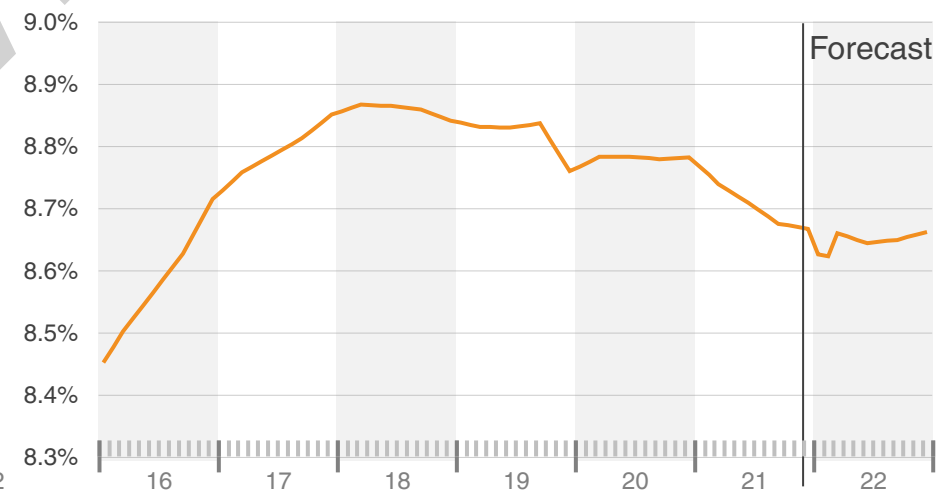
No Data Available

No data available for the past 5 years

Market Cap Rate By Class



Market Cap Rate



Top Brand Delivered

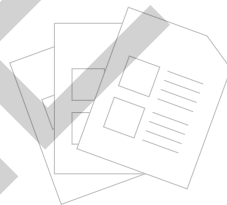
No Data Available



No data available for the current selection

Top Sellers

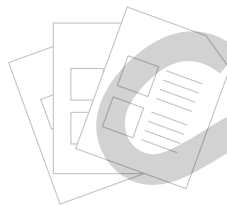
No Data Available



No data available for the current selection

Top Seller Brokers

No Data Available



No data available for the current selection

Top Buyers

No Data Available



No data available for the current selection

Top Buyer Brokers

No Data Available



No data available for the current selection

SAMPLE

Report Criteria

- 6 Properties / 0 Spaces
- Property Type: Hospitality
- Scale: Upper Upscale +2
- City: Bellingham, WA

SAMPLE

Secondary Competitive Set Data

For the purposes of this Comprehensive Hotel Market Feasibility Study, the competitive set includes properties that were determined to be competitive with the proposed hotel based on either their location, brand affiliation, facilities and amenities offered, rate structure, community surveys, and/or market orientation. In some cases, Core Distinction Group must access data from surrounding or Secondary market hotels to obtain Smith Travel Research (STR)/CoStar data. This can, in some cases require a Competitive Set and Secondary Competitive Set. The following information will be analyzed in Secondary Competitive Set Analysis:



Key Performance Indicators



Supply & Demand/Supply & Demand Changes



Occupancy/Occupancy Changes



Average Daily Rate/Average Daily Rate Changes

Secondary Competitive Hotel Properties Data Summary

Secondary Competitive Set			
Property Name	Industry Segment	Open Date	Room Count
Best Western Plus Bellingham Airport	Upper Midscale	1991	132
Comfort Inn Bellingham	Upper Midscale	1992	85
Hampton by Hilton Bellingham Airport	Upper Midscale	2021	98
LaQuinta Inns & Suites Bellingham	Upper Midscale	2013	81
Home2 Suites by Hilton Bellingham Airport	Upper Midscale	2015	105
Oxford Suites Bellingham	Upper Midscale	2015	99
Holiday Inn Express Bellingham	Upper Midscale	1993	101
Holiday Inn Express Bellingham	Upper Midscale	2017	153
TownPlace Suites Bellingham	Upper Midscale	2015	83
Secondary Competitive Set Room Count Average			104
Source: CoStar/STR Core Distinction Group, LLC			

Secondary Competitive Set Current			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
YTD	67.3%	\$117.93	\$79.35
3 Month Average	63.7%	\$108.93	\$69.43
12 Month Average	67.3%	\$117.93	\$79.35
Source: CoStar/STR Core Distinction Group, LLC			

Secondary Competitive Set Prior Year			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
12 Month Average	46.9%	\$100.00	\$47.00
Source: CoStar/STR Core Distinction Group, LLC			

Secondary Competitive Set Year Over Year Percentage Change			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
Percent of Change	43.5%	18.1%	69.5%
Source: CoStar/STR Core Distinction Group, LLC			

Secondary Competitive Hotel Quoted Rates

Secondary Competitive Set Listed Rates				
Property Name	May-22	Jul-22	Sep-22	Nov-22
Best Western Plus Bellingham Airport	\$110	\$185	\$105	\$105
Comfort Inn Bellingham	\$110	\$130	\$120	\$110
Hampton by Hilton Bellingham Airport	\$139	\$155	\$150	\$120
LaQuinta Inns & Suites Bellingham	\$120	\$125	\$125	\$100
Home2 Suites by Hilton Bellingham Airport	\$150	\$165	\$145	\$145
Oxford Suites Bellingham	\$160	\$180	\$180	\$125
Holiday Inn Express Bellingham	\$129	\$135	\$145	\$129
Holiday Inn Express Bellingham	\$140	\$150	\$155	\$125
TownPlace Suites Bellingham	\$180	\$180	\$180	\$135
Secondary Competitive Set Average	\$138	\$156	\$145	\$122
Secondary Competitive Set Rate Average				\$143
Source: Google Travel				

Secondary Competitive Set Trend			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
YTD	67.3%	\$117.93	\$79.35
3 Month Average	63.7%	\$108.93	\$69.43
12 Month Average	67.3%	\$117.93	\$79.35
Source: CoStar/STR Core Distinction Group, LLC			

Projected Secondary Competitive Set Rates	
Time Frame	Average Daily Rate
3 Month Average	\$108.93
12 Month Average	\$117.93
Future Quoted Rate Average	\$142.50
Projected Average Daily Rates	\$123.12
Source: Google Travel/CoStar/STR Core Distinction Group, LLC	

Search Analytics

INVENTORY ROOMS

937 +11.7%

Prior Period 839

UNDER CONSTRUCTION ROOMS

0 -100.0%

Prior Period 98

12 MO OCC RATE

67.3% +43.5%

Prior Period 46.9%

12 MO ADR

\$118 +18.1%

Prior Period \$100

12 MO REVPAR

\$79 +69.5%

Prior Period \$47

MARKET SALE PRICE/ROOM

\$121K -4.5%

Prior Period \$127K

MARKET CAP RATE

8.6% -0.2%

Prior Period 8.8%

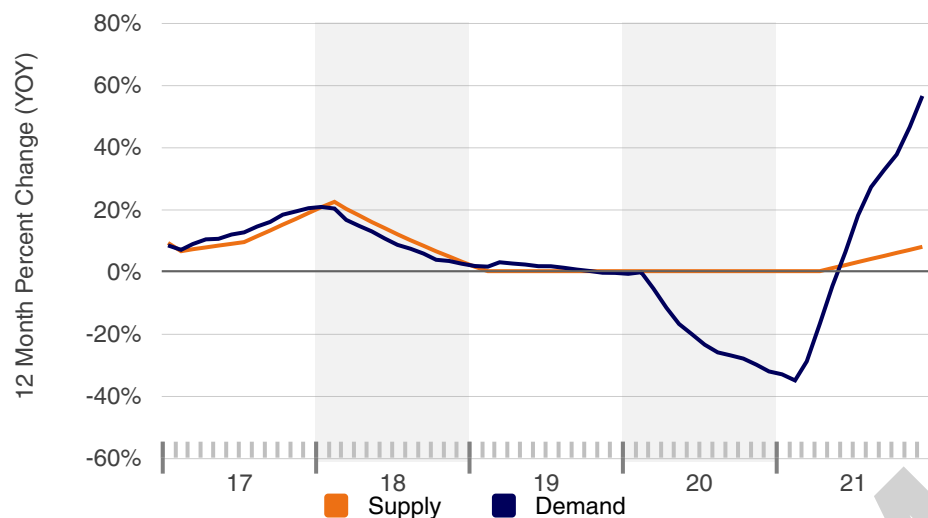
Key Metrics

Inventory		Sales Past Year	
Existing Properties	9 ↑	Sales Volume	\$0 ↓
12 Mo Delivered Rooms	98 ↑	Properties Sold	0 ↓
12 Mo Delivered Properties	1 ↑	Months to Sale	-
12 Mo Recently Opened Rooms	98 ↑	Average Price Per Building	-
12 Mo Recently Opened Properties	1 ↑	Market Price Per Room	\$121K ↓
Under Construction Properties	0 ↓	Market Cap Rate	8.6% ↓

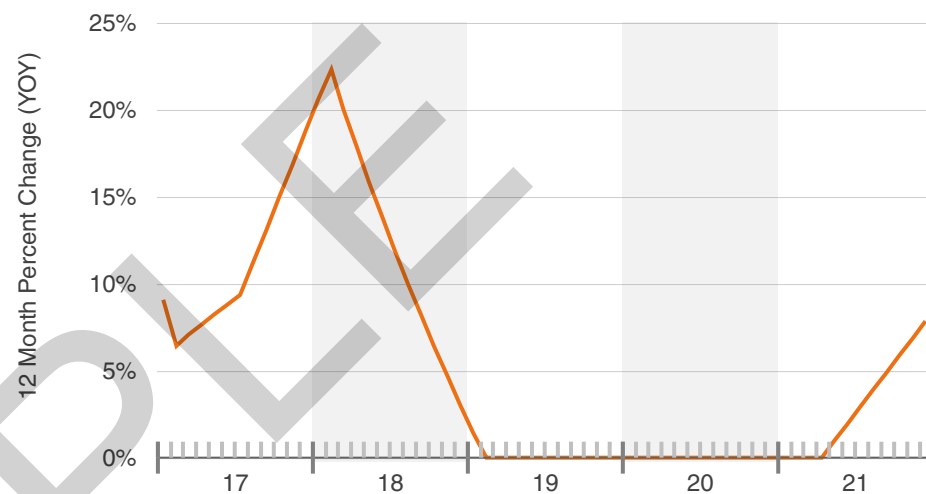
Performance Trend	
Occupancy Rate	61.5% ↑
Average Daily Rate	\$105.28 ↑
Revenue Per Available Room	\$64.73 ↑
YTD Occupancy Rate	67.3% ↑
YTD Average Daily Rate	\$117.93 ↑
YTD RevPAR	\$79.35 ↑
3 Mo Occupancy Rate	63.7% ↑
3 Mo Average Daily Rate	\$108.93 ↑
3 Mo RevPAR	\$69.43 ↑
12 Mo Occupancy Rate	67.3% ↑
12 Mo Average Daily Rate	\$117.93 ↑
12 Mo RevPAR	\$79.35 ↑

Search Analytics

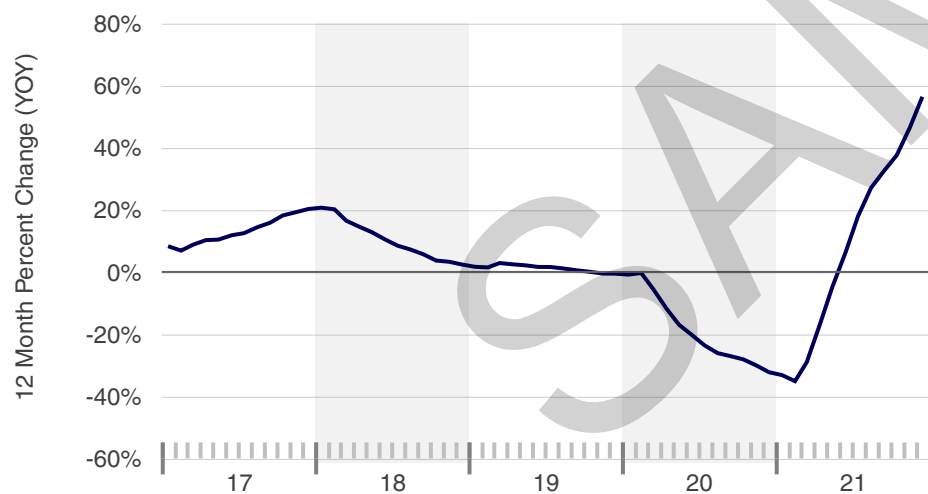
Supply & Demand Change



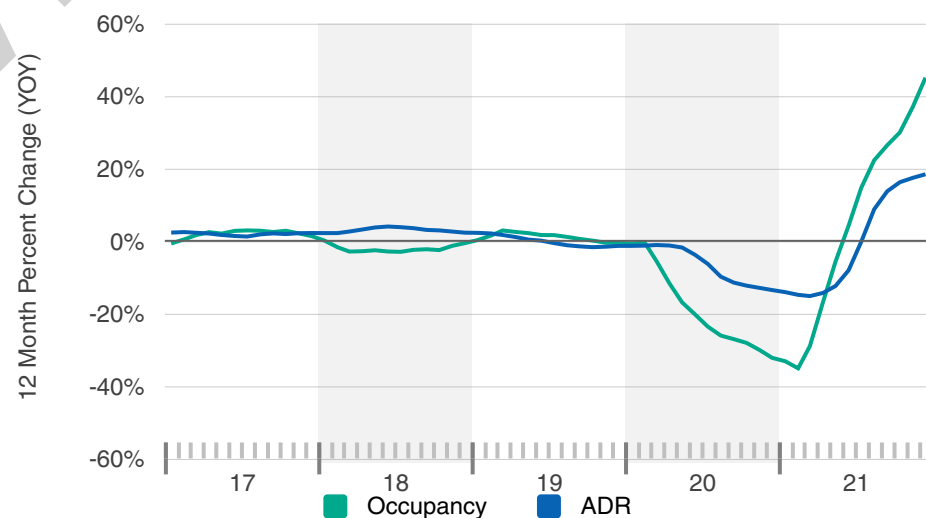
Supply Change



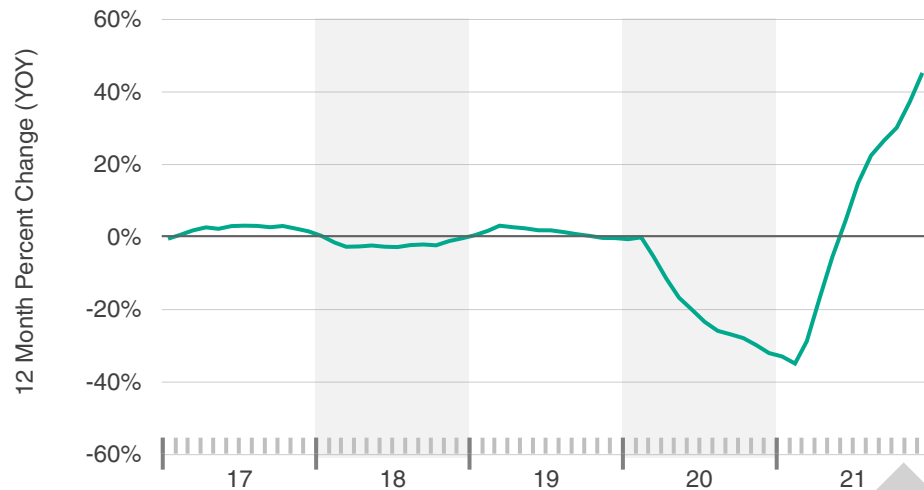
Demand Change



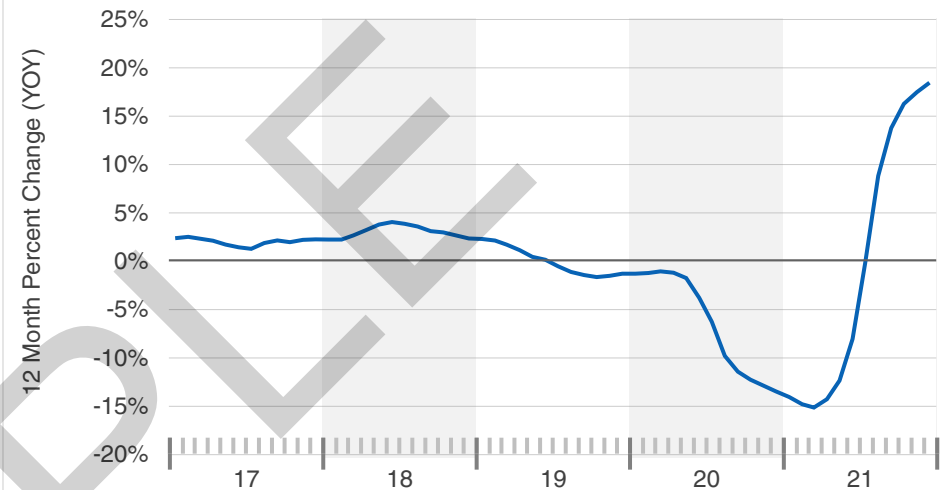
Occupancy & ADR Change



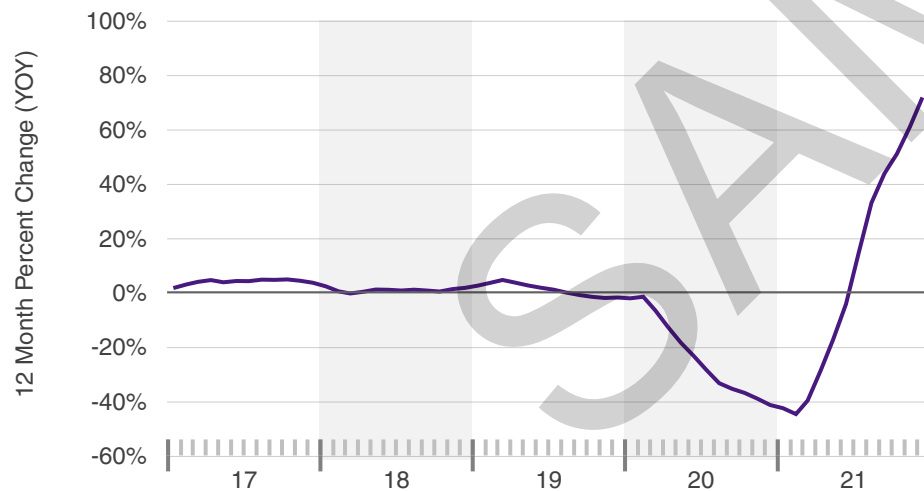
Occupancy Change



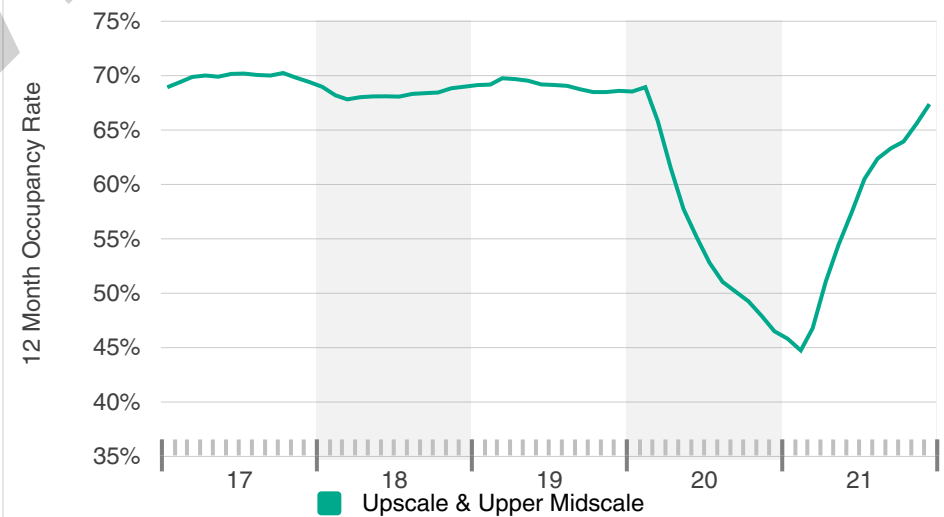
ADR Change



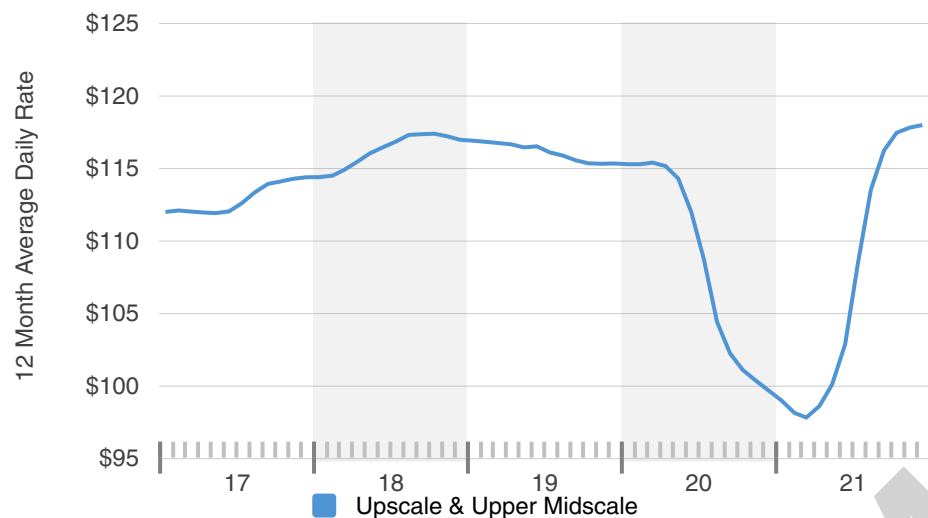
RevPAR Change



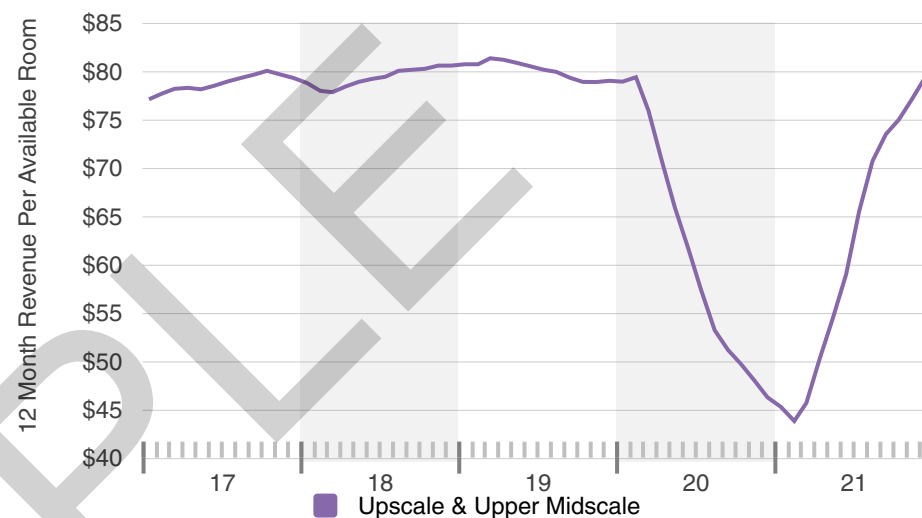
Occupancy By Class



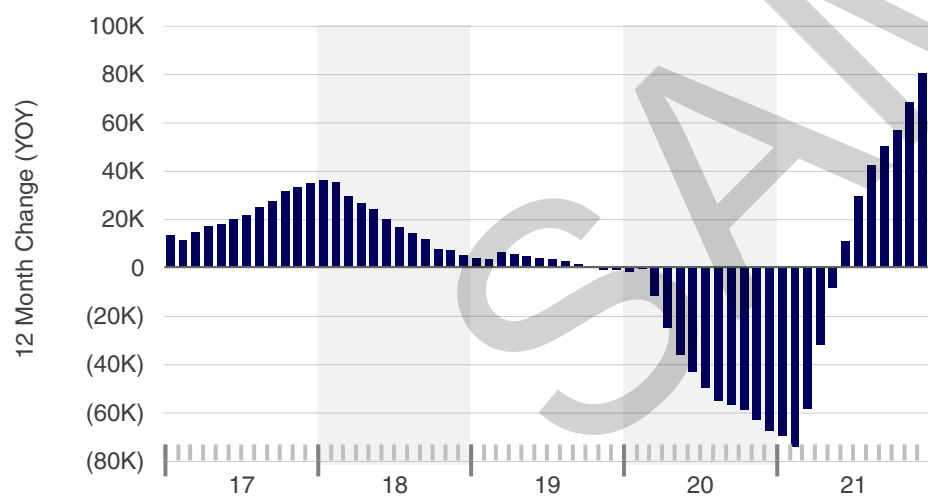
ADR By Class



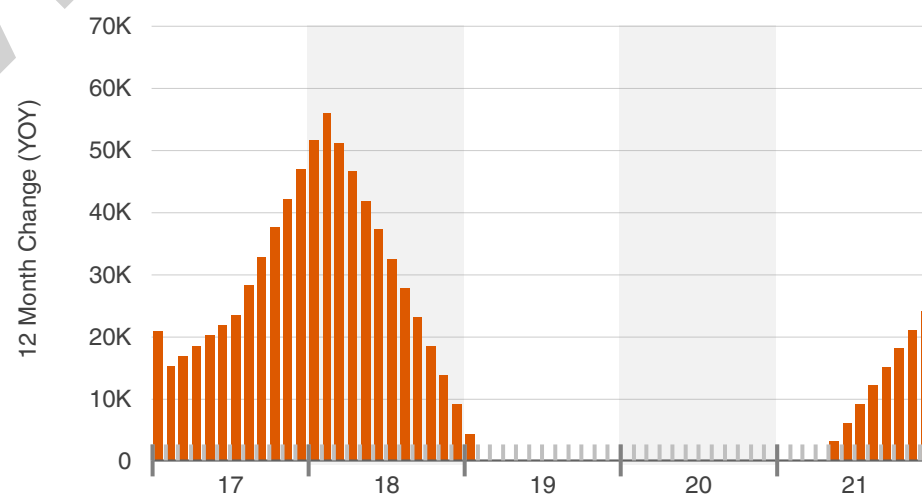
RevPAR By Class



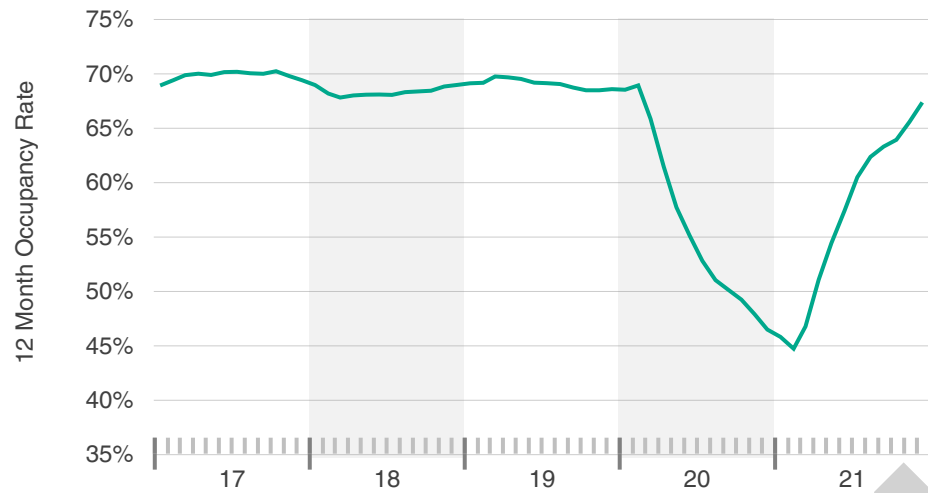
Demand Change



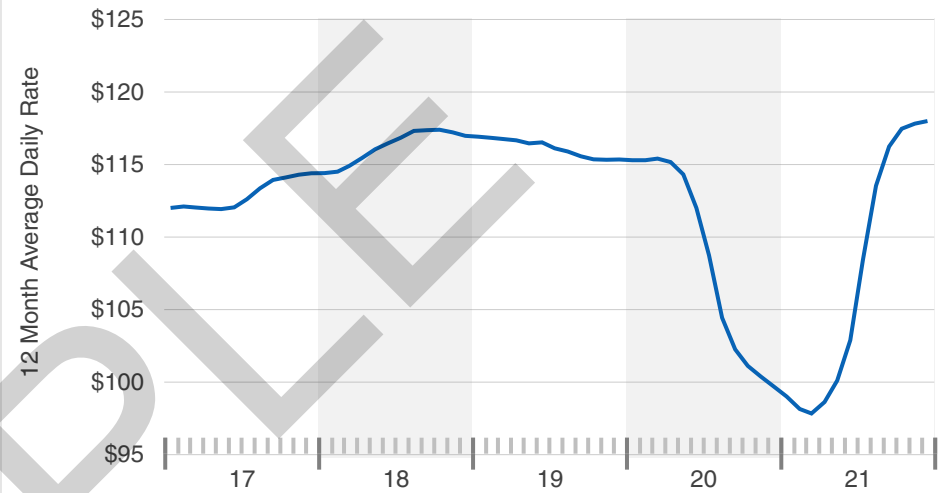
Supply Change



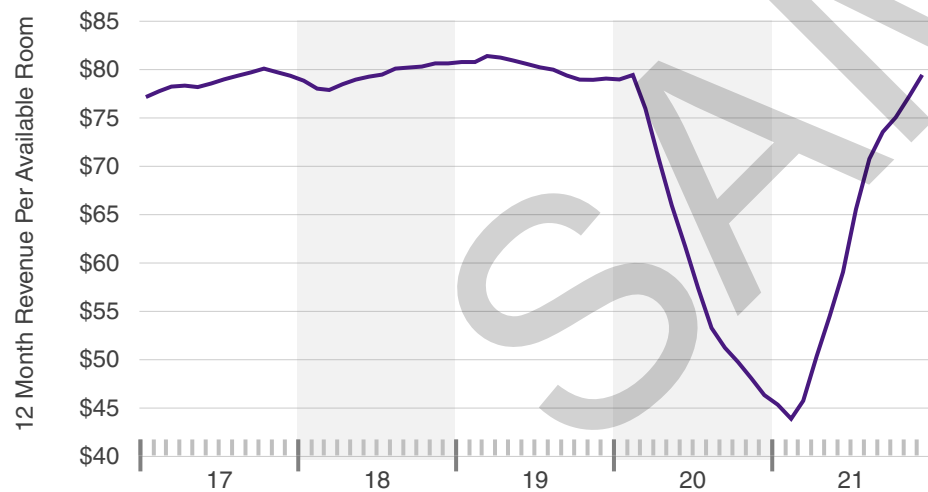
Occupancy



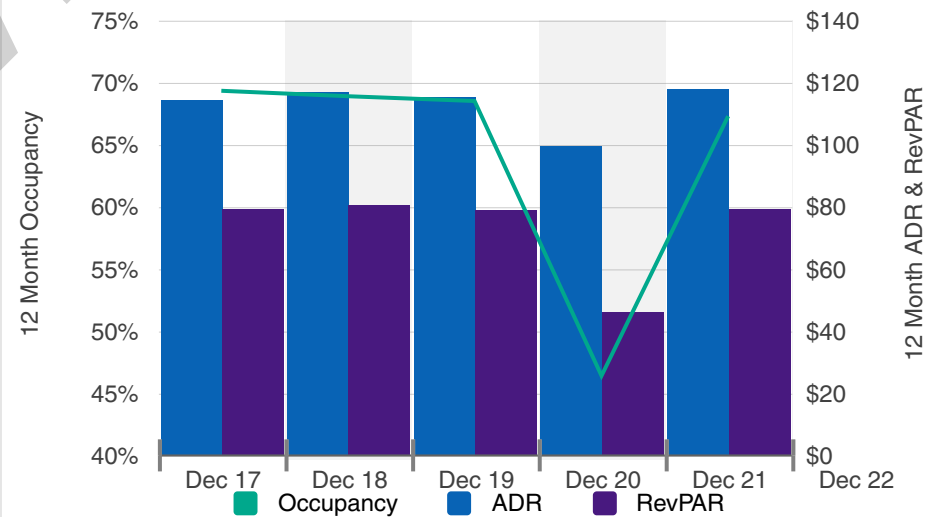
ADR



RevPAR

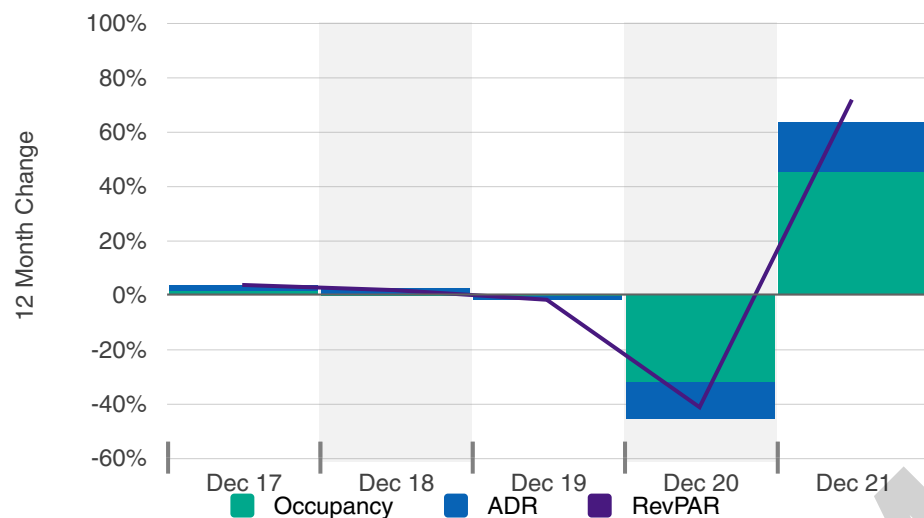


Occupancy, ADR & RevPAR

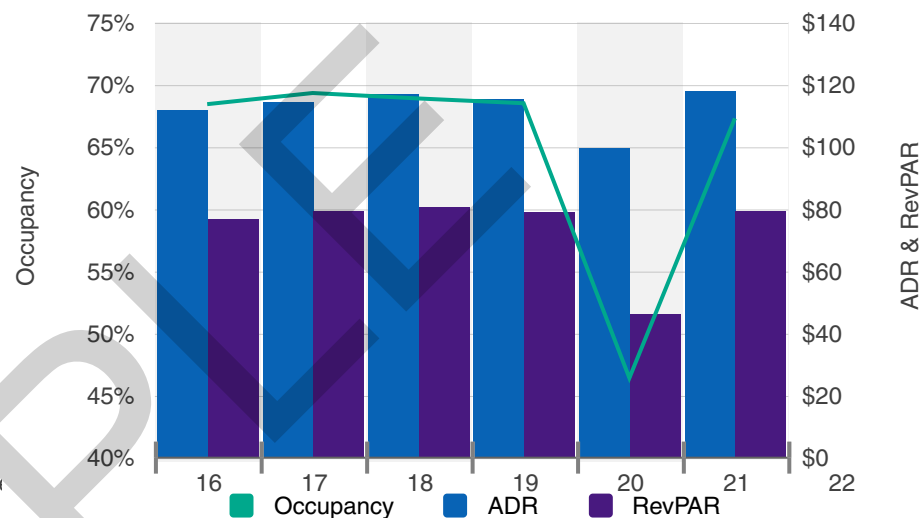


Search Analytics

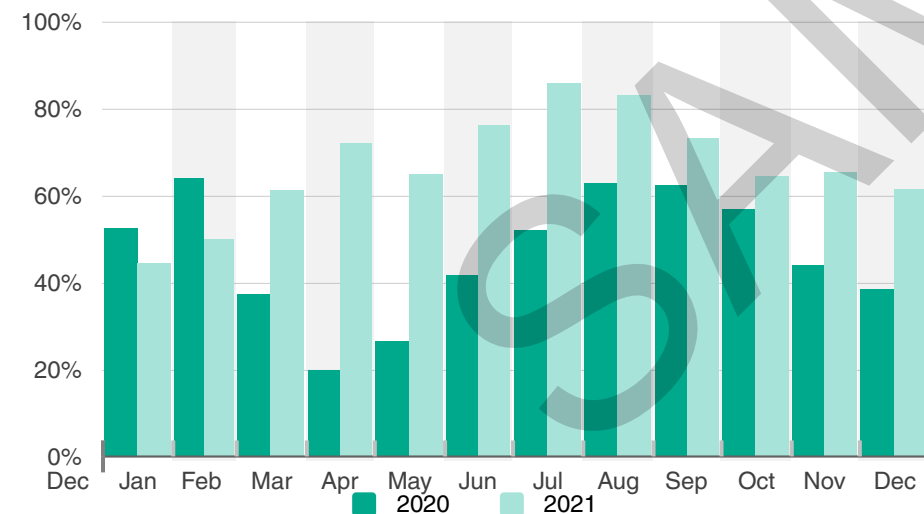
RevPAR Growth Composition



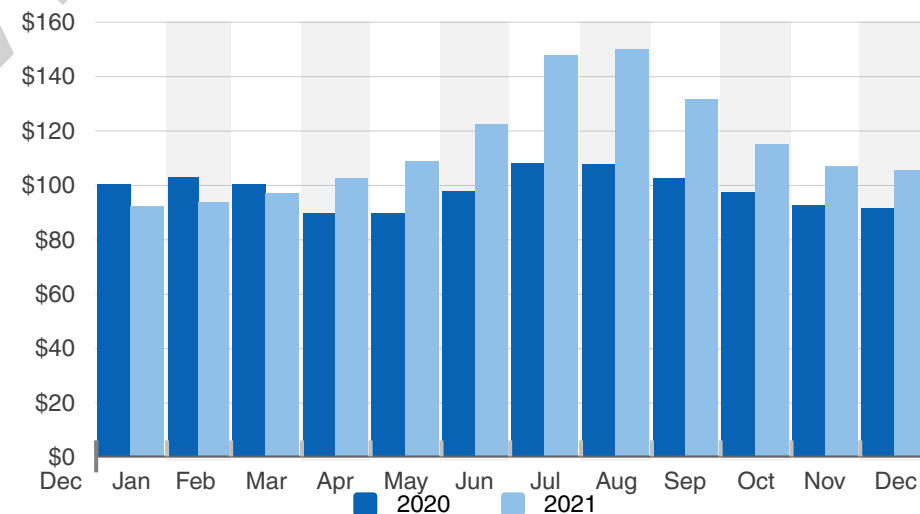
Occupancy, ADR & RevPAR Annualized vs YTD



Occupancy Monthly

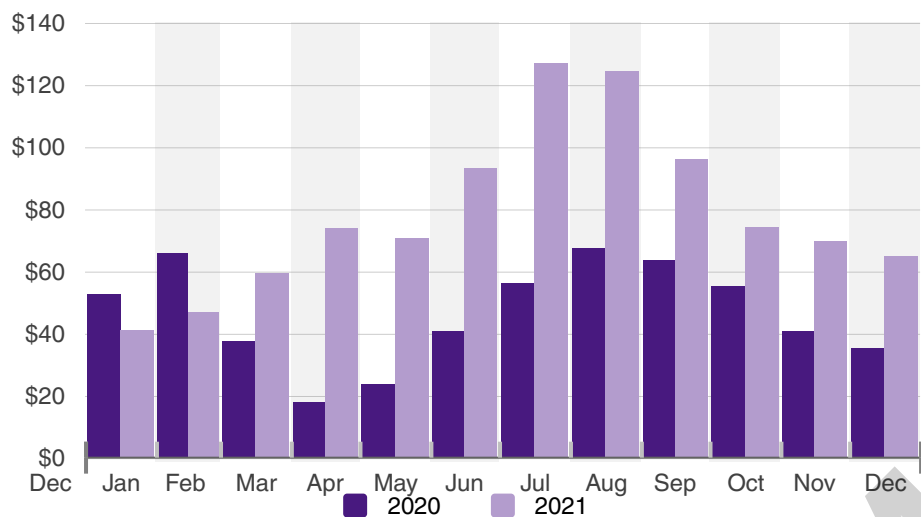


ADR Monthly

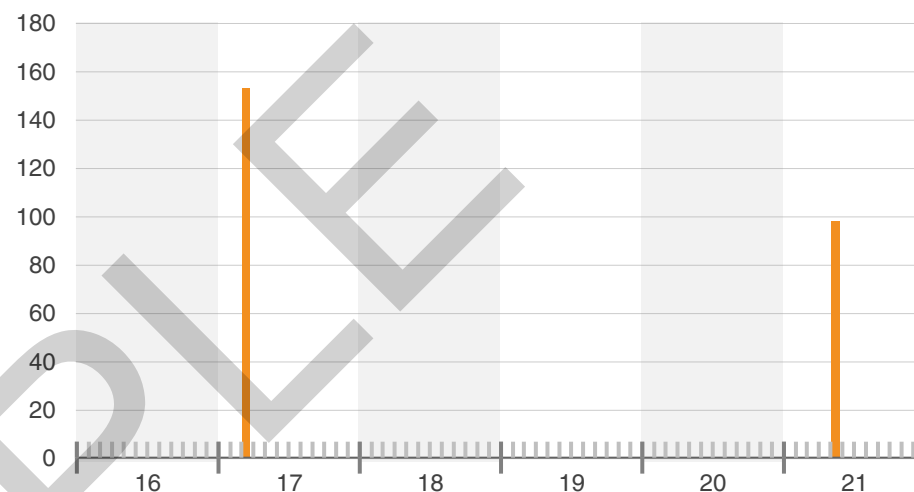


Search Analytics

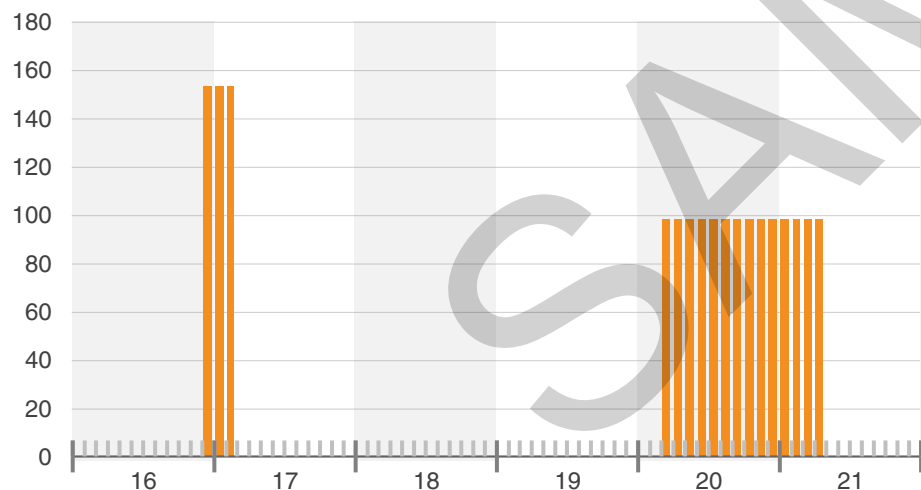
RevPAR Monthly



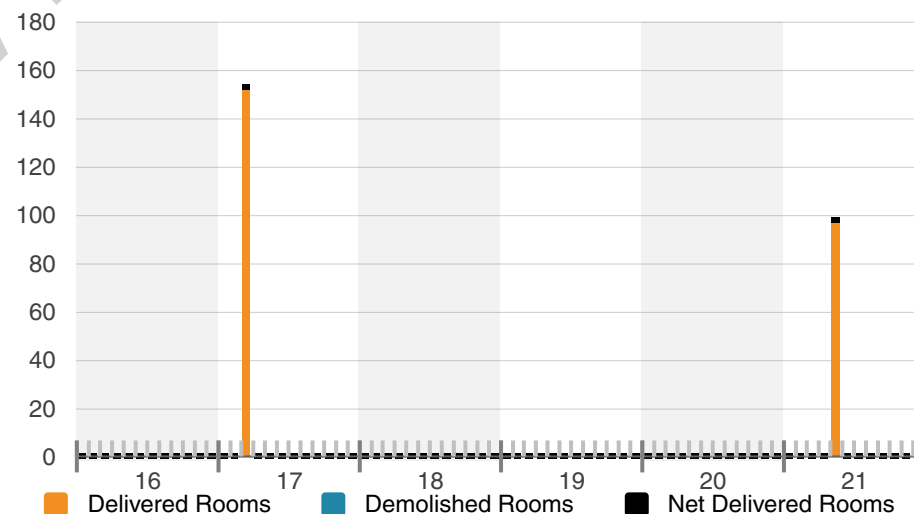
Rooms Delivered



Rooms Under Construction

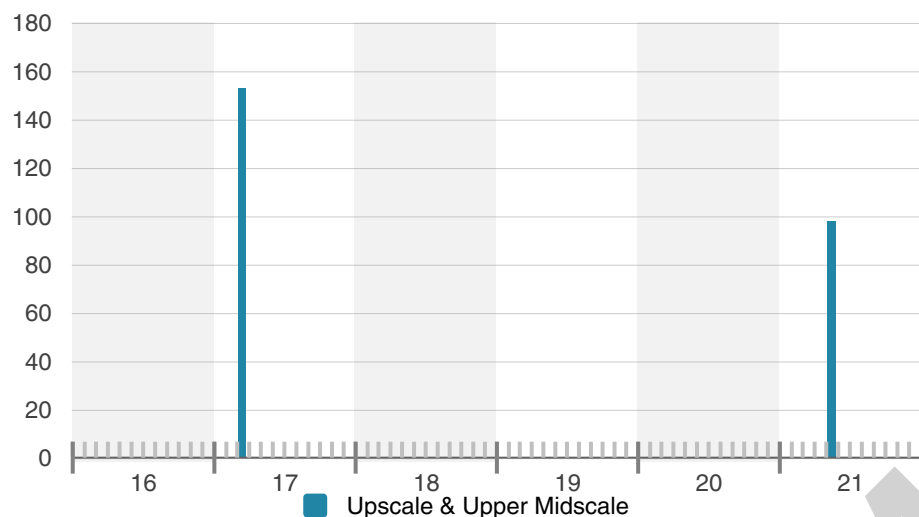


Delivered, Demolished & Net Delivered Rooms



Search Analytics

Rooms Delivered By Class

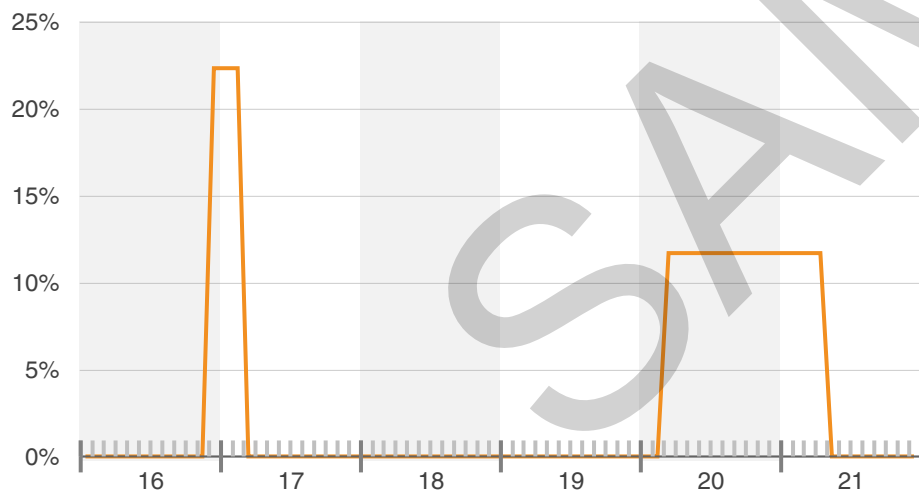


Demolished Rooms

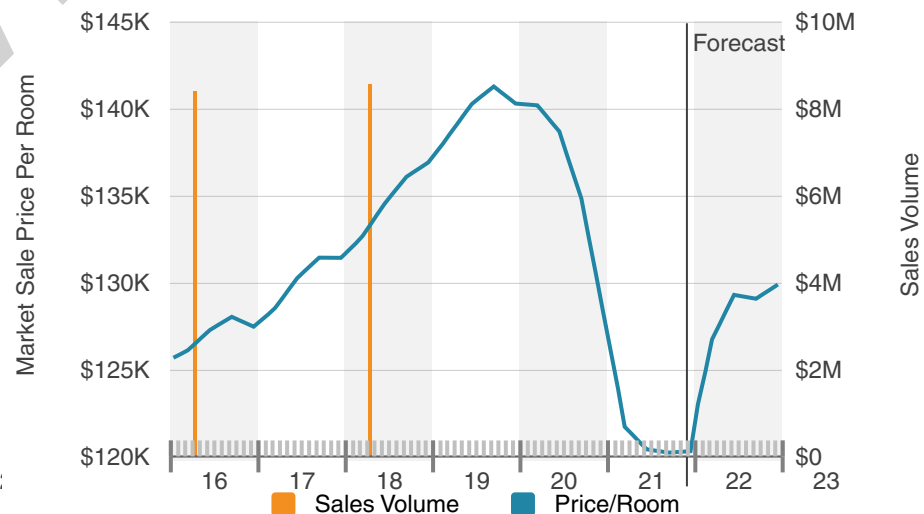
No Data Available

No data available for the past 5 years

Rooms Under Construction % of Inventory

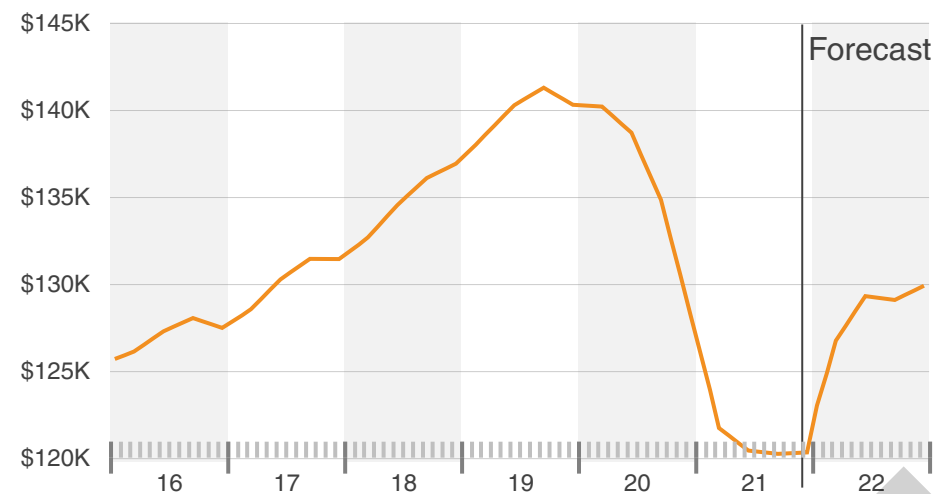


Sales Volume & Market Sale Price Per Room

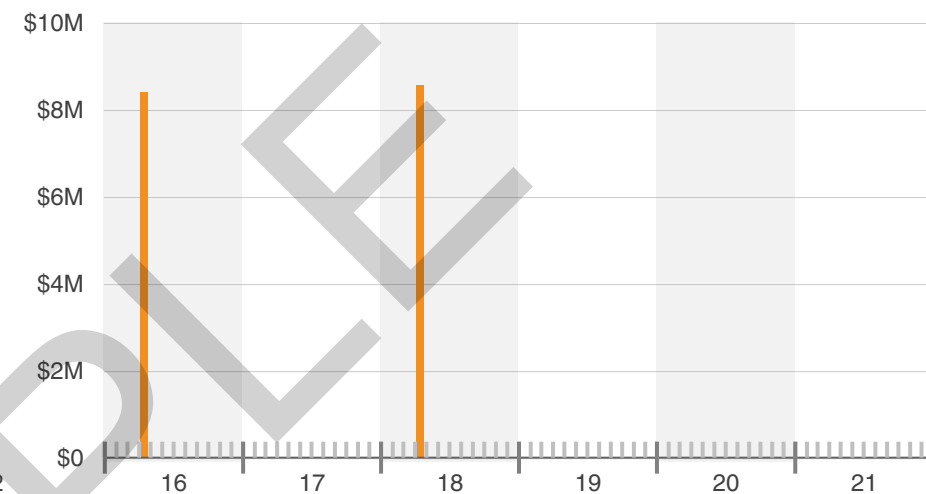


Search Analytics

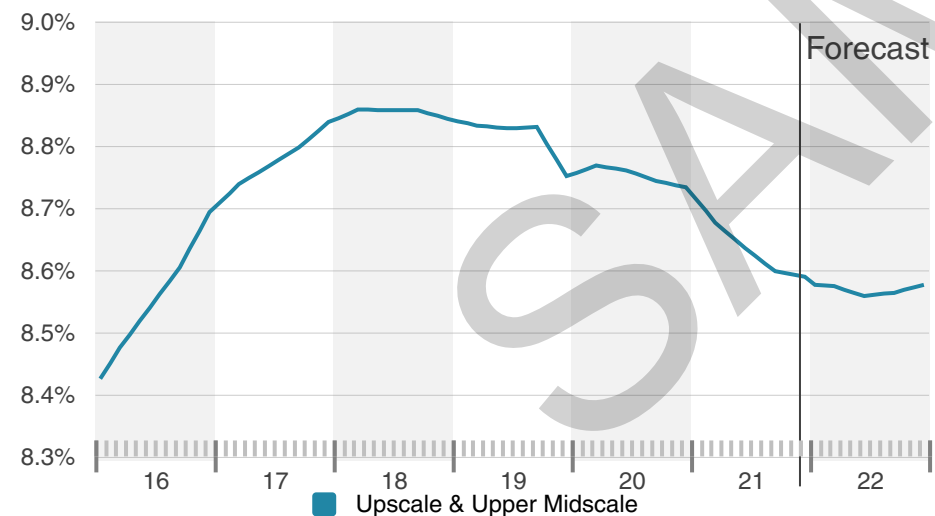
Market Sale Price Per Room



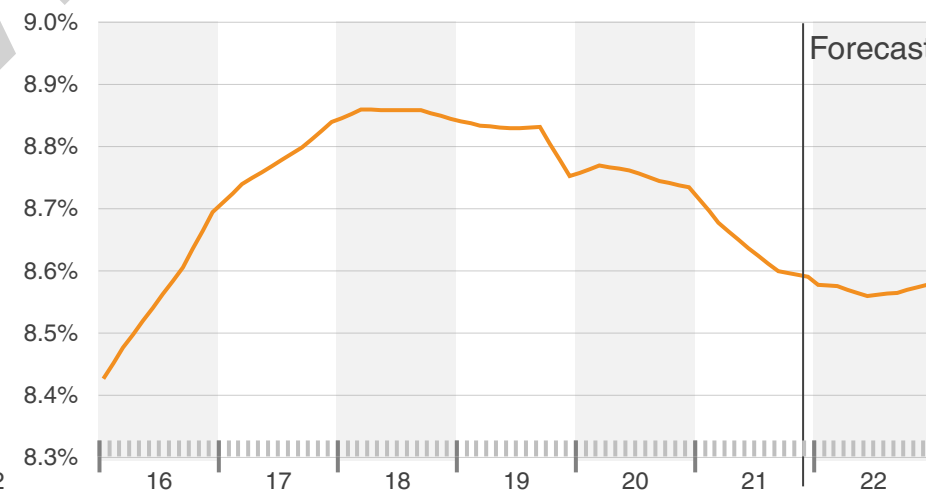
Sales Volume



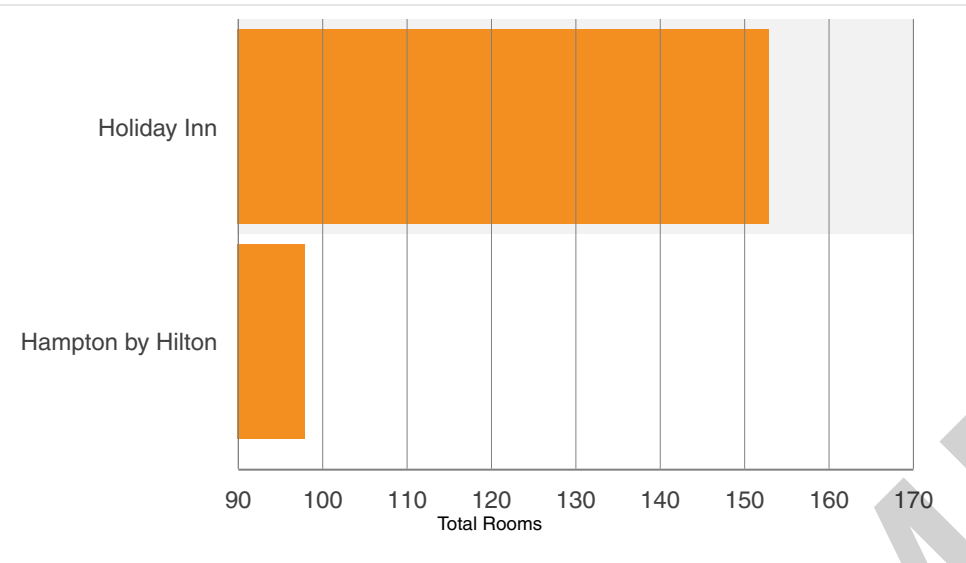
Market Cap Rate By Class



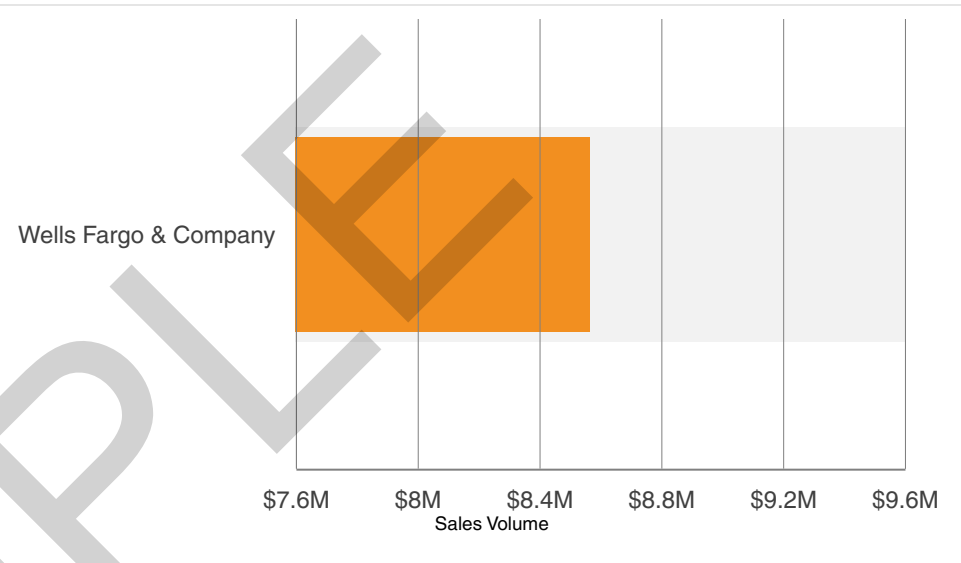
Market Cap Rate



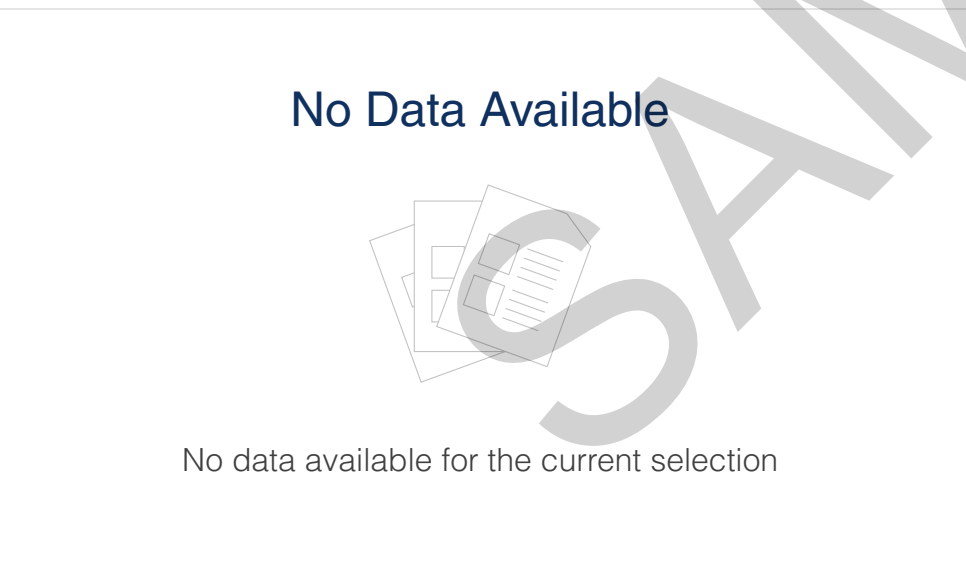
Top Brand Delivered



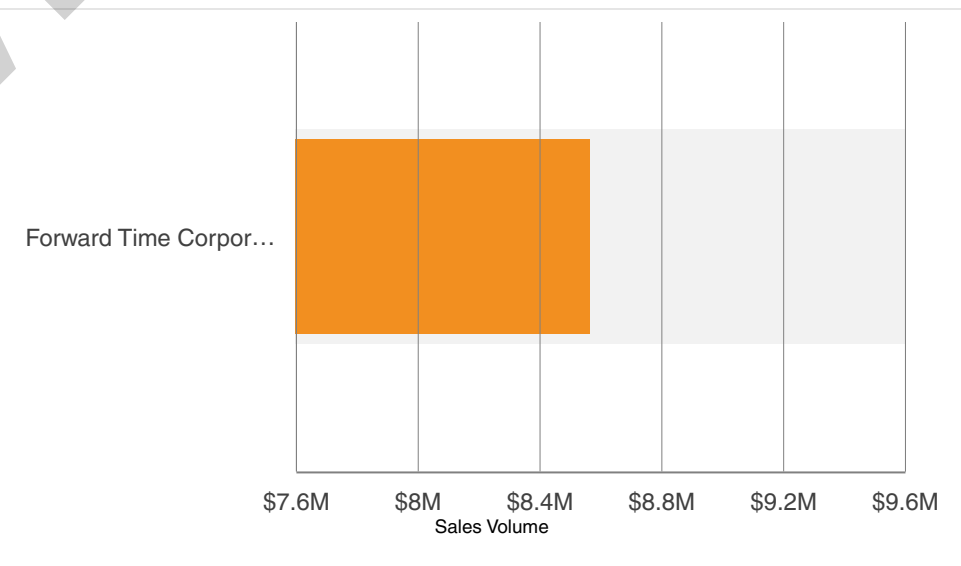
Top Sellers



Top Seller Brokers



Top Buyers



Top Buyer Brokers

No Data Available



No data available for the current selection

SAMPLE

Report Criteria

- 9 Properties / 0 Spaces
- Property Type: Hospitality
- Custom Radii
- Scale: Upper Midscale

SAMPLE

Regional Industry Overview

For the purposes of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group reviewed Regional/Market/Submarket data to help gain knowledge of the market and surrounding areas. The following information will be analyzed in Regional Industry Overview Data:



Regional Competitive Hotel Properties Data Summary



Market Overview



Performance Data



Past Construction Data



Under Construction Data



Sales Data



Economy Data



Submarket Data

Regional Competitive Hotel Properties Data Summary

Regional Submarket Competitive Set Performance			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
YTD	62.2%	\$ 108.40	\$ 57.41
3 Month Average	58.7%	\$ 100.56	\$ 59.01
12 Month Average	62.2%	\$ 108.40	\$ 67.41
Source: CoStar/STR Core Distinction Group, LLC			

Regional Submarket Performance by Class (Running 12 Months)			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
Upscale & Upper Midscale	64.3%	\$ 120.52	\$ 77.52
Midscale & Economy	60.1%	\$ 93.48	\$ 56.20
Source: CoStar/STR Core Distinction Group, LLC			

Overview

Bellingham/Northwest Hospitality

12 Mo Occupancy

62.2%

12 Mo ADR

\$108.40

12 Mo RevPAR

\$67.41

12 Mo Supply

3.3M

12 Mo Demand

2.1M

The Bellingham/Northwest submarket comprises 9,300 hotel rooms spread across 156 properties. Bellingham/Northwest is characterized by very small hotels, with an average property size of 60 rooms. That's even lower than the 67-room-per-building market average, and both are well below the national norm of about 90 rooms per building.

The submarket is characterized by economic lodging: Economy and Midscale hotels make up more than half of the inventory. Meanwhile, lodging at the highest end is uncommon. The Luxury or Upper Upscale inventory is limited to about 230 rooms spread between 4 properties (less than 5% of the submarket's rooms). The broader Washington State market likewise has a high proportion of Economy and Midscale rooms relative to the typical U.S. hotel market.

COVID-19 severely impacted the entire U.S. hospitality sector, the Bellingham/Northwest hotel submarket included. At the low point, occupancies collapsed to a monthly rate of 23.9% in April of 2020. But with the worst

of the pandemic now in the rearview mirror, conditions are improving. Around 150,000 rooms were sold in the month of December, a massive 51.9% increase compared to the same month the prior year.

Twelve-month RevPAR in the Bellingham/Northwest hotel submarket was up sharply as of December, and climbed at a 68.2% year-over-year rate. That's a stronger uptick than the already impressive 56.0% increase observed in the broader Washington State market.

The construction pipeline is comprised of a single 65-room hotel project. This represents continued new development in the submarket, in which 3 projects containing around 300 rooms delivered in the past three years.

Bellingham/Northwest houses an active submarket for hotel investment, and saw 5 trades over the past year—a bit below the number of deals that typically close in a given twelve-month period.

KEY INDICATORS

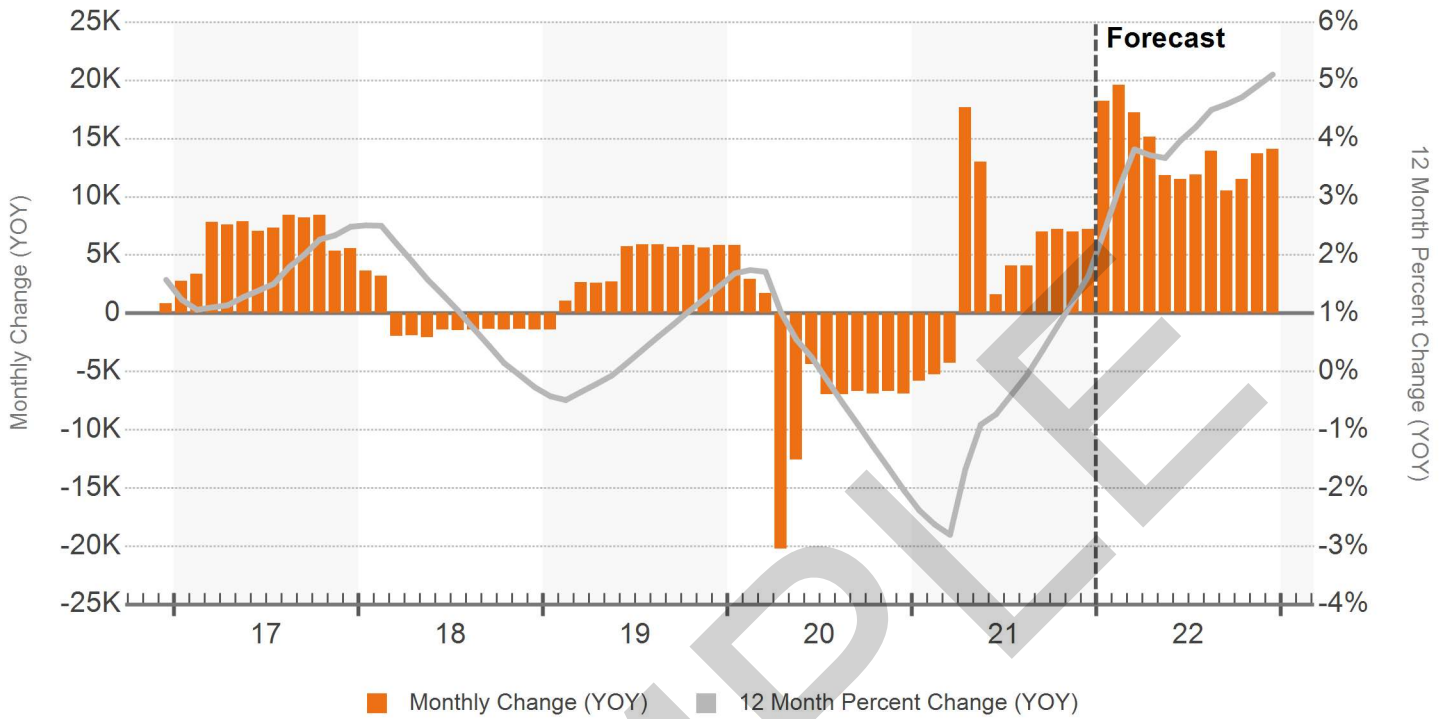
Class	Rooms	12 Mo Occ	12 Mo ADR	12 Mo RevPAR	12 Mo Delivered	Under Construction
Luxury & Upper Upscale	232	71.4%	\$197.24	\$140.93	0	0
Upscale & Upper Midscale	3,958	64.3%	\$120.52	\$77.52	199	0
Midscale & Economy	5,103	60.1%	\$93.48	\$56.20	0	65
Total	9,293	62.2%	\$108.40	\$67.41	199	65

Average Trend	Current	3 Mo	YTD	12 Mo	Historical Average	Forecast Average
Occupancy	54.7%	58.7%	62.2%	62.2%	60.6%	68.5%
Occupancy Change	48.1%	40.5%	41.7%	41.7%	0.3%	2.2%
ADR	\$96.70	\$100.56	\$108.40	\$108.40	\$100.93	\$128.35
ADR Change	10.5%	12.4%	18.7%	18.7%	1.6%	4.5%
RevPAR	\$52.91	\$59.01	\$67.41	\$67.41	\$61.14	\$87.88
RevPAR Change	63.6%	57.9%	68.2%	68.2%	1.9%	6.8%

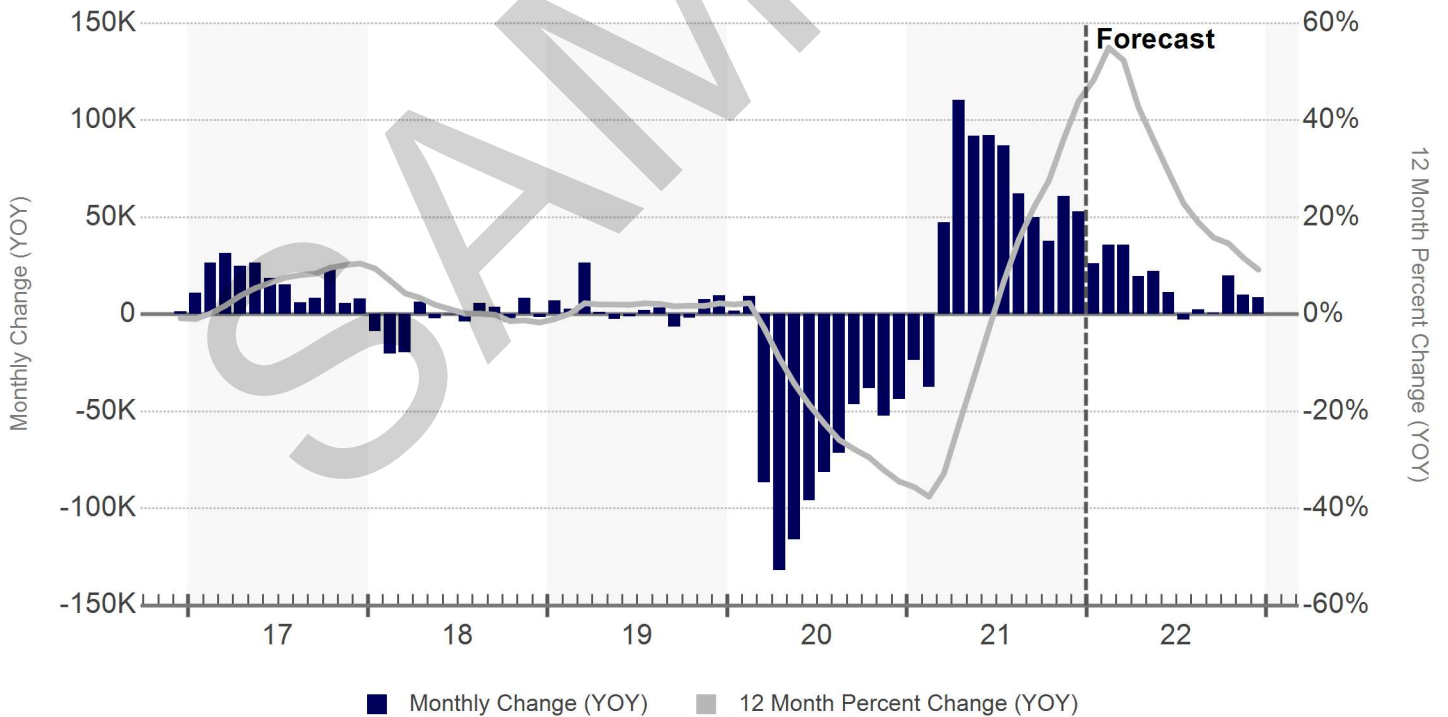
Performance

Bellingham/Northwest Hospitality

SUPPLY CHANGE



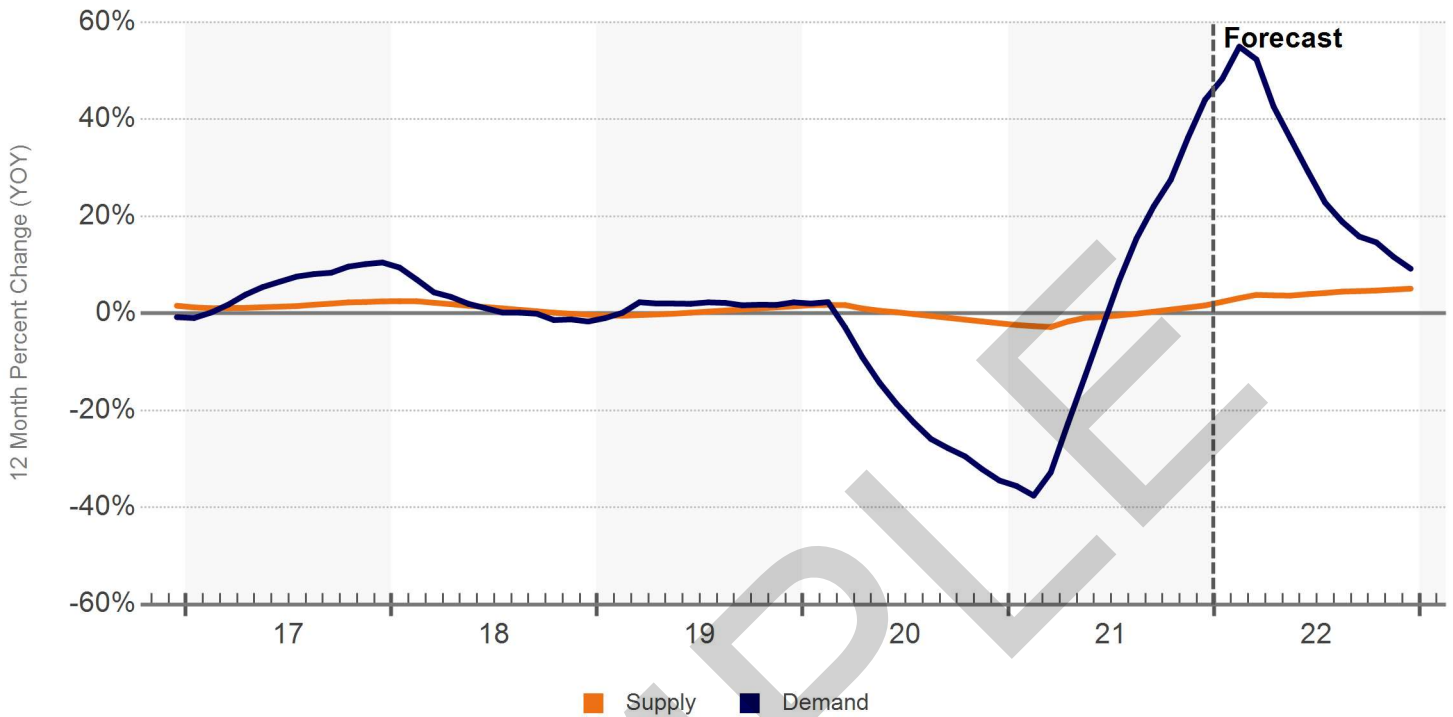
DEMAND CHANGE



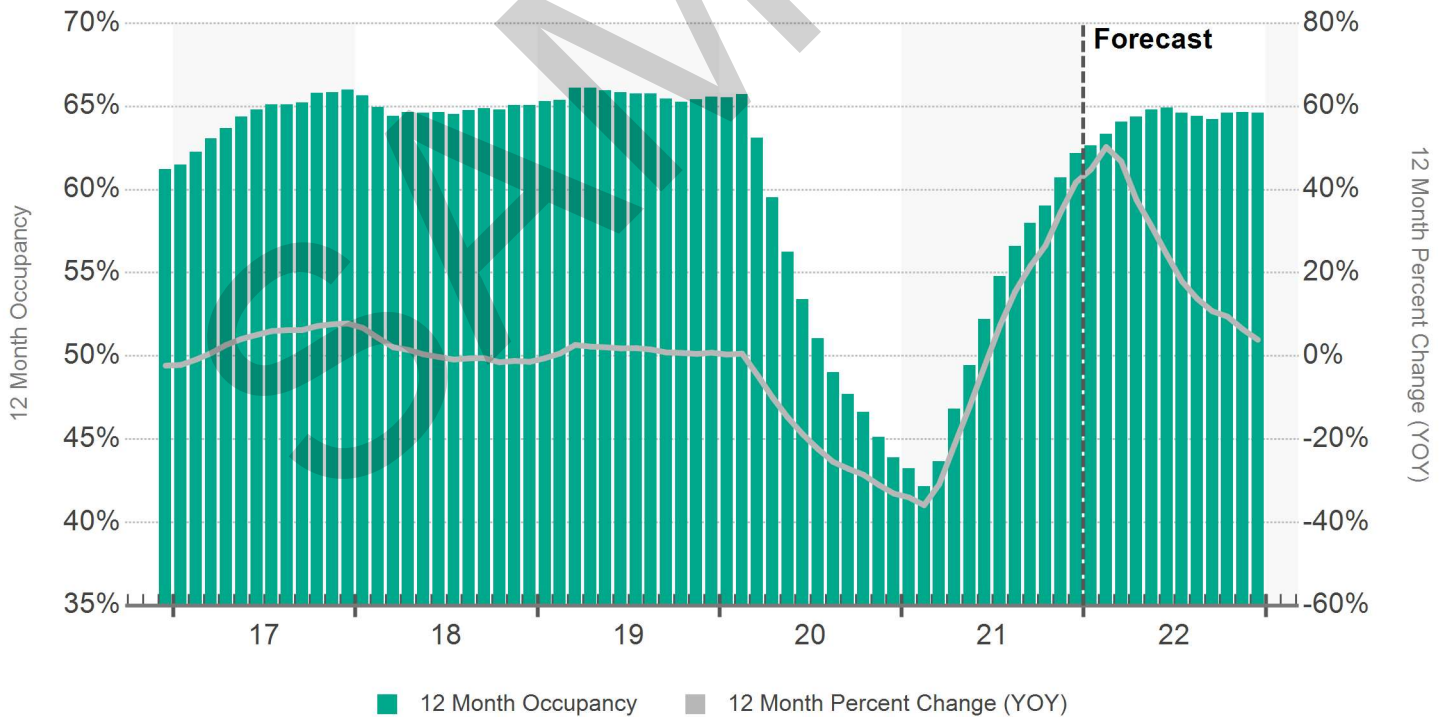
Performance

Bellingham/Northwest Hospitality

SUPPLY & DEMAND CHANGE



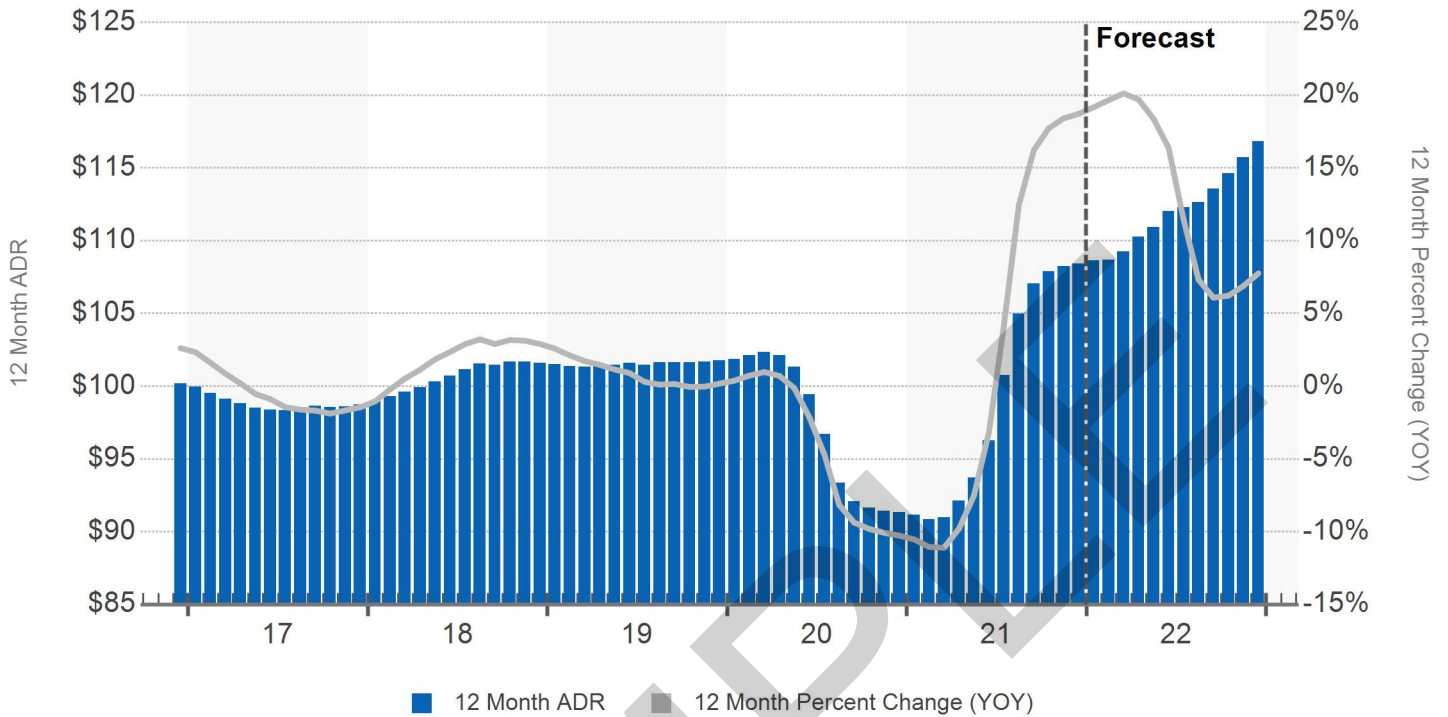
OCCUPANCY



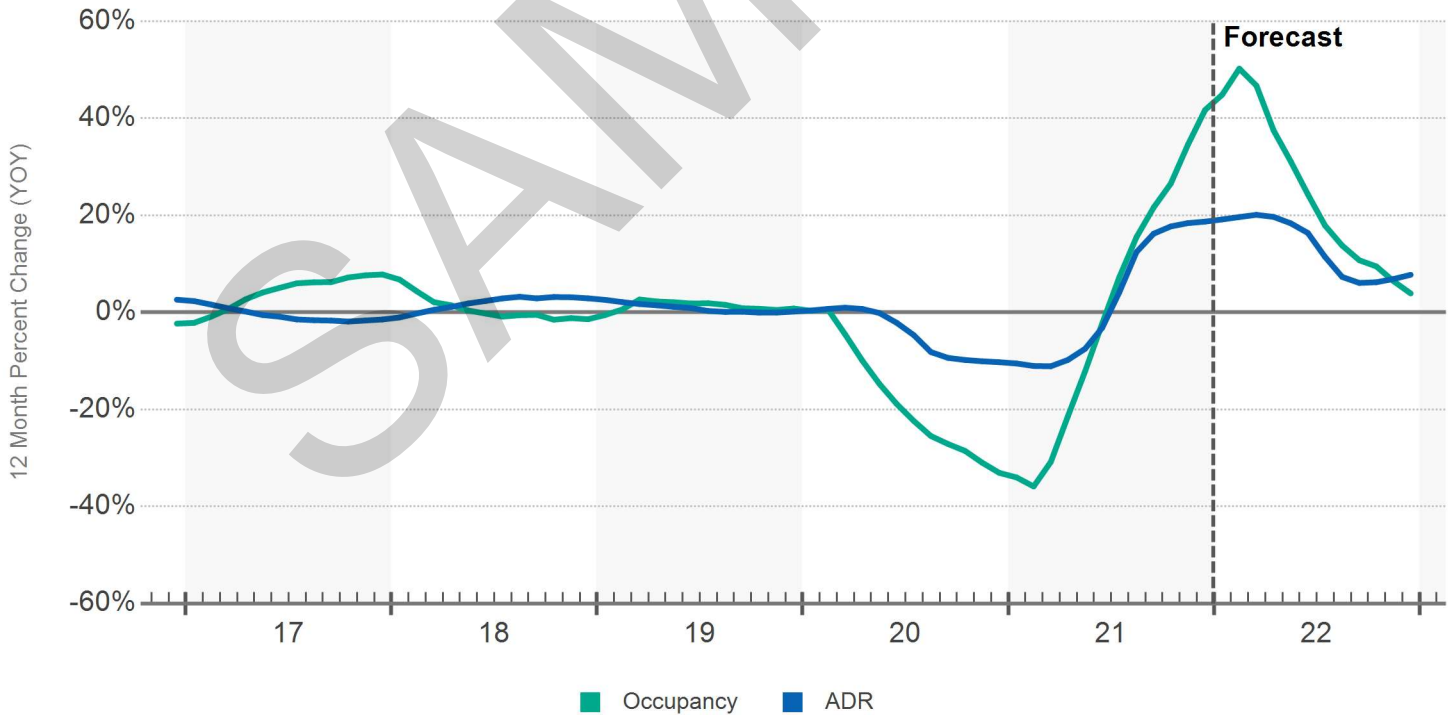
Performance

Bellingham/Northwest Hospitality

ADR



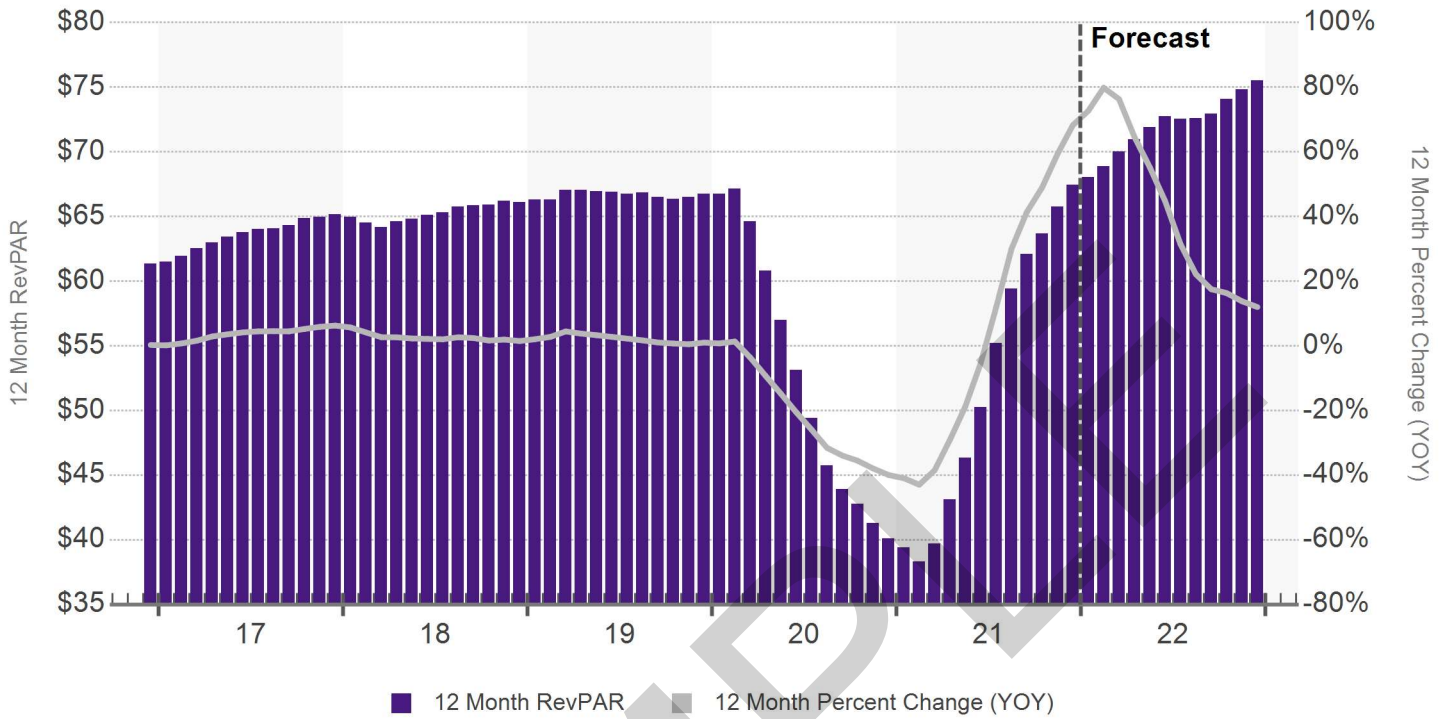
OCCUPANCY & ADR CHANGE



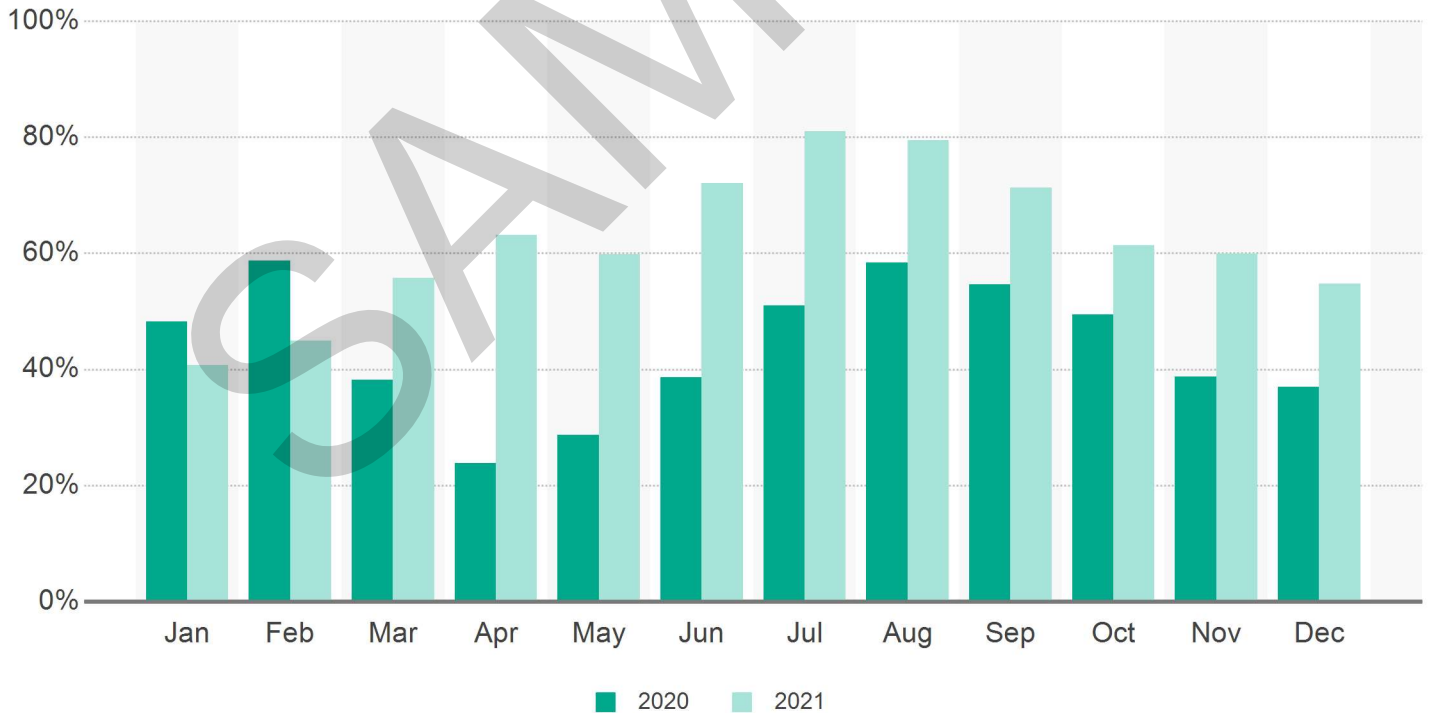
Performance

Bellingham/Northwest Hospitality

REVPAR



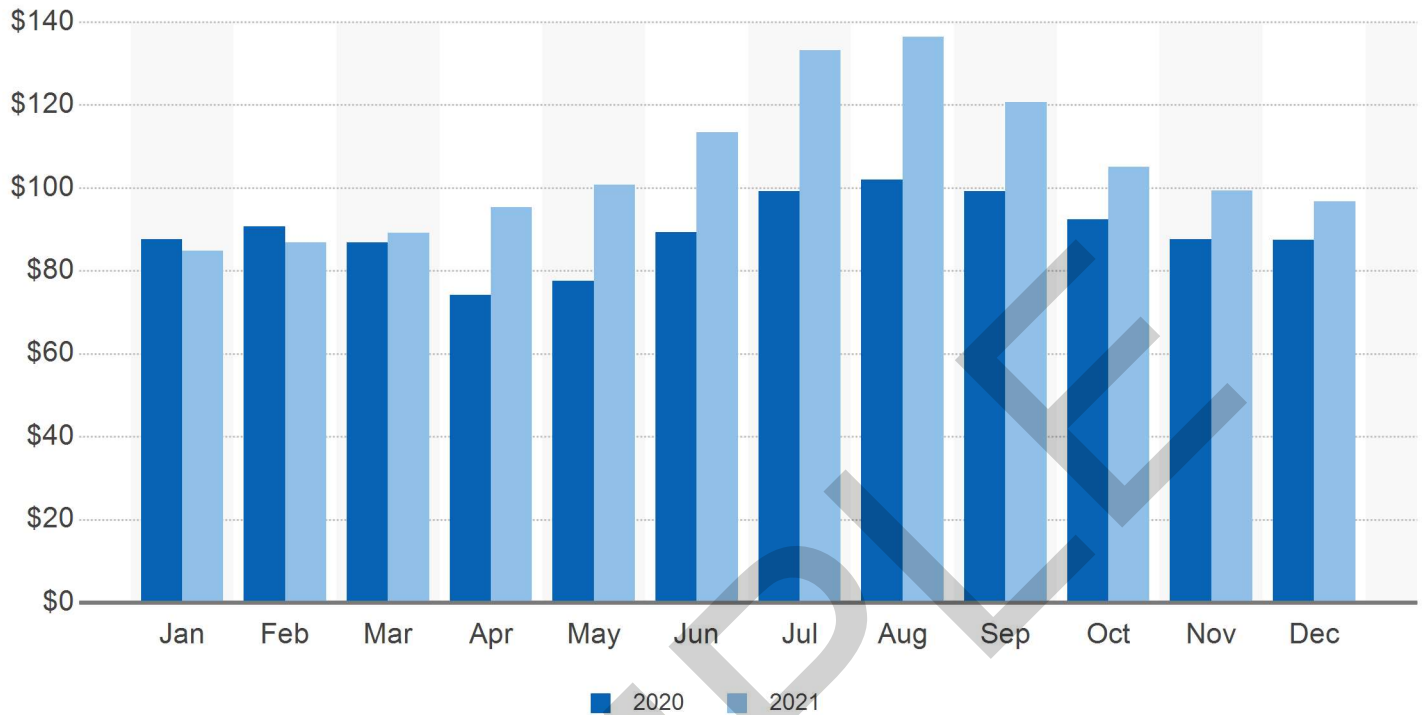
OCCUPANCY MONTHLY



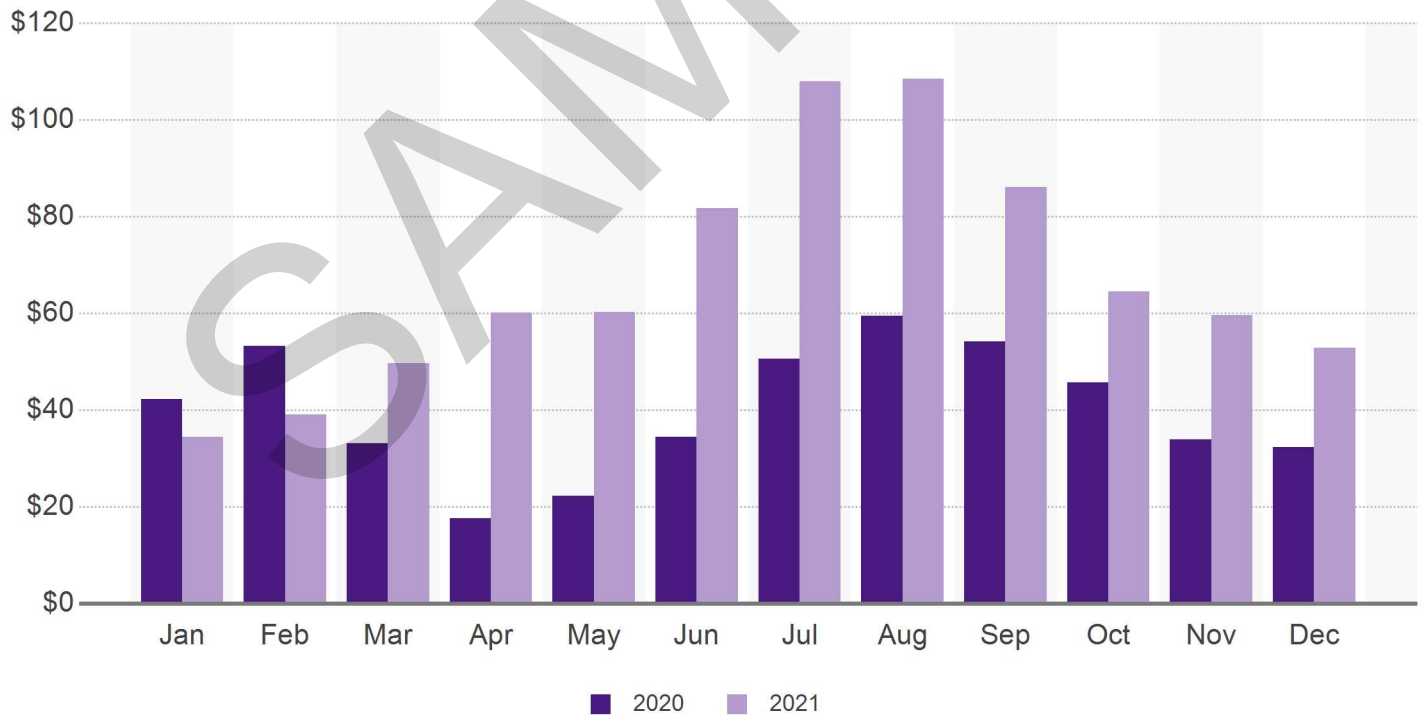
Performance

Bellingham/Northwest Hospitality

ADR MONTHLY



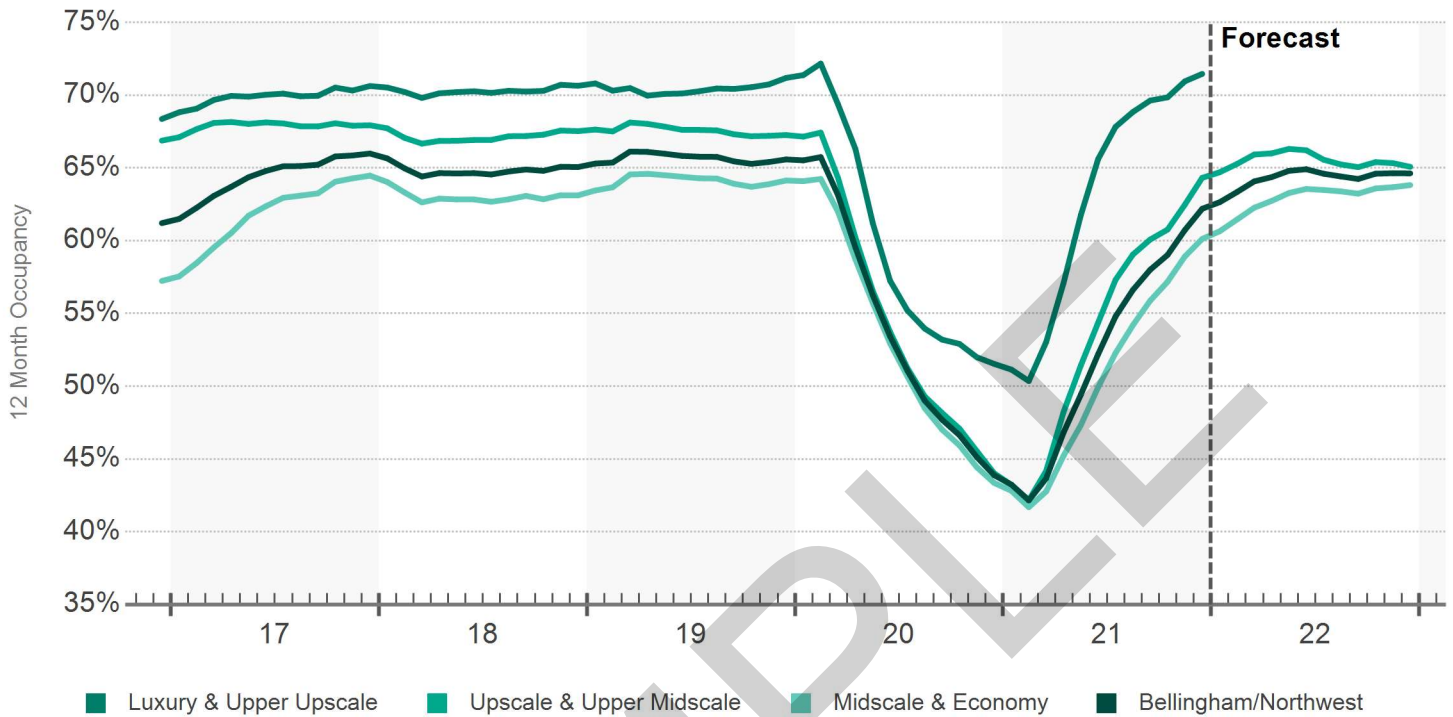
REVPAR MONTHLY



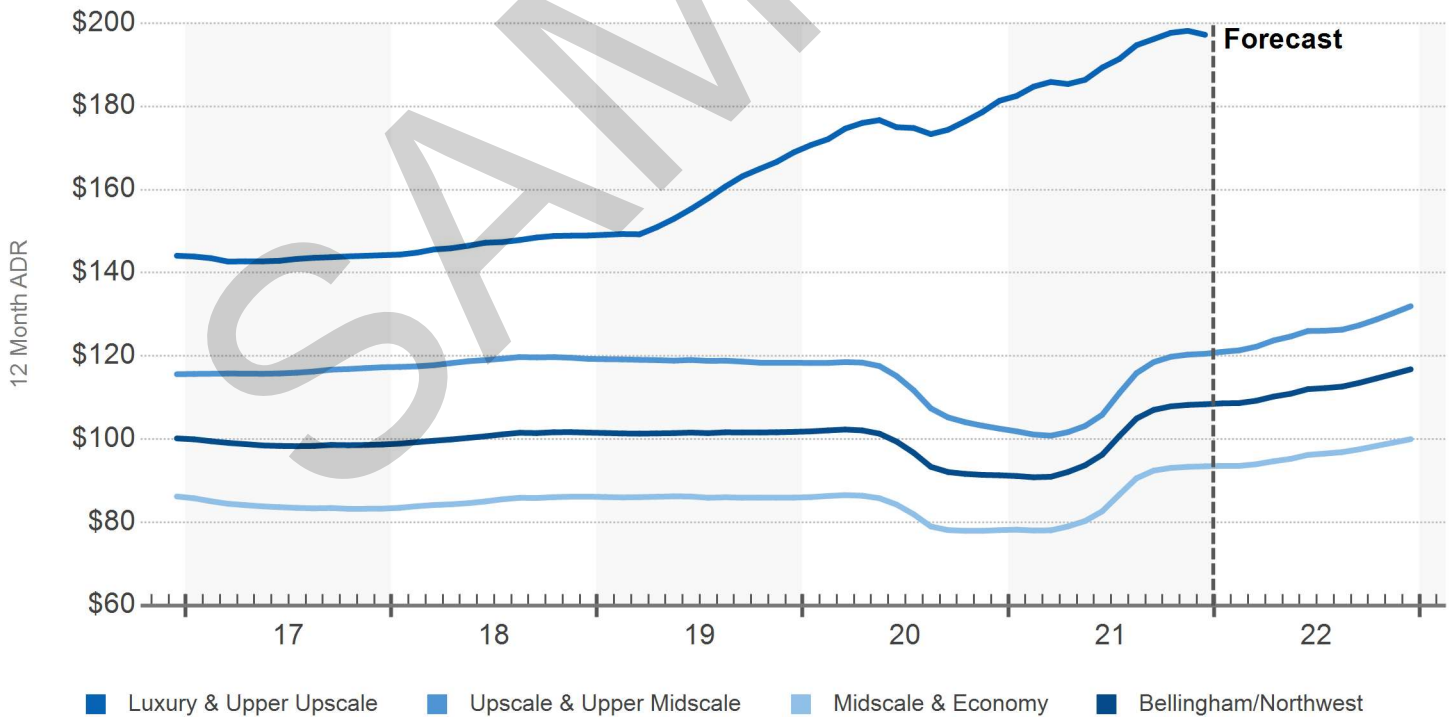
Performance

Bellingham/Northwest Hospitality

OCCUPANCY BY CLASS



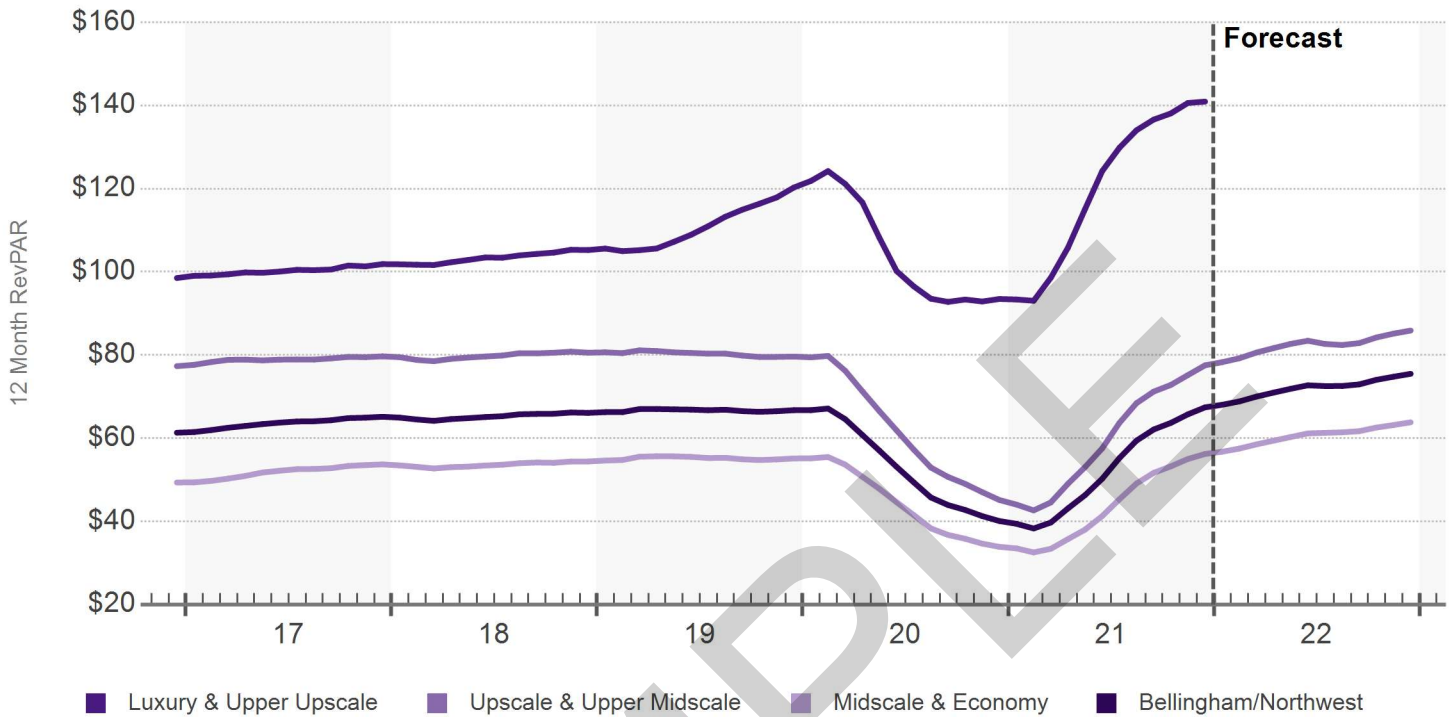
ADR BY CLASS



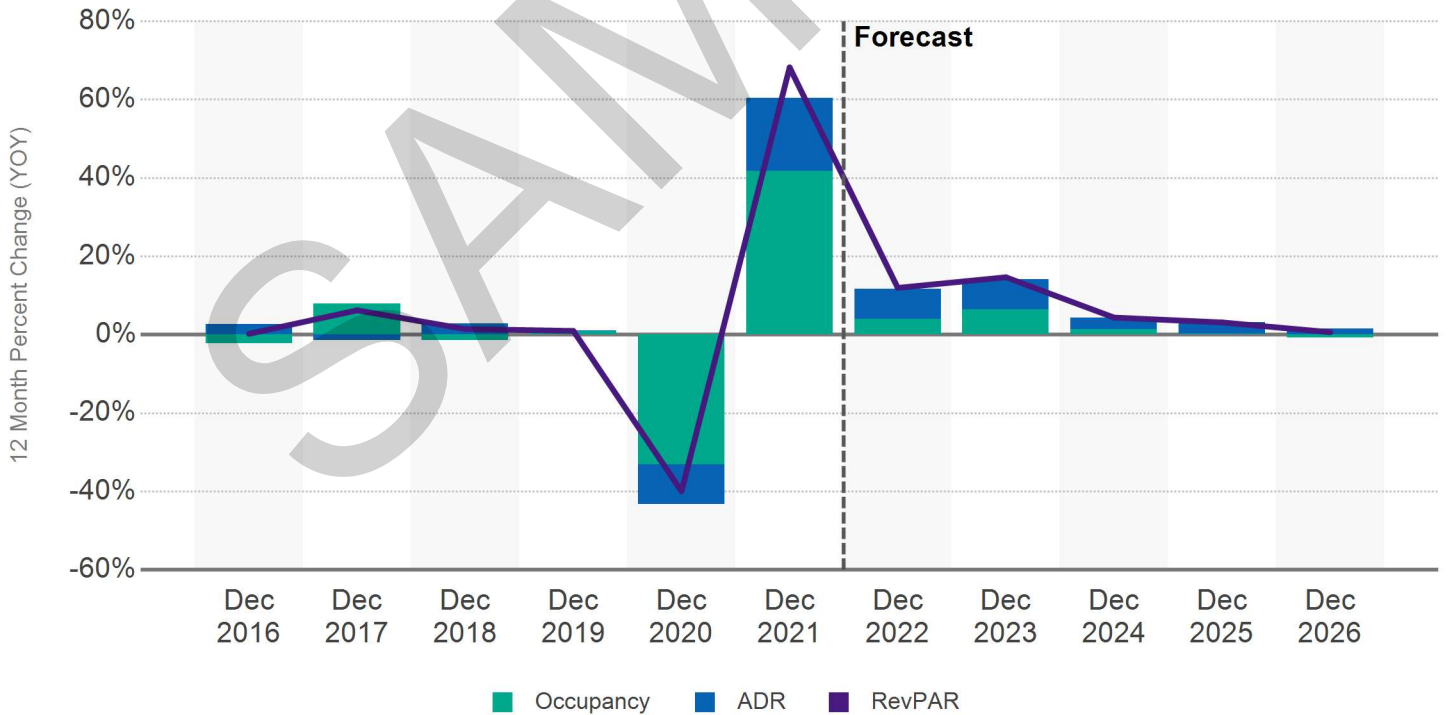
Performance

Bellingham/Northwest Hospitality

REVPAR BY CLASS



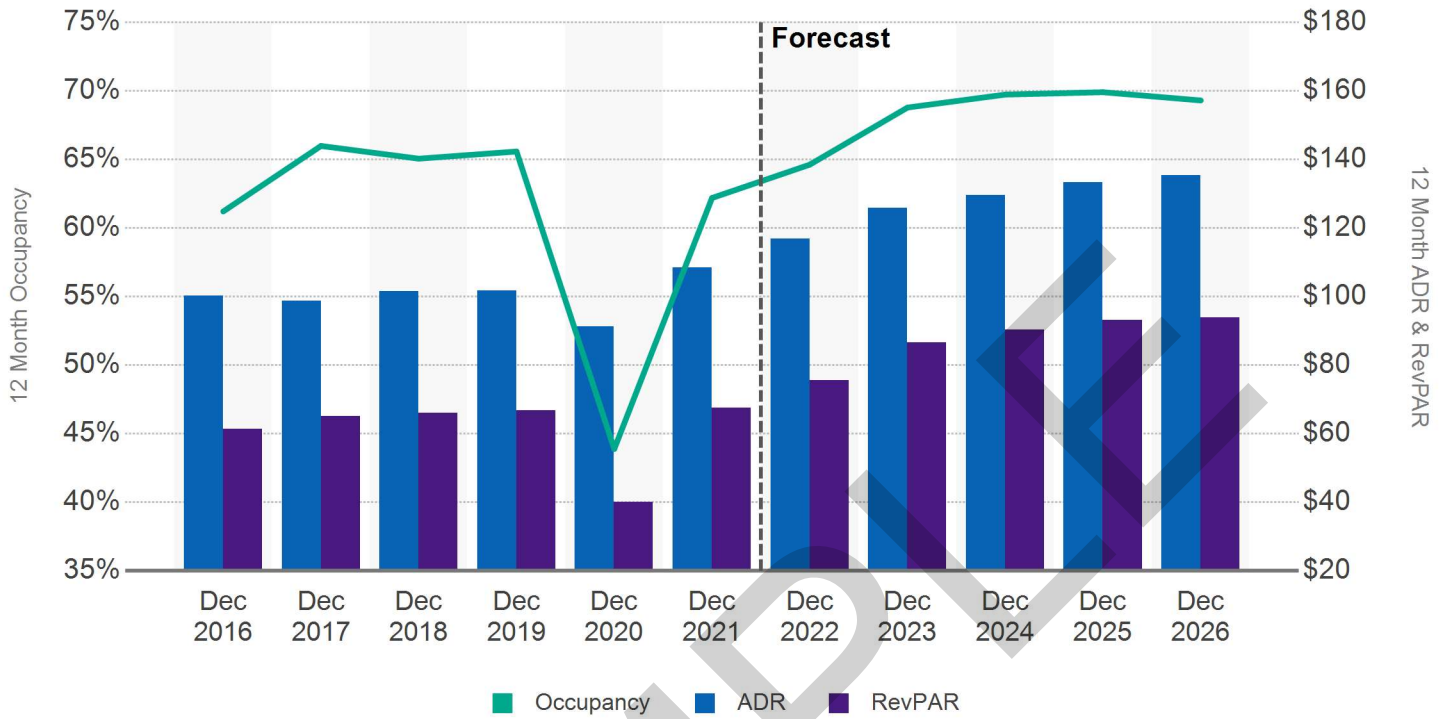
REVPAR GROWTH COMPOSITION



Performance

Bellingham/Northwest Hospitality

OCCUPANCY, ADR & REVPAR



Performance

Bellingham/Northwest Hospitality

FULL-SERVICE HOTELS PROFITABILITY (ANNUAL)

Market	% of Revenues	2020		2019-2020 % Change	
		PAR	POR	PAR	POR
Revenue					
Rooms					
Food					
Beverage					
Other F&B					
Other Departments					
Miscellaneous Income					
Total Revenue					
Operating Expenses					
Rooms					
Food & Beverage					
Other Departments					
Administrative & General					
Information & Telecommunication Systems					
Sales & Marketing					
Property Operations & Maintenance					
Utilities					
Gross Operating Profit					
Management Fees					
Rent					
Property Taxes					
Insurance					
EBITDA					
Total Labor Costs					

(1) For Annual P&L, the current year exchange rate is used for each year going back in time. This current year exchange rate is the average of all 12 monthly rates for that year.

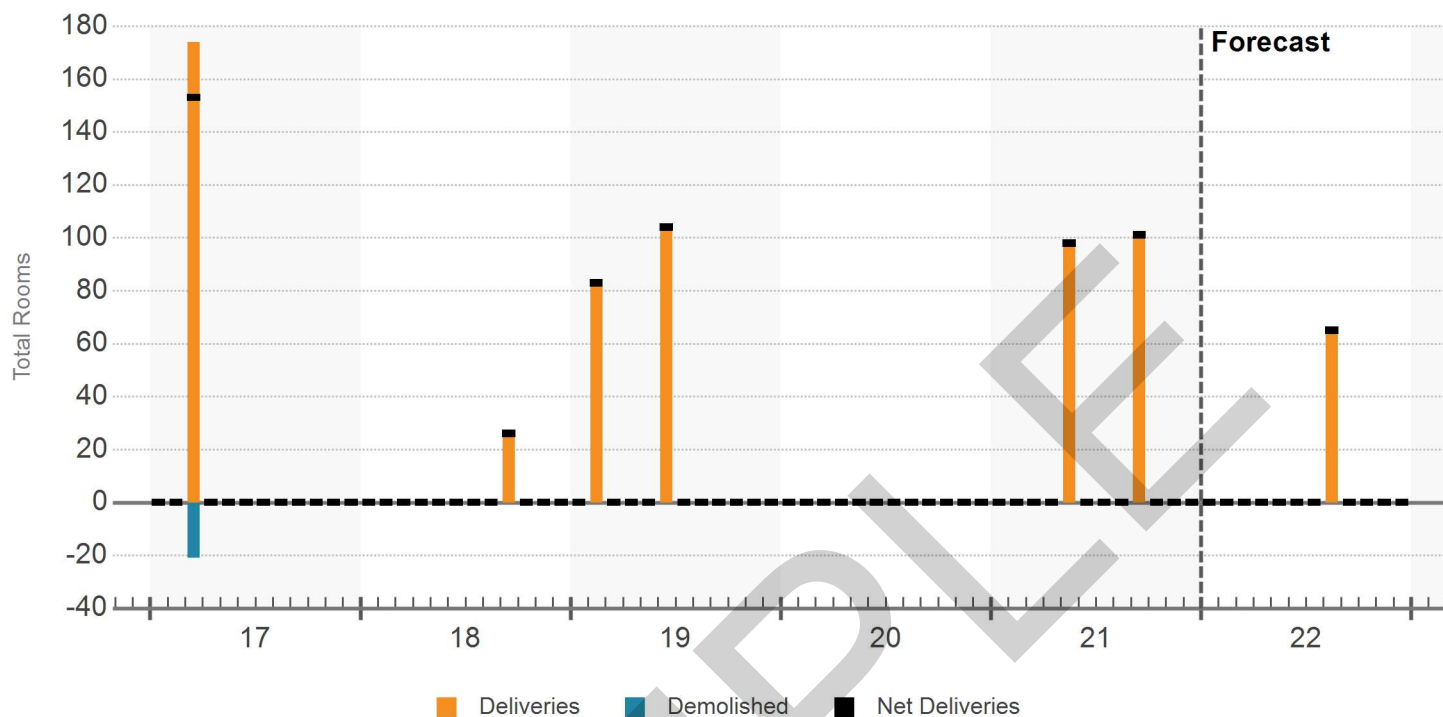
(2) Percentage of Revenues for departmental expenses (Rooms, Food & Beverage, and Other Departments) are based on their respective departmental revenues. All other expense percentages are based on Total Revenue.

(3) Labor costs are already included in the operating expenses above. Amounts shown in Total Labor Costs are for additional detail only.

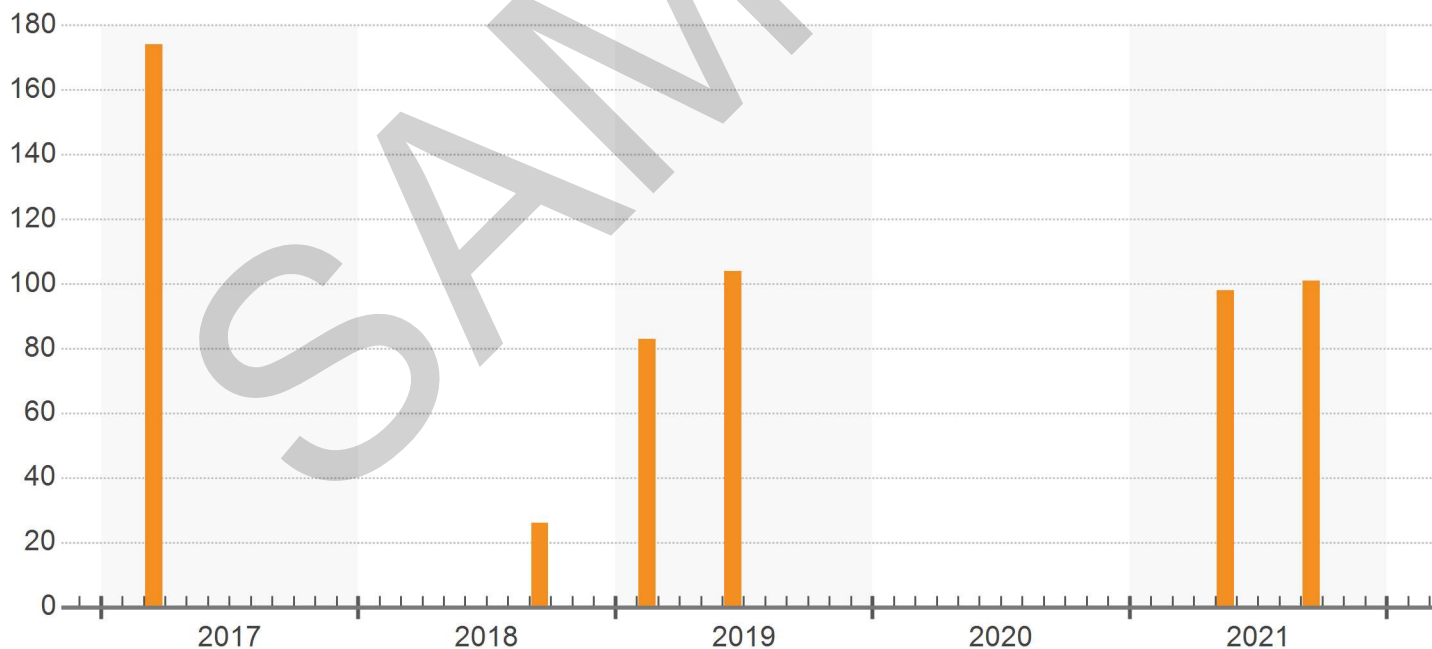
Construction

Bellingham/Northwest Hospitality

DELIVERIES & DEMOLITIONS



ROOMS DELIVERED





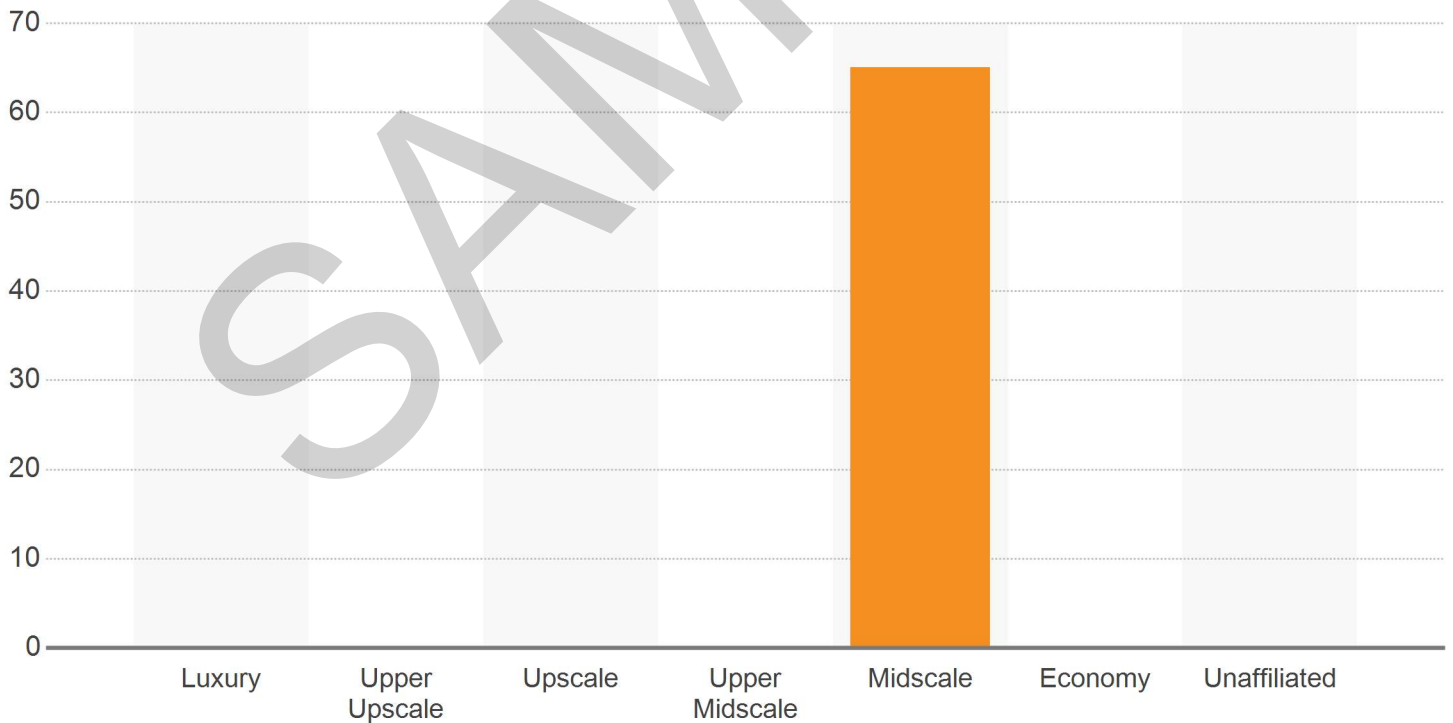
Construction

Bellingham/Northwest Hospitality

TOTAL ROOMS UNDER CONSTRUCTION BY SCALE



ROOMS UNDER CONSTRUCTION BY SCALE

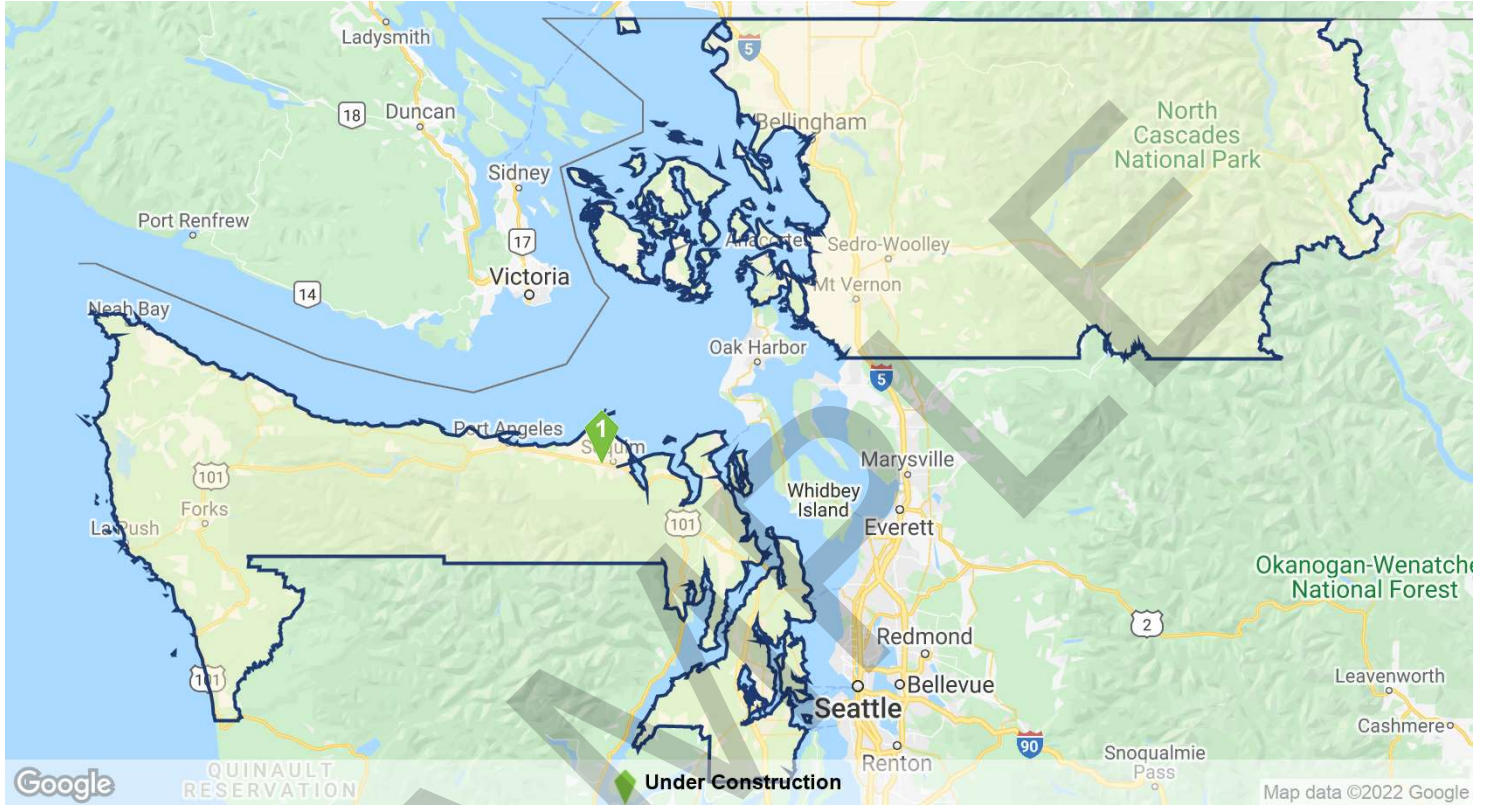


Under Construction Properties

Bellingham/Northwest Hospitality

Properties	Rooms	Percent of Inventory	Average Rooms
1	65	0.7%	65

UNDER CONSTRUCTION PROPERTIES



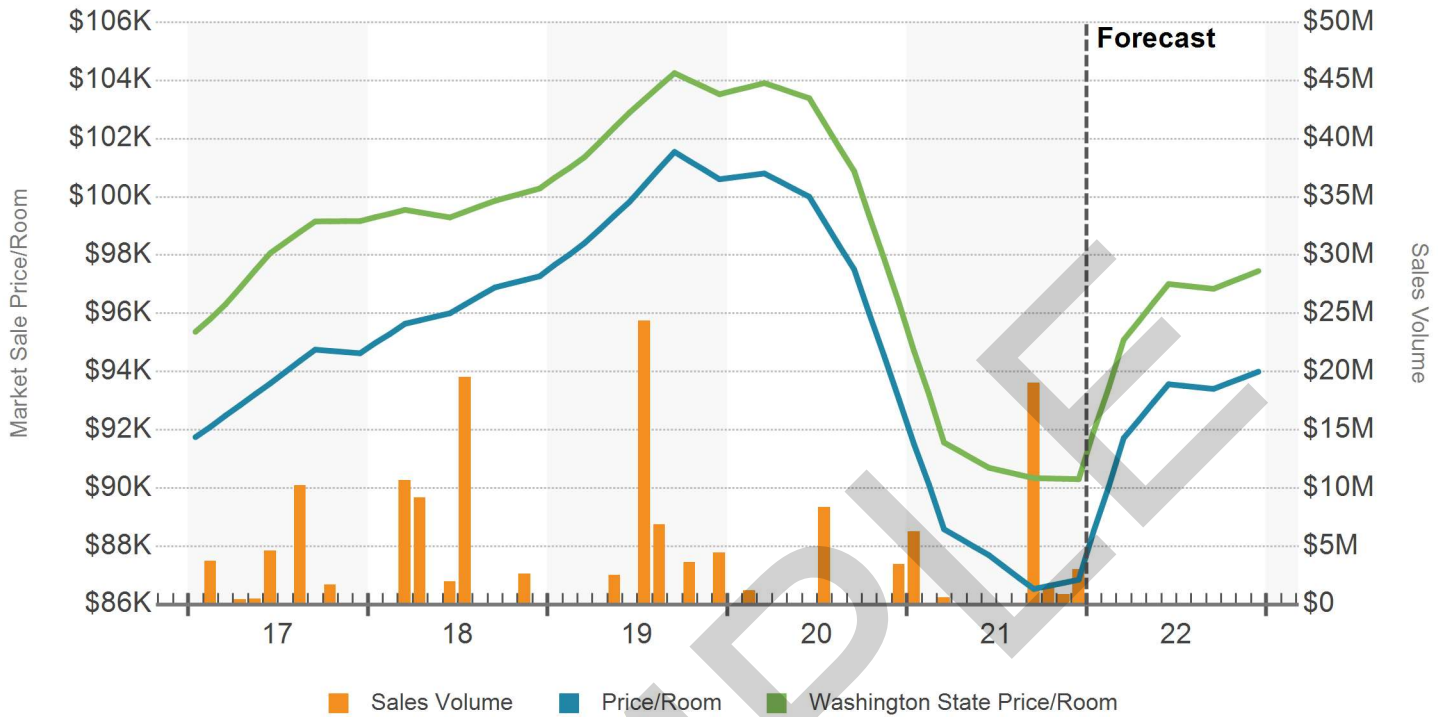
UNDER CONSTRUCTION

	Property Name/Address	Class	Rooms	Stories	Start	Complete	Brand/Developer
1	MainStay Suites Sequim 132 River Rd	Midscale	65	4	Aug 2020	Aug 2022	MainStay Suites

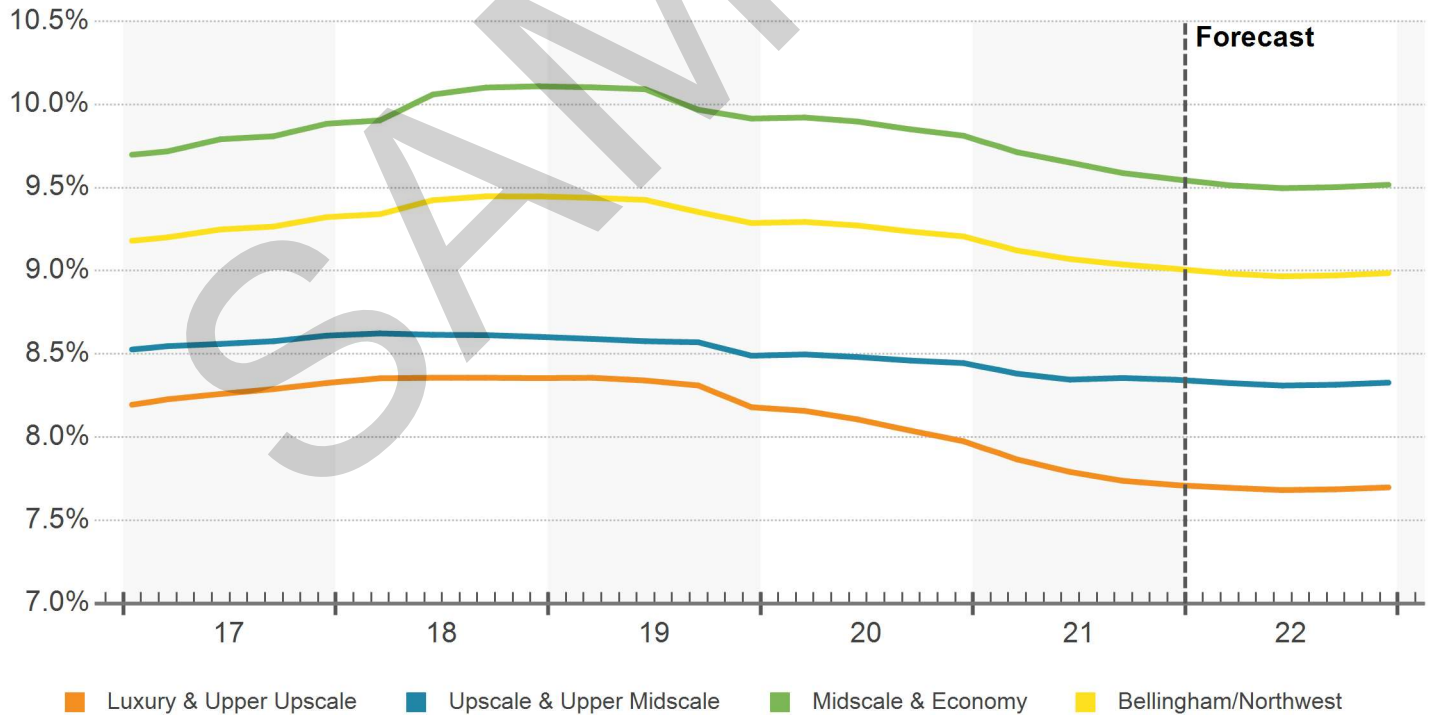
Sales

Bellingham/Northwest Hospitality

SALES VOLUME & MARKET SALE PRICE PER ROOM



MARKET CAP RATE



Sales Past 12 Months

Bellingham/Northwest Hospitality

Sale Comparables

5

Average Price/Room

\$134K

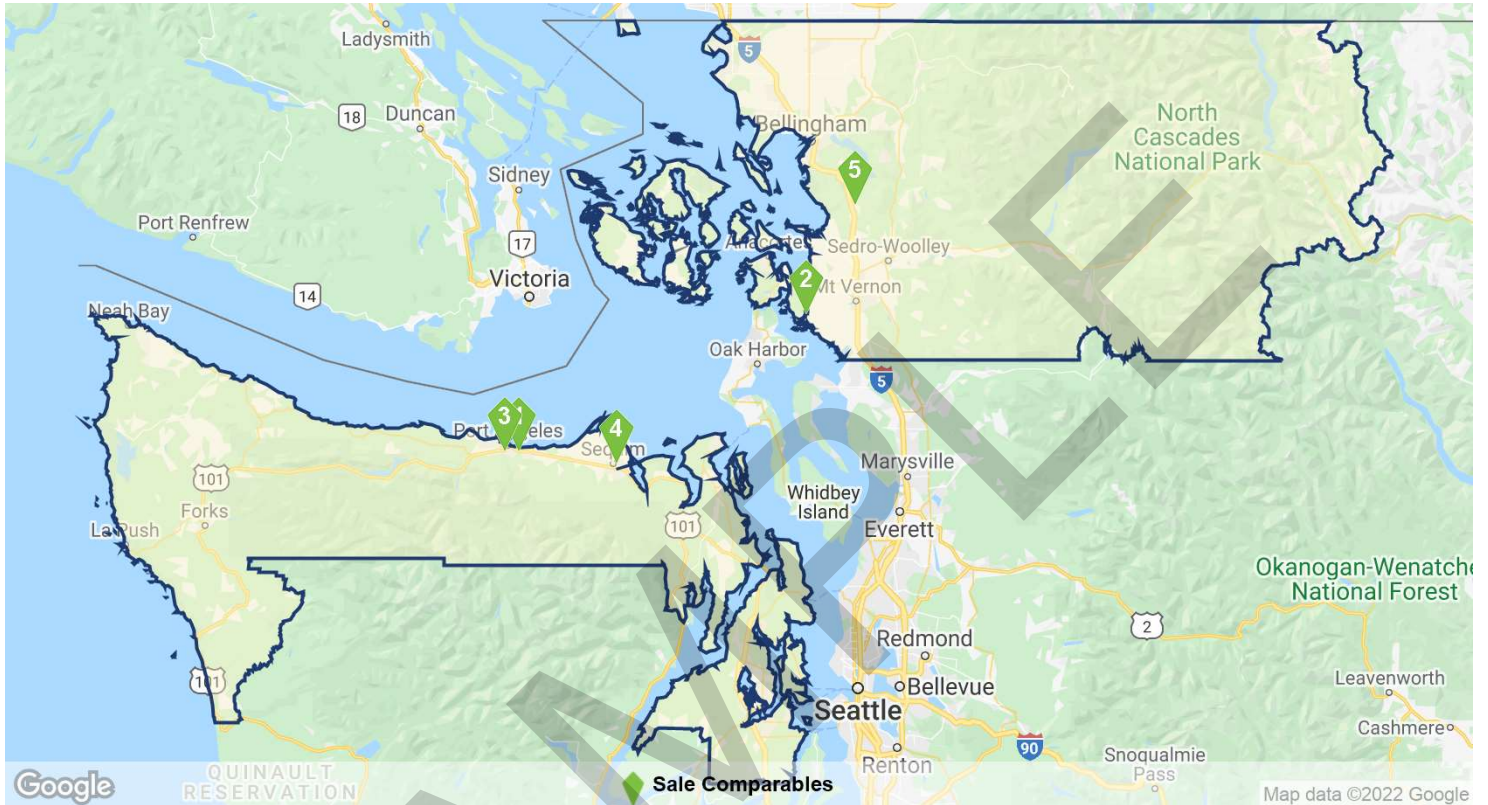
Average Price

\$5M

Average Cap Rate

7.3%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sale Attributes	Low	Average	Median	High
Sale Price	\$605,000	\$4,987,000	\$1,470,000	\$19,000,000
Price/Room	\$42,500	\$134,059	\$73,500	\$180,952
Cap Rate	6.0%	7.3%	6.0%	8.5%
Time Since Sale in Months	1.7	4.4	2.8	10.1
Property Attributes	Low	Average	Median	High
Property Size in Rooms	13	37	20	105
Number of Floors	1	1	2	3
Total Meeting Space	1,035	1,569	1,569	2,102
Year Built	1937	1968	1970	2002
Class	Economy	Midscale	Economy	Upper Midscale

Sales Past 12 Months

Bellingham/Northwest Hospitality

RECENT SIGNIFICANT SALES

	Property Name/Address	Property Information				Sale Information		
		Class	Yr Built	Rooms	Brand	Sale Date	Price	Price/Room
1	Olympic Lodge by Ayres 140 Del Guzzi Dr	Upper Midscale	1992	105	-	9/1/2021	\$19,000,000	\$180,952
2	Country Inn 107 S 2nd St	Midscale	1970	28	-	12/1/2021	\$3,010,000	\$107,500
3	All View Motel 214 E Lauridsen Blvd	Economy	1937	20	-	10/27/2021	\$1,470,000	\$73,500
4	Greathouse Motel 740 E Washington St	Economy	1941	20	-	11/3/2021	\$850,000	\$42,500
5	Whispering Firs Motel 1721 Old Highway 99 North Rd	Economy	2002	13	-	3/19/2021	\$605,000	\$46,538

Appendix

Bellingham/Northwest Hospitality

OVERALL SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2025	3,500,646	0	0%	2,446,990	6,062	0.2%
2024	3,500,646	0	0%	2,440,928	33,093	1.4%
2023	3,500,646	14,112	0.4%	2,407,835	154,833	6.9%
2022	3,486,534	169,270	5.1%	2,253,002	190,030	9.2%
2021	3,317,264	53,549	1.6%	2,062,972	630,693	44.0%
YTD	3,317,264	53,549	1.6%	2,062,972	630,693	44.0%
2020	3,263,715	(67,837)	-2.0%	1,432,279	(752,462)	-34.4%
2019	3,331,552	48,149	1.5%	2,184,741	48,717	2.3%
2018	3,283,403	(8,947)	-0.3%	2,136,024	(36,362)	-1.7%
2017	3,292,350	79,916	2.5%	2,172,386	206,224	10.5%
2016	3,212,434	49,862	1.6%	1,966,162	(15,307)	-0.8%
2015	3,162,572	100,076	3.3%	1,981,469	144,114	7.8%
2014	3,062,496	92,199	3.1%	1,837,355	68,469	3.9%
2013	2,970,297	(2,854)	-0.1%	1,768,886	(87,521)	-4.7%
2012	2,973,151	33,422	1.1%	1,856,407	158,957	9.4%
2011	2,939,729	752	0%	1,697,450	71,755	4.4%

LUXURY & UPPER UPSCALE SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2025	84,757	0	0%			
2024	84,757	0	0%			
2023	84,757	0	0%			
2022	84,757	77	0.1%			
2021	84,680	5,254	6.6%	60,507	19,577	47.8%
YTD	84,680	5,254	6.6%	60,507	19,577	47.8%
2020	79,426	(5,074)	-6.0%	40,930	(19,214)	-31.9%
2019	84,500	550	0.7%	60,144	843	1.4%
2018	83,950	0	0%	59,301	15	0%
2017	83,950	0	0%	59,286	1,899	3.3%
2016	83,950	0	0%	57,387	(503)	-0.9%
2015	83,950	0	0%	57,890	81	0.1%
2014	83,950	0	0%	57,809	2,686	4.9%
2013	83,950	0	0%	55,123	852	1.6%
2012	83,950	0	0%	54,271	(854)	-1.5%
2011	83,950	0	0%	55,125	(13)	0%

Appendix

Bellingham/Northwest Hospitality

UPSCALE & UPPER MIDSACLE SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2025	1,445,974	0	0%	1,033,689	2,272	0.2%
2024	1,445,974	0	0%	1,031,417	17,969	1.8%
2023	1,445,974	0	0%	1,013,448	72,544	7.7%
2022	1,445,974	37,607	2.7%	940,904	35,094	3.9%
2021	1,408,367	47,646	3.5%	905,810	306,868	51.2%
YTD	1,408,367	47,646	3.5%	905,810	306,868	51.2%
2020	1,360,721	6,720	0.5%	598,942	(311,651)	-34.2%
2019	1,354,001	50,160	3.8%	910,593	30,197	3.4%
2018	1,303,841	9,088	0.7%	880,396	918	0.1%
2017	1,294,753	67,550	5.5%	879,478	58,836	7.2%
2016	1,227,203	53,248	4.5%	820,642	21,161	2.6%
2015	1,173,955	100,125	9.3%	799,481	77,893	10.8%
2014	1,073,830	101,637	10.5%	721,588	82,327	12.9%
2013	972,193	(21,769)	-2.2%	639,261	(39,891)	-5.9%
2012	993,962	(6,350)	-0.6%	679,152	26,362	4.0%
2011	1,000,312	14,565	1.5%	652,790	24,313	3.9%

MIDSCALE & ECONOMY SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2025	1,969,915	0	0%	1,347,877	3,636	0.3%
2024	1,969,915	0	0%	1,344,241	15,009	1.1%
2023	1,969,915	14,112	0.7%	1,329,232	81,149	6.5%
2022	1,955,803	131,586	7.2%	1,248,083	151,428	13.8%
2021	1,824,217	649	0%	1,096,655	306,044	38.7%
YTD	1,824,217	649	0%	1,096,655	306,044	38.7%
2020	1,823,568	(69,483)	-3.7%	790,611	(423,393)	-34.9%
2019	1,893,051	(2,561)	-0.1%	1,214,004	17,677	1.5%
2018	1,895,612	(18,035)	-0.9%	1,196,327	(37,295)	-3.0%
2017	1,913,647	12,366	0.7%	1,233,622	145,489	13.4%
2016	1,901,281	(3,386)	-0.2%	1,088,133	(35,965)	-3.2%
2015	1,904,667	(49)	0%	1,124,098	66,140	6.3%
2014	1,904,716	(9,438)	-0.5%	1,057,958	(16,544)	-1.5%
2013	1,914,154	18,915	1.0%	1,074,502	(48,482)	-4.3%
2012	1,895,239	39,772	2.1%	1,122,984	133,449	13.5%
2011	1,855,467	(13,813)	-0.7%	989,535	47,455	5.0%

Appendix

Bellingham/Northwest Hospitality

OVERALL PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2025	69.9%	0.2%	\$133.31	2.9%	\$93.18	3.1%
2024	69.7%	1.4%	\$129.57	3.0%	\$90.35	4.4%
2023	68.8%	6.4%	\$125.83	7.7%	\$86.55	14.7%
2022	64.6%	3.9%	\$116.80	7.8%	\$75.48	12.0%
2021	62.2%	41.7%	\$108.40	18.7%	\$67.41	68.2%
YTD	62.2%	41.7%	\$108.40	18.7%	\$67.41	68.2%
2020	43.9%	-33.1%	\$91.31	-10.3%	\$40.07	-39.9%
2019	65.6%	0.8%	\$101.76	0.2%	\$66.73	1.0%
2018	65.1%	-1.4%	\$101.58	2.9%	\$66.09	1.5%
2017	66.0%	7.8%	\$98.72	-1.5%	\$65.14	6.2%
2016	61.2%	-2.3%	\$100.18	2.6%	\$61.32	0.2%
2015	62.7%	4.4%	\$97.63	3.3%	\$61.17	7.9%
2014	60.0%	0.7%	\$94.48	3.1%	\$56.68	3.9%
2013	59.6%	-4.6%	\$91.63	4.3%	\$54.57	-0.5%
2012	62.4%	8.1%	\$87.86	0%	\$54.86	8.2%
2011	57.7%	4.4%	\$87.84	0.3%	\$50.72	4.7%

LUXURY & UPPER UPSCALE PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2025						
2024						
2023						
2022						
2021	71.5%	38.7%	\$197.24	8.7%	\$140.93	50.8%
YTD	71.5%	38.7%	\$197.24	8.7%	\$140.93	50.8%
2020	51.5%	-27.6%	\$181.37	7.3%	\$93.46	-22.3%
2019	71.2%	0.8%	\$168.96	13.4%	\$120.26	14.3%
2018	70.6%	0%	\$148.97	3.3%	\$105.23	3.3%
2017	70.6%	3.3%	\$144.23	0.1%	\$101.86	3.4%
2016	68.4%	-0.9%	\$144.11	3.5%	\$98.51	2.6%
2015	69.0%	0.1%	\$139.27	8.0%	\$96.04	8.2%
2014	68.9%	4.9%	\$128.92	3.5%	\$88.78	8.5%
2013	65.7%	1.6%	\$124.59	17.4%	\$81.81	19.2%
2012	64.6%	-1.5%	\$106.15	-13.1%	\$68.62	-14.5%
2011	65.7%	0%	\$122.16	0.5%	\$80.22	0.5%

Appendix

Bellingham/Northwest Hospitality

UPSCALE & UPPER MIDSACLE PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2025	71.5%	0.2%	\$150.90	2.9%	\$107.87	3.1%
2024	71.3%	1.8%	\$146.66	2.8%	\$104.62	4.6%
2023	70.1%	7.7%	\$142.67	8.1%	\$99.99	16.4%
2022	65.1%	1.2%	\$131.97	9.5%	\$85.87	10.8%
2021	64.3%	46.1%	\$120.52	17.5%	\$77.52	71.8%
YTD	64.3%	46.1%	\$120.52	17.5%	\$77.52	71.8%
2020	44.0%	-34.5%	\$102.54	-13.4%	\$45.13	-43.3%
2019	67.3%	-0.4%	\$118.39	-0.8%	\$79.62	-1.2%
2018	67.5%	-0.6%	\$119.31	1.7%	\$80.56	1.1%
2017	67.9%	1.6%	\$117.29	1.4%	\$79.67	3.0%
2016	66.9%	-1.8%	\$115.62	2.0%	\$77.32	0.2%
2015	68.1%	1.3%	\$113.31	3.1%	\$77.16	4.5%
2014	67.2%	2.2%	\$109.90	1.0%	\$73.85	3.3%
2013	65.8%	-3.8%	\$108.77	4.7%	\$71.52	0.8%
2012	68.3%	4.7%	\$103.86	1.1%	\$70.97	5.9%
2011	65.3%	2.4%	\$102.71	0.5%	\$67.03	2.9%

MIDSCALE & ECONOMY PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2025	68.4%	0.3%	\$114.33	2.9%	\$78.23	3.2%
2024	68.2%	1.1%	\$111.13	3.1%	\$75.83	4.3%
2023	67.5%	5.7%	\$107.76	7.8%	\$72.72	14.0%
2022	63.8%	6.2%	\$100	7.0%	\$63.81	13.6%
2021	60.1%	38.7%	\$93.48	19.6%	\$56.20	65.9%
YTD	60.1%	38.7%	\$93.48	19.6%	\$56.20	65.9%
2020	43.4%	-32.4%	\$78.13	-9.1%	\$33.87	-38.5%
2019	64.1%	1.6%	\$85.96	-0.3%	\$55.12	1.3%
2018	63.1%	-2.1%	\$86.19	3.5%	\$54.40	1.3%
2017	64.5%	12.6%	\$83.30	-3.4%	\$53.70	8.8%
2016	57.2%	-3.0%	\$86.22	2.2%	\$49.35	-0.9%
2015	59.0%	6.3%	\$84.34	2.7%	\$49.77	9.2%
2014	55.5%	-1.1%	\$82.09	2.9%	\$45.59	1.9%
2013	56.1%	-5.3%	\$79.75	3.2%	\$44.77	-2.3%
2012	59.3%	11.1%	\$77.30	1.5%	\$45.80	12.8%
2011	53.3%	5.8%	\$76.13	0.4%	\$40.60	6.2%

Appendix

Bellingham/Northwest Hospitality

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2026	-	-	-	-	-	-	\$104,834	183	9.1%
2025	-	-	-	-	-	-	\$104,466	182	9.1%
2024	-	-	-	-	-	-	\$101,848	178	9.1%
2023	-	-	-	-	-	-	\$98,848	172	9.0%
2022	-	-	-	-	-	-	\$93,997	164	9.0%
YTD	-	-	-	-	-	-	\$87,848	153	9.0%
2021	6	\$31.2M	3.2%	\$5,197,500	\$105,712	7.8%	\$86,852	152	9.0%
2020	8	\$13M	2.7%	\$1,623,200	\$52,151	-	\$93,033	162	9.2%
2019	8	\$41.8M	6.3%	\$5,228,125	\$72,362	10.3%	\$100,608	176	9.3%
2018	7	\$43.9M	6.3%	\$6,275,585	\$76,934	10.4%	\$97,277	170	9.4%
2017	9	\$21.1M	5.7%	\$2,349,692	\$40,668	9.0%	\$94,631	165	9.3%
2016	11	\$43.9M	5.4%	\$3,989,615	\$91,049	9.7%	\$91,363	159	9.2%
2015	9	\$30.5M	4.9%	\$3,391,148	\$70,573	-	\$88,974	155	8.9%
2014	5	\$13.5M	2.4%	\$2,694,390	\$67,360	-	\$85,935	150	8.6%
2013	6	\$41.6M	7.0%	\$6,938,333	\$70,799	8.6%	\$82,254	144	8.6%
2012	5	\$21.4M	6.2%	\$4,280,600	\$42,635	11.7%	\$75,991	133	8.5%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

LUXURY & UPPER UPSCALE SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2026	-	-	-	-	-	-	\$230,449	217	7.8%
2025	-	-	-	-	-	-	\$229,640	217	7.8%
2024	-	-	-	-	-	-	\$223,885	211	7.8%
2023	-	-	-	-	-	-	\$217,291	205	7.7%
2022	-	-	-	-	-	-	\$206,628	195	7.7%
YTD	-	-	-	-	-	-	\$189,242	178	7.7%
2021	-	-	-	-	-	-	\$191,279	180	7.7%
2020	-	-	-	-	-	-	\$197,221	186	8.0%
2019	-	-	-	-	-	-	\$205,816	194	8.2%
2018	-	-	-	-	-	-	\$196,625	185	8.4%
2017	-	-	-	-	-	-	\$189,833	179	8.3%
2016	-	-	-	-	-	-	\$184,571	174	8.2%
2015	-	-	-	-	-	-	\$178,071	168	8.0%
2014	-	-	-	-	-	-	\$169,130	159	7.8%
2013	-	-	-	-	-	-	\$157,798	149	7.8%
2012	-	-	-	-	-	-	\$146,319	138	7.8%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

Appendix

Bellingham/Northwest Hospitality

UPSCALE & UPPER MIDSACLE SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2026	-	-	-	-	-	-	\$143,485	184	8.5%
2025	-	-	-	-	-	-	\$142,982	183	8.4%
2024	-	-	-	-	-	-	\$139,399	179	8.4%
2023	-	-	-	-	-	-	\$135,293	173	8.4%
2022	-	-	-	-	-	-	\$128,654	165	8.3%
YTD	-	-	-	-	-	-	\$119,993	154	8.3%
2021	1	\$19M	2.7%	\$19,000,000	\$180,952	8.5%	\$119,003	153	8.3%
2020	1	\$1.2M	0.3%	\$1,180,000	\$107,273	-	\$129,929	167	8.4%
2019	-	-	-	-	-	-	\$141,334	181	8.5%
2018	2	\$28.1M	8.9%	\$14,033,443	\$88,261	-	\$137,074	176	8.6%
2017	-	-	-	-	-	-	\$131,026	168	8.6%
2016	2	\$15.7M	4.0%	\$7,825,000	\$115,074	7.8%	\$125,529	161	8.5%
2015	4	\$22.1M	7.5%	\$5,531,129	\$88,333	-	\$120,369	154	8.3%
2014	1	\$7.6M	2.6%	\$7,560,000	\$100,800	-	\$117,290	150	8.1%
2013	3	\$34.7M	13.5%	\$11,550,000	\$88,168	8.8%	\$112,448	144	8.0%
2012	1	\$6.8M	5.5%	\$6,800,000	\$45,333	-	\$103,540	133	8.0%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

MIDSCALE & ECONOMY SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2026	-	-	-	-	-	-	\$71,902	178	9.7%
2025	-	-	-	-	-	-	\$71,649	178	9.6%
2024	-	-	-	-	-	-	\$69,854	173	9.6%
2023	-	-	-	-	-	-	\$67,796	168	9.6%
2022	-	-	-	-	-	-	\$64,469	160	9.5%
YTD	-	-	-	-	-	-	\$60,044	149	9.5%
2021	5	\$12.2M	3.7%	\$2,437,000	\$64,132	7.5%	\$59,461	147	9.5%
2020	7	\$11.8M	4.7%	\$1,686,514	\$49,603	-	\$62,145	154	9.8%
2019	8	\$41.8M	11.0%	\$5,228,125	\$72,362	10.3%	\$66,855	166	9.9%
2018	5	\$15.9M	4.8%	\$3,172,442	\$62,696	10.4%	\$64,414	160	10.1%
2017	9	\$21.1M	9.9%	\$2,349,692	\$40,668	9.0%	\$64,427	160	9.9%
2016	9	\$28.2M	6.5%	\$3,137,307	\$81,606	13.4%	\$62,873	156	9.7%
2015	5	\$8.4M	3.4%	\$1,679,163	\$46,131	-	\$62,675	155	9.3%
2014	4	\$5.9M	2.4%	\$1,477,988	\$47,296	-	\$59,873	148	9.1%
2013	3	\$7M	3.7%	\$2,326,667	\$35,795	8.2%	\$57,315	142	9.0%
2012	4	\$14.6M	6.7%	\$3,650,750	\$41,486	11.7%	\$53,188	132	9.0%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

Appendix







Bellingham/Northwest Hospitality

DELIVERIES & UNDER CONSTRUCTION

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Rooms	% Change	Bldgs	Rooms	Bldgs	Rooms	Bldgs	Rooms
YTD	156	9,293	0%	1	65	1	65	0	0
2021	156	9,293	2.2%	2	199	2	199	1	65
2020	154	9,095	-1.4%	0	0	0	0	3	264
2019	157	9,223	2.1%	2	187	2	187	0	0
2018	155	9,035	-0.5%	1	26	1	26	2	187
2017	155	9,080	1.5%	2	174	1	153	1	83
2016	155	8,944	0.7%	1	37	0	0	1	153
2015	155	8,880	6.2%	3	232	2	204	0	0
2014	151	8,359	-0.1%	0	0	0	0	1	105
2013	151	8,365	2.5%	3	221	2	203	0	0
2012	149	8,162	2.3%	2	181	2	181	0	0

Room Share Overview

For the purposes of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group reviewed Room Share Market data to help gain knowledge of the market and surrounding areas. The following information will be analyzed in Room Share Overview Data:

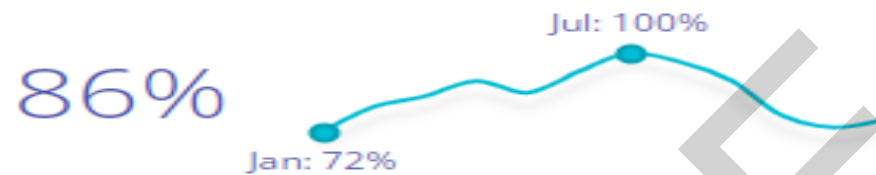
-  Occupancy Rate
-  Average Daily Rate
-  Monthly Revenue
-  Unit Type
-  Rental Growth
-  Unit Amenities

Room Share Data Summary

At the time of this report, the area had around 321 active room share rental units.

Room Share Occupancy in the Bellingham, WA Area:

Occupancy Rate



Room Share Average Daily Rate in the Bellingham, WA Area:

Average Daily Rate



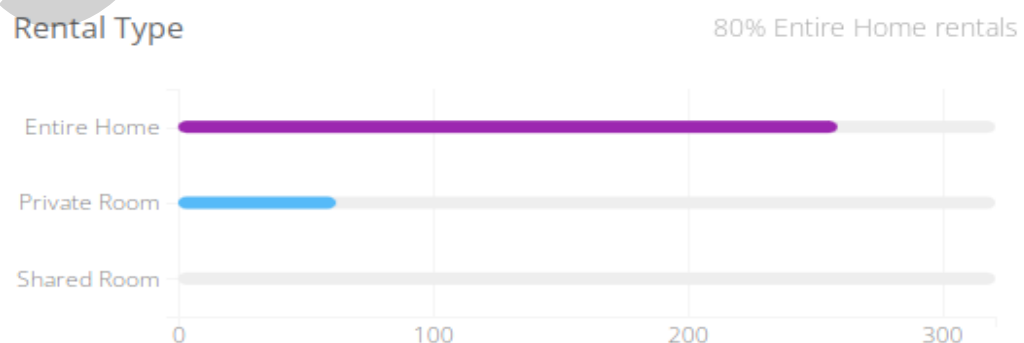
Room Share Average Monthly Revenue in the Bellingham, WA Area:

Revenue



Room Share Rental Type in the Bellingham, WA Area:

Rental Type



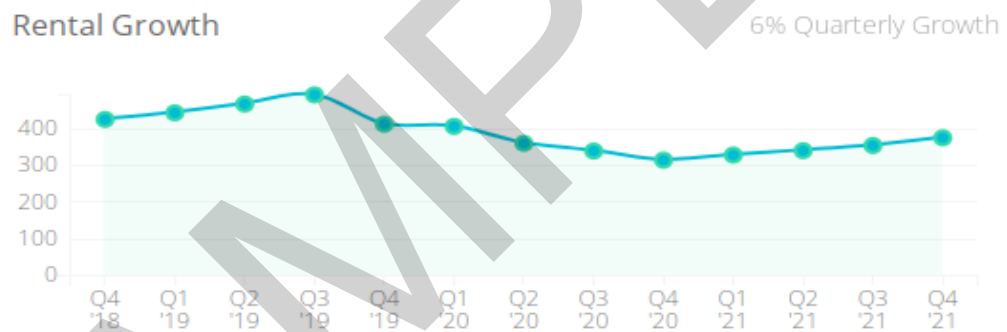
Room Share Data Summary (continued)

At the time of this report, the area units, 73% were listed in airbnb and 17% are listed on Vrbo.

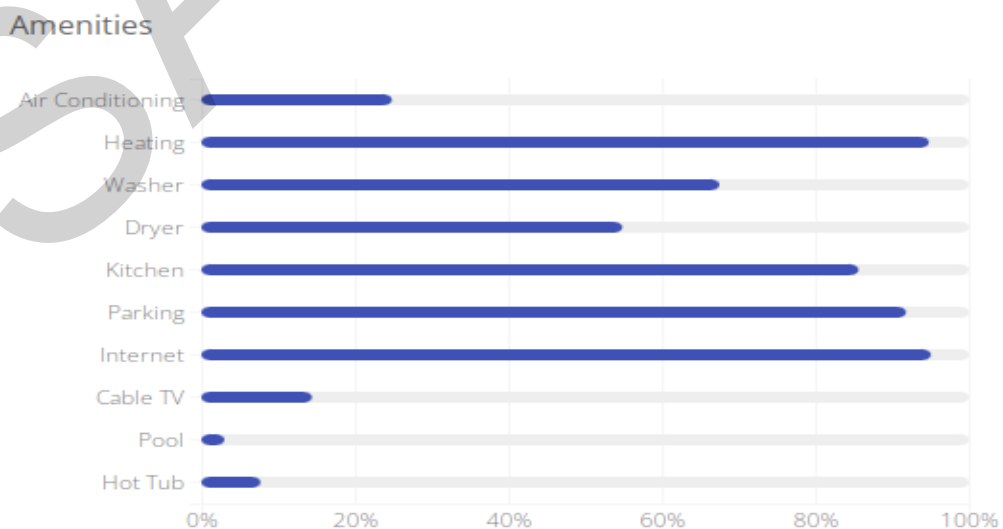
Room Share Rental Sizes in the Bellingham, WA Area:



Room Share Rental Growth in the Bellingham, WA Area:



Room Share Rental Amenities in the Bellingham, WA Area:



Source: AirDNA.co

Economic Impact Summary

In this section of the report, Core Distinction Group has compiled a summary of what the potential direct and indirect economic impact could be for the proposed hotel development. This projection offers revenue and job creation information based on this hotel's recommendations stated throughout this report, as well as the occupancy and average rate projected.



Direct Economic Impact



Indirect Economic Impact

SAMPLE

Direct Economic Impact

When considering the potential Direct Economic Impact of a new hotel in the community, you look at the direct tax revenue the community is gaining from the project. This takes into consideration Lodging/Bed Taxes when applicable, Sales Taxes and Real Estate Taxes. Below you will find the estimated tax revenue of this project broken down in each category:

Sales Tax Revenue Per Year	
Year	Sales Tax
Ramp Up Year	\$272,337
Year One	\$315,011
Year Two	\$332,133
Year Three	\$350,236
Year Four	\$361,585
Year Five	\$364,476

Based on 8% Sales Tax (6.5% for State and 1.5% for Whatcom County)

Lodging/Bed Sales Tax Revenue Per Year	
Year	Sales Tax
Ramp Up Year	\$136,169
Year One	\$157,505
Year Two	\$166,066
Year Three	\$175,118
Year Four	\$180,792
Year Five	\$182,238

Based on 4% Lodging/Bed Tax

Real Estate Tax Revenue Per Year (Based on Estimates)	
Year	Real Estate Tax
Ramp Up Year	\$150,000
Year One	\$150,000
Year Two	\$150,000
Year Three	\$150,000
Year Four	\$150,000
Year Five	\$150,000

This information does not account for the collateral economic impact as well. There are many collateral economic impacts that can be accounted for. Additional revenue (and usage) from your sewer, water, trash disposal, utilities and so on all noted in the Pro Forma. The construction period can also promote additional economic growth. All of these add up and vary.

Indirect Economic Impact Estimates

When considering the potential Indirect Economic Impact of a new hotel in the community, you look at the spending of the guest within the community. For the purpose of this summary, we have identified the potential spending on food/dining. This does not take into consideration any taxes increased by said purchases. Below you will find the average rooms sold each year for the potential hotel project:

Rooms Sold Per Year Average		
Year	Occupancy	Rooms Sold
Ramp Up Year	62.1%	17,459
Year One	69.0%	19,399
Year Two	71.1%	19,981
Year Three	73.2%	20,580
Year Four	75.0%	21,079
Year Five	75.0%	21,079

Taking this into consideration, the estimates of rooms sold each day can be found below:

Average Rooms Per Night Sold	
Ramp Up Year	48
Year One	53
Year Two	55
Year Three	56
Year Four	58
Year Five	58

Indirect Economic Impact Estimates (continued)

The average cost of food in the United States of America is \$45 per day. Based on the spending habits of previous travelers, when dining out an average meal in the United States of America should cost around \$18 per person. Breakfast prices are usually a little cheaper than lunch or dinner. The price of food in sit-down restaurants in the United States of America is often higher than fast food prices or street food prices. The total estimated indirect food revenue in your community is estimated* to be around:

Average Indirect Food Revenue Per Day	
Ramp Up Year	\$2,152
Year One	\$2,392
Year Two	\$2,463
Year Three	\$2,537
Year Four	\$2,599
Year Five	\$2,599

Average Indirect Food Revenue Per Year	
Ramp Up Year	\$785,646
Year One	\$872,940
Year Two	\$899,128
Year Three	\$926,102
Year Four	\$948,544
Year Five	\$948,544

* Based on the assumption of one person per room night sold.

Based on this information, it can be assumed this additional revenue will also create indirect food service jobs. When considering the additional food revenue into your community, industry standards states that around 30% of revenue goes towards labor. Based on the amount of additional revenue, this would bring in the following amount of full-time equivalent jobs*:

Average Indirect Food Service Jobs Needed	
Ramp Up Year	12.7
Year One	14.2
Year Two	14.6
Year Three	15.0
Year Four	15.4
Year Five	15.4

* Based on 32 hours a week and the median average base hourly rate of Food Service Workers of \$11.12 per hour, at the time of this report according to www.payscale.com.

Indirect Economic Impact Estimates (continued)

Entertainment and activities in the United States of America typically cost an average of \$45 per person, per day. This includes fees paid for admission tickets to museums and attractions, day tours, and other sightseeing expense.

Average Indirect Entertainment/Activities Revenue Per Day	
Ramp Up Year	\$2,152
Year One	\$2,392
Year Two	\$2,463
Year Three	\$2,537
Year Four	\$2,599
Year Five	\$2,599

Average Indirect Entertainment/Activities Revenue Per Year	
Ramp Up Year	\$785,646
Year One	\$872,940
Year Two	\$899,128
Year Three	\$926,102
Year Four	\$948,544
Year Five	\$948,544

** Based on the assumption of one person per room night sold.*

Based on this information, it can be assumed this additional revenue will also create indirect tour guide or tourism industry jobs. When considering the additional food revenue into your community, industry standards states that around 25% of revenue goes towards labor. Based on the amount of additional revenue, this would bring in the following amount of full-time equivalent jobs*:

Average Indirect Entertainment/Activities Jobs Needed	
Ramp Up Year	7.9
Year One	8.7
Year Two	9.0
Year Three	9.3
Year Four	9.5
Year Five	9.5

** Based on 32 hours a week and the median average base hourly rate of Tour Guide of \$15 per hour, at the time of this report according to www.salary.com.*

Indirect Economic Impact Estimates (continued)

The average person spends about \$21 on alcoholic beverages in the United States of America per day.

Average Indirect Alcoholic Beverages Revenue Per Day	
Ramp Up Year	\$1,004
Year One	\$1,116
Year Two	\$1,150
Year Three	\$1,184
Year Four	\$1,213
Year Five	\$1,213

Average Indirect Alcoholic Beverages Revenue Per Year	
Ramp Up Year	\$366,635
Year One	\$407,372
Year Two	\$419,593
Year Three	\$432,181
Year Four	\$442,654
Year Five	\$442,654

** Based on the assumption of one person per room night sold.*

Based on this information, it can be assumed this additional revenue will also create indirect bartender jobs. When considering the additional alcoholic beverage revenue into your community, industry standards states that around 30% of revenue goes towards labor. Based on the amount of additional revenue, this would bring in the following amount of full-time equivalent jobs*:

Average Indirect Bartender Jobs Needed	
Ramp Up Year	6.0
Year One	6.7
Year Two	6.9
Year Three	7.1
Year Four	7.3
Year Five	7.3

** Based on 32 hours a week and the median average base hourly rate of a bartender of \$11 per hour, at the time of this report according to www.salary.com.*

Indirect Economic Impact Estimates (continued)

The average price for Tips and Handouts in the United States of America is \$12 per day. The usual amount for a tip in the United States of America is 10% - 20%.

Average Indirect Tips/Handouts Revenue Per Day	
Ramp Up Year	\$574
Year One	\$638
Year Two	\$657
Year Three	\$677
Year Four	\$693
Year Five	\$693

Average Indirect Tips/Handouts Revenue Per Year	
Ramp Up Year	\$209,506
Year One	\$232,784
Year Two	\$239,768
Year Three	\$246,961
Year Four	\$252,945
Year Five	\$252,945

** Based on the assumption of one person per room night sold.*

Based on this additional revenue being paid, the increase in both food, beverage, and entertainment/activity, service worker's hourly wage would increase substantially in the market.

Source: BudgetYourTravel.com

Conclusion

For the purposes of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group LLC offers an overview and overall description of the conclusion and recommendations found through its research and analysis. This section will contain:



Current Hotel Segment Recommendations for Market Studied



Current Hotel Size Recommendations for Market Studied



Recommended Sleeping Room Configuration for Market Studied



Current Economic Impact of Hotel for Market Studied

Conclusion and Recommendations

Property segment recommended for the potential development of a hotel is an Upper Midscale hotel. This type of hotel would allow the property to be positioned properly at the subject site. It is anticipated that a new hotel would capture displaced Lodging Demand currently staying in markets surrounding Bellingham, WA. Additionally, the newness of the hotel should be well received in the marketplace. It's location will be ideal to serve Bellingham and regional markets. This type of hotel would also be capable of adjusting rates to best fit the demand in the market and the seasonality of the area.

Property size recommendation of a newly developed hotel was researched to be between 70-90 guestrooms in this report. This would position it to be similar in size to the average room size of 60-104 noted by the competitive sets surveyed. The size would assist the property in achieving the Occupancy projections listed in this report. It is not advisable to over-build in this market at this time. Expansion of the hotel in future years could be considered as the market's Lodging Demand grows. Adjusting the room count will modify Performance.

The recommended Sleeping Room Configuration should be compatible with the overall Market Segmentation of the area. The property should offer a comparable selection of extended stay guestrooms with both single occupancy king bedded rooms to double occupancy double queen bedded guestrooms.

Economic Impact Potential: There are multiple economic impacts of building and developing a new hotel in a community. Some direct impact drivers include projected hotel revenue including all room revenues, meeting room revenue, as well as vending/bar revenue. On average, this size property will create 20-35 full time jobs. Part-time employment varies by hotel need and hiring practices. Additional economic development will include taxes, which include all sales taxes collected on hotel revenue, as well as all payroll related taxes collected from full-time hotel employees and temporary construction workers. Local governments will also collect new property taxes from the operation of the hotel. Indirect impact includes all jobs and income generated by businesses that supply goods and services to the hotel. A few examples of businesses that will indirectly benefit from the development of a hotel include suppliers of room related goods (housekeeping supplies, room amenities, etc.), telecommunication vendors (internet, cable, etc.), utility companies, food and beverage suppliers, and other hotel related vendors.

Understanding Terms

For the purposes of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group, LLC has taken the time to offer detailed definitions of words and terms highlighted throughout this report. This section contains the information to help readers navigate industry terms.

SAMPLE

Understanding Terms:

Below you will find definitions of industry terms used throughout this report to help the reader gain an understanding of certain phrases and indicators:

Average Daily Rate (ADR)

A measure of the average rate paid for rooms sold, calculated by dividing room revenue by rooms sold. $ADR = \text{Room Revenue} / \text{Rooms Sold}$

Chain Scale

Chain Scale segments are grouped primarily according to actual average room rates. An independent hotel, regardless of average room rate, is included as a separate Chain Scale category. The Chain Scale segments are: Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale, Economy and Independent.

Competitive Set (Comp Set)

A peer group of hotels that competes for business and is selected to benchmark the subject property's performance.

Date-To-Date Comparison

Comparison of daily performance by actual calendar date (1st of January this year vs. 1st of January last year).

Day-To-Day Comparison

Comparison of daily performance by day of week (Monday this year vs. Monday last year).

Demand

The number of rooms sold in a specified time period (excludes complimentary rooms).

Group Rooms

Typically defined as 10 or more rooms per night sold, pursuant to a signed agreement. Refer to Data Reporting Guidelines for more specific application.

Index

Measures a hotel's performance relative to an aggregated grouping of hotels (i.e., competitive set, market or submarket). We utilize indexes to measure performance in three key areas: Occupancy, ADR and RevPAR. An index of 100 means a hotel is capturing a fair share compared to the aggregated group of hotels. An index greater than 100 represents more than a fair share of the aggregated group's performance. Conversely, an index below 100 reflects less than a fair share of the aggregated group's performance.

Occupancy (OCC)

Percentage of available rooms sold during a specified time period. Occupancy is calculated by dividing the number of rooms sold by rooms available. $\text{Occupancy} = \text{Rooms Sold} / \text{Rooms Available}$

Revenue Per Available Room (RevPAR)

Total room revenue divided by the total number of available rooms. $\text{Room Revenue} / \text{Rooms Available} = \text{RevPAR}$

Total Revenue

Revenue from all hotel operations - including rooms, Food and Beverage, other revenue departments (i.e., spa, golf, parking) and miscellaneous revenue (i.e., rentals, leases, resort fees and cancellation fees).

Year to Date

Period starting at the beginning of the current year and ending on the current date.

Hotel Types - Hotel classifications are driven primarily by building structure and, secondarily, by service level. Hotel types include:

- All-Inclusive: Property with rooms sold only as a complete package, bundling overnight accommodations and value-added amenities and services (i.e., food, beverage, activities and gratuities, etc.)
- All-Suite: Property with guestroom inventory that exclusively consists of rooms offering more space and furniture than a typical hotel room, including a designated living area or multiple rooms.
- B&B/Inn: Independently owned and operated properties that typically include breakfast in the room rates, 20 rooms or fewer and a resident/owner innkeeper.
- Boutique: Hotel that appeals to guests because of its atypical amenity and room configurations. Boutiques are normally independent (with fewer than 200 rooms), have a high average rate and offer high levels of service. Boutique hotels often provide authentic cultural, historic experiences and interesting guest services.
- Condo: Individually and wholly-owned condominium units. Inventory is included in a rental pool operated and serviced by a management company.
- Conference Center: Lodging hotel with a major focus on conference facilities.
- Convention Center: Property with a minimum of 300 rooms and large meeting facilities (minimum of 20,000 square feet).
- Destination Resort: Property that appeals to leisure travelers, typically located in resort markets, and considered a destination in and of themselves with extensive amenity offerings. These properties are typically larger and full-service.

Hotel Types - Hotel classifications are driven primarily by building structure and, secondarily, by service level.
(Continued)

- Extended Stay: Properties typically focused on attracting guests for extended periods. These properties quote weekly rates. The typical length of stay average for guests is four to seven nights.
- Full Service Hotel: Typically Upscale, Upper Upscale and Luxury properties with a wide variety of onsite amenities, such as restaurants, meeting spaces, exercise rooms or spas.
- Gaming/Casino: Property with a major focus on casino operations.
- Golf: Property that includes a golf course amenity as part of its operations. A property does not qualify if it only has privileges on a nearby course.
- Hotel/Motel: Standard hotel or motel operation.
- Limited Service: Property that offers limited facilities and amenities, typically without a full-service restaurant. These hotels are often in the Economy, Midscale or Upper Midscale class.
- Lifestyle Brand: Group of hotels operating under the same brand that is adapted to reflect current trends.
- New Build: Property built from the ground up, not a conversion of a building that was not previously a hotel.
- Ski: Property with onsite access to ski slopes.
- Soft Brand: Collection of hotels that allows owners and operators to affiliate with a major chain while retaining their unique name, design and orientation.
- Spa: Property with an onsite spa facility and full-time staff offering spa treatments.
- Timeshare: Property that typically is a resort condominium unit, in which multiple parties hold property use rights, and each timeshare owner is allotted a period of time when the property may be used.
- Waterpark: An indoor or outdoor waterpark resort with a lodging establishment containing an aquatic facility.

LEADERSHIP

LISA PENNAU

Mrs. Pennau offers more than 25 years of hospitality industry experience. She began in the industry as a rental car agent at the airport in Oshkosh, Wisconsin where she worked while completing her degrees in both hospitality management and sales & marketing at the local college. Lisa moved on to work as a manager in training for Super 8 hotels in Wichita, Kansas and quickly was promoted to general manager of a Super 8 in Omaha, Nebraska. She was recruited by Baymont to become a traveling manager and served several distressed Midwest properties until moving on to work for Hilton as a General Manager at a Hampton Inn Minnetonka, MN. When that hotel sold, Lisa was promoted by the new owners to Regional Director of Operations for Pillar Hotels overseeing 25+ Midwest hotels, in both both rural and metropolitan markets, including Minnesota, Wisconsin, Illinois, Iowa, North Dakota, and South Dakota. During her 10 years as Regional Director of Operations, Lisa oversaw multiple brands such as: Choice, Hilton, Hyatt, IHG, and Marriott. In her final year with Pillar she received the highest honor of Regional Director of the Year for Highest Performing Hotels in all capacities including, revenue, operations, guest service score, turnover, etc.



JESSICA JUNKER

Miss Junker offers more than 18 years of hospitality industry experience. From her beginning in the industry as a banquet server at a full-service hotel in downtown Green Bay, Wisconsin, to overseeing that very property as the manager in only a couple of years. Jessica moved on to work as a Director of Sales at a Residence Inn by Marriott, Area Director of Sales with Interstate Hotels, and Regional Director of Sales and Marketing with Pillar Hotels working on Sales, Marketing, and Revenue Management of anywhere between 15 and 52 hotels with every major and not so major brand in the country. After learning everything she needed about running a hotel, she set her sights on what happens before a hotel is built. She worked in many separate executive roles within an up-and-coming hotel franchise. Miss Junker offers hands-on expert knowledge in hotel operations, sales, marketing, training, contracting, development, construction, really all things hotels. She gained this knowledge from industry leaders like Marriott, Hilton, InterContinental Hotels Group, Choice Hotels, TMI Hospitality, Interstate Hotels, Pillar Hotels & Resorts, Cobblestone Hotels, Wyndham Hotels & Resorts, and many more.



SCOPE OF WORK

Core Distinction Group takes immense pride in the work we do. Throughout each phase of our projects we communicate with our clients regularly. This ensures everyone involved in the project is up-to-date on the progress. We also keep a very tight timeline on our projects. Each phase is well thoughtout and followed consistently. The objective of our studies are to identify and determine the need for lodging in the community, the loss of lodging to the area due to lack of quality or amount of lodging, as well as determine if there is enough need to justify a new hotel. A new hotel that makes good business sense. Below you will find each part and its timing in the process:

RESEARCH & COMMUNITY OUTREACH

This phase involves speaking with community leaders to compile a list of potential demand generators in the local and regional community. Research and Community Outreach is conducted within the first one to two weeks following receipt of the retainer.

SITE VISIT & COMMUNITY INTERVIEWS

This phase involves an in-depth local tour given by community leaders to help Core Distinction understand said community and need for lodging. The tour also includes a detailed analysis of potential sites for the project.

COMMUNITY INTERVIEWS

This phase involves conducting online and phone interviews with potential demand generators gathered during the Research and Community Outreach of the study process. This phase will take place in the first two weeks of the study process.

DATA COMPILATION

This phase of the process involves compiling all the data gathered during our visit to gain the overall picture of what is needed for the community. This phase is conducted in the two weeks following our community visit completion.

*DATA RECEIVING & REPORTING

Once all the demand generator information is gathered, Core Distinction Group begins pulling industry data for target market as well as industry trends to help us gain a better understanding of the local and regional opportunity areas.

COST GATHERING

This involves all things cost. Core Distinction Group gathers actual cost for the development, construction, financing, taxes, and all other ongoing costs associated with the specific project.

PROJECT PRO FORMA

Immediately following Development and Operational Cost Gathering, Core Distinction Group will construct a project, brand, market, and scale specific Pro Forma that is bank, investor, brand and developer friendly.

DRAFT COMPLETION/SUBMITTAL

After Core Distinction has conducted all previous phases, we complete a draft of the study and financial pro forma and submit it for review by the contracted entity. Changes to the study may be made at this point but are limited to spelling and grammar updates.

FINAL

After all requested changes are made and final payment is received, Core Distinction Group will submit a final draft of the Hotel Market Feasibility Study and Brand Specific Pro Forma to the community for distribution.

*If at this point, Core Distinction Group does not feel there is enough need for lodging to merit the costs of a new build hotel, we will stop the process, communicate with the community and offer alternative options for accommodations. If this happens, the contracted entity is not responsible for the remaining study costs highlighted in (Cost) and will receive a report indicating the reasoning behind the decision.

DISCLAIMER

Thank you for the opportunity to complete this market and feasibility study for the proposed hotel project located in Bellingham, WA. We have studied the market area for additional demand for a lodging facility and the results of our fieldwork and analysis are presented in this report. We have also made recommendations for the scope of the proposed project, including general site location, size of hotel, and brand segment.

We hereby certify that we have no undisclosed interest in the property and our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

The conclusions presented in this report are based upon the information available and received at the time the report was filed. Core Distinction Group, LLC (CDG) has taken every possible precaution to evaluate this information for its complete accuracy and reliability. Parts of this report were prepared or arranged by third-party contributors, as indicated throughout the document. While third-party contributions have been reviewed by CDG for reasonableness and consistency to be included in this report, third-party information has not been fully audited or sought to be verified by CDG. CDG does not provide financial advice.

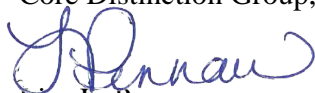
It should be understood that economic and marketplace conditions are in constant change. The results presented in this report are the professional opinion of CDG and are based on information available at the time of the report preparation. These opinions infer that market conditions do not change the information received upon which those opinions have been based. CDG assumes no responsibility for changes in the marketplace. CDG assumes no responsibility for information that becomes outdated once this report is written; nor are we responsible for keeping this information current after the date of the final document presentation.

CDG makes no express or implied representation or warranty that the contents of this report are verified, accurate, suitably qualified, reasonable or free from errors, omissions or other defects of any kind or nature. Those who rely on this report do so at their own risk and CDG disclaims all liability, damages or loss with respect to such reliance.

It is presumed that those reading this report understand the contents and recommendations. If this reader is unclear of understanding the contents, clarification can be received directly from a representative of CDG. While the terms of CDG's engagement do not require that revisions be made to this report to reflect events or conditions which occur subsequent to the date of completion of fieldwork, we are available to discuss the necessity for revisions in view of changes in the economic climate or market factors affecting the proposed hotel project.

Please do not hesitate to call should you have any comments or questions.

Sincerely,
Core Distinction Group, LLC



Lisa L. Pennau
Owner



Core DISTINCTION GROUP

HOTEL MARKET FEASIBILITY STUDY PROFORMA

PREPARED FOR

BELLINGHAM, WASHINGTON

PREPARED BY

Core Distinction Group, LLC
Lisa Pennau - Founding Partner
l.pennau@coredistinctiongroup.com

Jessica Junker - Managing Partner
j.junker@coredistinctiongroup.com

Offices in Wisconsin

INCLUDES

Projected Land Costs
Projected Building Costs
Projected Fixture, Furnishings and Equipment Costs
Projected Soft Costs
Projected Investment
Projected Revenue
Projected Expenses
Projected Return on Investment

TAKING THE FIRST STEP TO DEVELOP A NEW HOTEL

Cobblestone Hotel & Suites
Bellingham, WA
Number of Units: 77

Total Project Costs: **\$17,325,000**

per room

\$225,000

Requested Loan Amount: \$12,125,000 70.0%

Expected Cash Injection: \$5,200,000 30.0%

Sources of Funding

Bank Loan 12,125,000

Expected Cash Injection 5,200,000

Total: \$17,325,000

Debt Interest: 4.50%

Debt Terms: 25

Debt Service: \$808,736

** Pricing noted above valid for 90 days from document date shown*

RAMP UP YEAR:													Rooms: 77
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Lodging Rooms Available	2,387	2,156	2,387	2,310	2,387	2,310	2,387	2,387	2,310	2,387	2,310	2,387	28,105
Lodging Occupancy %	45.2%	53.0%	59.2%	66.1%	65.6%	70.1%	73.1%	76.9%	70.2%	62.9%	53.9%	48.6%	62.1%
Total Occ. Rooms	1,080	1,143	1,414	1,527	1,567	1,619	1,746	1,837	1,621	1,502	1,244	1,159	17,459
Average Daily Rate	\$130.46	\$132.63	\$138.10	\$144.18	\$151.21	\$163.85	\$179.40	\$181.07	\$160.04	\$144.02	\$134.36	\$133.42	\$151.99
Revenue Per Available Room (REVPAR)	\$59.02	\$70.33	\$81.80	\$95.30	\$99.24	\$114.83	\$131.21	\$139.32	\$112.31	\$90.65	\$72.37	\$64.81	\$94.41
Revenue:													
Guest Room Revenue	140,875	151,625	195,267	220,136	236,892	265,258	313,207	332,552	259,433	216,377	167,165	154,698	2,653,484
F&B Revenue	43,193	45,728	56,558	61,072	62,665	64,755	69,834	73,463	64,841	60,098	49,765	46,379	698,352
Meeting Room Revenue	540	572	707	763	783	809	873	918	811	751	622	580	8,729
Vending Revenue	2,700	2,858	3,535	3,817	3,917	4,047	4,365	4,591	4,053	3,756	3,110	2,899	43,647
TOTAL HOTEL REVENUE	187,308	200,783	256,067	285,788	304,257	334,870	388,279	411,525	329,137	280,982	220,663	204,555	3,404,213
Hotel Payroll Expenses:													
Hotel Manager	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000
AGM/Sales	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Housekeeping	8,099	8,574	10,605	11,451	11,750	12,142	13,094	13,774	12,158	11,268	9,331	8,696	130,941
F&B Payroll	15,118	16,005	19,795	21,375	21,933	22,664	24,442	25,712	22,694	21,034	17,418	16,233	244,423
Front Desk	6,339	6,823	8,787	9,906	10,660	11,937	14,094	14,965	11,675	9,737	7,522	6,961	119,407
Workers Comp Insurance	1,051	1,098	1,292	1,381	1,421	1,481	1,603	1,674	1,476	1,363	1,169	1,110	16,119
Payroll Tax	5,257	5,488	6,461	6,904	7,105	7,405	8,016	8,369	7,378	6,817	5,846	5,549	80,596
TOTAL HOTEL PAYROLL	48,364	50,487	59,440	63,517	65,369	68,129	73,750	76,994	67,880	62,721	53,787	51,049	741,487
Hotel Operating Expenses:													
Cleaning Supplies	594	629	778	840	862	890	960	1,010	892	826	684	638	9,602
Laundry Supplies	540	572	707	763	783	809	873	918	811	751	622	580	8,729
Linens	1,080	1,143	1,414	1,527	1,567	1,619	1,746	1,837	1,621	1,502	1,244	1,159	17,459
Guest Supplies	1,620	1,715	2,121	2,290	2,350	2,428	2,619	2,755	2,432	2,254	1,866	1,739	26,188
Operating Supplies	918	972	1,202	1,298	1,332	1,376	1,484	1,561	1,378	1,277	1,058	986	14,840
Uniforms Expense	108	114	141	153	157	162	175	184	162	150	124	116	1,746
Repairs & Maintenance	704	758	976	1,101	1,184	1,326	1,566	1,663	1,297	1,082	836	773	13,267
Swimming Pool	833	833	833	833	833	833	833	833	833	833	833	833	10,000
Grounds/Landscaping	750	750	750	500	250	250	250	250	250	250	500	750	5,500
Franchise Fees	7,758	7,007	7,758	7,508	7,758	7,508	7,758	7,508	7,758	7,508	7,508	7,758	91,341
Training Expense	417	417	417	417	417	417	417	417	417	417	417	417	5,000
Complimentary Breakfast	5,399	5,716	7,070	7,634	7,833	8,094	8,729	9,183	8,105	7,512	6,221	5,797	87,294
Travel Agent Fees	7,044	7,581	9,763	11,007	11,845	13,263	15,660	16,628	12,972	10,819	8,358	7,735	132,674
F&B Expenses	17,277	18,291	22,623	24,429	25,066	25,902	27,934	29,385	25,936	24,039	19,906	18,552	279,341
Vending Expense	1,350	1,429	1,767	1,908	1,958	2,024	2,182	2,296	2,026	1,878	1,555	1,449	21,824
Marketing / Advertising	2,818	3,033	3,905	4,403	4,738	5,305	6,264	6,651	5,189	4,328	3,343	3,094	53,070
Utilities	5,619	6,023	7,682	8,574	9,128	10,046	11,648	12,346	9,874	8,429	6,620	6,137	102,126
Cable/Internet/Phone	2,387	2,156	2,387	2,310	2,387	2,310	2,387	2,387	2,310	2,387	2,310	2,387	28,105
Credit Card Expense	4,214	4,518	5,761	6,430	6,846	7,535	8,736	9,259	7,406	6,322	4,965	4,602	76,595
Management Fee	11,238	12,047	15,364	17,147	18,255	20,092	23,297	24,691	19,748	16,859	13,240	12,273	204,253
TOTAL OPERATING EXPENSES	72,668	75,704	93,420	101,071	105,548	112,190	125,518	132,011	111,165	99,674	82,210	77,776	1,188,954
Income Before Fixed Expenses	66,276	74,592	103,206	121,200	133,340	154,551	189,011	202,519	150,092	118,587	84,666	75,731	1,473,771
Gross Operating Profit (GOP)	35.38%	37.15%	40.30%	42.41%	43.82%	46.15%	48.68%	49.21%	45.60%	42.20%	38.37%	37.02%	43.29%
Reserves & Fixed Expenses:													
Debt Service	67,395	67,395	67,395	67,395	67,395	67,395	67,395	67,395	67,395	67,395	67,395	67,395	808,736
Real Estate Taxes (Estimates)	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	150,000
Insurance	2,810	3,012	3,841	4,287	4,564	5,023	5,824	6,173	4,937	4,215	3,310	3,068	51,063
Reserves For Replacement	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RESERVES & FIXED	82,704	82,906	83,736	84,182	84,459	84,918	85,719	86,068	84,832	84,109	83,205	82,963	1,009,799
NET OPERATING INCOME (NOI)	50,966	59,080	86,865	104,414	116,276	137,028	170,686	183,847	132,655	101,873	68,856	60,163	1,272,708
NET CASH FLOW	(16,428)	(8,315)	19,471	37,019	48,882	69,633	103,292	116,452	65,260	34,478	1,461	(7,232)	463,972

NOTE: The above information is a forwards looking projection of anticipated expenses and profits with regard to this project based on the professional experience of Core Distinction Group LLC (CDG) participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by Smith Travel Research (STR) in the market's proximity along with to date range shopping of local and surrounding hotels. This projection could change due to changes and in the economy, both locally and overall, the acceptance of the project by the local community and patrons and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward projections are not warranted by CDG and are subject to change and fluctuation.

Numbers projected and compared to similar markets for a hotel with the following rooms:													Rooms: 77
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Lodging Rooms Available	2,387	2,156	2,387	2,310	2,387	2,310	2,387	2,387	2,310	2,387	2,310	2,387	28,105
Lodging Occupancy %	50.3%	58.9%	65.8%	73.4%	72.9%	77.9%	81.3%	85.5%	78.0%	69.9%	59.8%	54.0%	69.0%
Total Occ. Rooms	1,200	1,270	1,571	1,696	1,741	1,799	1,940	2,041	1,801	1,669	1,382	1,288	19,399
Average Daily Rate	\$137.33	\$139.61	\$145.37	\$151.77	\$159.17	\$172.48	\$188.84	\$190.60	\$168.47	\$151.60	\$141.43	\$140.44	\$159.98
Revenue Per Available Room (REVPAR)	\$69.03	\$82.25	\$95.68	\$111.46	\$116.07	\$134.30	\$153.47	\$162.94	\$131.36	\$106.02	\$84.64	\$75.80	\$110.42
Revenue:													
Guest Room Revenue	164,766	177,339	228,382	257,469	277,067	310,243	366,324	388,949	303,431	253,072	195,515	180,933	3,103,490
F&B Revenue	47,992	50,809	62,842	67,858	69,628	71,950	77,594	81,626	72,045	66,776	55,295	51,532	775,947
Meeting Room Revenue	600	635	786	848	870	899	970	1,020	901	835	691	644	9,699
Vending Revenue	3,000	3,176	3,928	4,241	4,352	4,497	4,850	5,102	4,503	4,173	3,456	3,221	48,497
TOTAL HOTEL REVENUE	216,358	231,959	295,937	330,416	351,916	387,589	449,737	476,697	380,880	324,856	254,957	236,330	3,937,633
Hotel Payroll Expenses:													
Hotel Manager	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	85,000
AGM/Sales	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Maintenance	3,245	3,479	4,439	4,956	5,279	5,814	6,746	7,150	5,713	4,873	3,824	3,545	59,064
F&B Payroll	16,797	17,783	21,995	23,750	24,370	25,183	27,158	28,569	25,216	23,372	19,353	18,036	271,581
Housekeeping	8,999	9,527	11,783	12,723	13,055	13,491	14,549	15,305	13,508	12,520	10,368	9,662	145,490
Front Desk	6,591	7,094	9,135	10,299	11,083	12,410	14,653	15,558	12,137	10,123	7,821	7,237	124,140
Workers Comp Insurance	1,193	1,249	1,486	1,595	1,647	1,725	1,880	1,967	1,716	1,574	1,336	1,264	18,632
Payroll Tax	6,113	6,402	7,615	8,176	8,440	8,838	9,634	10,079	8,797	8,068	6,848	6,479	95,488
TOTAL HOTEL PAYROLL	55,021	57,617	68,536	73,583	75,956	79,543	86,702	90,711	79,171	72,614	61,634	58,307	859,396
Hotel Operating Expenses:													
Cleaning Supplies	660	699	864	933	957	989	1,067	1,122	991	918	760	709	10,669
Laundry Supplies	600	635	786	848	870	899	970	1,020	901	835	691	644	9,699
Linens	1,200	1,270	1,571	1,696	1,741	1,799	1,940	2,041	1,801	1,669	1,382	1,288	19,399
Guest Supplies	1,800	1,905	2,357	2,545	2,611	2,698	2,910	3,061	2,702	2,504	2,074	1,932	29,098
Operating Supplies	1,020	1,080	1,335	1,442	1,480	1,529	1,649	1,735	1,531	1,419	1,175	1,095	16,489
Repairs & Maintenance	824	887	1,142	1,287	1,385	1,551	1,832	1,945	1,517	1,265	978	905	15,517
Swimming Pool	833	833	833	833	833	833	833	833	833	833	833	833	10,000
Grounds/Landscaping	1,000	1,000	1,000	750	500	500	500	500	500	500	750	1,000	8,500
Franchise Fees	7,758	7,007	7,758	7,508	7,758	7,508	7,758	7,758	7,508	7,758	7,508	7,758	91,341
Complimentary Breakfast	4,799	5,081	6,284	6,786	6,963	7,195	7,759	8,163	7,205	6,678	5,529	5,153	77,595
Travel Agent Fees	8,238	8,867	11,419	12,873	13,853	15,512	18,316	19,447	15,172	12,654	9,776	9,047	155,175
F&B Expenses	19,197	20,324	25,137	27,143	27,851	28,780	31,037	32,650	28,818	26,710	22,118	20,613	301,379
Vending Expense	1,500	1,588	1,964	2,121	2,176	2,248	2,425	2,551	2,251	2,087	1,728	1,610	24,248
Marketing / Advertising	3,295	3,547	4,568	5,149	5,541	6,205	7,326	7,779	6,069	5,061	3,910	3,619	62,070
Utilities	6,491	6,959	8,878	9,912	10,557	11,628	13,492	14,301	11,426	9,746	7,649	7,090	118,129
Cable/Internet/Phone	2,387	2,156	2,387	2,310	2,387	2,310	2,387	2,387	2,310	2,387	2,310	2,387	28,105
Credit Card Expense	4,868	5,219	6,659	7,434	7,918	8,721	10,119	10,726	8,570	7,309	5,737	5,317	88,597
Management Fee	12,981	13,918	17,756	19,825	21,115	23,255	26,984	28,602	22,853	19,491	15,297	14,180	236,258
TOTAL OPERATING EXPENSES	79,451	82,974	102,697	111,396	116,498	124,161	139,305	146,620	122,956	109,825	90,205	85,180	1,311,268
Income Before Fixed Expenses	81,886	91,368	124,704	145,436	159,463	183,886	223,730	239,365	178,752	142,418	103,118	92,843	1,766,970
Gross Operating Profit (GOP)	37.85%	39.39%	42.14%	44.02%	45.31%	47.44%	49.75%	50.21%	46.93%	43.84%	40.45%	39.29%	44.87%
Reserves & Fixed Expenses:													
Debt Service	67,395	67,395	67,395	67,395	67,395	67,395	67,395	67,395	67,395	67,395	67,395	67,395	808,736
Real Estate Taxes (Estimates)	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	150,000
Insurance	3,245	3,479	4,439	4,956	5,279	5,814	6,746	7,150	5,713	4,873	3,824	3,545	59,064
Reserves For Replacement	4,327	4,639	5,919	6,608	7,038	7,752	8,995	9,534	7,618	6,497	5,099	4,727	78,753
TOTAL RESERVES & FIXED	87,467	88,013	90,253	91,459	92,212	93,460	95,635	96,579	93,225	91,265	88,818	88,166	1,096,553
NET OPERATING INCOME (NOI)	61,813	70,750	101,846	121,372	134,646	157,820	195,489	210,181	152,921	118,548	81,695	72,071	1,479,152
NET CASH FLOW	(5,582)	3,355	34,451	53,977	67,251	90,426	128,095	142,786	85,527	51,153	14,300	4,677	670,416

Five Year Numbers Projected Summary										
	YEAR 1 AMOUNT		YEAR 2 AMOUNT		YEAR 3 AMOUNT		YEAR 4 AMOUNT		YEAR 5 AMOUNT	
Lodging Rooms Available	28,105		28,105		28,105		28,105		28,105	
Lodging Occupancy %	69.0%		71.1%		73.2%		75.0%		75.0%	
Total Occ. Rooms	19,399		19,981		20,580		21,079		21,079	
Average Daily Rate	\$159.98		\$164.78		\$169.73		\$171.43		\$173.14	
REVENUE:										
Guest Room Revenue	3,103,490	98.2%	3,292,493	98.2%	3,493,006	98.3%	3,613,425	98.3%	3,649,560	98.3%
Meeting Room Revenue	9,699	0.3%	9,990	0.3%	10,290	0.3%	10,539	0.3%	10,539	0.3%
Vending / Bar Revenue	48,497	1.5%	49,952	1.5%	51,450	1.4%	52,697	1.4%	52,697	1.4%
=====			=====		=====		=====		=====	
TOTAL HOTEL REVENUE	3,161,686	100.0	3,352,435	100.0	3,554,746	100.0	3,676,662	100.0	3,712,796	100.0

NOTE: The above information is a forward looking projection of anticipated expenses and profits with regard to this project based on the professional experience of Core Distinction Group LLC (CDG) participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by Smith Travel Research (STR) in the market's proximity along with to date range shopping of local and surrounding hotels. This projection could change due to changes and in the economy, both locally and overall, the acceptance of the project by the local community and patrons and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward projections are not warranted by CDG and are subject to change and fluctuation.

5 Year Projection										Rooms:	
The following statistics are preliminary projections based on assumed costs of a prototypical hotel.											
	Year 1	%	Year 2	%	Year 3	%	Year 4	%	Year 5	%	
Lodging Rooms Available	28,105		28,105		28,105		28,105		28,105		
Lodging Occupancy %	69.0%	69.0%	71.1%	71.1%	73.2%	73.2%	75.0%	75.0%	75.0%	75.0%	
Total Occ. Rooms	19,399		19,981		20,580		21,079		21,079		
Average Daily Rate	\$159.98		\$164.78		\$169.73		\$171.43		\$173.14		
Revenue Per Available Room (REVPAR)	\$110.42		\$117.15		\$124.28		\$128.57		\$129.85		
Revenue:											
Guest Room Revenue	3,103,490	78.82%	3,292,493	79.31%	3,493,006	79.79%	3,613,425	79.95%	3,649,560	80.11%	
F&B Revenue	775,947	19.71%	799,225	19.25%	823,202	18.80%	843,150	18.65%	843,150	18.51%	
Meeting Room Revenue	9,699	0.25%	9,990	0.24%	10,290	0.24%	10,539	0.23%	10,539	0.23%	
Vending Revenue	48,497	1.23%	49,952	1.20%	51,450	1.18%	52,697	1.17%	52,697	1.16%	
TOTAL HOTEL REVENUE	3,937,633	100%	4,151,660	100%	4,377,948	100%	4,519,812	100%	4,555,946	100%	
Hotel Payroll Expenses:											
Hotel Manager	85,000	2.16%	86,275	2.08%	87,569	2.00%	88,883	1.97%	90,216	1.98%	
AGM/Sales	60,000	1.52%	60,900	1.47%	61,814	1.41%	62,741	1.39%	63,682	1.40%	
Maintenance	59,064	1.50%	49,387	1.19%	69,860	1.60%	72,269	1.60%	72,991	1.60%	
Housekeeping	145,490	3.69%	149,855	3.61%	154,350	3.53%	158,091	3.50%	158,091	3.47%	
F&B Payroll	271,581	6.90%	279,729	6.74%	288,121	6.58%	295,103	6.53%	295,103	6.48%	
Front Desk	124,140	3.15%	127,864	3.08%	131,700	3.01%	135,651	3.00%	139,720	3.07%	
Workers Comp Insurance	18,632	0.47%	18,850	0.45%	19,835	0.45%	20,318	0.45%	20,495	0.45%	
Payroll Tax	95,488	2.43%	96,607	2.33%	101,656	2.32%	104,132	2.30%	105,037	2.31%	
TOTAL HOTEL PAYROLL	859,396	21.83%	869,467	20.94%	914,905	20.90%	937,186	20.74%	945,334	20.75%	
Hotel Operating Expenses:											
Cleaning Supplies	10,669	0.27%	10,989	0.26%	11,319	0.26%	11,593	0.26%	11,593	0.25%	
Laundry Supplies	9,699	0.25%	9,990	0.24%	10,290	0.24%	10,539	0.23%	10,539	0.23%	
Linens	19,399	0.49%	19,981	0.48%	20,580	0.47%	21,079	0.47%	21,079	0.46%	
Guest Supplies	29,098	0.74%	29,971	0.72%	30,870	0.71%	31,618	0.70%	31,618	0.69%	
Operating Supplies	16,489	0.42%	16,984	0.41%	17,493	0.40%	17,917	0.40%	17,917	0.39%	
Repairs & Maintenance	15,517	0.39%	21,401	0.52%	26,198	0.60%	30,714	0.68%	34,671	0.76%	
Swimming Pool	10,000	0.25%	11,500	0.28%	13,225	0.30%	15,209	0.34%	17,490	0.38%	
Grounds/Landscape	8,500	0.22%	8,755	0.21%	9,018	0.21%	9,288	0.21%	9,567	0.21%	
Franchise Fees	91,341	2.32%	91,341	2.20%	91,341	2.09%	91,341	2.02%	91,341	2.00%	
Complimentary Breakfast	77,595	1.97%	79,923	1.93%	82,320	1.88%	84,315	1.87%	84,315	1.85%	
Travel Agent Fees	155,175	3.94%	164,625	3.97%	174,650	3.99%	180,671	4.00%	182,478	4.01%	
F&B Expenses	310,379	7.88%	319,690	7.70%	329,281	7.52%	337,260	7.46%	337,260	7.40%	
Vending Expense	24,248	0.62%	24,976	0.60%	25,725	0.59%	26,348	0.58%	26,348	0.58%	
Marketing / Advertising	62,070	1.58%	65,850	1.59%	69,860	1.60%	72,269	1.60%	72,991	1.60%	
Utilities	118,129	3.00%	124,550	3.00%	131,338	3.00%	135,594	3.00%	136,678	3.00%	
Cable/Internet/Phone	28,105	0.71%	28,948	0.70%	29,817	0.68%	30,711	0.68%	31,632	0.69%	
Credit Card Expense	88,597	2.25%	93,412	2.25%	98,504	2.25%	101,696	2.25%	102,509	2.25%	
Management Fee	236,258	6.00%	249,100	6.00%	262,677	6.00%	271,189	6.00%	273,357	6.00%	
TOTAL OPERATING EXPENSES	1,311,268	33.30%	1,371,985	33.05%	1,434,506	32.77%	1,479,352	32.73%	1,493,384	32.78%	
Income Before Fixed Expenses	1,766,970	44.87%	1,910,207	46.01%	2,028,537	46.34%	2,103,274	46.53%	2,117,227	46.47%	
Gross Operating Profit (GOP)											
Reserves & Fixed Expenses:											
Real Estate Taxes (Estimates)	150,000	3.81%	150,000	3.61%	150,000	3.43%	150,000	3.32%	150,000	3.29%	
Insurance	59,064	1.50%	62,275	1.50%	65,669	1.50%	67,797	1.50%	68,339	1.50%	
Reserves For Replacement	78,753	2.00%	124,550	3.00%	131,338	3.00%	180,792	4.00%	182,238	4.00%	
NET OPERATING INCOME (NOI)	1,479,152	37.56%	1,573,383	37.90%	1,681,529	38.41%	1,704,684	37.72%	1,716,650	37.68%	
Loan (Interest Payment)	600,268	15.24%	405,071	9.76%	395,165	9.03%	384,804	8.51%	373,968	8.21%	
Loan (Principal Reduction)	208,468	5.29%	403,665	9.72%	413,571	9.45%	423,932	9.38%	434,768	9.54%	
NET CASH FLOW	\$670,416	17.03%	\$764,646	18.42%	\$872,793	19.94%	\$895,948	19.82%	\$907,914	19.93%	
RETURN ON INVESTMENT (ROI) %	12.89%		14.70%		16.78%		17.23%		17.46%		
ROI % (Including Principal Reduction)	16.90%		22.47%		24.74%		25.38%		25.82%		

NOTE: The above information is a forwards looking projection of anticipated expenses and profits with regard to this project based on the professional experience of Core Distinction Group LLC (CDG) participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by Smith Travel Research (STR) in the market's proximity along with to date range shopping of local and surrounding hotels. This projection could change due to changes and in the economy, both locally and overall, the acceptance of the project by the local community and patrons and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward projections are not warranted by CDG and are subject to change and fluctuation.

5 Year Break Even										Rooms:	
The following statistics are preliminary projections based on assumed costs of a prototypical hotel.											
77											
	Year 1	%	Year 2	%	Year 3	%	Year 4	%	Year 5	%	
Lodging Rooms Available	28,105		28,105		28,105		28,105		28,105		
Lodging Occupancy %	43.8%	43.8%	43.2%	43.2%	42.5%	42.5%	43.6%	43.6%	43.5%	43.5%	
Total Occ. Rooms	12,296		12,143		11,948		12,251		12,228		
Average Daily Rate	\$159.98		\$164.78		\$169.73		\$171.43		\$173.14		
Revenue Per Available Room (REVPAR)	\$69.99		\$71.20		\$72.15		\$74.72		\$75.33		
Revenue:											
Guest Room Revenue	1,967,172	78.82%	2,000,975	79.31%	2,027,907	79.79%	2,100,128	79.95%	2,117,147	80.11%	
F&B Revenue	491,840	19.71%	485,720	19.25%	477,920	18.80%	490,040	18.65%	489,120	18.51%	
Meeting Room Revenue	6,148	0.25%	6,072	0.24%	5,974	0.24%	6,126	0.23%	6,114	0.23%	
Vending Revenue	30,740	1.23%	30,358	1.20%	29,870	1.18%	30,628	1.17%	30,570	1.16%	
TOTAL HOTEL REVENUE	2,495,900	100%	2,523,124	100%	2,541,671	100%	2,626,921	100%	2,642,951	100%	
Hotel Payroll Expenses:											
Hotel Manager	85,000	3.41%	87,550	3.47%	90,177	3.55%	92,882	3.54%	95,668	3.62%	
AGM/Sales	60,000	2.40%	60,900	2.41%	61,814	2.43%	62,741	2.39%	63,682	2.41%	
Maintenance	37,438	1.50%	30,015	1.19%	40,558	1.60%	52,503	2.00%	52,929	2.00%	
Housekeeping	92,220	3.69%	91,073	3.61%	89,610	3.53%	91,883	3.50%	91,710	3.47%	
F&B Payroll	172,144	6.90%	170,002	6.74%	167,272	6.58%	171,514	6.53%	171,192	6.48%	
Front Desk	80,000	3.21%	82,400	3.27%	84,872	3.34%	87,418	3.33%	90,041	3.41%	
Workers Comp Insurance	13,170	0.53%	13,048	0.52%	13,358	0.53%	13,974	0.53%	14,131	0.53%	
Payroll Tax	67,497	2.70%	66,873	2.65%	68,457	2.69%	71,614	2.73%	72,419	2.74%	
TOTAL HOTEL PAYROLL	607,469	24.34%	601,861	23.85%	616,117	24.24%	644,528	24.54%	651,771	24.66%	
Hotel Operating Expenses:											
Cleaning Supplies	6,763	0.27%	6,679	0.26%	6,571	0.26%	6,738	0.26%	6,725	0.25%	
Laundry Supplies	6,148	0.25%	6,072	0.24%	5,974	0.24%	6,126	0.23%	6,114	0.23%	
Linens	12,296	0.49%	12,143	0.48%	11,948	0.47%	12,251	0.47%	12,228	0.46%	
Guest Supplies	18,444	0.74%	18,215	0.72%	17,922	0.71%	18,377	0.70%	18,342	0.69%	
Operating Supplies	10,452	0.42%	10,322	0.41%	10,156	0.40%	10,413	0.40%	10,394	0.39%	
Repairs & Maintenance	9,836	0.39%	13,006	0.52%	15,209	0.60%	17,851	0.68%	20,113	0.76%	
Swimming Pool	10,000	0.40%	11,500	0.46%	13,225	0.52%	15,209	0.58%	17,490	0.66%	
Grounds/Landscape	8,500	0.34%	8,755	0.35%	9,018	0.35%	9,288	0.35%	9,567	0.36%	
Franchise Fees	91,341	3.66%	91,341	3.62%	91,341	3.59%	91,341	3.48%	91,341	3.46%	
Complimentary Breakfast	49,184	1.97%	48,572	1.93%	47,792	1.88%	49,004	1.87%	48,912	1.85%	
Travel Agent Fees	59,015	2.36%	60,029	2.38%	60,837	2.39%	63,004	2.40%	63,514	2.40%	
F&B Expenses	196,736	7.88%	194,288	7.70%	191,168	7.52%	196,016	7.46%	195,648	7.40%	
Vending Expense	15,370	0.62%	15,179	0.60%	14,935	0.59%	15,314	0.58%	15,285	0.58%	
Marketing / Advertising	39,343	1.58%	40,019	1.59%	40,558	1.60%	42,003	1.60%	42,343	1.60%	
Utilities	74,877	3.00%	75,694	3.00%	76,250	3.00%	78,808	3.00%	79,289	3.00%	
Cable/Internet/Phone	28,105	1.13%	28,948	1.15%	29,817	1.17%	30,711	1.17%	31,632	1.20%	
Credit Card Expense	56,158	2.25%	56,770	2.25%	57,188	2.25%	59,106	2.25%	59,466	2.25%	
Management Fee	149,754	6.00%	151,387	6.00%	152,500	6.00%	157,615	6.00%	158,577	6.00%	
TOTAL OPERATING EXPENSES	842,322	33.75%	848,919	33.65%	852,409	33.54%	879,174	33.47%	886,981	33.56%	
Income Before Fixed Expenses	1,046,109		1,072,344		1,073,145		1,103,219		1,104,199		
Gross Operating Profit (GOP)											
Reserves & Fixed Expenses:											
Real Estate Taxes (Estimates)	150,000	6.01%	150,000	5.95%	150,000	5.90%	150,000	5.71%	150,000	5.68%	
Insurance	37,438	1.50%	37,847	1.50%	38,125	1.50%	39,404	1.50%	39,644	1.50%	
Reserves For Replacement	49,918	2.00%	75,694	3.00%	76,250	3.00%	105,077	4.00%	105,718	4.00%	
NET OPERATING INCOME (NOI)	808,752	32.40%	808,803	32.06%	808,769	31.82%	808,739	30.79%	808,837	30.60%	
Loan (Interest Payment)	600,268	24.05%	405,071	16.05%	395,165	15.55%	384,804	14.65%	373,968	14.15%	
Loan (Principal Reduction)	208,468	8.35%	403,665	16.00%	413,571	16.27%	423,932	16.14%	434,768	16.45%	
NET CASH FLOW	\$16	0.00%	\$67	0.00%	\$33	0.00%	\$2	0.00%	\$101	0.00%	

NOTE: The above information is a forwards looking projection of anticipated expenses and profits with regard to this project based on the professional experience of Core Distinction Group LLC (CDG) participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by Smith Travel Research (STR) in the market's proximity along with to date range shopping of local and surrounding hotels. This projection could change due to changes and in the economy, both locally and overall, the acceptance of the project by the local community and patrons and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward projections are not warranted by CDG and are subject to change and fluctuation.

This lodging demand analysis is based on general observations of the surrounding market area and the overall Bellingham, WA market area.

1st Quarter (Jan-Mar)	January	February	March	
Lodging Rooms Available	2,387	2,156	2,387	
Lodging Occupancy %	50.3%	58.9%	65.8%	
Total Occ. Rooms	1,200	1,270	1,571	
Average Daily Rate	137.33	139.61	145.37	
Total Revenue	\$164,766	\$177,339	\$228,382	
2nd Quarter (Apr-June)	April	May	June	
Lodging Rooms Available	2,310	2,387	2,310	
Lodging Occupancy %	73.4%	72.9%	77.9%	
Total Occ. Rooms	1,696	1,741	1,799	
Average Daily Rate	151.77	159.17	172.48	
Total Revenue	\$257,469	\$277,067	\$310,243	
3rd Quarter (July-Sept)	July	August	September	
Lodging Rooms Available	2,387	2,387	2,310	
Lodging Occupancy %	81.3%	85.5%	78.0%	
Total Occ. Rooms	1,940	2,041	1,801	
Average Daily Rate	188.84	190.60	168.47	
Total Revenue	\$366,324	\$388,949	\$303,431	
4th Quarter (Oct-Dec)	October	November	December	TOTAL
Lodging Rooms Available	2,387	2,310	2,387	28,105
Lodging Occupancy %	69.9%	59.8%	54.0%	69.0%
Total Occ. Rooms	1,669	1,382	1,288	19,399
Average Daily Rate	151.60	141.43	140.44	\$159.98
Total Revenue	\$253,072	\$195,515	\$180,933	3,103,490

** The above forecasts represent projections for occupancy, ADR, and revenue of a developed 77 unit lodging option. Financial Returns projected based on specific brand chosen for development. Development costs and FDD required by each brand for financial projection estimates.*

NOTE: The above information is a forward looking projection of anticipated occupancies, average daily rate and revenue based on the professional experience of Core Distinction Group LLC's participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by CoStar/Smith Travel Research (STR) in the market's proximity along with to date rate shopping of local and surrounding hotels, and community feedback. This projection could change due to changes in the economy (both locally and overall), the acceptance of the project by the local community and patrons, and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward looking projections are not warranted by CDG and are subject to change and fluctuation.

Source: Core Distinction Group LLC

First Year Ramp Up Projections of 77 Guestroom Lodging Options:

OCC%	ADR:	REVPAR	Room Revenue:
62.1%	\$151.99	\$94.41	\$2,653,484

1-5 Year Projections:

OCC%	ADR:	REVPAR	Room Revenue:	YEAR 1
69.0%	\$159.98	\$110.42	\$3,103,490	
OCC%	ADR:	REVPAR	Room Revenue:	YEAR 2
71.1%	\$164.78	\$117.15	\$3,292,493	
OCC%	ADR:	REVPAR	Room Revenue:	YEAR 3
73.2%	\$169.73	\$124.28	\$3,493,006	
OCC%	ADR:	REVPAR	Room Revenue:	YEAR 4
75.0%	\$171.43	\$128.57	\$3,613,425	
OCC%	ADR:	REVPAR	Room Revenue:	YEAR 5
75.0%	\$173.14	\$129.85	\$3,649,560	

It should be noted that the above projections are considered to be forecasted for the first full year open. Consideration for a ramp up period at a minimum of 90 to 180 days is typical for new hotel development. It should be noted that projections shown in any forward reaching Pro Forma will indicate a first partial year ramp up period for comparison and budget planning. The opening of this potential hotel development should be in timing up to 90 days prior to peak season to ensure highest potential profitability in year 1. A minimum of \$250k should be factored into the total project cost under working capital to offset this first year ramp up period loss potential. Hotels used in this seasonality analysis are from the market of Bellingham, WA. The market's demand patterns appear average (pre-Covid) with a strong 2021 recovery at the time of this report.

Source: Core Distinction Group LLC

Proposed Property

In this section of the report, Core Distinction Group has compiled a projection of income and expense for the proposed hotel development. This projection is based on the hotel's recommendations stated throughout this report, as well as the occupancy and average rate projected throughout this report. This section of the report also details construction/development costs gathered by Core Distinction Group.

Proposed Property Description

The quality of a lodging facility's physical improvements has a direct influence on marketability, attainable occupancy, and average room rate. The design and functionality of the structure can also affect operating efficiency and overall profitability. This section investigates the subject property's proposed physical improvements and personal property in an effort to determine how they are expected to contribute to attainable cash flows.

Projected Construction/Development Costs

Gathering the most accurate costs available may help ensure the hotel project projection estimates set in this report be as accurate as possible. Core Distinction Group requested construction/development costs directly from a reputable hotel construction company and/or the brand selected by the client. Core Distinction Group is not responsible for any discrepancies in costs in the future. The total estimated costs for this proposed hotel development project are listed in table below:

Hotel Construction/Development Costs in Bellingham, WA	
Total Estimated Costs	\$17,325,000

Hotel Construction/Development Costs in Bellingham, WA		
Total Estimated Costs	\$225,000	per room/key

Projected Hotel Development Revenue

In this section of this report, Core Distinction Group has compiled projections of revenue for the proposed hotel. This projection is based on the hotel's recommendations stated throughout this report, as well as the occupancy and average rate projected throughout this report. Room revenue is determined by two variables: occupancy and average rate. We projected occupancy and average rate in a previous section of this report. The proposed subject hotel is expected to stabilize by year three. Following the stabilized year, the proposed subject hotel's average rate is projected to increase along with the underlying rate of inflation. Due to the scale of the proposed hotel development, the revenue will also contain a small amount of food and beverage revenue, telephone revenue, meeting space revenue and miscellaneous revenue. Below you will find a five year projection of total revenue for the proposed hotel development:

Five Year Projected Hotel Development Revenue	
Year 1	
	\$3,937,633.05
Year 2	
	\$4,151,659.88
Year 3	
	\$4,377,947.71
Year 4	
	\$4,519,811.55
Year 5	
	\$4,555,945.80

Projected Hotel Development Payroll

The projected hotel development payroll expenses consist of all payroll associated with the revenue obtained by the proposed property. Core Distinction Group includes; the General Manager salary, all maintenance payroll, all housekeeping payroll, all front desk payroll, as well as workers compensation insurance and any payroll taxes in its evaluation. Below you will find the forecasted five year proposed property's total payroll:

Five Year Projected Hotel Development Total Payroll	
Year 1	
	\$859,395.84
Year 2	
	\$869,467.50
Year 3	
	\$914,904.96
Year 4	
	\$937,185.85
Year 5	
	\$945,334.47

Projected Hotel Development Operating Expenses

The projected hotel development operating expenses consist of all operating expenses associated with the revenue obtained by the proposed property. Core Distinction Group includes the following in its operating expenses:

Cleaning Supply Expenses - All expenses related to the cleaning of the proposed hotel project.

Laundry Supply Expenses - All expenses related to the laundering of the linens at the proposed hotel project.

Linen Expenses - All expenses related to the ongoing cost of replacing linens at the proposed hotel project.

Guest Supply Expenses - All expenses related to the restocking of supplies used by the guest at proposed hotel project.

Operating Supply Expenses - All expenses related to the operations of the proposed hotel project.

Repairs and Maintenance Expenses - All expenses related to the repair and maintenance of the proposed hotel project. It should be noted that as a new hotel, these amounts may be lower in the first year or two of operation. However, this also does include any contracts such as elevator maintenance, fire alarm monitoring, etc.

Swimming Pool Maintenance Expenses - All expenses related to the upkeep of the pool at the proposed hotel project. It should be noted that if the proposed hotel does not have a pool, this number will not be present in the proposed hotel project expenses.

Grounds and Landscaping Expenses - All expenses related to the ongoing maintenance of lawn, landscaping and snow removal (if applicable) of the proposed hotel project.

Franchise Fee Expenses - All expenses related to the ongoing fees charged by the franchise to the proposed hotel project.

Property Management System Expenses - All expenses related to the ongoing fees charged by the property management system of the proposed hotel project.

Breakfast Expenses - All expenses related to the breakfast provided by the proposed hotel project.

Travel Agent Fee Expenses - All expenses related to the ongoing fees charged by any travel agent booking revenue at the proposed hotel project. This also includes online travel agent websites.

Reservation Expenses - All expenses related to the ongoing fees charged by the central reservation system of proposed hotel project.

Projected Hotel Development Operating Expenses (continued)

Vending and Bar Expenses - All expenses related to the bar or vending area of the proposed hotel project.

Office Expenses - All expenses related to the office supplies need at the proposed hotel project.

Marketing and Advertising Expenses - All expenses related to the marketing and advertising done for the proposed hotel project.

Utility Expenses - All expenses related to the utilities utilized at the proposed hotel project.

Telephone Expenses - All expenses related to the phone system at the proposed hotel project.

Internet Expenses - All expenses related to the internet system at the proposed hotel project.

Cable Expenses - All expenses related to the cable system at the proposed hotel project.

Waste Removal Expenses - All expenses related to the removal of waste at the proposed hotel project.

Dues and Subscription Expenses - All expenses related to any dues or subscriptions utilized at proposed hotel project.

Licenses and Permitting Expenses - All expenses related to any ongoing licenses or permits for the proposed hotel project.

Credit Card Processing Expenses - All expenses related to the credit card processing system at the proposed hotel project.

Management Fee Expenses - All expenses related to the ongoing professional hotel management fees of the proposed hotel project.

Accounting Service Expenses - All expenses related to the ongoing, professional accounting or accountant fees of the proposed hotel project.

Other Expenses/Frequent Stay Program Expenses - All expenses related to the brand's frequent stay program at the proposed hotel project. This line also includes any miscellaneous expenses.

Projected Hotel Development Operating Expenses (continued)

Below you will find the forecasted five year, proposed property's total operating expenses:

Five Year Projected Hotel Development Total Operating Expenses	
Year 1	
	\$1,311,267.64
Year 2	
	\$1,371,985.02
Year 3	
	\$1,434,505.82
Year 4	
	\$1,479,351.89
Year 5	
	\$1,493,384.39

Projected Hotel Development Reserves and Fixed Expenses

The projected hotel development reserves and fixed expenses consist of all fixed monthly expenses as well as the reserve for replacement expenses associated with the revenue obtained by the proposed property. Core Distinction Group includes the following in its reserves and fixed expenses:

Real Estate Tax Expenses - This expense relates to the real estate taxes assessed for the proposed hotel project. In some cases this item could be an estimate and/or may be reduced due to incentives. Depending on the taxing policy of the municipality, property taxes can be based on the value of the real property or the value of the personal property and the real property. We have based our estimate of the proposed subject property's market value (for tax purposes) on an analysis of assessments of comparable hotel properties in the local municipality. The numbers below are based on what was available to Core Distinction Group representatives at the time of conducting the research in this report.

Insurance Expenses - This expense relates to the ongoing property insurance for the proposed hotel project. In some cases this item could be an estimate. The insurance expense consists of the cost of insuring the hotel and its contents against damage or destruction by fire, weather, sprinkler leakage, boiler explosion, plate glass breakage, and so forth. General insurance costs also include premiums relating to liability, fidelity, and theft coverage. Insurance rates are based on many factors, including building design and construction, fire detection and extinguishing equipment, fire district, distance from the firehouse, and the area's fire experience. Insurance expenses do not vary with occupancy. The numbers to follow are based on what was available to Core Distinction Group representatives at the time of conducting the research in this report.

Reserve for Replacement Expenses - Furniture, fixtures, and equipment are essential to the operation of a lodging facility, and their quality often influences a property's revenue-producing abilities. This expense line includes all non-real estate items that are capitalized, rather than expensed. The furniture, fixtures, and equipment of a hotel are exposed to heavy use and must be replaced at regular intervals. The useful life of these items is determined by their quality, durability, and the amount of guest traffic and use. Periodic replacement of furniture, fixtures, and equipment is essential to maintain the quality, image, and revenue-producing potential of a lodging facility. Studies have indicated that on an ongoing basis a minimum of 4 percent is required to properly maintain hotels. Because the proposed hotel will be a new construction, we used a buildable approach whereas, in the first two years of operation, the reserve was estimated to be 3 percent and in subsequent years the reserve for replacement was estimated to be 4 percent of total sales and is estimated to provide sufficient funds for future capital improvements.

Projected Hotel Development Reserves and Fixed Expenses (continued)

Below you will find the forecasted five year, proposed property's total reserves and fixed expenses:

Five Year Projected Hotel Development Total Reserves and Fixed Expenses	
Year 1	
	\$287,817.16
Year 2	
	\$336,824.69
Year 3	
	\$347,007.65
Year 4	
	\$398,589.64
Year 5	
	\$400,577.02

Projected Hotel Development Loan Expenses

The projected hotel development loan expenses consist of all monthly expenses incurred by the proposed property. Based on our analysis of the current lodging industry's mortgage market and adjustments for specific factors, such as the property's site, proposed facility, and conditions in the hotel market, it is our opinion that a 4.5% interest, 25-year amortization mortgage is appropriate for the proposed subject hotel. In the mortgage equity analysis, we have applied a loan-to-cost ratio of 70%, which is reasonable to expect based on this interest rate and current parameters. Below you will find the forecasted five year, proposed property's total loan expenses:

Five Year Projected Hotel Development Total Interest Payment	
Year 1	
	\$600,268
Year 2	
	\$405,071
Year 3	
	\$395,165
Year 4	
	\$384,804
Year 5	
	\$373,968

Five Year Projected Hotel Development Total Principal Reduction	
Year 1	
	\$208,468
Year 2	
	\$403,665
Year 3	
	\$413,571
Year 4	
	\$423,932
Year 5	
	\$434,768

Projected Hotel Development Income

The projected hotel development income is measured by two separate parameters for the proposed property:

Return On Investment (ROI) is a performance measure used to evaluate the efficiency of an investment or compare the efficiency of a number of different investments. ROI tries to directly measure the amount of return on a particular investment relative to the investment's cost.

Net Operating Income (NOI) is a calculation used to analyze the profitability of income-generating real estate investments. NOI equals all revenue from the property, minus all reasonably necessary operating expenses.

The projected hotel development Return On Investment (ROI) and Net Operating Income (NOI) for the proposed property are as follows:

Five Year Projected Hotel Development Total Return On Investment (ROI)	
Year 1	
	12.89%
Year 2	
	14.70%
Year 3	
	16.78%
Year 4	
	17.23%
Year 5	
	17.46%

Five Year Projected Hotel Development Total Net Operating Income (NOI)	
Year 1	
	16.90%
Year 2	
	22.47%
Year 3	
	24.74%
Year 4	
	25.38%
Year 5	
	25.82%