

from Matthew Reid <matt.reid@landanddesign.com>

subject MOU/Exhibit

to Greg Blodgett, more

cc drose3@charter.net <drose3@charter.net>

other actions

9/13/2010 8:04 AM

Greg and Paul,

I think we have an agreement and can move forward to DDA with your approval.

Here (hopefully) is the final version of the MOU with your revenue sharing model attached as an exhibit for incorporation into a DDA.

For complete transparency, I've also attached the REDLINE version of the MOU so you can see the changes that were made in the final version. I believe we talked about all of them, except however, the VOR – VACATION OWNERSHIP RESORT/Units. We did mention these at the last meeting, however didn't have the language in the MOU as we do today. I don't think you'll have any problems with the language. They are treated exactly the same as a hotel room with respect to TOT.

We are looking forward to getting this DDA completed so we can begin to have conversations, in earnest, with the various hotel flags....

Call with questions....

*Matthew W. Reid*

LAND & DESIGN, Inc.

Sustainability, Construction and Real Estate Advisors

SUSTAINABLE STRATEGIES | SUSTAINABLE INTEGRATION

NORTH COUNTY OFFICE

1042 N El Camino Real

Suite B-510

Encinitas, CA 92034

858.755.1858 direct

CENTRAL COUNTY OFFICE

2150 La Mesa Blvd

Suite 308

La Mesa, CA 91942

619.462.4060 C

619.462.4144 F

Skype - matthew.reid.ca

matt.reid@landanddesign.com

# LAND & DESIGN, INC.

Construction and Real Estate Advisors.

## SAN DIEGO

8130 La Mesa Blvd, #808  
La Mesa, CA 91942  
619.462.4060 o  
619.462.4144 f

## ENCINITAS

1042 N El Camino Real  
Suite B-310  
Encinitas, CA 92024  
858.735.1858

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## Garden Grove, CA Full Service Hotel and Limited Service Hotel Deal Point Outline Memorandum of Understanding

The following includes, however are not limited to, the salient deal points and is the beginning of an understanding of the basis of a future agreement and DDA between Land and Design, Inc., E-Ticket Hospitality (LANDDESIGN) , or it's assigned, and The City of Garden Grove (CITY) and/or it's development agency (AGENCY).

- LANDDESIGN agrees to develop and construct two (2) hotels; one (1) approximately 325 - 400 room upper upscale, full service type Hotel and one (1) approximately 125 - 225 room Limited Service / Extended Stay type Hotel on the property currently known as "Hotel - Site "C" of approximately 4 acres located on the North East corner of Harbor Blvd and Twintree Ave. The site must also include, in addition to above, the vacant parcel immediately North , two residential parcels at South East corner and 8 parcels immediately to the East of the proposed location. The hotel room count is approximate and may be adjusted with AGENCY approval.
- CITY or AGENCY shall convey to LANDDESIGN fee title to the Property, which Property also includes all (i) improvements, structures and fixtures located thereon, (ii) all entitlements, necessary to develop and build such a project, (iii) easements, appurtenances, rights and privileges pertaining thereto, and (iv) intangible personal property now or hereafter owned by CITY or AGENCY and used in the ownership, use or operation of such real property and/or improvements. The conveyance shall occur for the sum of one thousand dollars (\$1,000.00).
- Subject to a "flag" franchise agreement and franchise approval, the description of the Hotel shall consist of approximately the following:

### HOTEL 1 (Upper Upscale Hotel)

- Approximately 14-story hotel
- Approx 325 - 400 rooms including suites
- At Developers option, VOR (Vacation Ownership Resort) units may be added.
- Approximately 15,000 Conference and meeting space
- Sit down restaurant/bar, full service type restaurant.
- One outdoor pool and whirlpool spa
- Fitness Center
- Approximately 20,000 gsf of inline entertainment retail/restaurants along Harbor Blvd.

### HOTEL 2 (Limited Service / Extended Stay Hotel)

- Approximately 4 - 5 story Hotel
- Approximately 125 - 225 rooms including suites.
- At Developers option, VOR (Vacation Ownership Resort) units may be added.
- One outdoor pool and whirlpool spa.
- Fitness Center
- This hotel or portions of this hotel shall be constructed on top of the parking structure(s).

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- VOR-Vacation Ownership Resort Units are subject to Transient Occupancy Tax. All vacation ownership resort units shall be subject to the payment of the transient occupancy tax (Transient Occupancy Tax). No vacation ownership resort shall be established as a conditional use unless the property owner/developer establishes and implements a method of ownership acceptable to the city which guarantees the city's collection of Transient Occupancy Tax for all vacation ownership units as if they were hotel rooms.
- LANDDESIGN intends to and will actively pursue a 3<sup>rd</sup> party partner(s)/take out buyer that could assume property ownership (or portions of property ownership) at some point during or after the construction completion of the project. LANDDESIGN in its sole and absolute discretion, shall select this 3<sup>rd</sup> party(s) and shall disclose the identity of this entity to the City.
- Upon completion and execution of a DDA with LANDDESIGN and AGENCY and/or CITY, LANDDESIGN shall deposit into escrow all working product including feasibility studies, drawings, specifications, etc....to be used as a good faith deposit. In the event the project does not move forward, all said documents contained in escrow shall be retained by CITY and/or AGENCY.
- Along with the Capital shortfall amount, the CITY and AGENCY recognize the following economic incentives will be provided:
  - CITY or AGENCY shall make annual contributions of TOT, TIF and F&B Taxes in accordance with the attached revenue sharing agreement. The revenue sharing shall be calculated utilizing the attached spreadsheet and the values shown in the attached document are for example only. Calculations of actual revenue sharing shall be based upon actual revenues of the actual hotel(s).
  - Establish a CFD for public parking structures to be built onsite..
  - City permits and fees shall be waived.
- CITY and/or AGENCY shall be responsible for completing or paying for the completion of all off-site (i.e., not located on the Project site) improvements required by any applicable governmental authority as a condition to approval of the Project and/or the issuance of any permits required in connection therewith. All such offsite improvements shall be completed in accordance with the scheduled opening of the first hotel. These improvements include but are not limited to:
  - Roadway / Boulevard improvements to Harbor Drive in accordance with the redevelopment plans to Garden Grove Blvd including intersections, traffic signals, traffic signage, landscape improvements, hardscaping, sidewalks, street lighting, and others required.
  - Signalized intersections allowing for full ingress and egress of the hotel site must be completed prior to the first hotel being open.
  - Required utilities brought and stubbed onto site to serve the proposed size of project.
  - All demolition of existing structures or requirements on site.
  - All required zero lot line variances necessary along North and East property lines.
  - A pedestrian bridge linking the "Hotel Site" and the West side of Harbor Blvd located within 200' of the Upper Upscale Hotel front door.
  - Construction of a "Disney" trolley stop or incorporation of a stop in front of the hotel(s).
- Parking for Hotel property and other public areas of the property shall be structured parking. CITY or AGENCY shall for CFD for the financing and construction of the required parking for the project. All parking structures shall be constructed by LANDDESIGN.

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---

- CITY and AGENCY recognize that in order for an upper upscale Hotel to be successful, immediately adjacent development and within the area must be of similar quality in its rating among its trade. Therefore, zoning and/or planning of adjacent development needs to be secure prior to closing and construction of this Hotel project.

EXHIBIT TO  
MEMORANDUM OF UNDERSTANDING BETWEEN  
LAND DESIGN AND AGENCY OF GARDEN GROVE, CA

**SITE C**

LAND DESIGN INC. PROPOSAL  
REVENUE SHARE FOR UPPER UPSCALE FULL-SERVICE HOTEL FOR 12 YEARS  
(75% TOT Share, 50/50 Split of Remainder Revenues, and Agency Land Payback in 10 Years)

12-Sep-10

ADR	\$180	Total Sales for Food & Beverage	\$7,530,000
Rooms	400	Total Development Value	\$81,000,000
Occupancy	70%	Total Land Cost	\$15,800,000
		Total Land Cost is for 60% of Site	\$9,480,000

Year	Total TOT Revenues	Total Tax Increment Revenues (70%)		Total for Food & Beverage Revenues	Grand Total Revenues (TOT + TI + F&B)	Developer Payback (75% TOT)	Agency Payback	Remainder of Grand Total Revenues	50/50 Split of Remainder	Total Developer Share
		1.03	1.02							
1	\$2,391,480	\$567,000	\$75,300	\$3,033,780	\$1,793,610	\$948,000	\$292,170	\$146,085	\$1,939,695	
2	\$2,463,224	\$578,340	\$76,806	\$3,118,370	\$1,847,418	\$948,000	\$322,952	\$161,476	\$2,008,894	
3	\$2,537,121	\$589,907	\$78,342	\$3,205,370	\$1,902,841	\$948,000	\$354,529	\$177,265	\$2,080,105	
4	\$2,613,235	\$601,705	\$79,909	\$3,294,849	\$1,959,926	\$948,000	\$386,923	\$193,461	\$2,153,387	
5	\$2,691,632	\$613,739	\$81,507	\$3,386,878	\$2,018,724	\$948,000	\$420,154	\$210,077	\$2,228,801	
6	\$2,772,381	\$626,014	\$83,137	\$3,481,532	\$2,079,286	\$948,000	\$454,246	\$227,123	\$2,306,409	
7	\$2,855,552	\$638,534	\$84,800	\$3,578,886	\$2,141,664	\$948,000	\$489,222	\$244,611	\$2,386,275	
8	\$2,941,219	\$651,305	\$86,496	\$3,679,020	\$2,205,914	\$948,000	\$525,105	\$262,553	\$2,468,467	
9	\$3,029,455	\$664,331	\$88,226	\$3,782,012	\$2,272,091	\$948,000	\$561,921	\$280,960	\$2,553,052	
10	\$3,120,339	\$677,617	\$89,990	\$3,887,947	\$2,340,254	\$948,000	\$599,693	\$299,846	\$2,640,101	
11	\$3,213,949	\$691,170	\$91,790	\$3,996,909	\$2,410,462	\$0	\$1,586,447	\$793,224	\$3,203,686	
12	\$3,310,368	\$704,993	\$93,626	\$4,108,987	\$2,482,776	\$0	\$1,626,211	\$813,106	\$3,295,881	

Values shown in this spreadsheet are for example and explanation only. Actual revenue sharing amounts shall be based upon ACTUAL performance of Hotel(s).

EXHIBIT TO  
MEMORANDUM OF UNDERSTANDING BETWEEN  
LAND DESIGN AND AGENCY OF GARDEN GROVE, CA

**SITE C**

**LAND DESIGN INC. PROPOSAL  
REVENUE SHARE FOR LIMITED SERVICE/EXTENDED STAY TYPE HOTEL FOR 12 YEARS  
(50% TOT Share, 50/50 Split of Remainder Revenues, and Agency Land Payback in 10 Years)**

12-Sep-10

<b>ADR</b>	<b>\$120</b>	<b>Total Sales for Food &amp; Beverage</b>	<b>\$7,530,000</b>
<b>Rooms</b>	<b>200</b>	<b>Total Development Value</b>	<b>\$48,000,000</b>
<b>Occupancy</b>	<b>70%</b>	<b>Total Land Cost</b>	<b>\$15,800,000</b>
		<b>Total Land Cost is for 40% of Site</b>	<b>\$6,320,000</b>

Year	Total TOT Revenues	Total Tax Increment Revenues (70%)	Total for Food & Beverage Revenues	Grand Total Revenues (TOT + TI + F&B)	Developer Payback (50% TOT)	Agency Payback	Remainder of Grand Total Revenues	50/50 Split of Remainder	Total Developer Share
1	\$797,160	\$336,000	\$75,300	\$1,208,460	\$398,580	\$632,000	\$177,880	\$88,940	\$487,520
2	\$821,075	\$342,720	\$76,806	\$1,240,601	\$410,537	\$632,000	\$198,063	\$99,032	\$509,569
3	\$845,707	\$349,574	\$78,342	\$1,273,624	\$422,854	\$632,000	\$218,770	\$109,385	\$532,239
4	\$871,078	\$356,566	\$79,909	\$1,307,553	\$435,539	\$632,000	\$240,014	\$120,007	\$555,546
5	\$897,211	\$363,697	\$81,507	\$1,342,415	\$448,605	\$632,000	\$261,810	\$130,905	\$579,510
6	\$924,127	\$370,971	\$83,137	\$1,378,235	\$462,063	\$632,000	\$284,172	\$142,086	\$604,149
7	\$951,851	\$378,391	\$84,800	\$1,415,041	\$475,925	\$632,000	\$307,116	\$153,558	\$629,483
8	\$980,406	\$385,958	\$86,496	\$1,452,861	\$490,203	\$632,000	\$330,658	\$165,329	\$655,532
9	\$1,009,818	\$393,678	\$88,226	\$1,491,722	\$504,909	\$632,000	\$354,813	\$177,406	\$682,316
10	\$1,040,113	\$401,551	\$89,990	\$1,531,655	\$520,056	\$632,000	\$379,598	\$189,799	\$709,856
11	\$1,071,316	\$409,582	\$91,790	\$1,572,689	\$535,658	\$0	\$1,037,031	\$518,515	\$1,054,173
12	\$1,103,456	\$417,774	\$93,626	\$1,614,856	\$551,728	\$0	\$1,063,128	\$531,564	\$1,083,292

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EXHIBIT TO  
MEMORANDUM OF UNDERSTANDING BETWEEN  
LAND DESIGN AND AGENCY OF GARDEN GROVE, CA

**SITE C**

**LAND DESIGN INC. PROPOSAL**

**TOTAL REVENUE SHARE FOR UPPER UPSCALE FULL SERVICE (12 YEARS) AND LIMITED SERVE/EXTENDED STAY TYPE HOTEL (12 YEARS)**  
(75% TOT Share for Upper Upscale Full-Service and 50% TOT Share for Limited Serve/Extended Stay type, 50/50 Split of Remainder Revenues, and Agency Land Payback in 10 Years)

12-Sep-10

Year	Total TOT Revenues	Total Tax Increment Revenues	Total for Food & Beverage Revenues	Grand Total Revenues (TOT + TI + F&B)	Developer Payback (75%UpScale) & (50%Limited Serve)	Agency Payback	Remainder of Grand Total Revenues	50/50 Split of Remainder	Total Developer Share
1	\$3,188,640	\$903,000	\$150,600	\$4,242,240	\$2,192,190	\$1,580,000	\$470,050	\$235,025	\$2,427,215
2	\$3,284,299	\$921,060	\$153,612	\$4,358,971	\$2,257,956	\$1,580,000	\$521,016	\$260,508	\$2,518,463
3	\$3,382,828	\$939,481	\$156,684	\$4,478,994	\$2,325,694	\$1,580,000	\$573,299	\$286,650	\$2,612,344
4	\$3,484,313	\$958,271	\$159,818	\$4,602,402	\$2,395,465	\$1,580,000	\$626,937	\$313,468	\$2,708,933
5	\$3,588,842	\$977,436	\$163,014	\$4,729,293	\$2,467,329	\$1,580,000	\$681,964	\$340,982	\$2,808,311
6	\$3,696,508	\$996,985	\$166,275	\$4,859,767	\$2,541,349	\$1,580,000	\$738,418	\$369,209	\$2,910,558
7	\$3,807,403	\$1,016,925	\$169,600	\$4,993,928	\$2,617,590	\$1,580,000	\$796,338	\$398,169	\$3,015,759
8	\$3,921,625	\$1,037,263	\$172,992	\$5,131,880	\$2,696,117	\$1,580,000	\$855,763	\$427,862	\$3,123,999
9	\$4,039,274	\$1,058,008	\$176,452	\$5,273,734	\$2,777,001	\$1,580,000	\$916,733	\$458,367	\$3,235,367
10	\$4,160,452	\$1,079,169	\$179,981	\$5,419,601	\$2,860,311	\$1,580,000	\$979,291	\$489,645	\$3,349,956
11	\$3,213,949	\$691,170	\$91,790	\$3,996,909	\$2,410,462	\$0	\$1,586,447	\$793,224	\$3,203,686
12	\$3,310,368	\$704,993	\$93,626	\$4,108,987	\$2,482,776	\$0	\$1,626,211	\$813,106	\$3,295,881

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## Garden Grove, CA Full Service Hotel and Limited Service Hotel Deal Point Outline Memorandum of Understanding

The following includes, however are not limited to, the salient deal points and is the beginning of an understanding of the basis of a future agreement and DDA between Land and Design, Inc., E-Ticket Hospitality (LANDDESIGN), or it's assigned, and The City of Garden Grove (CITY) and/or it's development agency (AGENCY).

- LANDDESIGN agrees to develop and construct two (2) hotels; one (1) approximately 325 - 400 room upper upscale, full service type Hotel and one (1) approximately 125 - 225 room Limited Service / Extended Stay type Hotel on the property currently known as "Hotel - Site "C" of approximately 4 acres located on the North East corner of Harbor Blvd and Twintree Ave. The site must also include, in addition to above, the vacant parcel immediately North and two residential parcels at South East corner and 8 parcels immediately to the East of the proposed location. The hotel room count is approximate and may be adjusted with AGENCY approval.
- CITY or AGENCY shall convey to LANDDESIGN fee title to the Property, which Property also includes all (i) improvements, structures and fixtures located thereon, (ii) ~~all entitlements necessary to develop and build such a project,~~ (iii) easements, appurtenances, rights and privileges pertaining thereto, ~~and~~ (iv) intangible personal property now or hereafter owned by CITY or AGENCY and used in the ownership, use or operation of such real property and/or improvements. The conveyance shall occur for the sum of one thousand dollars (\$1,000.00).
- Subject to a "flag" franchise agreement and franchise approval, the description of the Hotel shall consist of approximately the following:

### HOTEL 1 (Upper Upscale Hotel)

- Approximately 14-story hotel
- ~~Approx~~ 325 - 400 rooms including suites
- ~~At Developers option, VOR (Vacation Ownership Resort) units may be added.~~
- Approximately 15,000 Conference and meeting space
- Sit down restaurant/bar, full service type restaurant.
- One outdoor pool and whirlpool spa
- Fitness Center
- Approximately ~~2040,000~~ gsf of inline ~~entertainment retail/restaurants~~ along Harbor Blvd.

### HOTEL 2 (Limited Service / Extended Stay Hotel)

- Approximately ~~4-55-7~~ story Hotel
- ~~Approximately~~ 125 - 225 rooms including suites.
- ~~At Developers option, VOR (Vacation Ownership Resort) units may be added.~~
- One outdoor pool and whirlpool spa.
- Fitness Center
- ~~A multi-level parking structure to accommodate both hotels parking needs.~~



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- o This hotel or portions of this hotel shall be constructed on top of the parking structure.
- o Vacation Ownership Resort Subject to Transient Occupancy Tax. All vacation ownership resort units shall be subject to the payment of the transient occupancy tax (Transient Occupancy Tax). No vacation ownership resort shall be established as a conditional use unless the property owner/developer establishes and implements a method of ownership acceptable to the city which guarantees the city's collection of Transient Occupancy Tax for all vacation ownership units as if they were hotel rooms.
- o LANDDESIGN intends to and will actively pursue a 3<sup>rd</sup> party partner(s)/take out buyer that could assume property ownership (or portions of property ownership) at some point during or after the construction completion of the project hotel. LANDDESIGN in its sole and absolute discretion, shall select this 3<sup>rd</sup> party(s) and shall disclose the identity of this entity to the City.
- o ~~CITY and/or AGENCY recognize the project of this size and quality has a significant capital shortfall for the project to be economically feasible. The CITY and/or AGENCY shall provide LANDDESIGN the sum of \$5,000,000 deposited into escrow which shall used directly for the project. The deposit shall be released to LANDDESIGN 1/4 upon building permit approval and 1/4 released upon the building pad certification.~~
- o Upon completion and execution of a DDA with LANDDESIGN and AGENCY and/or CITY, LANDDESIGN shall deposit into escrow all working product including feasibility studies, drawings, specifications, etc...to be used as a good faith deposit. In the event the project does not move forward, all said documents contained in escrow shall be retained by CITY and/or AGENCY.
- o Along with the Capital shortfall amount, the CITY and AGENCY recognize the following economic incentives will be provided:
  - o CITY or AGENCY shall make annual contributions of TOT, TIF and F&B Taxes in accordance with the attached revenue sharing agreement. The revenue sharing shall be calculated utilizing the attached spreadsheet and the values shown in the attached document are for example only. Calculations of actual revenue sharing shall be based upon actual revenues of the actual hotel(s).
  - o 100% of Property Real Estate Taxes shall be forgiven for a period of 20 years.
  - o 80% of TOT revenues shall be deferred for a period of 15 years.
  - o Establish a CFD for public parking structures to be built onsite. Execution of parking lease whereby CITY and/or AGENCY leases parking structure from LANDDESIGN.
  - o City permits and fees shall be waived.
- o CITY and/or AGENCY shall be responsible for completing or paying for the completion of all off-site (i.e., not located on the Project site) improvements required by any applicable governmental authority as a condition to approval of the Project and/or the issuance of any permits required in connection therewith. All such offsite improvements shall be completed in accordance with the scheduled opening of the first hotel. These improvements include but are not limited to:
  - o Roadway / Boulevard improvements to Harbor Drive in accordance with the redevelopment plans to Garden Grove Blvd including intersections, traffic signals, traffic signage, landscape improvements, hardscaping, sidewalks, street lighting, and others required.

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- Signalized intersections allowing for full ingress and egress of the hotel site must be completed prior to the first hotel being open.
  - Required utilities brought and stubbed onto site to serve the proposed size of project.
  - All demolition of existing structures or requirements on site.
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  - A pedestrian bridge linking the "Hotel Site" and the West side of Harbor Blvd located within 200' of the Upper Upscale Hotel front door.
  - Construction of a "Disney" trolley stop or incorporation of a stop in front of the hotel(s).
- 
- ~~Parking for Hotel property and other public areas of the property shall be structured parking due to site constraints. CITY or AGENCY shall for CFD for the financing and construction of the required parking for the project. All parking structures shall be constructed by LANDDDESIGN, enter into a long term lease on a parking structure (to be built by LANDDDESIGN) and used exclusively by Hotel project.~~
  - ~~LANDDDESIGN would also consider the establishment of a CFD for the parking structure.....additional details needed.~~
- 
- CITY and AGENCY recognize that in order for an upper upscale Hotel to be successful, immediately adjacent development and within the area must be of similar quality in its rating among its trade. Therefore, zoning and/or planning of adjacent development needs to be secure prior to closing and construction of this Hotel project.

**Subject:** South of Twintree  
**From:** Matthew Reid <matthew.reid.ca@gmail.com>  
**Date:** Mon, 20 Sep 2010 18:21:56 -0000  
**To:** Greg Blodgett <

Greg,  
Please provide us with some additional detail on the potential land area available South of Twintree on the West side of Harbor.  
Thanks.

***Matthew W. Reid***

**LAND & DESIGN, Inc.**

Sustainability, Construction and Real Estate Advisors

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Skype - matthew.reid.ca

matt.reid@landanddesign.com

**Subject:** RE: Map for Site C  
**From:** Matthew Reid <matt.reid@landanddesign.com>  
**Date:** Tue, 21 Sep 2010 15:31:30 -0000  
**To:** "drose3@charter.net" <drose3@charter.net>, 'Paul Guerrero' <paulg@ci.garden-grove.ca.us>, Greg Blodgett <>

Friday 10am right?

*Matthew W. Reid*

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matt.reid@landanddesign.com

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**From:** drose3@charter.net [mailto:drose3@charter.net]  
**Sent:** Monday, September 20, 2010 1:31 PM  
**To:** Paul Guerrero; 'Greg Blodgett'; matt.reid  
**Subject:** Re: Map for Site C

Are we still on for Thursday morning?

Please advise.

Thanks.

Dave

Sent via BlackBerry by AT&T

---

**From:** Paul Guerrero <paulg@ci.garden-grove.ca.us>  
**Date:** Mon, 20 Sep 2010 09:41:20 -0700  
**To:** 'Greg Blodgett' <greg1@ci.garden-grove.ca.us>; matt.reid <matt.reid@landanddesign.com>; paulg <paulg@ci.garden-grove.ca.us>  
**Cc:** drose3 <drose3@charter.net>  
**Subject:** RE: Map for Site C

Matt,

Per the email sent on September 16, 2010, and your conversation with Greg on September 17, 2010, attached is the map that includes all the proposed parcels for Site "C".

Thanks

Paul

-----Original Message-----

**From:** Matthew Reid [mailto:matt.reid@landanddesign.com]

**Sent:** Friday, September 17, 2010 8:49 AM

**To:** 'Paul Guerrero'; Greg Blodgett  
**Cc:** 'drose3'  
**Subject:** RE: MOU/Exhibit

COMMENTS IN RED BELOW....

LET US KNOW IF YOU ARE AVAILABLE FOR A CONFERENCE CALL TODAY AT 3PM

*Matthew W. Reid*

**LAND & DESIGN, Inc.**

Sustainability, Construction and Real Estate Advisors

**SUSTAINABLE STRATEGIES | SUSTAINABLE INTEGRATION**

8130 La Mesa Blvd | Suite 808 | La Mesa, CA 91942

619.462.4060 o | 619.462.4144 f | 858.735.1858 direct

Skype - matthew.reid.ca

matt.reid@landanddesign.com

---

**From:** Paul Guerrero [mailto:paulg@ci.garden-grove.ca.us]

**Sent:** Thursday, September 16, 2010 3:37 PM

**To:** 'Greg Blodgett'; matt.reid; paulg

**Cc:** drose3

**Subject:** RE: MOU/Exhibit

September 16, 2010

Matt Reid

Land & Design, Inc

8130 La Mesa Blvd, #808

La Mesa, CA 91942

**RE: FULL-SERVICE HOTEL AND LIMITED SERVICE HOTEL, DEAL POINT  
OUTLINE, MEMORANDUM OF UNDERSTANDING**

Dear Mr. Reid:

The Garden Grove Agency for Community Development (Agency) received Land & Design, Inc. Memorandum of Understanding dated September 13, 2010. The Agency has the following current comments:

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231-521-17

WHAT ARE THESE PARCELS THAT ARE NOT INCLUDED?

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Greg Blodgett

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**From:** Matthew Reid [mailto:matt.reid@landanddesign.com]  
**Sent:** Monday, September 13, 2010 8:05 AM  
**To:** Greg Blodgett; 'Paul Guerrero'  
**Cc:** drose3@charter.net  
**Subject:** MOU/Exhibit  
**Importance:** High

Greg and Paul,

I think we have an agreement and can move forward to DDA with your approval.

Here (hopefully) is the final version of the MOU with your revenue sharing model attached as an exhibit for incorporation into a DDA.

For complete transparency, I've also attached the REDLINE version of the MOU so you can see the changes that were made in the final version. I believe we talked about all of them, except however, the VOR – VACATION OWNERSHIP RESORT/Units. We did mention these at the last meeting, however didn't have the language in the MOU as we do today. I don't think you'll have any problems with the language. They are treated exactly the same as a hotel room with respect

to TOT.

We are looking forward to getting this DDA completed so we can begin to have conversations, in earnest, with the various hotel flags....

Call with questions....

***Matthew W. Reid***

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La Mesa, CA 91942

619.462.4060 o

619.462.4144 f

Skype - matthew.reid.ca

matt.reid@landanddesign.com

**Subject:** Re: Map for Site C  
**From:** Matthew Reid <matt.reid@landanddesign.com>  
**Date:** Tue, 21 Sep 2010 20:05:48 -0000  
**To:** Greg Blodgett <>  
**CC:** Dave Rose <drose3@charter.net>

Send us date a time that works for you.

Sent from my iPhone

Matthew Reid  
858.735.1858 direct  
Skype: [matthew.reid.ca](https://www.skype.com/user/matthew.reid.ca)

On Sep 21, 2010, at 12:07 PM, Greg Blodgett <[greg1@ci.garden-grove.ca.us](mailto:greg1@ci.garden-grove.ca.us)> wrote:

This friday doesnt work can we reschedle early next week

---

**From:** Matthew Reid <matt.reid@landanddesign.com>  
**To:** [drose3@charter.net](mailto:drose3@charter.net) <[drose3@charter.net](mailto:drose3@charter.net)>; 'Paul Guerrero' <[paulg@ci.garden-grove.ca.us](mailto:paulg@ci.garden-grove.ca.us)>; Greg Blodgett <[greg1@ci.garden-grove.ca.us](mailto:greg1@ci.garden-grove.ca.us)>  
**Sent:** Tue Sep 21 08:31:30 2010  
**Subject:** RE: Map for Site C

Friday 10am right?

*Matthew W. Reid*

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[matt.reid@landanddesign.com](mailto:matt.reid@landanddesign.com)



**From:** [drose3@charter.net](mailto:drose3@charter.net) [mailto:drose3@charter.net]  
**Sent:** Monday, September 20, 2010 1:31 PM  
**To:** Paul Guerrero; 'Greg Blodgett'; matt.reid  
**Subject:** Re: Map for Site C

Are we still on for Thursday morning?

Please advise.

Thanks.

Dave

Sent via BlackBerry by AT&T

---

**From:** Paul Guerrero <[paulg@ci.garden-grove.ca.us](mailto:paulg@ci.garden-grove.ca.us)>

**Date:** Mon, 20 Sep 2010 09:41:20 -0700

**To:** 'Greg Blodgett' <[greg1@ci.garden-grove.ca.us](mailto:greg1@ci.garden-grove.ca.us)>; matt.reid <[matt.reid@landanddesign.com](mailto:matt.reid@landanddesign.com)>; paulg <[paulg@ci.garden-grove.ca.us](mailto:paulg@ci.garden-grove.ca.us)>

**Cc:** drose3 <[drose3@charter.net](mailto:drose3@charter.net)>

**Subject:** RE: Map for Site C

Matt,

Per the email sent on September 16, 2010, and your conversation with Greg on September 17, 2010, attached is the map that includes all the proposed parcels for Site "C".

Thanks

Paul

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[matt.reid@landanddesign.com](mailto:matt.reid@landanddesign.com)



from Matthew Reid <matt.reid@landanddesign.com>

subject Hotel Ratings

to Greg Blodgett

10/7/2010 7:13 AM

other actions

Greg,

Here is that information we promised you on Hotels and Ratings ...

Matthew W. Reid

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Approval Requirements &

# Diamond Rating Guidelines

LODGING



AAA Publishing

Tourism Information Development • 1000 AAA Drive • Heathrow, FL 32746-5063

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Revised 11/2007



# LODGING

## Approval Requirements &

# *Diamond Rating Guidelines*

## Introduction

Dear Hospitality Professional,

On behalf of AAA, I am pleased to introduce to you the latest edition of the *Lodging Approval Requirements & Diamond Rating Guidelines*. This year marks the 30<sup>th</sup> anniversary of the AAA Diamond Ratings, as well as the 20<sup>th</sup> anniversary of the *Diamond Rating Guidelines*.

Since its inception in 1902 as a federation of independent motor clubs, AAA has existed to provide information, safety, security, and peace of mind to its now more than 50 million members. AAA's services have evolved to encompass roadside assistance, insurance and financial services, safety education, and public affairs. AAA is also an undisputed leader in travel information and services.

In 1937, the first AAA field representatives were hired to inspect lodgings and restaurants, and in 1963, AAA began assigning lodging ratings from 'good' to 'outstanding'. In 1977 — AAA's 75<sup>th</sup> (diamond) anniversary — the Diamond Rating system was introduced for lodgings, with restaurants included in 1989.

In 1987, the first **AAA Lodging Diamond Rating Guidelines** booklet was introduced for industry review. Prior to this date, only minimum approval requirements were printed and distributed upon request.

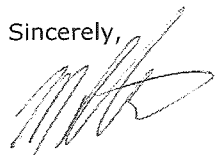
The new edition of the **AAA Approval Requirements and Diamond Rating Guidelines** was designed with two objectives in mind:

- To ensure that our ratings program is accurate and consistent when compared to meeting the travel needs of over 50 million AAA members.
- To provide hospitality professionals a valuable reference so they may be successful in achieving their goal as it relates to AAA Approval and our proprietary **Diamond Rating Process**.

To that end, we feel that it is important to partner with the hospitality industry by gathering input, discussing the meaning of our ratings, and openly sharing how the Diamond Rating Process is applied at the property level. We strongly urge property representatives to take full advantage of the information provided by AAA inspectors during an evaluation, since our experts are exposed to a wide range of properties throughout the United States, Canada, Mexico and the Caribbean. AAA evaluates more than 32,000 accommodations, 28,000 restaurants and nearly 11,000 campgrounds as key content for over 168 million copies of travel-related materials annually. AAA travel products are wide-ranging and include 26 regional TourBook<sup>®</sup> guides, 11 regional CampBook<sup>®</sup> guides, AAA.com— including the well-known TripTik<sup>®</sup> Travel Planner—as well as, numerous retail guidebooks, atlases and maps.

We look forward to your continued service on behalf of AAA members at large and appreciate your participation in AAA programs.

Sincerely,



Michael Petrone, CEC  
Director/AAA Tourism Information Development

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## Section One

# The Diamond Rating Process

## Defining AAA Approval Requirements and AAA Diamond Rating Guidelines

It is important to note the difference between AAA Approval Requirements and Diamond Rating Guidelines as this concept is often misunderstood. The evaluation process is made up of three parts: Approval Requirements, objective Diamond Rating Guidelines, and subjective elements based on the professional experience and training of AAA inspectors — who visit over 32,000 lodgings each year.

The essential AAA Approval Requirements are common-sense qualifications that AAA members have told us are important to them and, similarly, that most professional operators routinely employ. **All properties must first meet this set of criteria in order to be considered for AAA Approval and Diamond Rating.**

**The Diamond Rating Guidelines are not rating requirements, but are components used to determine the appropriate Diamond Rating level.** Diamond Rating guidelines are simply a reflection of what is typically seen throughout the various market segments of the lodging industry. Therefore, failure to meet some of the components listed for the ratings categories does not necessarily preclude the achievement of that rating. During our evaluation, inspectors will assess the strengths and weaknesses of the property and assign the most appropriate rating that will provide the best match in meeting AAA member expectations.

Furthermore, not all of the Diamond Rating Guidelines will apply to all property types. For example: meeting rooms would not be expected at a Bed & Breakfast property, but would be essential at a convention-oriented hotel. Also, the availability and type of swimming pool will be dictated by climatic influences and/or the property classification. AAA inspectors will only use the sections of the Diamond Rating Guidelines that are appropriate for the property classification in assessing the overall Diamond Rating.

## Applying for a AAA Diamond Rating

AAA CONSIDERS ALL VALID APPLICATIONS FOR EVALUATION. To be considered a valid applicant for AAA evaluation, lodging properties must meet all of the **Approval Requirements** for their property category. These minimum requirements reflect members' basic expectations.

Prior to completing an *Application For Evaluation* (provided at: [www.AAA.biz/Approved](http://www.AAA.biz/Approved)), please review the requirements to verify your property's eligibility to apply. **Currently listed establishments need not reapply, as our inspectors will routinely conduct an evaluation of your property on a continual basis.**

Include recent and accurate pictures of the exterior, public areas, as well as examples of a standard guest unit and bathroom, and return to AAA. Please note that if our research indicates past disqualifying issues, you may be asked to provide written documentation of the corrective action taken since then.

As of August 1, 2006, lodging properties that request evaluation by AAA are charged a nonrefundable application fee: \$150 for first-time applicants and \$300 for repeat applicants that previously failed an evaluation or were disassociated from AAA for any reason. The fee does not apply to currently **Approved** and listed establishments that remain in good standing.

**Please do not send a payment with the initial application.** On receipt of your *Application For Evaluation*, AAA will provide written notice regarding the status of your application and, if accepted for further consideration, an invoice for your application fee. On receipt of payment, AAA will schedule your property for an unannounced evaluation within one year.

All application fees should be made in U.S. funds and are nonrefundable and will have no bearing on the outcome of evaluations. AAA conducts property evaluations as a service to members, and does not guarantee that all applicants will be **Approved** and listed in member publications.

Basic listings are provided without charge to **Approved** properties.

AAA does not guarantee an immediate evaluation of all properties that apply, but does guarantee a fair review of all applications. Additionally, AAA reserves all rights to apply priority consideration to those properties demonstrating traits that provide the highest degree of AAA member value. Through ongoing member research, AAA has developed criteria reflecting key elements of consideration in making travel-related decisions. Some examples of AAA member value criteria are:

- LOCATION
- NEWLY BUILT / RENOVATED
- HIGH DEGREE OF CLEANLINESS AND COMFORT
- APPROPRIATELY MAINTAINED CONDITIONS
- PRICE (willingness to provide a discount or best rate available)

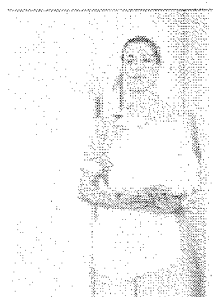
Once your property is approved, it will be evaluated at least once per evaluation cycle by a AAA inspector. All evaluations are unannounced to ensure that our inspectors see your property just as our members would see it. The conditions noted at the time of the annual evaluation will be the basis of the decision to list or rate a property. This decision is at the sole discretion of AAA. **By applying for an evaluation, you agree to allow AAA to publish your property information and the respective Diamond Rating in our travel publications.** AAA will make every effort to ensure that your property is fairly represented.

If, after continued review, or up to and including the end of one year, the property is determined to be of limited AAA member value, a letter will be sent advising that the property has been released from any further consideration.

## AAA Approval Requirements

AAA APPROVAL REQUIREMENTS REFLECT THE MINIMUM ACCEPTABLE CONDITIONS AS ESTABLISHED THROUGH MEMBER SURVEYS AND CONTINUOUS FEEDBACK.

To be AAA Approved and Diamond Rated, an establishment must meet the following requirements:



### Cleanliness and Condition

1. All facilities directly associated with a property must be clean and well-maintained throughout.
2. At a minimum, each guest unit must be thoroughly cleaned, with complete bed and bath linens changed between guest stays.
3. Fresh linens, maid services, and bathroom supplies must be available upon request.

### Management Style of Operation

4. A property may not use AAA trademarks—including but not limited to the AAA logo and Diamond Rating, without AAA's prior written consent.
5. The property must be appropriately located for business or leisure travel.
6. The establishment must be a primarily transient operation with four or more units available for AAA members.
7. The establishment must provide AAA room rates for travel publications as requested.
8. The establishment must assist AAA in the resolution of member complaints.
9. The establishment must accommodate unannounced AAA property evaluations within 20 minutes of notice.
10. All property staff must conduct business in a professional and ethical manner providing attentive, conscientious service to guests.
11. A property must only place AAA members in AAA inspected and approved guest units—overflow buildings or guest units (associated with the property but not approved by AAA) are unacceptable.
12. Property management, or their representative, must be readily accessible at all times for guest needs or requests.
13. Guests must have easy access to 24-hour incoming and outgoing phone service, ensuring prompt guest unit message delivery. *Emergency messages must be delivered to the guest immediately upon receipt.*
14. Management will readily provide property information as requested by AAA on a continual basis for the purpose of maintaining the most accurate travel information for AAA publications.
15. The establishment must be in compliance with all local, state, and federal codes.

## Exterior and Public Areas

16. Properties must have accurate, legible signage in appropriate areas.
17. All facilities directly associated with a property (such as a restaurant, health club, gift shops, recreation facilities, etc.) provided for guest's use must meet all appropriate AAA Approval Requirements.
18. Adequate illumination is required in all public areas. This includes sufficient lighting in all corridors, walkways, stairways, landings, parking areas, etc.

## Guest Rooms

19. Each guest unit must contain a comfortable bed with a mattress pad, two sheets, two pillows with pillowcases, and an appropriate bed covering.
20. Each guest unit must have a nightstand or equivalent by each bed, a chair, a writing surface, a waste container, clothes-storage space, and clothes-hanging facilities with hangers for two guests.
21. Each guest unit must have adequate shades, drapes, or blinds to cover all windows or other transparent areas to provide the guest with privacy.
22. The level of soundproofing must be adequate to muffle outside noises and normal sounds in adjacent units and public areas.
23. Each guest unit must have an active light switch at the main entry.
24. Each guest unit must have good illumination at a writing surface, a sitting area, and at each bed.
25. Each guest unit door must be equipped with both a primary lock and a secondary deadbolt lock.

**A primary lock** is defined as a device that permits a guest to enter a unit using some form of key and allows the door to be locked while the unit is occupied and when the guest leaves the unit. Passkeys assigned to appropriate staff members will function to operate only these locks.

**A secondary lock** is defined as a mortised, deadbolt-locking device with a throw that extends at least one inch from the edge of the door into the door frame. This permits a guest an extra measure of security against any unwanted intrusions. Unlike the primary lock, deadbolt master keys will not be provided to guests or to staff. **Master key systems will be acceptable when the emergency master key is only available to top management and security personnel.**

### Secondary Lock Variances

*In certain instances, the requirement for secondary locks may be modified to meet a variety of exceptions. The most common are noted below. AAA claims the right of final arbitrator in all decisions of this nature.*

**Sliding Glass Doors** – Each sliding door must be equipped with an effective locking device. A secondary security lock is required on all ground floor doors and those which are accessible from common walkways and adjoining balconies.

**French Doors** – In addition to the deadbolt lock requirements, surface-mounted slide bolts must be provided at the top and bottom to secure the stationary/auxiliary door. These bolts must extend into the upper doorframe and the lower doorframe or floor and must be strong and sturdy mechanisms.

26. Each door to connecting guest units or maintenance corridors must be equipped with a deadbolt lock.
27. Each guest unit entry door must have a viewport or window convenient to the door.
28. Each window overlooking a common walkway or in a ground floor unit must be equipped with a functional lock.
29. Each guest unit must have an operational, single station smoke detector. Hard-wired smoke detectors are preferred. When battery-operated detectors are used, there must be an adequate maintenance program to routinely test and replace batteries.

## Guest Bathrooms

30. Each guest unit must have its own private bathroom.
31. All bathrooms must contain a toilet, a sink with a well-lit mirror and a convenient electrical outlet, adequate shelf space, and a tub or a shower with a non-slip surface.
32. Each bathroom must be equipped with toilet tissue, a cloth bath mat, and two bars of soap or equivalent—furthermore, each guest must be provided a bath towel, hand towel, face cloth, and a drinking tumbler.
33. All toilet area surfaces (floors, walls, baseboards, etc.) must be non-porous to facilitate proper sanitation. (For example, carpeting is not acceptable in the toilet area.)

## The AAA Evaluation and Diamond Rating Process

The AAA Evaluation and Diamond Rating Process primarily consists of three parts:

- **INTRODUCTION, INTERVIEW**
- **PROPERTY TOUR AND PRACTICAL APPLICATION OF THE APPROVAL REQUIREMENTS AND DIAMOND RATING GUIDELINES**
- **ASSESSMENT SUMMARY**

First, all establishments must meet **AAA Approval Requirements** and be determined to provide member value. This validation is conducted through a combined process of applications, inspections, referrals, and media research.

If a property is presumed to qualify, one of our inspectors will visit and observe the curbside appeal, exterior, and other factors pertaining to the basic foundation of the establishment. This preliminary review will verify that this property clearly exhibits characteristics that would appeal to AAA members.

If satisfied, our representative will contact the owner, general manager, or property designee for a brief interview. This interview is an extremely important part of the evaluation, as factual data is gathered for inclusion into our travel information inventory with potential use in AAA's worldwide printed and electronic publications. This session also gives the property representative a chance to advise AAA of any plans for improvement that may be forthcoming.

Following the interview, the inspector will tour the establishment with the property representative to assess the **AAA Approval Requirements & Diamond Rating Guidelines**. The tour will include an evaluation of all public areas and a cross section of rooms. The inspector will discuss both strengths and weaknesses of the property as it relates to our Guidelines. *This dialogue is unique to the AAA Diamond Rating Process and is a valuable resource to any property.*

The overall evaluation process will include the review of six key areas:

- **CLEANLINESS AND CONDITION**
- **MANAGEMENT AND STAFF**
- **EXTERIOR, GROUNDS, AND PUBLIC AREAS**
- **GUESTROOM DÉCOR, AMBIANCE, AND AMENITIES**
- **BATHROOMS**
- **GUEST SERVICES** (if applicable)

### Cleanliness and condition

All establishments must be clean, comfortable, and well-maintained. The inspector will evaluate the overall condition of the property to determine if the property meets above average standards and should be considered for a Diamond Rating.



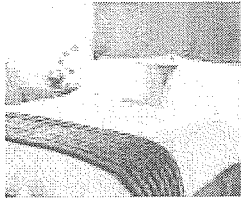
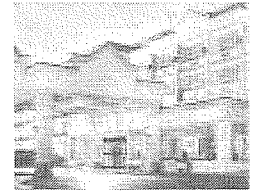


### Management and staff

Properties will receive a mark of 'Pass' or 'Fail' based on the manner of interaction with all property representatives. The inspector will be evaluating the overall level of hospitality, professionalism, and deportment. It is critical to receive a passing mark to be considered for a Diamond Rating.

### Exterior, grounds, and public areas

This area is assigned a specific rating overall based on the components listed under the applicable Diamond Rating Guidelines section. Varying weights are applied based on the classification of the property. For example, the exterior, grounds, and public areas at a resort carry more weight than at a downtown hotel.

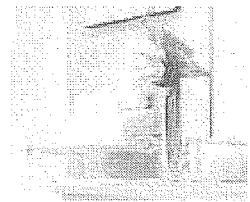


### Guestroom décor, ambiance, and amenities

This area is assigned a specific rating overall based on the components listed under the applicable Diamond Rating Guidelines section. Varying weights are applied based on the classification of the property. For example, the room décor, ambiance, and amenities at a hotel carry more weight than at an outdoor vacation resort.

### Bathrooms

This area is assigned a specific rating overall based on the components listed under the applicable Diamond Rating Guidelines section. Weights remain relatively the same regardless of classification.



### Guest services

A high level of guest services is the hallmark of the coveted AAA Four and Five Diamond Ratings. All properties must first match the physical guidelines respective of the Four or Five Diamond levels to qualify for a series of anonymous visits by AAA inspectors. Our overnight hospitality assessment includes a review of twelve critical areas and measures approximately 300 guest interaction points. All properties must achieve at least a Four Diamond Rating in

guest services to be considered for a Four Diamond Rating overall; similarly, a property must achieve a Five Diamond Rating in guest services to be considered for a Five Diamond Rating overall.

THE ACHIEVEMENT OF A AAA DIAMOND RATING MEANS THAT AN ESTABLISHMENT IS ONE OF AN EXCLUSIVE GROUP THAT HAS SUCCESSFULLY COMPLETED THIS THOROUGH EVALUATION PROCESS.

If a property is approved, the inspector will assign, or recommend, a Diamond Rating or FYI designation as appropriate based on conditions that exist at the time of the evaluation. The inspector will provide the property representative a written summary of the evaluation, including the rating decision. The frequency of subsequent AAA evaluations varies slightly, depending on the classification and the assigned rating of each establishment.

## Section Two

# *The Diamond Rating Guidelines*

AAA DIAMOND RATINGS REPRESENT A COMBINATION OF THE OVERALL QUALITY, THE RANGE OF FACILITIES, AND THE LEVEL OF HOSPITALITY OFFERED BY A PROPERTY. These widely recognized and trusted symbols help AAA members choose lodgings that will meet their needs and expectations.

AAA inspectors are responsible for determining a property's Diamond Rating based on established standards that are developed with input from our trained professionals, AAA members, and various lodging industry professionals.

AAA's Diamond Rating Guidelines indicate what is typically found at each rating level. However, the size, age, and overall appeal of an establishment are also considered, as well as regional architectural style and design. Diamonds are assigned based on the average of all property characteristics, with a focus on overall guest impression rather than on individual elements. Therefore, not meeting a guideline (in one area) may not necessarily affect the overall Diamond Rating.

The final factor in determining the Diamond Rating for a property is professional judgment, which is a very important part of the rating assessment. Our inspectors are North America's travel experts based upon ongoing training and experience in conducting more than 32,000 lodging evaluations per year.

## What the Diamond Ratings Mean

### One Diamond



These establishments typically appeal to the budget-minded traveler. They provide essential, no-frills accommodations. They meet the basic requirements pertaining to comfort, cleanliness, and hospitality.

### Two Diamond



These establishments appeal to the traveler seeking more than the basic accommodations. There are modest enhancements to the overall physical attributes, design elements, and amenities of the facility - typically at a moderate price.

### Three Diamond



These establishments appeal to the traveler with comprehensive needs. Properties are multifaceted with a distinguished style, including marked upgrades in the quality of physical attributes, amenities, and level of comfort provided.

### Four Diamond



These establishments are upscale in all areas. Accommodations are progressively more refined and stylish. The physical attributes reflect an obvious enhanced level of quality throughout. The fundamental hallmarks at this level include an extensive array of amenities combined with a high degree of hospitality, service, and attention to detail.

### Five Diamond



These establishments reflect the characteristics of the ultimate in luxury and sophistication. Accommodations are first class. The physical attributes are extraordinary in every manner. The fundamental hallmarks at this level are to meticulously serve and exceed all guest expectations while maintaining an impeccable standard of excellence. Many personalized services and amenities enhance an unmatched level of comfort.



**GLOSSARY:**

- ▶ **Climate controlled** – Heat, ventilation and/or air conditioning and cooling.
- ▶ **Dated** – Marked by features of the past; showing the effects of long use or wear; unfashionable.
- ▶ **Form** – The essence of design or configuration.
- ▶ **Function** – The action for which something is fundamentally fitted or purposed.
- ▶ **Plus** – When you see this term used (such as **2D, plus**), it means that the rating includes the **bolded** elements of the previous columns in addition to elements of the current column.
- ▶ **Residential** – Of, or relating to, or connected with, residential style; invokes a personal presence of home.

## Diamond Rating Guidelines – Exterior

<b>EXTERIOR</b>					
	<b>ONE DIAMOND</b>	<b>TWO DIAMOND</b>	<b>THREE DIAMOND</b>	<b>FOUR DIAMOND</b>	<b>FIVE DIAMOND</b>
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>GENERAL CURB APPEAL</b>	The combination of all exterior elements imparts a basic or dated style; Limited coordination in design; Limited quantity and variety of appointments; Overall, conveys an unadorned curb appeal	The exterior elements are moderately enhanced (as compared to basic) in quantity, function, and/or variety, with an increased coordination in design; Overall, conveys a modestly enhanced curb appeal	<b>The exterior elements are obviously enhanced and are well-coordinated for form, function, and seasonality; Some areas have a residential feel; Overall, conveys a very attractive curb appeal</b>	<b>3D, plus:</b> The combination of all exterior elements is substantial, impressive, well-integrated, and imparts an excellent level of curb appeal which is upscale in style	<b>4D, plus:</b> The combination of all exterior elements imparts an extraordinary and luxurious feel; Appointments are unique and contribute to an elegant level of curb appeal
<b>Landscaping</b>	Limited quantity and variety of landscaping; Basic design	Enhanced quantity, function, and variety of landscaping; Coordinated design	<b>Various landscape features are well-coordinated for form, function, and seasonality; An ample quantity and variety of plants are integrated with buildings, walkways, parking lots, courtyards, gardens, etc.</b>	<b>3D, plus:</b> Excellent variety of <b>mature plants; Obviously professionally planned and manicured</b>	<b>4D, plus:</b> Elegant and extensive variety of landscaping, with meticulous attention to detail in placement and care

## EXTERIOR

	<b>ONE DIAMOND</b>	<b>TWO DIAMOND</b>	<b>THREE DIAMOND</b>	<b>FOUR DIAMOND</b>	<b>FIVE DIAMOND</b>
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>Building Structure; Design</b>	Basic or dated in style	Modest enhancements to form and function via roofing, windows, siding, or some other architectural feature(s)	<b>Significantly enhanced in form and function with some residential appointments, such as: enhanced roofs, intricate moldings, window treatments, balconies, chimneys, etc.</b>	<b>3D, plus: Obviously upscale</b>	<b>4D, plus:</b> Extraordinary with unique architectural features
<b>Main Entrance</b>	No drive-through covered entry	<b>Drive-through covered entry;</b> Limited capacity (one-car width)	<b>2D, plus:</b> Increased capacity (two-car width); Structure is decorative	<b>3D, plus: Oversized capacity (two-car width and depth);</b> Upscale design and appointments	<b>4D, plus:</b> Elegant design and appointments
<b>Parking</b>	Varied surfaces; <b>Illumination is adequate</b>	<b>1D, plus:</b> Paved and marked areas	<b>2D, plus:</b> Lighting is well-positioned, from multiple sources, and provides a good level of overall illumination	<b>3D, plus:</b> Lighting fixtures reflect upscale characteristics with respect to the design of the property  Valet parking upon request or some other upgraded feature, such as: covered/indoor parking, shuttle service, or evidence of added security	<b>4D, plus:</b> Valet parking is automatic

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- ▶ **Function** – The action for which something is fundamentally fitted or purposed.
- ▶ **Plus** – When you see this term used (such as **2D, plus**), it means that the rating includes the **bolded** elements of the previous columns in addition to elements of the current column.
- ▶ **Residential** – Of, or relating to, or connected with, residential style; invokes a personal presence of home.

## Diamond Rating Guidelines – Public Areas

PUBLIC AREAS					
	ONE DIAMOND	TWO DIAMOND	THREE DIAMOND	FOUR DIAMOND	FIVE DIAMOND
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>GENERAL DÉCOR STYLE</b>	Predominantly basic or dated style with limited coordination of appointments that provide an adequate level of comfort	Increased coordination of appointments combined with modest enhancements to function, design elements, room size, and/or amenities that provide an enhanced level of comfort	Predominantly <b>residential style</b> with decorative appointments that are attractive, <b>well-coordinated for form and function</b> , and provide an obvious degree of comfort	<b>3D, plus:</b> Predominantly upscale style <b>that provides an exceptional degree of comfort</b>	<b>4D, plus:</b> Predominantly elegant style with luxurious, unique, and artistic appointments
<b>Floor Coverings</b>	Basic material, such as: linoleum, painted concrete, or low density pile carpet with padding that provides little or no comfort underfoot (floor feels hard)	Enhanced material, such as: wood laminates and vinyl, or <b>medium density pile carpet with padding that provides average comfort underfoot</b>	<b>2D, plus:</b> Wood laminates or carpet with <b>enhanced design, such as: patterns, textures, or inlays;</b> Decorative tile (ceramic, stone, concrete, terra cotta, etc.); <b>Hard surfaced floors have decorative area rugs as appropriate</b>	<b>3D, plus:</b> <b>High grade wood, marble, granite, or other upscale stone floors, or high density pile carpet with padding that provides exceptional comfort underfoot</b>	<b>4D, plus:</b> Custom inlays or textured enhancements that provide an overall design that is obviously elegant and unique; Area rugs are luxurious and unique

## PUBLIC AREAS

	<b>ONE DIAMOND</b>	<b>TWO DIAMOND</b>	<b>THREE DIAMOND</b>	<b>FOUR DIAMOND</b>	<b>FIVE DIAMOND</b>
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>Wall Coverings including Interior Corridors (if applicable)</b>	Walls are of basic material and design, such as: cinder block with a plain paint finish, standard grade wood, prefab modular laminate paneling, or wallpaper	Wall treatments are modestly enhanced, such as: drywall with basic paint finish or plain vinyl coverings; Rubber or vinyl baseboards	<b>Decorative wall treatments, such as: drywall with textured and painted finish, decorative vinyl coverings, or select grade wood/stone; Chair rails and carpeted baseboards</b>	<b>3D, plus:</b> At least one significant upscale design enhancement, such as: <b>accent wall(s), furniture-finish wood paneling, soft wall coverings, ceiling trim, architectural feature, wainscot, etc.; Wood baseboards</b>	<b>4D, plus:</b> Wall finishes are of the highest grade materials; Accented with multiple luxurious design enhancements
<b>Ventilation</b>		Climate controlled	Climate controlled	Climate controlled	Climate controlled
<b>Exterior Corridors (if applicable)</b>	Building structure and design is basic or dated in style	<b>Weather appropriate (Provides protection and comfort with respect to climatic elements);</b> Building structure shows modest enhancements to design and function via roofing, windows, siding, or some other architectural feature(s)	<b>2D, plus:</b> Building structure and design is significantly enhanced in form and function with some residential appointments, such as: <b>enhanced roofs, moldings, window treatments, etc.</b>	<b>3D, plus:</b> <b>Building structure and design is obviously upscale</b>	<b>4D, plus:</b> Extraordinary with unique architectural features
<b>Landscaping (Relating to Exterior Corridors)</b>	Limited quantity and variety of landscaping; Basic design	Enhanced quantity, function, and variety of landscaping; Coordinated design	<b>Various landscape features are well-coordinated for form, function, and seasonality;</b> An ample quantity and variety of plants are <b>integrated with buildings, walkways, parking lots, courtyards, gardens, etc.</b>	<b>3D, plus:</b> Excellent variety of <b>mature plants; Obviously professionally planned and manicured</b>	<b>4D, plus:</b> Elegant and extensive variety of landscaping, with meticulous attention to detail in placement and care

## PUBLIC AREAS

	ONE DIAMOND	TWO DIAMOND	THREE DIAMOND	FOUR DIAMOND	FIVE DIAMOND
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>Wall Hangings/ Decorative Enhancements</b>		Poster(s) or commercial artwork with thin, un-enhanced wood, metal, or plastic frame(s)	Matted artwork (common or commercial) in enhanced frame(s) or other decorative appointments	<b>Variety of matted and framed or unframed canvas artwork (varied sizes and scenes) or other appointments that provide a distinctive or thematic upscale appeal</b>	<b>4D, plus:</b> Variety of styles and accent pieces, such as: limited edition prints, canvas art, tapestries, or lithographs with enhanced matting and preservation frames, assorted artisan pieces or sculptures, floral displays or plants
<b>Ceilings</b>	Basic material and design, such as: drop tile, concrete, or standard grade wood	Modest enhancements to material and design, such as: enhanced drop tile, painted drywall, popcorn finish, sand textured concrete, etc.	<b>Predominant use of decorative elements to painted drywall, such as: an advanced textured finish (knockdown, orange peel, comb, slap brush, etc.) or select grade wood/stone</b>	<b>3D, plus:</b> One architectural or design feature, such as: <b>treys, beams, medallions, vaulted/volume, murals/stencils, tin tiles or skylights, ceiling fans, special effect lighting, etc.</b>	<b>4D, plus:</b> Multiple architectural or design features
<b>Illumination</b>	Basic lighting fixtures that provide an adequate level of overall illumination	Lighting fixtures are modestly enhanced in style, positioning, and function to <b>provide a good level of overall illumination</b>	<b>2D, plus:</b> Lighting fixtures are decorative and <b>well-coordinated for form and function</b>	<b>3D, plus:</b> Lighting fixtures reflect upscale design and provide an excellent level of overall illumination	<b>4D, plus:</b> Custom lighting fixtures of outstanding quality provide a unique illumination effect
<b>Signage</b>	Basic design in limited locations throughout the property	Modestly enhanced design in <b>appropriately placed locations throughout the property</b>	<b>2D, plus:</b> Decorative enhancements in design	<b>3D, plus:</b> Upscale design in <b>ample locations</b>	<b>4D, plus:</b> Custom design creatively placed for a unique effect

## PUBLIC AREAS

	ONE DIAMOND	TWO DIAMOND	THREE DIAMOND	FOUR DIAMOND	FIVE DIAMOND
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>Lobby/ Registration Area</b>	Obviously restricted by size and/or placement of appointments; Basic counter registration with limited or no seating capacity	Modest restrictions due to size and/or placement of appointments; Seating arrangement for one small group, such as: a sofa and two arm chairs	No restrictions, as placement of appointments is well-proportioned to area size; Expanded seating arrangement accommodating two small groups; Placement of appointments is well-proportioned to area size and traffic flow	Area size and placement of appointments provide an obvious degree of spaciousness allowing increased ease of movement for many guests; Multiple conversational groupings, including one or more privacy areas; Identifiable guest service area and bell stand	Area size and placement of appointments provide a free flowing abundance of space that contributes to the ultimate level of comfort and relaxation for many guests; Identifiable concierge area
<b>Furniture</b>	If available, predominantly basic materials, such as: particle board, laminate, or vinyl finishes; Dated styles with limited coordination; Provides an adequate level of comfort	An increased level of coordination; Modest enhancements in materials, design, and function; Provides an enhanced level of comfort	Decorative and <b>well-coordinated for form and function; Overall construction and design reflects current industry trends</b> , such as: Melamine resins, solid wood trim, or upgraded laminate finishes; Provides an obvious degree of comfort	<b>3D, plus: Modern or antique upscale style and materials, such as: solid wood, polished metals, leather, designer fabric, veneer finishes with solid wood accents, laminate insets, etc.; Provides an exceptional degree of comfort</b>	<b>4D, plus:</b> Luxurious, unique, and elegant custom design and workmanship
<b>Ice, Vending, Sundries &amp; Shops</b>	Ice machine(s) available  Vending machine(s) available	<b>Multiple sealed ice machines</b>  Basic hygiene amenities, such as: toothbrush/paste, razors, mouthwash, shower caps, combs, etc., available at the front desk or in vending machine	<b>2D, plus: Located in a recessed area</b>  Dedicated sundry area offering a variety of merchandise, such as: health and beauty needs, food, beverage, and reading materials	<b>3D, plus:</b> Conveniently located and appropriately soundproofed  Upscale gift shop	Specialized service, delivery or in-room honor bar  Variety of first-class shops

## PUBLIC AREAS

	ONE DIAMOND	TWO DIAMOND	THREE DIAMOND	FOUR DIAMOND	FIVE DIAMOND
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>Business Center</b>		Personal computer, with Internet access, available in lobby for guests' use	Dedicated open area (out of traffic pattern) <b>with desk and chair, to include at least three business-related items, such as: PC, printer, copier, fax machine, supplies, etc.</b>	<b>3D, plus: Well-appointed, enclosed area; Multi-guest capability with comprehensive office supplies</b>	<b>4D, plus:</b> Luxurious surroundings include the latest business technology; Professionally staffed area
<b>Elevator</b>		<b>Elevator is available for guests' use in multi-story buildings</b>	<b>2D, plus: Primarily dedicated to guests' use; Prompt response, quick moving, and spacious; Elevator includes decorative appointments; Landing includes a limited (four) amount of decorative furnishings, such as: tables, lamps, phone, artwork, chair, mirror, flowers, etc., and is recessed from the lobby and guestroom corridors</b>	<b>3D, plus: Multiple elevators include upscale appointments; Landings include a variety of upscale furnishings (five), such as: sofa table, lamps/wall sconce, phone, artwork, chair, coffee table, mirror, flowers/plants, etc.; Additional service elevator is available for staff's use</b>	<b>4D, plus:</b> Elevator cabs have dual call button panels; landings are elegant with luxurious, unique, and artistic appointments
<b>Miscellaneous</b>		Artificial or live plants in limited locations	Good variety of live plants or artificial floral arrangements used as appropriate for decorative accents throughout the property	Abundant variety of live plants, silk, or dried floral arrangements used as appropriate to enhance an upscale theme throughout the property	Garden-fresh condition, outstanding variety of live plants and flowers that are uniquely arranged to provide a luxurious appeal throughout the property

## PUBLIC AREAS

	ONE DIAMOND	TWO DIAMOND	THREE DIAMOND	FOUR DIAMOND	FIVE DIAMOND
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>Miscellaneous (cont'd)</b>		Limited (washer and dryer only) coin-operated laundry facilities	Expanded coin-operated laundry facilities, such as: multiple machines, vending supplies, folding table, etc. –or– valet laundry	<b>Valet laundry and pressing available</b>	<b>4D, plus:</b> Personalized services available, such as: one hour pressing, shoeshine, tailoring or alterations, etc.
		<b>Luggage carts available</b>	<b>2D, plus: Design enhancements, such as: solid construction, larger, smooth tracking wheels, and bumper guards</b>	<b>3D, plus:</b> Upscale design enhancements, such as: brass or metal finish, carpeted base, and multiple hanging capabilities. Luggage assistance available upon request	Luggage assistance upon arrival is automatic
<b>Meeting Rooms</b>		Private meeting room available; Basic audiovisual equipment available, such as: projectors, microphones, television, sound system, etc.	Expanded meeting space with decorative appointments; Increased variety of audiovisual equipment available, such as: dropdown projector and screen, smart lectern, controlling lights and surround sound, multi-casting, wireless communication, etc.; Some conference services available, such as: planning assistance, catering, and most technology needs	<b>A variety of meeting rooms, such as: ballroom, boardroom, theatre, and/or meeting rooms of various sizes, with upscale appointments; All audiovisual equipment is state-of-the-art; Full conference services available including on-site professional conference planner and technical support</b>	<b>4D, plus:</b> Luxuriously appointed, first-class facilities; Custom conference services



## PUBLIC AREAS

	<b>ONE DIAMOND</b>	<b>TWO DIAMOND</b>	<b>THREE DIAMOND</b>	<b>FOUR DIAMOND</b>	<b>FIVE DIAMOND</b>
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<p><b>Food &amp; Beverage:</b></p> <p style="text-align: center;"><b>Restaurant</b> <i>(if applicable)</i></p> <p style="text-align: center;"><b>OR</b> ↓</p> <p style="text-align: center;"><b>Breakfast Area</b></p> <p><b>Expanded Continental</b> – At minimum, two items in each of the following categories: juice, coffee, fresh fruits, low sugar breads, sweet breads, and cereals with milk.</p>		<p><b>One full-service outlet or food court</b> (comparable to a one diamond restaurant) onsite:</p> <p style="text-align: center;"><b>OR</b> ↓</p> <p>Standard continental breakfast (minimum: juice, pastry, and hot beverage) is served in a dedicated area with modest restrictions due to size and/or placement of appointments; Limited seating is available</p>	<p><b>2D, plus:</b> (comparable to a two diamond restaurant); Lounge or bar area</p> <p style="text-align: center;"><b>OR</b> ↓</p> <p>Expanded continental breakfast, or more, is served in a dedicated area that is distinctly separate from the lobby traffic; Appointments are well-proportioned to area size, with appropriate seating for the size of the establishment; Television</p>	<p><b>Upscale, full-service restaurant</b> (comparable to a three diamond restaurant); <b>Separate lounge or bar area;</b> Room service available for breakfast, lunch, and dinner</p>	<p><b>4D, plus:</b> Multiple outlets (at least one is comparable to a four diamond restaurant); Room service available 24/7</p>
<p><b>Recreational Facilities:</b></p> <p style="text-align: center;"><b>Swimming Pool</b></p>		<p>Pool area with a limited amount of furniture of basic or mixed styles; Property location determines seasonal availability</p>	<p><b>Weather appropriate pool (usable at least nine months annually);</b> Area is well-appointed with a good variety of decorative, comfortable pool furniture; Hot tub or whirlpool spa</p>	<p><b>3D, plus:</b> Pool area reflects the use of upscale building materials and design, with a variety of pool furniture; <b>Hot tub or whirlpool spa, steam room, or sauna; Food and beverage service is available poolside</b></p>	<p><b>4D, plus:</b> Pool area is of elegant design, with unique appointments, such as: sculptures, waterfalls/features, exotic plants and gardens, stone/tile surfaces with designer inlays, etc.; Outstanding variety of luxurious furniture; Cabanas; Full-time professional attendant is on duty</p>

## PUBLIC AREAS

	ONE DIAMOND	TWO DIAMOND	THREE DIAMOND	FOUR DIAMOND	FIVE DIAMOND
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>Spa</b>				Full spa services available	Full spa onsite
<b>Exercise Room</b>		Two pieces of equipment on site in a designated room	<b>2D, plus:</b> Three or more pieces of equipment; Room is enhanced with at least three purposeful appointments, such as: mirrored walls, television, water cooler, bathroom, towels, clock, scales, etc.	<b>3D, plus:</b> Five or more pieces of state-of-the-art equipment, including cardio and weight training capability	<b>4D, plus:</b> Ten or more pieces of equipment; Luxurious health club environment; <b>dressing area includes: lockers, showers, and restrooms;</b> Full-time professional attendant is on duty; In-room exercise equipment available
<b>Additional Facilities/ Programs</b> (Golf, tennis, boating, horseback riding, children's activities, babysitting, etc.)			Multiple facilities/ programs onsite; Some with off-site privileges	<b>3D, plus:</b> Arrangements are made for off-site services	<b>4D, plus:</b> First-class facilities/ programs with custom concierge services provided
<b>Restrooms</b>		One unisex	Separate gender restrooms in a convenient location (If property has expanded meeting facilities, then additional restrooms are available in proportion)	<b>3D, plus:</b> Upscale appointments	<b>4D, plus:</b> First-class with luxurious appointments

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- ▶ **Residential** – Of, or relating to, or connected with, residential style; invokes a personal presence of home.

## Diamond Rating Guidelines – Guestroom

<b>GUESTROOM</b>					
	<b>ONE DIAMOND</b>	<b>TWO DIAMOND</b>	<b>THREE DIAMOND</b>	<b>FOUR DIAMOND</b>	<b>FIVE DIAMOND</b>
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>GENERAL DÉCOR STYLE</b>	Predominantly basic or dated style with limited coordination of appointments that provide an adequate level of comfort	Increased coordination of appointments combined with modest enhancements to function, design elements, room size, and/or amenities that provide an enhanced level of comfort	Predominantly <b>residential style with decorative appointments that are attractive, well-coordinated for form and function</b> that provide an obvious degree of comfort	<b>3D, plus:</b> Predominantly upscale style that <b>provides an exceptional degree of comfort</b>	<b>4D, plus:</b> Predominantly elegant style with luxurious, unique, and artistic appointments
<b>Free Floor Space</b>	Obviously restricted by size and/or placement of appointments; however, provides guest an adequate level of comfort	Modest restrictions due to size and/or placement of appointments	No restrictions, as placement of appointments is well-proportioned to room size	Room size and placement of appointments provide an obvious degree of spaciousness, allowing increased ease of movement for multiple guests	Room size and placement of appointments provide a free flowing abundance of space that contributes to the ultimate level of comfort and relaxation for multiple guests

## GUESTROOM

	<b>ONE DIAMOND</b>	<b>TWO DIAMOND</b>	<b>THREE DIAMOND</b>	<b>FOUR DIAMOND</b>	<b>FIVE DIAMOND</b>
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>Floor Coverings</b>	Basic material, such as: linoleum or low density pile carpet with padding that provides little or no comfort underfoot (floor feels hard)	Enhanced material, such as: wood laminates and vinyl, or <b>medium density pile carpet with padding that provides average comfort underfoot</b>	<b>2D, plus:</b> Wood laminates or carpet with <b>enhanced design, such as: patterns, textures, or inlays;</b> Decorative tile (ceramic, stone, concrete, terra cotta, etc.); <b>Hard surfaced floors have decorative area rugs as appropriate</b>	<b>3D, plus:</b> <b>High grade wood, marble, granite, or other upscale stone floors, or high density pile carpet with padding that provides exceptional comfort underfoot</b>	<b>4D, plus:</b> Custom inlays or textured enhancements that provide an overall design that is obviously elegant and unique; Area rugs are luxurious and unique
<b>Wall Coverings</b>	Basic material and design, such as: cinder block with a plain paint finish, standard grade wood, prefab modular laminate paneling, or wallpaper	Wall treatments are modestly enhanced, such as: drywall with basic paint finish or plain vinyl coverings; Rubber or vinyl baseboards	<b>Decorative wall treatments, such as: drywall with textured and painted finish, decorative vinyl coverings, or select grade wood/stone;</b> Carpeted baseboards	<b>3D, plus:</b> At least one significant upscale design enhancement, such as: <b>accent wall(s), furniture-finish wood paneling, soft wall coverings, ceiling trim, architectural feature, wainscot, chair rails, etc.;</b> Wood baseboards	<b>4D, plus:</b> Wall finishes are of the highest grade materials; Accented with multiple luxurious design enhancements
<b>Wall Hangings/ Decorative Enhancements</b>		Poster(s) or commercial artwork with thin, un-enhanced wood, metal, or plastic frame(s)	Matted and framed artwork (common or commercial) in enhanced frame(s) or other decorative appointments	<b>Variety of matted and framed artwork (varied sizes and scenes) or other appointments that provide a distinctive or thematic upscale appeal</b>	<b>4D, plus:</b> Variety of styles and accent pieces, such as: limited edition prints, canvas art, tapestries, or lithographs with enhanced matting and preservation frames, assorted artisan pieces or sculptures, floral displays or plants

## GUESTROOM

	ONE DIAMOND	TWO DIAMOND	THREE DIAMOND	FOUR DIAMOND	FIVE DIAMOND
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>Ceilings</b>	Basic material and design, such as: drop tile, concrete, or standard grade wood	Modest enhancements to material and design, such as: enhanced drop tile, painted drywall, popcorn finish, sand textured concrete, etc.	<b>Predominant use of decorative enhancements to painted drywall, such as: an advanced textured finish (knockdown, orange peel, comb, slap brush, etc.) or select grade wood/stone</b>	<b>3D, plus:</b> One architectural or design feature, such as: <b>treys, beams, medallions, vaulted/volume, murals/stencils, tin tiles or skylights, ceiling fans, special effect lighting, etc.</b>	<b>4D, plus:</b> Multiple architectural or design features
<b>Window Coverings</b>	Basic <b>drapes, blinds, or shades</b> offering limited blackout effect from the sun or outside light sources	<b>1D, plus:</b> Full blackout effect	<b>2D, plus:</b> Two design enhancements, such as: <b>blinds, shutters, sheers, fabric side panels, valance, glass treatment, cornice, etc., provides a professional design effect</b>	<b>3D, plus:</b> Three or more design enhancements	<b>4D, plus:</b> Elaborate, luxurious, and unique visual effect
<b>Bed</b>	No headboard -or- headboard and mattress are of basic materials and plain design (vinyl flat top); Box spring or bed base	Headboard and mattress are of <b>modestly enhanced material and design (quilted, soft top); Box spring or bed base</b>	<b>2D, plus:</b> Decorative headboard	<b>Upscale headboard, bed base and mattress which includes a comfort enhancement, such as: pillow top, memory foam padding, adjustable comfort level, etc.</b>	<b>4D, plus:</b> Elaborate, luxurious, and unique visual appeal
<b>Bedding</b>	Bed coverings are of basic style; Bed linens are of common blends and thread counts (sheer, coarse to touch); Pillows are of a standard grade (thin Polyester batting)	<b>Bed coverings are quilted or modestly enhanced in style; Bed linens are of average (180-250) thread count, closely woven and smooth to touch; Pillows are of an enhanced grade (thick Cluster Fiber)</b>	<b>2D, plus:</b> Two accent features, such as: comforter, duvet, dust ruffles, bed throw/scarf, multiple pillows, accent pillows/shams or triple sheeting	<b>Bed coverings include three or more accent features (see 3D);</b> Bed linens are of increased thread count (>250), tightly woven, crisp, and very soft to the touch; Pillows are of an upscale grade, such as: down or feather	<b>4D, plus:</b> ≥ 300 thread count bed linens (Egyptian cotton, satin, silk or similar) provide a super soft, silk-like feel; Choice of pillow fills, such as: silk, wool, cashmere, premium foams, latex or goose down, etc., is provided

## GUESTROOM

	<b>ONE DIAMOND</b>	<b>TWO DIAMOND</b>	<b>THREE DIAMOND</b>	<b>FOUR DIAMOND</b>	<b>FIVE DIAMOND</b>
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>Clothes Storage Hang Space</b>	Open wall-mounted clothes rack with simple wire or non-detachable hangers	Semi-enclosed area with detachable wood, plastic, or heavy metal hangers	<b>Fully-enclosed with at least six open-hook wood or heavy gauge, sculptured plastic matching hangers; Some with skirt or pant hanging attachments; Closet depth is 22 inches ( at minimum) and can enclose full length apparel</b>	<b>3D, plus:</b> At least eight hangers	<b>4D, plus:</b> At least ten hangers (two of which are satin or similar); One or more designer features, such as: drawers, shelves, shoe rack, walk-in capability, etc.; Closet is illuminated
<b>Additional Storage Space</b>	Open clothes storage space	<b>Multiple enclosed drawers; Total storage space can accommodate the needs of two or more guests</b>	<b>2D, plus:</b> Sufficient space for one piece of luggage, such as: folding metal rack, bench, or credenza top	<b>3D, plus:</b> <b>Sufficient space for two pieces of luggage (upgraded wooden racks or designer-style benches);</b> Total storage space can accommodate the needs of three or more guests	<b>4D, plus:</b> Total storage space can accommodate the needs of four or more guests
<b>Illumination</b>	Two or more well-positioned basic lighting fixtures; Provide an adequate level of overall illumination	Three or more lighting fixtures; Modestly enhanced in style, positioning, and function; Provide a good level of overall illumination	<b>Four or more well-positioned lighting fixtures;</b> Decorative and well-coordinated for form and function; Provide a good level of overall illumination at each location	<b>3D, plus:</b> <b>Predominantly freestanding fixtures</b> of upscale design; Provide an excellent level of overall illumination	<b>4D, plus:</b> Custom lighting fixtures of outstanding quality; Custom function(s), such as: dimmers, point lighting, multiple switches, and/or natural light sources; Provide a unique illumination effect
<b>Furniture</b>	<b>Predominantly basic materials, such as: particle board, pressboard, laminate, or vinyl finishes;</b> Dated styles with limited coordination; Provides an adequate level of comfort	<b>1D, plus:</b> An increased level of coordination; Modest enhancements in materials, design, and function; Provides an enhanced level of comfort	<b>Predominantly freestanding;</b> Decorative and well-coordinated for form and function; <b>Overall construction and design reflects current industry trends,</b> such as: Melamine resins, solid wood trim, or upgraded laminate finishes; Provides an obvious degree of comfort	<b>3D, plus:</b> <b>Modern or antique upscale style and materials, such as: solid wood, polished metals, leather, designer fabric, veneer finishes with solid wood accents, laminate insets, etc.;</b> Provides an exceptional degree of comfort	<b>4D, plus:</b> Luxurious, unique, and elegant custom design and workmanship

## GUESTROOM

	<b>ONE DIAMOND</b>	<b>TWO DIAMOND</b>	<b>THREE DIAMOND</b>	<b>FOUR DIAMOND</b>	<b>FIVE DIAMOND</b>
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>Seating</b>	<p><b>One chair</b> (typically placed as part of a duplex, triplex, or task table)</p>	<p><b>1D, plus:</b> Additional seating for one guest; Vinyl or fabric upholstery</p>	<p>Comfortable seating for two guests – <b>to include desk chair with arms and partial upholstery, such as: vinyl, leather, or fabric; Plus one additional fully upholstered easy/lounge chair that is positioned for television viewing</b></p>	<p><b>3D, plus:</b> <b>Comfortable seating for three guests;</b> Upscale materials and design in an <b>expanded setting, such as: a loveseat, sofa, or oversized chair with ottoman</b></p>	<p><b>4D, plus:</b> Luxurious materials and design; Additional furniture pieces, such as: end tables, coffee or occasional tables</p>
<p style="text-align: center;"><b>Work Space/ Writing Surface</b></p> <p style="text-align: center;"><i>Items stored on a writing surface decrease the available working space. A writing surface is judged, in part, on the basis of available space.</i></p>	<p>Duplex, triplex, or small task table that provides adequate work space (e.g., enough space for a laptop computer and an 8x10 inch reference material item)</p>	<p>Desk or medium task table that provides good work space (e.g., enough space for a laptop computer and two 8x10 inch reference material items)</p>	<p>Desk or large task table that provides very good work space (e.g., enough space for a laptop computer and three 8x10 inch reference material items); One electrical outlet (not in use) conveniently placed at the desk</p>	<p><b>Large desk that provides ample work space (e.g., enough space for a laptop computer, three 8x10 inch reference material items, and a portable printer); Multiple electrical outlets (not in use) conveniently placed at the desk</b></p>	<p><b>4D, plus:</b> Desktop enhancements, such as: desk blotter, pull-out writing surface, stationery, and other office supplies</p>
<b>Ventilation</b>	<p><b>Heat and/or air conditioning available on a seasonal basis as needed;</b> Window style air-conditioning units</p>	<p><b>1D, plus:</b> <b>Conveniently located through-wall units</b></p>	<p><b>2D, plus:</b> Heat and air conditioning available on demand; Modern, quiet, with easily accessible controls in each guestroom</p>	<p><b>Heat and air conditioning available on demand; Central system with thermostat control</b></p>	<p><b>4D, plus:</b> Digital thermostat control</p>
<b>Telephone</b>	<p><b>Touch-tone telephone</b></p>	<p><b>1D, plus:</b> <b>Message light on telephone</b></p>	<p><b>2D, plus:</b> <b>Voice messaging</b></p>	<p><b>3D, plus:</b> <b>Multiple telephones; Two-line telephone or separate Internet capability</b></p>	<p><b>4D, plus:</b> Cordless telephone; Expanded phone features, such as: pre-programmed dialing keys, speaker capability, personalized display or voicemail</p>

## GUESTROOM

	ONE DIAMOND	TWO DIAMOND	THREE DIAMOND	FOUR DIAMOND	FIVE DIAMOND
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>Internet</b>	Dial-up capability	High-speed access (cable or wireless) available in some rooms	High-speed cable access available in all rooms	<b>High-speed wireless access available in all rooms</b>	<b>4D, plus:</b> Available in some public areas of the property
<b>Television Type and Placement</b>  <i>CRT (Cathode Ray Tube)</i>  <i>LCD (Liquid Crystal Display)</i>  <i>SED (Surface-conductor Electron-emitter Display)</i>	Standard CRT TV (curved screen); Wall-mounted; Limited viewing angles; <b>Basic cable</b>	<b>1D, plus:</b> <b>Standard CRT TV (curved screen)</b> with remote control; <b>Located on credenza, dresser, or other furniture piece</b> without a swivel base; Limited viewing angles; <b>Channel directory</b>	<b>2D, plus:</b> <b>≥ 25 inch screens with portable full function remote control;</b> With swivel/pull-out base; <b>Multiple viewing angles;</b> <b>Multiple televisions in suites;</b> <b>Expanded Cable channel selection (at least 35 channels);</b> <b>Plus one additional feature, such as: free movie channel, pay-per-view movie channels, video games, etc.</b>	<b>3D, plus:</b> <b>≥ 25 inch Flat Screen CRT or Flat Panel TV (such as: LCD, Plasma, SED, etc.);</b> <b>Located on credenza, dresser, or on/in other furniture piece with a swivel/pull-out base or wall mounted;</b> <b>Cables and cords are hidden from view</b>	<b>4D, plus:</b> Custom, decorative enhancement (e.g., framing, mantle placement, remote enclosure, mirrored screen, etc.); High-definition channels available
<b>Other Electronics</b>	Clock	Standard <b>clock radio</b>	<b>2D, plus:</b> <b>Decorative design</b>	<b>3D, plus:</b> <b>Digital display</b>  DVD player (in lieu of pay-per-view movies)	<b>4D, plus:</b> CD player with at least one CD selection; MP3 docking station; Surround sound audio  DVD Player; DVD library available



## GUESTROOM

	ONE DIAMOND	TWO DIAMOND	THREE DIAMOND	FOUR DIAMOND	FIVE DIAMOND
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>Guest Information</b>	<p><b>Local telephone directory</b></p>	<p><b>1D, plus:</b> Local Business flyers (food, attractions, transportation, etc.); Notepad and pencil</p>	<p><b>2D, plus:</b> Guest-service directory; Complimentary daily newspaper available; <b>Notepad and pen</b></p>	<p><b>3D, plus:</b> Enhanced guest-service directory in folder, binder, or digital format; Complimentary daily newspaper delivered to room; <b>Additional reading materials, such as: magazines, books, etc.; Upgraded stationery package (envelopes, postcards, writing paper)</b></p>	<p><b>4D, plus:</b> Uniquely appointed guest-service directory in folder, binder or digital format; In-room comfort menu providing exercise, spa, butler, or other personalized services; Assortment of complimentary daily newspapers available for delivery to room</p>
<b>Comfort</b>	<p>Basic ice bucket (polystyrene foam, plastic, cardboard, etc.) with disposable cups</p>	<p>Plastic ice bucket with lid and disposable cups</p> <p>Iron &amp; board available</p> <p>Full-length mirror</p>	<p>Insulated plastic ice bucket with lid and disposable cups</p> <p><b>Full-size iron and board</b></p> <p>Refrigerator available</p> <p>Microwave oven available</p> <p><b>Extra pillows and blankets available</b></p> <p><b>In-room safe</b></p> <p><b>Coffee maker and supplies, including tea bags</b></p> <p><b>Framed or beveled full-length mirror</b></p>	<p>Ice bucket with lid of upscale design, such as: insulated and padded vinyl, acrylic or metal; Glass tumblers</p> <p><b>3D, plus:</b> <b>In-room snacks, mini bar, or a refrigerator that can be custom stocked upon request</b></p> <p><b>In-room safe that is large enough for a standard 12" laptop computer</b></p>	<p>Ice bucket of luxurious design, such as: designer glass, silver, brushed or glossy metal finish, rings or handles, etc.; Selection of glassware; Ice tongs</p> <p><b>4D, plus:</b> Two robes; Two pairs of slippers</p> <p>Umbrella</p> <p>In-room comfort menu providing exercise, spa, butler, or other personalized services</p>

**GLOSSARY:**

- ▶ **Climate controlled** – Heat, ventilation and/or air conditioning and cooling.
- ▶ **Dated** – Marked by features of the past; showing the effects of long use or wear; unfashionable.
- ▶ **Form** – The essence of design or configuration.
- ▶ **Function** – The action for which something is fundamentally fitted or purposed.
- ▶ **Plus** – When you see this term used (such as **2D, plus**), it means that the rating includes the **bolded** elements of the previous columns in addition to elements of the current column.
- ▶ **Residential** – Of, or relating to, or connected with, residential style; invokes a personal presence of home.

## Diamond Rating Guidelines – Bathroom

<b>BATHROOM</b>					
	<b>ONE DIAMOND</b>	<b>TWO DIAMOND</b>	<b>THREE DIAMOND</b>	<b>FOUR DIAMOND</b>	<b>FIVE DIAMOND</b>
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>GENERAL DÉCOR STYLE</b>	Predominantly basic or dated style with limited coordination of appointments that provide an adequate level of comfort	Increased coordination of appointments, combined with modest enhancements to function, design elements, room size, and/or amenities that provide an enhanced level of comfort	Predominantly <b>residential style with decorative appointments that are attractive, well-coordinated for form and function</b> that provide an obvious degree of comfort	<b>3D, plus:</b> Predominantly upscale style <b>that provides an excellent degree of comfort</b>	<b>4D, plus:</b> Predominantly elegant style with luxurious, unique, and artistic appointments
<b>Free Floor Space</b>	Obviously restricted by size and/or placement of appointments; however, provides guest an adequate level of comfort	Modest restrictions due to size and/or placement of appointments	No restrictions, as placement of appointments is well-proportioned to room size	Room size and placement of appointments provide an obvious degree of spaciousness, allowing increased ease of movement for multiple guests	Room size and placement of appointments provide a free flowing abundance of space that contributes to the ultimate level of comfort and relaxation for multiple guests
<b>Floor Coverings</b>	Basic material, such as: linoleum, painted concrete, plain resin, or poured composite surface	Vinyl or ceramic tile	Decorative tile (ceramic, stone, concrete, terra cotta, etc.)	<b>Marble, granite, or other upscale stone floors; Area rug(s) as appropriate</b>	<b>4D, plus:</b> Custom inlays or textured enhancements provide an overall design that is obviously elegant and unique

## BATHROOM

	<b>ONE DIAMOND</b>	<b>TWO DIAMOND</b>	<b>THREE DIAMOND</b>	<b>FOUR DIAMOND</b>	<b>FIVE DIAMOND</b>
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>Wall Coverings</b>	Basic material and design, such as: cinder block with a plain paint finish, standard grade wood, prefab modular laminate paneling, dated ceramic tile or wallpaper	Wall treatments are modestly enhanced, such as: drywall with basic paint finish or plain vinyl coverings; Rubber, vinyl, or ceramic tile baseboards	<b>Decorative wall treatments, such as: drywall with textured and painted finish, decorative vinyl coverings, or select grade wood/stone; Wood or decorative ceramic tile baseboards</b>	<b>3D, plus:</b> At least one significant upscale design enhancement, such as: <b>accent wall(s), furniture-finish wood paneling, soft wall coverings, ceiling trim, architectural feature, wainscot, etc.; Wood or high-end stone baseboards</b>	<b>4D, plus:</b> Wall finishes are of the highest grade materials; Accented with multiple luxurious design enhancements
<b>Wall Hangings/ Decorative Enhancements</b>				<b>Matted and framed artwork or other appointments that provide a distinctive or thematic upscale appeal</b>	<b>4D, plus:</b> Variety of styles and accent pieces, such as: limited edition prints, canvas art, tapestries, or lithographs with enhanced matting and preservation frames, assorted artisan pieces or sculptures, floral displays or plants
<b>Ceilings</b>	Basic material and design, such as: drop tile, concrete, or standard grade wood	Modest enhancements to material and design, such as: enhanced drop tile, painted drywall, popcorn finish, sand textured concrete, etc.	<b>Predominant use of decorative enhancements to painted drywall, such as: an advanced textured finish (knockdown, orange peel, comb, slap brush, etc.) or select grade wood/stone</b>	<b>3D, plus:</b> One architectural or design feature, such as: <b>treys, beams, moldings, medallions, raised/vaulted/volume, murals/stencils, tin or skylights, ceiling fans, special effect lighting, etc.</b>	<b>4D, plus:</b> Multiple architectural or design features

## BATHROOM

	ONE DIAMOND	TWO DIAMOND	THREE DIAMOND	FOUR DIAMOND	FIVE DIAMOND
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>Tub</b>	<p><b>Basic rectangular style, size (4½ ft. length and 14 in. depth) and materials (fiberglass, acrylic, or porcelain on steel); Simple design (straight sided)</b></p>	<p><b>1D, plus:</b> Modest design enhancement</p>	<p><b>2D, plus:</b> Decoratively enhanced in design, or augmented for comfort or function</p>	<p><b>Enhancements to size (&gt;4½ ft. length and &gt;14 in. depth), design, and/or style, such as: oval, round, or free form</b></p>	<p><b>4D, plus:</b> Obvious enhancements in comfort, design, function, and/or material, such as: larger, two person capability, contoured backs, built-in lumbar back support, water jets, enamel-coated cast iron, natural marble, stone, or other designer features</p>
<b>Shower</b>	<p>If separate from tub (or shower only), base is of basic material (metal or fiberglass) and of plain design</p> <p><b>Basic square size (≤9 sq. ft.)</b></p>	<p><b>1D, plus:</b> If separate from tub (or shower only), base is of enhanced material (acrylic or ceramic tile)</p> <p>Modest enhancement to design -or- irregular shape (rectangular, rounded corner or neo angle)</p>	<p>If separate from tub (or shower only), base is decorative ceramic tile, cultured marble/granite, or poured acrylic</p> <p>Very good size (&gt;9 sq. ft.)</p>	<p>If separate from tub (or shower only), base is of upscale material, such as: marble, granite, stone, or porcelain tiles.</p> <p><b>Oversized (&gt;12 sq. ft.)</b></p>	<p><b>4D, plus:</b> Separate shower stall in addition to the tub; base is of outstanding material and artistic design, such as: marble, granite, stone, or porcelain tiles with complementary inlays or treatments</p>
<b>Tub/Shower Surround</b>	Fiberglass or metal	Acrylic or ceramic tile	Acrylic with enhancements for comfort, style, or function -or- decorative ceramic tile or other solid surface, such as: cultured marble/granite, poured acrylic, etc.)	Marble, granite, stone, or porcelain tiles; Enhanced solid surface; <b>Tub and shower height soap dishes</b>	<b>4D, plus:</b> Luxurious material and artistic design, such as: marble, granite, stone, or porcelain tiles with complementary inlays or treatments; Seating is integrated into design
<b>Shower Curtain/Door</b>	Lightweight vinyl curtain	Heavyweight vinyl curtain or plexi-glass door with aluminum frame	Decorative vinyl, polyester, or nylon curtains with curved shower rod; -or- lightweight glass door with aluminum frame; <b>-or- effective door-less design</b>	<b>3D, plus:</b> Double curtains -or- heavyweight glass door with/without metal frame	<b>4D, plus:</b> Fixed door enclosure (framed or frameless); Enhanced (etched, frosted, embossed, tinted, etc.) glass

## BATHROOM

	<b>ONE DIAMOND</b>	<b>TWO DIAMOND</b>	<b>THREE DIAMOND</b>	<b>FOUR DIAMOND</b>	<b>FIVE DIAMOND</b>
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>Shower Fixtures</b>	Traditional, single function shower head	Multiple setting shower head	Multiple setting shower head with metal finish	Enhanced style, of modern design, fixed shower head	Custom water features, such as: body jets, hand-held sprayers, multiple shower heads, rain showers, or gentle flow environmentally friendly features
<b>Toilet</b>	<b>Two-piece, round;</b> Basic style	<b>1D, plus:</b> Enhanced style	<b>Two-piece, elongated;</b> Basic style	<b>3D, plus:</b> Enhanced style or function	<b>4D, plus:</b> Distinct toilet-only area; Enclosed or semi-enclosed
<b>Vanity Area Size and Location (includes: Sink, Counter/Shelf Space, Mirror, Cabinetry and Fixtures)</b>	<b>Combined with toilet area within an enclosed space</b> that is restricted by size and/or placement of appointments	<b>1D, plus:</b> Modest restrictions due to size and/or placement of appointments  <b>OR</b> If vanity area is separate from the toilet area, it is positioned in plain view of the guestroom	<b>2D, plus:</b> No restrictions, as placement of appointments are well-proportioned to room size  <b>OR</b> If vanity area is separate from the toilet area, it is positioned in restricted view from the rest of the guestroom	<b>3D, plus:</b> Vanity is well-integrated into the overall scheme of the bathroom for convenience and comfort; Room size and placement of appointments provide an obvious degree of spaciousness, allowing increased ease of movement for multiple guests	<b>4D, plus:</b> Room size and placement of appointments provide a free flowing abundance of space that contributes to the ultimate level of comfort and relaxation for multiple guests
<b>Sink</b>	Wall-mounted, basic style, porcelain	Standard self-rimming porcelain or porcelain on steel	Seamless (Poured acrylic or cultured marble/granite/quartz) -or- Under-mounted porcelain or porcelain on steel	Porcelain or porcelain on steel, <b>with an upscale counter enhancement, such as: wall faucets or upscale counter-mounted faucets</b>	<b>4D, plus:</b> Multiple sinks of ornate design, such as: above counter vessel or pedestal -or- of designer materials, such as: glass, stainless steel, vitreous china, enameled cast iron, fireclay, brass, nickel, copper, marble, or either real/synthetic stone

## BATHROOM

	ONE DIAMOND	TWO DIAMOND	THREE DIAMOND	FOUR DIAMOND	FIVE DIAMOND
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>Available Counter / Shelf Space</b>	Small size (<2 sq. ft.) shelf of basic material, such as: glass, metal, or sheet laminate	Moderate size (≥ 2 sq. ft.) laminate counter	Very good size (≥4 sq. ft.) counter space of solid surface, such as: poured acrylic, cultured marble/ granite/quartz, or ceramic tile	<b>Oversized (≥ 6 sq. ft.) counter space</b> of excellent quality, such as: marble, granite, or other solid stone	<b>4D, plus:</b> Multiple counters and/or shelves; Artistic design, such as: marble, granite, solid stone, or porcelain tiles with complementary inlays or treatments
<b>Mirror</b>	Small (1½ ft. x 2 ft.) mirror	<b>Medium-sized (&gt;3 sq. ft.) mirror</b>	<b>2D, plus:</b> Beveled or decoratively framed mirror	<b>Large (3 ft. x 5 ft.) mirror with an upscale frame</b>	<b>4D, plus:</b> Artistic design enhancement
<b>Cabinetry</b>		Skirting partially conceals plumbing	Enhanced skirting conceals plumbing	<b>Upscale, furniture-finished skirting</b>	<b>4D, plus:</b> Elaborate design features, cabinetry, multiple shelving, and/or drawers
<b>Illumination</b>	Basic design and function, such as: bulb and cover; Provide an adequate level of overall illumination	Modest design enhancements, such as: box/egg crate style or enhanced glass cover; Provide a good level of overall illumination	Decorative, <b>well-coordinated for form and function;</b> <b>Multiple bulbs and covers</b> provide a good level of overall illumination	<b>3D, plus:</b> Upscale design; <b>Multiple locations;</b> <b>Illuminated shower;</b> Provide an excellent level of overall illumination at each location	<b>4D, plus:</b> Designer fixtures; Custom function(s), such as: dimmers, point lighting, multiple switches, and/or natural light sources; Provide a unique illumination effect
<b>Other Fixtures</b>	<b>Standard function; Basic materials</b> of plain design	<b>1D, plus:</b> Modest <b>design enhancements</b>	<b>2D, plus:</b> Metal with decorative finishes, such as: chrome, pewter, brass, nickel, gold, etc.	Upscale <b>design enhancements, such as: satin or enamel finishes, two or more metal combinations,</b> embossing, etc.	<b>4D, plus:</b> Designer materials and style; Unique appointments
<b>Towels</b>	Basic, <b>lightweight;</b> <b>Rough to touch;</b> <b>Limp feel;</b> <b>Low absorbency;</b> Displayed on caddies	<b>1D, plus:</b> Modest enhancements in design; Displayed on bars and/or shelves	Medium weight; Soft to touch; Medium absorbency	<b>Heavyweight;</b> <b>Plush to touch;</b> <b>Firm, self-supporting feel;</b> <b>Premium cotton with high absorbency</b>	<b>4D, plus:</b> Generous sized towels or bath sheets; Luxurious appearance, with intricate and detailed enhancements to design

## BATHROOM

	ONE DIAMOND	TWO DIAMOND	THREE DIAMOND	FOUR DIAMOND	FIVE DIAMOND
	Economy	Mid-Scale	Mid-Scale Plus	Upscale	Ultra-Luxury
<b>Personal Care</b>	Two small (< ¼ oz.) bars of soap (or equivalent)	Two medium (≥ ¼ oz.) bars of soap (or equivalent); one packet or bottled item; modest presentation	Four-piece personal care package, includes: one large (≥ 1¼ oz.) and one medium (≥ ¾ oz.) bars of soap (or equivalent); two (≥ ¾ oz.) bottled items; Decorative presentation; <b>Additional amenities (such as: toothpaste/brush, comb, sewing kit, mouthwash, etc.) are available onsite</b>	<b>3D, plus:</b> Seven-piece personal care package; Toiletries are enhanced by fragrance, natural supplement, packaging, etc.; Includes: two large (≥ 1¼ oz.) bars of soap (or equivalent), three (≥ 1 oz.) bottled items, and two additional items; Upscale presentation; <b>Freestanding soap dish at sink</b>	<b>4D, plus:</b> Ten-piece personal care package of designer/spa toiletries; Ample sized (≥ 1½ oz.) bars of soap and bottled items (≥ 1¼ oz.); Unique presentation
	<b>Facial tissues</b>	<b>1D, plus:</b> Wall-mounted with chrome covers	Facial tissues inset in vanity (no chrome)	<b>Facial tissues freestanding in decorative container</b>	<b>4D, plus:</b> Custom designed container
			Wall-mounted hair dryer	<b>Freestanding hair dryer; Makeup mirror</b>	<b>4D, plus:</b> Illuminated makeup mirror; Scale; vanity seating
<b>Other</b>			<b>Night-light</b>	<b>3D, plus: Landline or cordless telephone available</b>	<b>4D, plus:</b> Television

## The AAA Four and Five Diamond Rating

These prestigious ratings are achieved by less than four percent of all Approved properties—typically the most luxurious and pampering properties throughout North America. Less than one third of one percent of lodgings receives the Five Diamond® Rating while approximately three and one half percent receives the Four Diamond® Rating. Establishments must consistently reflect upscale and extraordinary characteristics (respectively) in both physical attributes and level of guest services.

If the AAA inspector determines that your establishment meets our Four or Five Diamond Guidelines, the property will next be scheduled for an anonymous hospitality evaluation. Only the Four and Five Diamond evaluations incorporate a review of twelve critical service areas and measure over 300 guest interaction points into the overall rating. In addition, all Five Diamond Rating recommendations are forwarded to AAA's Five Diamond Committee for further review. Once the committee's assessment is concluded, the establishment will be advised in writing of the outcome.

## Four and Five Diamond Service Expectations

IN ADDITION TO THE FOLLOWING GUEST SERVICE INTERACTION POINTS, each section is assessed a subjective point value based on the overall levels of competency, refinement, and hospitality.

1. Reservation Services			
	Service Level		
	5D	4D	
Reservation Services	X	X	Accepted 24 hours, either at property or through a central reservation system
	X	X	Operator answers phone promptly within three rings
	X	X	Operator provides a warm and sincere greeting
	X	X	Reservationist thanks caller for contacting the property
	X	X	Reservationist provides an introduction
	X	X	Reservationist asks for caller's name
	X		Reservationist addresses caller by name prior to closing
	X		Reservationist anticipates caller's needs or offers a personalized recommendation
	X	X	Reservationist provides rate structure and room availability
	X	X	Reservationist provides an overview of facilities and services
	X		Reservationist exhibits competent knowledge of all associated facilities and hours of operation
	X	X	Reservationist collects registration information
	X	X	Reservationist explains deposit and cancellation policies
	X	X	Reservationist explains unusual payment options
	X	X	Reservationist reviews reservation request
	X		Reservationist exhibits a sincere desire and compliance to all guest requests
	X	X	Reservationist provides confirmation number or contact's name
	X		Reservationist is efficient yet unhurried and sensitive to the manner of the guest
	X	X	Reservationist provides a warm and sincere thank you to guest for calling
	X		Operator addresses guest by name during closing
X	X	The guest feels well served	
X		Property offers follow-up reservation confirmation to guest in advance of arrival	



**2. Arrival Services**

	Service Level		
	5D	4D	
<b>Arrival Services</b>	X		Cars in queue are acknowledged and directed as appropriate upon arrival
	X	X	Uniformed attendant promptly opens the car door
	X	X	Attendant provides a warm and sincere welcome greeting
	X	X	Attendant makes a proper introduction
	X	X	Attendant inquires about the guest's name
	X		Attendant uses guest's name at least once prior to closing
	X	X	Attendant explains parking procedure
	X		Valet parking is automatic
	X	X	Attendant promptly unloads luggage
	X	X	Attendant explains luggage handling procedure
	X	X	Attendant provides direction to registration area
	X		Attendant anticipates guest's needs or offers a personalized recommendation
	X		Attendant is efficient yet unhurried and sensitive to the manner of the guest
	X		Attendant exhibits a sincere desire and compliance to all guest requests
	X		Attendant escorts guest to appropriate area
	X	X	Attendant provides a warm and sincere closing
	X		Attendant addresses guest by name during closing
	X	X	The guest feels well served
	X		Lobby greeters are available to escort guest to appropriate area

**3. Check In Services**

	Service Level		
	5D	4D	
<b>Check In Services</b>	X	X	Attendant provides a warm and sincere greeting; recognizes guest appropriately
	X	X	Attendant inquires about guest's name
	X		Attendant addresses guest by name during initial greeting without inquiry
	X		Attendant uses guest's name at least once prior to closing
	X		Staff associate acknowledges (with a warm and welcoming greeting) guests waiting in line
	X	X	Registered guests are not asked for duplicate information
	X	X	Attendant confirms rate and type of room
	X	X	Attendant provides room number discreetly
	X		Attendant places all registration materials into the guest's hand
	X		Attendant exhibits a sincere desire and compliance to all guest requests
	X		Attendant anticipates guest's needs or offers a personalized recommendation
	X		Attendant is efficient yet unhurried and sensitive to the manner of the guest
	X	X	Attendant arranges escort of guest and belongings to room
	X		Attendant provides introduction to escort
	X	X	Attendant provides a warm and sincere closing
	X		Attendant addresses guest by name during closing
	X	X	The guest feels well served

**4. Bell Services (Check In)**

Bell Services (Check In)	Service Level		
	5D	4D	
X	X		Escort provides a warm and sincere greeting
X			Escort uses guest's name at least once prior to closing
X	X		Escort is able to provide information about facilities when asked
X			Escort takes the initiative in providing information about all facilities
X			Escort anticipates guest's needs or offers a personal recommendation
X			Escort exhibits a sincere desire and compliance to all guest requests
X	X		Escort places luggage on luggage stand or in appropriate area
X	X		Escort explains features and functions of room
X	X		Escort offers to fill ice bucket
X	X		Escort is efficient yet unhurried and sensitive to the manner of the guest
X	X		Escort provides a warm and sincere closing
X			Escort addresses guest by name during closing
X	X		The guest feels well served

**5. Evening Housekeeping Services**

Evening Housekeeping Services	Service Level		
	5D	4D	
X			Evening housekeeping service is automatic
X			Attendant folds back or removes bedspread
X			Attendant turns up pillows
X			Attendant straightens bathroom
X			Attendant re-points tissues
X			Attendant cleans soiled surfaces
X			Attendant replaces or straightens (Green Program) used towels
X			Attendant replenishes used amenities
X			Attendant empties wastebasket
X			Attendant adjusts drapes
X			Attendant adjusts room lighting
X			Attendant delivers gift amenity, such as: goodnight wish, chocolates, etc.
X			Attendant refreshes ice
X			Attendant replaces used glasses
X			Attendant displays evening services, such as: robe on bed, laundry, shoeshine, etc.
X			Attendant leaves personalized message for guest
X			There is additional evidence of personalized services

## 6.

## Wake-Up Call Services

Wake-Up Call Services	Service Level		
	5D	4D	
X	X		Some type of service is available 24/7; Alarm clock or alternative method is used if there are no phones in room
X	X		Service number is answered within three rings
X	X		Operator provides a warm and sincere greeting
X			Operator uses guest's name at least once prior to closing
X	X		Operator asks appropriate questions and replies in a professional manner
X			Operator anticipates guest's needs or offers a personalized recommendation
X			Operator is efficient yet unhurried and sensitive to the manner of the guest
X	X		Operator provides a warm and sincere closing
X			Operator addresses guest by name during closing
X	X		Call is received within five minutes of requested time
	X		Call is an automated message
X			Call is a live message
X	X		Message includes a warm and sincere greeting
X			Message includes the use of guest's name
X			Message includes time of call
X			Message includes other pertinent information, such as weather
X			Operator anticipates guest's needs or offers a personalized recommendation
X			Operator is efficient yet unhurried and sensitive to the manner of the guest
X			Operator provides a warm and sincere closing
X			Operator addresses guest by name during closing
X	X		The guest feels well served
X			There is additional evidence of personalized services

## 7A.

## Room Service (Order Services)

Room Service (Order Services)	Service Level		
	5D	4D	
X	X		Service is available at limited hours
X			Service is available 24/7
X	X		Service number is answered within three rings
X	X		Operator provides a warm and sincere greeting
X			Operator uses guest's name at least once prior to closing
X			Operator exhibits a sincere desire and compliance to all guest requests
X			Operator anticipates guest's needs or offers a personalized recommendation
X	X		Operator asks appropriate questions and replies in a professional manner
X	X		Operator repeats order to guest
X			Operator is efficient yet unhurried and sensitive to the manner of the guest
X	X		Operator provides time estimate for delivery (within 30 minutes)
X	X		Operator provides a warm and sincere closing
X			Operator addresses guest by name during closing
X	X		Operator calls to advise guest if order will be late or if items ordered are not available

X	X	The guest feels well served
X	X	Special express services are available for breakfast orders
X		Evidence of personalized services exists

**7B. Room Service (Delivery Services)**

Room Service (Delivery Services)	Service Level		
	5D	4D	
X	X		Delivered within five minutes of time promised
X	X		Morning newspaper is presented with breakfast
X	X		Attendant provides a warm and sincere greeting
X			Attendant uses guest's name at least once prior to closing
X			Attendant exhibits a sincere desire and compliance to all guest requests
X			Attendant anticipates guest's needs or provides a personalized recommendation
X	X		Attendant provides a suggestion as to tray/table placement
X			Attendant is conversant during set-up and delivery
X	X		Attendant reviews guest order
X	X		Attendant prepares table set up and removes food covers, with guest permission
X	X		Food presentation and quality of ingredients reflects an upscale experience
X	X		All appropriate dishware and linens are of an upscale quality
X	X		All food is served at the proper temperature (hot food hot and cold food cold)
X	X		All food is prepared as ordered
X			There is additional evidence of personalized services
X	X		Attendant offers to pour beverage
X	X		Attendant provides written or verbal direction for table/tray removal
X			Attendant is efficient yet unhurried and sensitive to the manner of the guest
X	X		Attendant provides a warm and sincere closing
X			Attendant addresses guest by name during closing
X	X		The guest feels well served
X	X		Prompt (within 15 minutes) removal of trays/tables, upon request

**8. Bell Services (Check Out)**

Bell Services (Check Out)	Service Level		
	5D	4D	
X	X		Service number is answered within three rings
X	X		Operator provides a warm and sincere greeting
X			Operator uses guest's name at least once prior to closing
X			Operator exhibits a sincere desire and compliance to all guest requests
X			Operator anticipates guest's needs or offers a personalized recommendation
X	X		Operator offers to retrieve car or arrange other transportation
X			Operator is efficient yet unhurried and sensitive to the manner of the guest
X	X		Operator provides a warm and sincere closing
X			Operator addresses guest by name during closing
X	X		The guest feels well served
X	X		Bell staff arrives promptly; If not within five minutes, guest is notified of delay at time of request
X	X		Bell staff provides a warm and sincere greeting

X		Bell staff uses guest's name at least once prior to closing
X		Bell staff exhibits a sincere desire and compliance to all guest requests
X		Bell staff anticipates guest's needs or offers a personalized recommendation
X	X	Bell staff inquires about guest's stay
X		Bell staff is appropriately conversant with guest while providing assistance
X		Bell staff is efficient yet unhurried and sensitive to the manner of the guest
X	X	Bell staff provides a warm and sincere closing
X		Bell staff addresses guest by name during closing
X	X	The guest feels well served

**9. Check Out Services**

Check Out Services	Service Level		
	5D	4D	
X	X		Express check out services are available 24/7
X	X		Attendant provides a warm and sincere greeting; recognizes guest appropriately
X			Attendant addresses guest by name during initial greeting, and as appropriate thereafter
X			Staff associate acknowledges guests (with a warm and welcoming greeting) guests waiting in line
X	X		Attendant inquires about guest stay
X			Attendant exhibits a sincere desire and compliance to all guest requests
X			Attendant provides a copy of bill for review in guest's hand
X	X		Attendant confirms payment method
X			Attendant places check out folio into the guest's hand
X			Attendant expresses a warm and sincere thank you for staying at the property
X			Attendant sincerely encourages guest to return
X			Attendant anticipates guest's needs or offers a personalized recommendation
X			Attendant is efficient yet unhurried and sensitive to the manner of the guest
X	X		Attendant provides a warm and sincere closing
X			Attendant addresses guest by name during closing
X	X		The guest feels well served

**10. Departure Services**

Departure Services	Service Level		
	5D	4D	
X			Guest's vehicle is waiting or comfortable accommodations are provided
X	X		Guest does not wait more than five minutes for pre-arranged transportation
X	X		Attendant provides a warm and sincere greeting
X			Attendant uses guest's name at least once prior to closing
X			Attendant anticipates guest's needs or offers a personalized recommendation
X			Attendant is conversant pertaining to the guest's stay
X			Attendant reviews all of guest's belongings and their placement in vehicle
X	X		Attendant opens and closes door for guest(s)
X			Attendant is efficient yet unhurried and sensitive to the manner of the guest
X	X		Attendant provides a warm and sincere closing
X			Attendant addresses guest by name during closing
X	X		The guest feels well served

**11.**

**Concierge Services**

Concierge Services	Service Level		
	5D	4D	
	X	X	Concierge is on duty with limited hours of availability
	X		Concierge is on duty, or a "special services" number is available for guests, 24/7
	X	X	Attendant provides a warm and sincere greeting
	X		Attendant uses guest's name at least once prior to closing
	X		Attendant exhibits a sincere desire and compliance to all guest requests
	X		Attendant anticipates guest's needs or offers a personalized recommendation
	X	X	Attendant demonstrates a general knowledge of area attractions and services
	X		Attendant demonstrates an extensive knowledge of area attractions and services
	X		Attendant fulfills guest's special request(s)
	X		Attendant is efficient yet unhurried and sensitive to the manner of the guest
	X	X	Attendant provides a warm and sincere closing
	X		Attendant addresses guest by name during closing
	X	X	The guest feels well served

**12.**

**Miscellaneous Staff Services**

Misc. Staff Services	Service Level		
	5D	4D	
	X		All associates exhibit a professional vocabulary that is devoid of common slang
	X		Guests are graciously escorted to areas when directions are requested
	X		All associates consistently maintain eye contact with guests
	X		There is evidence that all associates are empowered by management to resolve guest issues immediately
	X	X	All staff associates fulfill guest's special request(s)
	X		All phone calls are answered promptly within three rings
	X	X	All associates are appropriately attired; name tags are clearly visible
	X	X	All associates demonstrate appropriate behavior
	X	X	All associates demonstrate appropriate hygiene
	X		Short-notice pressing is available
	X		Shoe shine service is available
	X	X	Accurate pre-programmed phones
	X	X	Miscellaneous charges are billed directly to the guest room
	X		Butler services are available for all rooms
	X	X	At least one food and beverage outlet is comparable to a Three Diamond rating
	X		At least one food and beverage outlet is comparable to a Four Diamond rating
	X		At least one food and beverage outlet is comparable to a Five Diamond rating

## Section Three

# Additional Information

## The Listing

ONCE A PROPERTY IS APPROVED, AAA PUBLISHING ESTABLISHES THE CONTENT AND FORMAT OF EACH LISTING IN ALL OF OUR PUBLICATIONS. **The listing is provided at no cost to the establishment** and does not contain advertising or promotional verbiage provided by the operator.

The listing copy describing the lodging is based in part on objective information provided by the establishment. This listing information is updated annually, and your establishment will be contacted either in person, by mail, or via the telephone.

Failure to provide this information in a timely manner may result in the deletion of your establishment from our publications.

Additionally, AAA's professionally trained inspectors enhance our inventory with descriptive prose for each establishment. This skilled degree of subjectivity enables us to capture the feel of an experience and pass along this valuable information to AAA members.

Each Diamond Rated property has the opportunity to participate in the AAA Official Appointment Program, entitling the establishment to use the renowned AAA (CAA in Canada) emblem and Diamond Rating in its advertising and promotions. This program also entitles the establishment to an enhanced listing in AAA publications. Personalized display advertising in AAA publications is also available.

### **FYI Designation**

This designation means that a property has not been Diamond Rated by a AAA inspector, but is of notable significance and potential member value. The property is unrated due to one of the following reasons:

- The property is *too new to rate*.
- The property is *under construction*.
- The property is *undergoing extensive renovations*.
- The property *has not been evaluated*.
- The property *does not meet all Diamond Rating requirements*.

## Lodging Classifications

ALL DIAMOND RATED LODGINGS ARE CLASSIFIED USING KEY DESCRIPTIVE ELEMENTS.

### **1. FIRST, ALL LODGINGS ARE CLASSIFIED BY STYLE OF OPERATION:**

**Bed and Breakfast:** Typically smaller scale properties emphasizing a high degree of personal touches that provide guests an "at home" feeling. Guest units tend to be individually decorated. Rooms may not include some modern amenities such as televisions and telephones, and may have a shared bathroom. Usually owner-operated with a common room or parlor separate from the innkeeper's living quarters, where guests and operators can interact during evening and breakfast hours. Evening office closures are normal. A continental or full, hot breakfast is served and is included in the room rate.

**Cabin:** Vacation-oriented, typically smaller scale, freestanding units of simple construction—roughly finished logs or stone—and basic design or décor. Often located in wooded, rural, or waterfront locations. As a rule, basic cleaning supplies, kitchen utensils, and complete bed and bath linens are supplied. The guest registration area may be located off site.

**Condominium:** Vacation-oriented—commonly for extended-stay purposes—apartment-style accommodations of varying design or décor. Routinely available for rent through a management company, units often contain one or more bedrooms, a living room, full kitchen, and an eating area. Studio-type models combine the sleeping and living areas into one room. As a rule, basic cleaning supplies, kitchen utensils, and complete bed and bath linens are supplied. The guest registration area may be located off site.

**Cottage:** Vacation-oriented, typically smaller scale, freestanding units with home style enhancements in architectural design and interior décor. Often located in wooded, rural, or waterfront locations. Units may vary in design and décor. As a rule, basic cleaning supplies, kitchen utensils, and complete bed and bath linens are supplied. The guest registration area may be located off site.

**Country Inn:** Although similar in definition to a bed and breakfast, country inns are usually larger in scale with spacious public areas and offer a dining facility that serves—at a minimum—breakfast and dinner.

**Hotel:** Commonly, a multistory establishment with interior room entrances offering a variety of guest unit styles. The magnitude of the public areas is determined by the overall theme, location and service level, but may include a variety of facilities such as a restaurant, shops, fitness center, spa, business center, and/or meeting rooms.

**Motel:** Commonly, a one- or two-story establishment with exterior room entrances and drive up parking. Typically, guest units have one bedroom with a bathroom of similar décor and design. Public areas and facilities are often limited in size and/or availability.

**Ranch:** Typically a working ranch with an obvious rustic, Western theme featuring equestrian-related activities and a variety of guest unit styles.

**Vacation Rental House:** Vacation-oriented—commonly for extended-stay purposes—typically larger scale, freestanding, and of varying design or décor. Routinely available for rent through a management company, houses often contain two or more bedrooms, a living room, full kitchen, dining room, and multiple bathrooms. As a rule, basic cleaning supplies, kitchen utensils, and complete bed and bath linens are supplied. The guest registration area may be located off site.

## **2 SECOND, A DETERMINATION IS MADE PERTAINING TO OVERALL CONCEPT – AND (IF APPLICABLE), A LODGING MAY BE FURTHER DEFINED AS:**

**Boutique:** Feeling small and intimate, offering a highly individualized experience; may have a luxurious or quirky style which is fashionable or unique.

**Casino:** Extensive gambling facilities are available, such as: blackjack, craps, keno, and slot machines.

**Classic:** Renowned and landmark properties, older than 50 years, well known for their unique style and ambiance.

**Contemporary:** Overall design and theme reflects characteristics of the present era's mainstream tastes and style. Trendy, modern, and typically equipped with all current technology.

**Extended Stay:** Offers a predominance of long-term accommodations with a designated full-service kitchen area or efficiency within each unit.

**Historic:** These properties are typically over 75 years of age and exhibit many features of a historic nature with respect to architecture, design, furnishings, public record, or acclaim. Properties must meet one of the following criteria:

- *Maintained the integrity of the historical nature*
- *Listed on the National Register of Historic Places*
- *National Historic Landmark or located in a National Register Historic District*



**Resort:** Recreation-oriented, geared to vacation travelers seeking a specific destination experience. Travel packages, meal plans, theme entertainment, and social and recreational programs are typically available. Recreational facilities are extensive and may include spa treatments, golf, tennis, skiing, fishing, or water sports. Larger resorts may offer a variety of guest accommodations.

**Retro:** Overall design and theme reflects a contemporary design reinterpreting styles from a bygone era.

**Vacation Rental:** Typically houses, condos, cottages or cabins; these properties are a "home away from home" offering more room and greater value for the money. In general, they provide the conveniences of home, such as full kitchens and washers/dryers. Located in resort or popular destination areas within close proximity to major points of interests, attractions, or recreation areas, these properties may require a pre-arranged reservation and check-in at an off-site location. Housekeeping services may be limited or not included during stay.

**Vintage:** Offers a window to the past and provides an experience reflecting a predominance of traits associated with the era of their origin.

## Accessibility



**Accessible Features:** This property has some accessible features. It may be fully accessible, semi-accessible, or meet some of the needs of hearing-impaired individuals.

*Accessibility is not a requirement for listing and will not affect your Diamond Rating. However, we strongly encourage you to make every effort to meet the needs of all your guests - including the mature traveler and those with disabilities.*

## Member Comment Procedures

AAA CLOSELY MONITORS THE NUMBER AND TYPE OF COMMENTS WE RECEIVE FROM MEMBERS REGARDING ALL APPROVED PROPERTIES. When members write to us expressing dissatisfaction with a particular lodging, it is tracked through the AAA National Office Member Relations department. All complaints are carefully reviewed for validity. The establishment is then notified of each complaint so they have an opportunity to respond and resolve the matter within a reasonable period of time. Even though a complaint may be satisfactorily resolved, the complaint becomes a permanent part of the establishment's record.

If a member complaint is determined to be of an extreme nature, an establishment may be disapproved immediately and without warning. This action is at AAA's sole discretion.

If a property has been disapproved for excessive member complaints, a written request for a reevaluation may be submitted, accompanied by an explanation of the actions taken to limit future complaints.

**Note:** Such properties may not reapply until one year has passed from the date of disapproval. All requests may be addressed to:

AAA Tourism Information Development  
1000 AAA Drive  
Mail Stop 51  
Heathrow, FL 32746-5063

## The AAA Appeals Process

THE APPEALS PROCESS WAS ESTABLISHED AS A RESOURCE FOR ALL RESTAURANTS, LODGINGS, CAMPGROUNDS, AND ATTRACTIONS EVALUATED BY AAA.

### ***What can I appeal?***

We value our relationship with all properties; therefore, properties can appeal any aspect of their status with AAA. Each situation is kept confidential and is handled on an individual basis.

### ***How do I file an appeal?***

First, contact the AAA Customer Service Center, Monday through Friday, from 8:30am to 5:15pm (Eastern Time) at 407-444-8370. In many cases, our analysts will be able to answer your concern immediately.

If resolution is not obtained, your call will be directed to the AAA Regional Manager for your area.

If an issue remains unresolved after the above steps, an establishment is asked to state its concerns in writing for review by the AAA Appeals Committee. All appeals entertained by the committee must be in writing from the **establishment only**. In order to expedite this process, appeals should outline the specific concerns in a succinct manner. Each appeal is thoroughly researched and given thoughtful consideration and a substantive reply.

All appeals should be sent to the attention of:

**AAA Appeals Committee  
1000 AAA Drive  
Mail Stop 51  
Heathrow, FL 32746-5063**

**Please note:** The committee's decision on your appeal will be considered as **AAA's final decision**. You will be notified by mail as to the status of your appeal within 45 days of receipt of your written statement.

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## Green Programs



AAA SUPPORTS ENVIRONMENTAL MANAGEMENT AND SUSTAINABILITY THROUGHOUT THE HOSPITALITY INDUSTRY TO THE EXTENT THAT TRULY EFFECTIVE PROGRAMS MAINTAIN QUALITY STANDARDS OF GUEST COMFORT. We strongly encourage continued use of programs that offer guests choices without consequences for noncompliance. Effective green programs are intended to reduce waste without reducing guest comfort.

## Addresses and Phone Numbers

If you have additional questions...

- ▶ Please call AAA at:

**(407) 444-8370**  
**Evaluation Applications, Operations, Rating and Listing Information**

**(407) 444-8280**  
**Display Advertising & Official Appointments**

- ▶ Visit us at [www.AAA.biz/Approved](http://www.AAA.biz/Approved)

- ▶ Or, write to us at:

**AAA**  
**Tourism Information Development**  
**Mail Stop 51**  
**1000 AAA Drive**  
**Heathrow, FL 32746-5063**

Establishments located in Southern California should contact the following AAA club:

**Automobile Club of Southern California**  
**P.O. Box 25001**  
**Santa Ana, CA 92799-5001**

**(714) 885-2247, option #2**  
**Evaluations, Ratings, and Official Appointments**

**(714) 885-2410**  
**TourBook Advertising**

## Rating Criteria: Lodging

### The Star Rating Process

The Forbes Travel Guide process of rating each establishment includes:

- **Facility inspection:** Every property is visited by a trained facility inspector, who uses a checklist to evaluate cleanliness, physical condition and location. This inspection is unannounced and results in a Forbes One, Two or Three Star rating. Spas are the only exception -- the minimum standard for a Forbes spa rating is three stars.
- **Service evaluation:** Based on the facility inspection, properties that might qualify for a Forbes Four Star or Five Star Award certification will receive a visit from a second, this time, incognito inspector. This inspector makes an anonymous visit and performs an incognito evaluation based on more than 550 service standards. During service evaluations, inspectors behave as regular guests and never reveal that they represent the Forbes Travel Guide. This inspection largely focuses on the guest experience and the consistency in service, not just the physical facilities and amenities.

Only facilities that meet the Forbes Travel Guides rigorous standards are rated and listed in both the travel guides and on the website. Deteriorating, poorly managed establishments are deleted. A Forbes Travel Guide listing and review constitutes a positive quality recommendation; every listing is an accolade, recognition of achievement.

### Star Definitions

★★★★★**Five Star Hotels:** These exceptional properties provide a memorable experience through virtually flawless service and the finest of amenities. Staff are intuitive, engaging and passionate, and eagerly deliver service above and beyond the guests' expectations. The hotel was designed with the guest's comfort in mind, with particular attention paid to craftsmanship and quality of product. A Five Star property is a destination unto itself.

★★★★**Four Star Hotels:** These properties provide a distinctive setting, and the guest will find many interesting and inviting elements to enjoy throughout the property. Attention to detail is prominent throughout the property, from design concept to quality of products provided. Staff are accommodating and take pride in catering to the guest's specific needs throughout their stay.

★★★**Three Star Hotels:** These well-appointed establishments have enhanced amenities that provide travelers with a strong sense of location, whether for style or function. They may have a distinguishing style and ambience in both the public spaces and guest rooms; or they may be more focused on functionality, providing guests with easy access to local events, meetings or tourism highlights.

★★**Two Star Hotels:** The Two Star hotel is considered a clean, comfortable and reliable establishment that has expanded amenities, such as a full-service restaurant.

★**One Star Hotels:** The One Star lodging is a limited-service hotel or inn that is considered a clean, comfortable and reliable establishment.

## Forbes Star Rating Criteria & Expectations - Lodging

*The following are suggested criteria of what a guest can expect at each star level. They are not individually mandated and are a representative sampling of the hundreds of points covered during our inspection process. Additionally, at each star level the lodging establishment is required to meet or exceed the requirements of the previous star rating. For example, a Three Star hotel meets the criteria expectations of a Three Star hotel, a Two Star hotel and One Star hotel, and so forth.*

★**One Star Hotels:** Clean, comfortable and reliable establishments providing travelers with limited services and basic amenities. These properties focus on providing a value experience while meeting traveler's expectations. Most hotels do not have a full-service restaurant or dining room. Many Hampton Inns and Fairfield Inns consistently earn a Forbes One Star rating.

*Characteristics of a One Star Hotel, Motel or Inn include:*

### Services Detail

- Staff is well-groomed with professional, neat and well-maintained attire.
- All staff encountered are pleasant and professional in their demeanor.
- Coffee, hot tea and breakfast pastry are available on-site (could be in-room).

### Facilities Detail

- Self parking area is free of debris, good condition; surfaces, curbs, paths.
- All outdoor walkways and approaches are well-maintained and cleaned.
- Outdoor awnings, signs, marquees, flags, and plantings are clean and in good condition.
- Public spaces are free of obvious hazards.
- Lobby floors, walls and ceiling are free of debris, marks and damage.
- Elevator landings, cars and doors/tracks are clean and in good condition.
- Guest room corridor floors, walls and ceilings are free of debris, marks, and damage.
- Vending and/or ice machines are located within one floor of guest room.
- Vending and/or ice areas and equipment are clean, well-lit, and well-maintained.
- All furniture, fixtures and equipment are clean, neat and well-maintained.
- Ashtrays throughout public areas are well-maintained and free of excessive debris.
- Temperature in all interior public areas are maintained in general comfort range.
- If public phonebook present, it is neat and in good condition.
- Public washrooms very hygienic and neat, with well-stocked paper and soap.
- Public washroom fixtures, walls and floors are in very good condition.
- Guest rooms are equipped with direct dial phones.

## **Guest Room Detail**

- Hardware and hangings (door locks, racks, artwork, etc.) are secure and in good condition.
- Carpet/floor is free of debris, stains, wear, loose threads, open seams, etc.
- Walls and ceilings are free of marks, stains and damage.
- Drapes are free of stains, damage; pull easily and hang properly.
- Furniture is free of dust, marks and damage.
- All printed material including collateral, phonebooks and stationery are neat, crisp and current.
- Drawers and shelves are clean, free of dust and debris.
- All light bulbs operate; all light fixtures and lamps are in good condition, clean.
- Mirrors and windows are free of smudges and damage throughout.
- If safe is provided, it is clean, functional and convenient.
- Guest rooms are equipped with data ports (guest can connect laptop to the Internet).
- Room equipped with accurate, functional clock and radio/stereo.
- Color television works and is equipped with remote control.
- Televisions will feature basic cable or satellite channels.
- Telephones are available in each guest room.
- Ice bucket and glasses (may be molded plastic) are clean, hygienic.
- If minibar is present, it is hygienic, free of spills and damage, all products are sealed, price list present.
- If coffeemaker is present, it is hygienic, contains ample, sealed supplies and cups.
- All bedding and linens are free of debris, hairs, damage and stains.
- Room heating and air conditioning is easily controlled by guest and is quiet.
- Air is fresh and clean, no stuffiness or odors.
- Sink, tub, shower, toilet, bidet are very clean, free of hairs, stains and discoloration.
- Bathroom tile and grouting is clean, not discolored, cracked or mildewed.
- Faucets and drains operate smoothly and easily.
- Hygienic soap and shampoo is provided.
- Minimum bath linen is present: one bathmat; two each of facecloth, hand towel and bath towel.
- Towels are free of spots, stains, tears and obvious frays.
- If robes are provided, they are free of spots, stains and loose threads.

## **Specialized Facility Detail**

- Pool/beach furniture is clean, hygienic and well-maintained.
- Pool deck or beach/sand is clean and free of excessive debris.
- Pool deck and tiling are in good condition, free of excessive damage or wear.
- Pool water is clean, free of debris and free of notable odors.
- Pool fittings and equipment (ladders, dive boards) are secure and in good condition.
- Tennis court surfaces are in good condition, free of damage and well-marked.
- Tennis courts and surrounding areas are clean and free of debris.
- Fixtures, nets, lights, and fences are well-maintained and good condition.

★★**Two Star Hotels:** Comfortable establishment that is clean and reliable with expanded amenities and services that include a full-service restaurant on site. The hotel décor, furnishings, amenities, property grounds and guest room design will be moderately enhanced in quality. Doubletree Hotels, Courtyard by Marriott and Four Points by Sheraton are well-established names in the Forbes Two Star category.

*A Two Star Hotel, Resort or Inn meets all the criteria expectations and all of the qualities for a One Star Hotel, Resort or Inn plus the following characteristics:*

### **Services Detail**

- Front desk staff are articulate, smile and make eye contact.
- Staff is attired in well-fitting, consistent uniforms.
- Baggage assistance is available on request.
- The front desk is staffed twenty-four hours.
- Restaurant on-site serves three meals daily.
- If Inn, twenty-four hour guest service available on-call

### **Facilities Detail**

- Lobby provides a comfortable seating area.
- Signs and notices are professional, matching décor, not "handwritten".
- Vending and/or ice machines are located on each guest floor.
- Service doors are clean, free of marks and damage, and closed.
- Public phones are convenient, clean and well-maintained.
- A variety of different sized and appointed rooms are available in hotel.
- If available, meeting rooms are well-signed so that it is easy to find and arrive at a specific room.
- If available, meeting room doors are in good condition, free of nicks and damage.
- If available, meeting room interiors are in generally good condition, including walls, floors and ceiling.

### **Guest Room Detail**

- Guest room door and frame are free of marks, scratches and scuffs.
- There is comfortable seating for two people (other than bed).
- Guest service directory, pad and pen/pencil present and conveniently placed.
- Enclosed closets (means closets must have doors).
- There are a minimum six non-captive hangers.
- There are three spacious drawers or enclosed shelves (inside closet).
- A Luggage rack or bench provided; and adequate space to leave suitcase.
- Extra clean and hygienic blanket and pillow are provided in room.
- Lighting throughout the room is adequate.
- The room can be fully darkened.
- A full-length mirror is present in room.
- A hairdryer present in room, clean and functional.
- Hygienic soap, shampoo and two other bath amenities are provided.
- Guest rooms are equipped with easily accessible data ports or Ethernet/ wireless internet access.

### **Specialized Facility Detail**

- Guest can pick up e-mail and access the Internet from a Business Center workstation.
- Business Center working areas are clean, tidy and professional.
- There are comfortable office-style chairs at the Business Center guest workstations.
- All fitness, treatment and relaxation areas are hygienic, neatly organized and

maintained.

- Fitness equipment is clean, in very good condition, and conveniently laid out.
- Fitness/workout area is well-ventilated, with comfortable temperature.
- Sound system or television is provided in fitness/workout areas.
- Towels are provided in locker and fitness areas.
- Grooming area is equipped with hairdryers; soap and shampoo conveniently placed
- All amenities are neatly and professionally presented, and are very hygienic.
- Locker room, showers, sauna and hot tub are extremely clean, and hygienic in appearance.
- Floors throughout the casino are well-maintained and free of excessive debris.
- Air circulation in casino is adequate, not stuffy or smoky.
- Slot banks are free of excessive debris, soiled glassware, and soiled ashtrays.
- Slot chairs are in good condition, clean and free of rips and stains.
- Cashier and change booths are tidy, well-organized, and well-signed.
- Table game tops are well maintained, free of damage and wear.

★★★**Three Star Hotels:** Well-appointed establishment with consistent service and enhanced amenities providing travelers with an elevated level of comfort and convenience. Hotels will provide such services as, room service, fitness center and optional turndown service. Hotels will have a distinguishing style and ambience with both the public space and guest rooms. Many Hyatt, Hilton, Marriott, Westin and Fairmont hotels are established names with consistent service in the Forbes Three Star category.

*A Three Star Hotel, Resort or Inn meets all the criteria expectations and all of the qualities for a Two Star Hotel, Resort or Inn plus the following characteristics:*

#### **Services Detail**

- Confirmation number provided during reservation service.
- Reservationist can give clear and vivid description of hotel facility and style.
- Turndown service is available upon request.
- Valet parking is available.
- Baggage assistance is automatic.
- Same day laundry and dry cleaning available five days/week.
- Complimentary newspapers are delivered to room automatically.
- Complete room service is available.
- Workstation is available where guest can access Internet.
- Basic fitness equipment is provided, including treadmills and cycles.
- If Inn, restaurant on-site which serves full breakfast is available and one additional meal service.
- If Resort, complimentary newspapers (or newsfaxes) are delivered to room automatically.

#### **Facilities Detail**

- High quality, varied, and major brand sundry selections are available in an on-site store.
- If public phonebook present, it is displayed in attractive cover.
- Pay-per-view movies are available.
- Suite accommodations (separate bedroom and living areas) are available.



### **Guest Room Detail**

- Each guest room has two phones (one could be in the bathroom).
- Comfortable desk and chair are available for working, complete with telephone, data port, and light.
- Guest rooms are equipped with Ethernet/ wireless internet access.
- Insulated ice bucket, vinyl or better, as well as glass glassware; clean and hygienic are present in room.
- Minibar is present (defined as selection several beverages and snacks).
- If Inn, refreshments present in room or readily available
- If coffeemaker is present, ceramic mugs and napkins are available.
- Pillows are plush and full, no foam.
- Framed artwork or interesting architectural features exist in room.
- Excellent lighting is provided in bathroom for makeup and shaving.
- Hygienic soap, shampoo and four other bath amenities are provided.
- Amenities are presented attractively, thoughtfully (not simply lined up on counter).
- Towels are of absorbent quality, with soft nap and no discoloration.
- If Inn, Pay-per-view movies available or VCR/DVD is available.
- If Resort, guest room provides ample seating for more than two persons.

### **Specialized Facility Detail**

- If Business Center is present, a semi-private working area with workstation and telephone is available for guests.
- If tennis is available on site, water is available courtside.
- If pool or beach service is present, ample towels are available poolside or at the beach.
- Pro shop/clubhouse interiors are clean and well-maintained; displays and counters neat and tidy.
- Pro shop/clubhouse and surrounding areas are clean with well-maintained appearance.
- Golf carts are clean, well-organized and maintained.
- Rental equipment is clean and good condition, including bags.

### **Forbes Four and Five Star Criteria and Expectations**

At the Forbes Four and Five Star level, both a facility inspection and service evaluation will be performed. For each property, more than 750 criteria including cleanliness, physical facilities and employee attitude and courtesy, are measured and evaluated to produce a mathematically derived score. At the Forbes Four and Five Star level, 25% of the overall score is based on the facility inspection and 75% is based on the service evaluation.

"Service" can seem pretty subjective, but the staff at Forbes Travel Guide use strict standards and a good stopwatch to make their findings as accurate and objective as possible. For hotel ratings, inspectors spend three days and two nights at the hotel, interacting with staff, ordering room service, working out in the fitness center, making requests with the concierge, dining in the restaurants and taking advantage of other services that a standard guest would encounter.

Inspectors respond "yes" or "no" to standards that are classified in a way that assess efficiency, graciousness and warmth, technical skill level as well as food quality,

housekeeping and concierge services, to name a few. For every "no" answer, a hotel loses one point, and there's very little grey area. For example, upon arrival, luggage is delivered to the guest's room in 10 minutes or guests are always asked permission before being placed on or into a recording. It either happens or it doesn't, there's no middle ground. Inspectors also write pages of commentary during the evaluations.

### **The Forbes Four and Five Star Hotel Incognito Service Evaluation**

The hotel service evaluation is based on a three-day, two-night stay. The following categories are evaluated during the stay by the Forbes incognito inspector:

- Reservations
- Arrival
- Departure
- Communications (PBX Operator)
- Room Service (Dinner)
- Breakfast Service (in Restaurant)
- Bar/Lounge Service
- Housekeeping Daily Service
- Housekeeping Request and Turndown Service
- Laundry Service
- Business Center (if applicable)
- Guest Services/Concierge (by phone and in-person)
- Guest Room Conditions
- Public Area Conditions
- Fitness Room (if applicable)
- Pool/Beach Service (if applicable)
- Casino (if applicable)

Within each category, questions are "tagged" for certain qualities/classifications.

#### **Classifications:**

- Courtesy/Manners
- Graciousness/thoughtfulness *and* sense of personalized service
- Efficiency
- Guest comfort & convenience
- Luxury
- Technical execution skill and knowledge
- Staff appearance
- Food quality
- Cleanliness & condition

#### **Sample Service Questions from Hotel Incognito Evaluation**

Note: All questions are answered with a YES or NO and then allow for comments/remarks from the inspector. Also, each question has the applicable *classification* tag in parentheses following the statement.

#### **Reservations**

Reservations agent can readily describe variety of rates and types; effectively enabling choice. (Technical execution, skill & knowledge)

Staff exhibits the ability to anticipate needs; not always requiring prompting by guest.  
(Graciousness/thoughtfulness and sense of personalized service)

### ***Arrival***

Arriving guests are greeted and assisted curbside within sixty seconds of arriving by car or taxi. Exactly how long did it take? (Efficiency) *Note: inspectors carry recorders that can not only measure this particular exercise but the entire arrival process.*  
Orientation to the hotel is discreet and helpful, consisting of not more than four relevant and important facts, but not delaying guests' arrival to room. (Guest comfort and convenience)

### ***Guest Services/Concierge***

Staff maintains alert posture; no hands in pockets, folded arms; Staff avoids excessive personal chatting amongst themselves; Staff does not smoke, drink or eat in guest view.  
(Staff appearance)

When asked about restaurant recommendations, staff mentions at least three appropriate options; describing cuisine, atmosphere and anticipates transportation and dress code. (Technical execution skill and knowledge)

### ***Guest Room Conditions***

Would you describe the bed to be plush and inviting? Linens of exceptional quality and comfort? Use of oversized or numerous pillows? Bedcovers elegant and stylish? (Sense of luxury)

Would you describe this room as being extremely well maintained? (nothing broken, worn, damaged, slow plumbing etc.) (Cleanliness and condition)

### ***Room Service***

Staff is extremely well spoken, polite and clear, avoiding slang and phrase- fragments.  
(Courtesy/manners).

Hot foods are hot when served (not warm); frozen items are firm at the time of consumption (desserts adequately protected or offered as second course delivery). (Food quality)

## **Forbes Four Star Criteria**

★★★★**Four Star Hotels:** Outstanding establishment in a distinctive setting that provides travelers with exceptional service and a luxury experience. Service and amenities are refined and sophisticated and may include automatic turndown service, valet parking and 24-hour room service. Ritz-Carlton, Mandarin Oriental and Four Seasons are prominent names in the Forbes Four Star category, known for personalized service and hospitality, in addition to luxurious accommodations. Other notable Forbes Four Stars include the Post Ranch Inn, Canoe Bay and the Windsor Court Hotel.

*A Four Star Hotel, Resort or Inn meets all the criteria expectations and all of the qualities for a Three Star Hotel, Resort or Inn plus the following characteristics:*

### **Services Detail**

- Written confirmation is automatic or offered, either by mail, fax or e-mail.

- Written confirmation is personalized, professional and accurate; it reflects the style and image of the property.
- Guests name is used effectively, but discreetly, as a signal of recognition.
- The time from arriving at the reception area until registration is complete does not exceed five minutes (includes queuing).
- Bed is plush and inviting with oversized or numerous pillows.
- Bedcovers are elegant and stylish and with linens of exceptional quality and comfort.
- All written information is provided on good quality paper or pads, custom-printed or logoed.
- Bathroom presentation and placement of amenities and linens is thoughtful, careful, and elegant.
- Fresh ice is provided during evening service or at another time during the day.
- Turndown service is automatically provided.
- During turndown service, guest clothing is neatly handled and guest toiletries are neatly arranged and displayed on a cloth or shelf.
- Room service is delivered within 30 minutes.
- Room service order is delivered within five minutes of quoted time.
- One hour pressing is available.
- If resort, two hour pressing available
- Same day laundry and dry cleaning is available seven days/week.
- Staff arrives in guest room to pick up clothing within ten minutes of placing request.
- Wake-up call is personalized with guest's name and time of day.
- Wake-up call is delivered within two minutes of requested time.
- Wine by the glass service will include an offer of a tasting sample.
- Special service desk identified as concierge/guest service is situated apart from reception/front desk.
- The final bill is offered to guest for review prior to printing final receipt.
- If Inn, choice of at least two complimentary newspapers are offered on-site.
- If Inn, restaurant on site serving a full breakfast plus two additional meal services.
- If casino services are present, when playing slots for more than 20 minutes, drink service is offered.
- If casino services are present, when playing a table game for more than 15 minutes, drink service is offered.

### **Facilities Detail**

- Lobby areas feature elegant live plants and/or fresh floral displays.
- A dedicated and secure luggage storage area is available.
- Public phones are equipped with seats, privacy panels and pad/pens.
- Public washrooms are furnished with upgraded materials and appointments/luxurious design.
- Televisions feature premium cable or satellite television.
- Guest room telephones have two lines.

### **Guest Room Detail**

- Selection of at least 10 hangers including a variety of bars, clips and padded.
- Closet is very well lit and generously spacious.
- In-room safe is present.
- If Inn, in-room safe is present or readily accessible on-site.

- Minibar is present, is non auto-charge, and premium products are attractively displayed.
- Bed is triple sheeted or features washable duvets.
- Live plants are present in guest rooms.
- Shaving/makeup, lighted magnifying mirror is present.
- Double sinks or separate vanity counter are present in the bathroom.
- Ample cosmetic and toiletry storage space exists for two persons.
- Hygienic soap, shampoo and five other bath amenities are provided.
- Bathroom amenities will be exceptionally luxurious in quality and variety.
- One robe per guest is provided; plus additional towels in the bathroom.
- Luxurious bath linens, oversized towels and a bath rug are all present in the bathroom, no plastic shower curtains.

### **Specialized Facility Detail**

- Fitness equipment is available with personal headphones/televisions
- Current newspapers and national-title magazines are provided in fitness and locker areas.

### **Forbes Five Star Criteria**

★★★★★**Five Star Hotels:** Exceptionally distinctive luxury environment offering consistently superlative, personalized service and the ultimate in amenities, make these hotels and inns the best in the U.S. and Canada. Attention to detail and the anticipation of every need are evident throughout this exclusive group of hotels. These hotels are remarkable in every aspect from the plush and elegant guest room design to the unforgettable culinary experiences. The Forbes Five Star category includes such properties as the Peninsula Beverly Hills, the Four Seasons Hotel Chicago, the Ritz-Carlton San Francisco and the Mandarin Oriental New York.

*A Five Star Hotel, Resort or Inn meets all the criteria expectations and all of the qualities for a Four Star Hotel, Resort or Inn plus the following characteristics:*

### **Services Detail**

- Staff is extremely well spoken, polite and clear, avoids slang and phrase-fragments.
- Staff is extremely well informed about requirements within their department.
- Overall service is flawless from initial reservation call to departure service.
- Guests are offered an escort to their rooms unless they specifically decline.
- Choice of at least two complimentary newspapers is offered and distributed.
- Welcome gift or amenity provided by management during the visit.
- Twenty-four hour room service is available, including hot food.
- Wine by the glass is presented in bottle and poured in room, for room service.
- During turndown service, something noteworthy and thoughtful is included in the presentation.
- At least two types of premium quality snacks are automatically offered and distinctly presented during bar and lounge service.

- All mixed drinks are presented with modified or full club service.
- Any work undertaken by the staff is handled with complete professionalism, and returned to guests neatly, in folders or envelopes.
- If Inn, restaurant on site serving a full breakfast and dinner plus one additional meal service.
- If pool service is available, guests are proactively greeted and escorted to their chairs, and set-up assistance is provided or offered.
- If pool service is available, during a 90 minute period and in warm conditions, some sort of complimentary refreshment is offered (for example, mineral water, fresh fruit, water spritz).

### **Facilities Detail**

- Public washrooms feature well-maintained cloth towels, fresh plants or flowers.

### **Guest Room Detail**

- Guest bathroom is equipped with a telephone.
- CD player/stereo is present and functional.
- Ice bucket and glasses are high quality (glass, metal, stone etc.), with tongs which are clean and hygienic.
- Fresh flowers are present in guest rooms.
- Separate showers are present in bathroom.

Tomorrow

**Subject:** Tomorrow  
**From:** Matthew Reid <matt.reid@landanddesign.com>  
**Date:** Tue, 12 Oct 2010 04:39:05 -0000  
**To:** Greg Blodgett <

Greg,

We have been working very hard on our proposed site plans. We are not ready however to show you anything as of yet.

We'd like to postpone our meeting tomorrow until next week. We will be ready to submit a full package next week.

Sorry for the last minute change.

Sent from my iPhone

Matthew Reid  
858.735.1858 direct  
Skype: matthew.reid.ca

RE: Tomorrow

**Subject:** RE: Tomorrow  
**From:** Matthew Reid <matt.reid@landanddesign.com>  
**Date:** Tue, 12 Oct 2010 16:01:23 -0000  
**To:** Greg Blodgett <>

Yes, I'll give you some numbers later today....

Matthew W. Reid  
LAND & DESIGN, Inc.  
Sustainability, Construction and Real Estate Advisors  
SUSTAINABLE STRATEGIES | SUSTAINABLE INTEGRATION  
8130 La Mesa Blvd | Suite 808 | La Mesa, CA 91942  
619.462.4060 o | 619.462.4144 f | 858.735.1858 direct  
Skype - matthew.reid.ca

matt.reid@landanddesign.com

-----Original Message-----

**From:** Greg Blodgett [<mailto:greg1@ci.garden-grove.ca.us>]  
**Sent:** Tuesday, October 12, 2010 8:47 AM  
**To:** matt.reid  
**Subject:** Re: Tomorrow

Any change to the adr or total room count

----- Original Message -----

**From:** Matthew Reid <matt.reid@landanddesign.com>  
**To:** Greg Blodgett <greg1@ci.garden-grove.ca.us>  
**Sent:** Mon Oct 11 21:39:05 2010  
**Subject:** Tomorrow

Greg,

We have been working very hard on our proposed site plans. We are not ready however to show you anything as of yet.

We'd like to postpone our meeting tomorrow until next week. We will be ready to submit a full package next week.

Sorry for the last minute change.

Sent from my iPhone

Matthew Reid  
858.735.1858 direct  
Skype: matthew.reid.ca



RE: Tomorrow

**Subject:** RE: Tomorrow  
**From:** Matthew Reid <matt.reid@landanddesign.com>  
**Date:** Sun, 17 Oct 2010 21:31:33 -0000  
**To:** Greg Blodgett <

Thank you!!

Matthew W. Reid  
LAND & DESIGN, Inc.  
Sustainability, Construction and Real Estate Advisors  
SUSTAINABLE STRATEGIES | SUSTAINABLE INTEGRATION  
8130 La Mesa Blvd | Suite 808 | La Mesa, CA 91942  
619.462.4060 o | 619.462.4144 f | 858.735.1858 direct  
Skype - matthew.reid.ca

matt.reid@landanddesign.com

-----Original Message-----

From: Greg Blodgett [<mailto:greg1@ci.garden-grove.ca.us>]  
Sent: Sunday, October 17, 2010 2:30 PM  
To: Matthew Reid  
Cc: Greg Blodgett  
Subject: RE: Tomorrow

----- Original Message -----

From: "Matthew Reid" <matt.reid@landanddesign.com>  
Sent: Tue, 10/12/2010 9:01am  
To: "'Greg Blodgett'" <greg1@ci.garden-grove.ca.us>  
Subject: RE: Tomorrow

Yes, I'll give you some numbers later today....

Matthew W. Reid  
LAND & DESIGN, Inc.  
Sustainability, Construction and Real Estate Advisors SUSTAINABLE STRATEGIES  
| SUSTAINABLE INTEGRATION 8130 La Mesa Blvd | Suite 808 | La Mesa, CA 91942  
619.462.4060 o | 619.462.4144 f | 858.735.1858 direct Skype -  
matthew.reid.ca

matt.reid@landanddesign.com

-----Original Message-----

From: Greg Blodgett [<mailto:greg1@ci.garden-grove.ca.us>]  
Sent: Tuesday, October 12, 2010 8:47 AM  
To: matt.reid  
Subject: Re: Tomorrow

Any change to the adr or total room count

RE: Tomorrow

----- Original Message -----

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To: Greg Blodgett <greg1@ci.garden-grove.ca.us>

Sent: Mon Oct 11 21:39:05 2010

Subject: Tomorrow

Greg,

We have been working very hard on our proposed site plans. We are not ready however to show you anything as of yet.

We'd like to postpone our meeting tomorrow until next week. We will be ready to submit a full package next week.

Sorry for the last minute change.

Sent from my iPhone

Matthew Reid

858.735.1858 direct

Skype: matthew.reid.ca

**Subject:** Meeting  
**From:** Matthew Reid <matt.reid@landanddesign.com>  
**Date:** Mon, 18 Oct 2010 20:04:28 -0000  
**To:** Greg Blodgett <>

Greg,

Is there any chance to move our meeting tomorrow to the afternoon? The printing of the package may take longer than anticipated...

***Matthew W. Reid***

**LAND & DESIGN, Inc.**

Sustainability, Construction and Real Estate Advisors

**SUSTAINABLE STRATEGIES | SUSTAINABLE INTEGRATION**

8130 La Mesa Blvd | Suite 808 | La Mesa, CA 91942

619.462.4060 o | 619.462.4144 f | 858.735.1858 direct

Skype - matthew.reid.ca

matt.reid@landanddesign.com

Meeting

**Subject:** Meeting

**From:** Matthew Reid <matt.reid@landanddesign.com>

**Date:** Mon, 18 Oct 2010 22:16:31 -0000

**To:** Greg Blodgett <>

Greg

We'll keep the meeting at 11am tomorrow. My other partner can't make the 3pm time.

See you at 11am.

Sent from my iPhone

Matthew Reid

858.735.1858 direct

Skype: matthew.reid.ca

from: Matthew Reid <matt.reid@landanddesign.com>

subject: Site Plan

to: Greg Blodgett

10/19/2010 6:17 PM

other actions

Here is the site plan.

**Matthew W. Reid**

**LAND & DESIGN, Inc.**

Sustainability, Construction and Real Estate Advisors

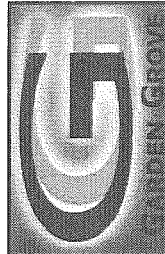
**SUSTAINABLE STRATEGIES | SUSTAINABLE INTEGRATION**

8150 La Mesa Blvd | Suite 508 | La Mesa, CA 92042

619.462.4060 o | 619.462.4144 f | 954.765.2858 direct

Skype - [matthew.reid.ca](https://www.skype.com/people/matthew.reid)

[matt.reid@landanddesign.com](mailto:matt.reid@landanddesign.com)



**Land & Design, Inc.**  
 SUBSIDIARY, CONSTRUCTION & REAL ESTATE ADVISORS



**E-TICKET HOSPITALITY, LLC**

**Radisson**  
 14 TO 16 STORIES  
 350 KEYS  
 30 ROOMS/FLOOR

**ALOFT HOTEL**  
 7 STORIES  
 102 KEYS  
 17 ROOMS/FLOOR

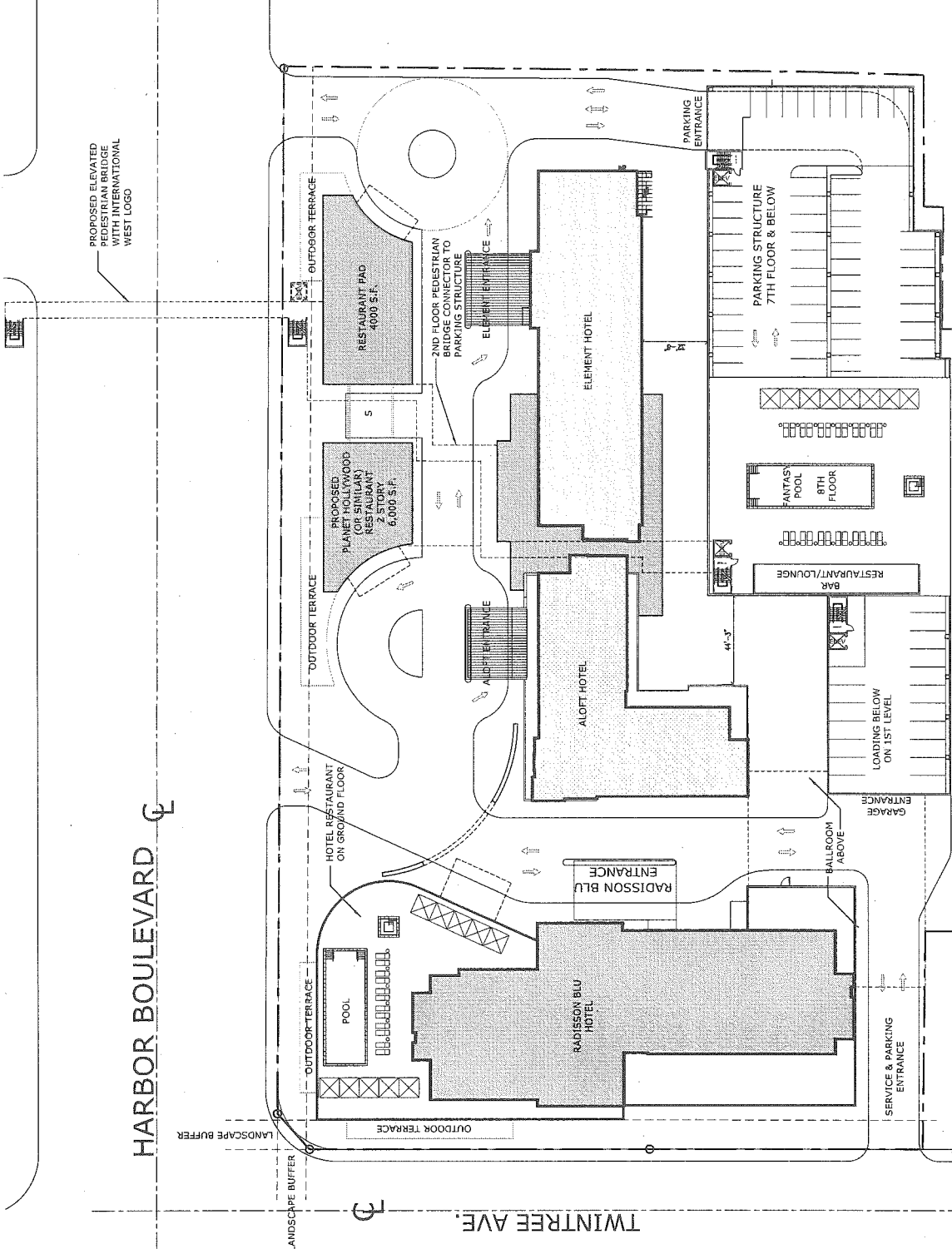
**ELEMENT**  
 8 STORIES  
 112 KEYS  
 16 ROOMS/FLOOR

**RESTAURANTS**  
 PLANET HOLLYWOOD  
 (OR SIMILAR) RESTAURANT  
 6,000 S.F.

**RESTAURANT PAD**  
 4,000 S.F.

**PARKING STRUCTURE**  
 7 STORIES  
 4700 TOTAL SPACES  
 100 SPACES/FLOOR  
 90 SPACES GROUND FLOOR

**GENE FONG ASSOCIATES**  
 1130 WESTWOOD BLVD.  
 LOS ANGELES, CA 90024



PROPOSED ELEVATED  
 PROPOSED RESTAURANT PAD  
 WITH INTERNATIONAL  
 WEST LOGO



10.18.10  
 JOB # 1043P

Blockletter: Hotel and restaurant brands shown are for  
 demonstration purposes only and final proposal may contain  
 a combination of brands shown or different brands altogether.

**SITE PLAN SCHEME 1A**  
 1" = 50'

**International WEST**  
 GARDEN GROVE • CALIFORNIA

**Subject:** Link to PDF

**From:** Matthew Reid <matt.reid@landanddesign.com>

**Date:** Wed, 20 Oct 2010 17:58:34 -0000

**To:** Greg Blodgett <>, 'Paul Guerrero' <paulg@ci.garden-grove.ca.us>

Here is a link to the PDF package of our proposal.

[files.me.com/matthew.reid/tg8gfi](http://files.me.com/matthew.reid/tg8gfi)

***Matthew W. Reid***

**LAND & DESIGN, Inc.**

Sustainability, Construction and Real Estate Advisors

**SUSTAINABLE STRATEGIES | SUSTAINABLE INTEGRATION**

8130 La Mesa Blvd | Suite 808 | La Mesa, CA 91942

619.462.4060 o | 619.462.4144 f | 858.735.1858 direct

Skype - matthew.reid.ca

matt.reid@landanddesign.com

**Subject:** RE: Link to PDF  
**From:** Matthew Reid <matt.reid@landanddesign.com>  
**Date:** Thu, 21 Oct 2010 00:02:59 -0000  
**To:** Greg Blodgett <>

Working on it now.....probably send later tonight.

*Matthew W. Reid*  
**LAND & DESIGN, Inc.**  
Sustainability, Construction and Real Estate Advisors  
**SUSTAINABLE STRATEGIES | SUSTAINABLE INTEGRATION**  
8130 La Mesa Blvd | Suite 808 | La Mesa, CA 91942  
619.462.4060 o | 619.462.4144 f | 858.735.1858 direct  
Skype - matthew.reid.ca  
matt.reid@landanddesign.com

---

**From:** Greg Blodgett [mailto:greg1@ci.garden-grove.ca.us]  
**Sent:** Wednesday, October 20, 2010 4:30 PM  
**To:** Matthew Reid  
**Subject:** RE: Link to PDF

do you have a chance to complete the proforma

---

**From:** "Matthew Reid" <matt.reid@landanddesign.com>  
**Sent:** Wed, 10/20/2010 10:58am  
**To:** "Greg Blodgett" <greg1@ci.garden-grove.ca.us> ; "Paul Guerrero" <paulg@ci.garden-grove.ca.us>  
**Subject:** Link to PDF

Here is a link to the PDF package of our proposal.

[files.me.com/matthew.reid/tq8gfi](http://files.me.com/matthew.reid/tq8gfi)

*Matthew W. Reid*  
**LAND & DESIGN, Inc.**  
Sustainability, Construction and Real Estate Advisors  
**SUSTAINABLE STRATEGIES | SUSTAINABLE INTEGRATION**  
8130 La Mesa Blvd | Suite 808 | La Mesa, CA 91942  
619.462.4060 o | 619.462.4144 f | 858.735.1858 direct  
Skype - matthew.reid.ca  
matt.reid@landanddesign.com



from Matthew Reid <[matt.reid@landanddesign.com](mailto:matt.reid@landanddesign.com)>

subject Proforma

to Greg Blodgett, more

cc [drose3@charter.net](mailto:drose3@charter.net) <[drose3@charter.net](mailto:drose3@charter.net)>

10/20/2010 10:16 PM

other actions

Greg,

Here is the revised proforma as promised. Let me know if you have any questions.

**Matthew W. Reid**

**LAND & DESIGN, Inc.**

Sustainability, Construction and Real Estate Advisors

**SUSTAINABLE STRATEGIES | SUSTAINABLE INTEGRATION**

8150 La Mesa Blvd | Suite 808 | La Mesa, CA 91943

619.462.4060 o | 619.462.4144 f | 858.735.1858 direct

Skype - [matt.reid](https://www.skype.com/people/matt.reid)

[matt.reid@landanddesign.com](mailto:matt.reid@landanddesign.com)

# CONTENTS

TAB 2            FINANCIAL PROFORMA  
(FURNISHED UNDER SEPARATE COVER)

## *International WEST*

GARDEN GROVE • CALIFORNIA



E-TICKET HOSPITALITY, LLC



Land & Design, Inc.



DEVELOPMENT, LLC.



GENE FONG  
ASSOCIATES  
ARCHITECTURE  
PLANNING  
INTERIORS

**Project Name** UPPER UPSCALE HOTEL / GARDEN GROVE, CA  
**Location** GARDEN GROVE, CA

Construction Start Q2, 2011  
 Construction Completion Q4, 2012

<b>Investment Summary:</b>	<b>Base Assumptions</b>
No. of rooms (Full Service)	360
No. of rooms (Limited Service #1)	102
No. of rooms (Limited Service #2)	119
Total GSF (Full)	241,933
Total GSF (Limited #1)	72,652
Total GSF (Limited #2)	82,596

<b>Development Cost Budgets (FULL)</b>		<b>per key</b>	<b>per sq. ft</b>	
Land Cost / City contribution	0	-	-	0%
Off-site improvements	0	-	-	0%
Parking Structures (by city)	0	-	-	0%
Construction Costs	57,058,149	158,495	235.84	70%
FF&E OS&E IT Signage	13,409,981	37,250	55.43	16%
Soft Costs	6,212,199	17,256	25.68	8%
Financing Costs	1,500,000	4,167	6.20	2%
Development Contingency	814,000	2,261	3.36	1%
Development Fee	2,443,000	6,786	10.10	3%
<b>Full Service Total.....</b>	<b>81,437,328</b>	<b>226,215</b>	<b>336.61</b>	<b>100%</b>

<b>Development Cost Budgets (LIMITED #1)</b>		<b>per key</b>	<b>per sq. ft</b>	
Land Cost / City contribution	0	-	-	0%
Off-site improvements	0	-	-	0%
Parking Structures (by city)	0	-	-	0%
Construction Costs	11,980,954	117,460	164.91	73%
FF&E OS&E IT Signage	1,364,000	13,373	18.77	8%
Soft Costs	2,000,140	19,609	27.53	12%
Financing Costs	400,000	3,922	5.51	2%
Development Contingency	160,000	1,569	2.20	1%
Development Fee	476,000	4,667	6.55	3%
<b>Limited/Select Service #1 Total.....</b>	<b>16,381,094</b>	<b>160,599</b>	<b>225.47</b>	<b>100%</b>

<b>Development Cost Budgets (LIMITED #2)</b>		<b>per key</b>	<b>per sq. ft</b>	
Land Cost / City contribution	0	-	-	0%
Off-site improvements	0	-	-	0%
Parking Structures (by city)	0	-	-	0%
Construction Costs	13,440,137	112,942	162.72	72%
FF&E OS&E IT Signage	1,710,800	14,376	20.71	9%
Soft Costs	2,221,891	18,671	26.90	12%
Financing Costs	600,000	5,042	7.26	3%
Development Contingency	187,000	1,571	2.26	1%
Development Fee	558,000	4,689	6.76	3%
<b>Limited/Select Service #2 Total.....</b>	<b>18,717,828</b>	<b>157,293</b>	<b>226.62</b>	<b>100%</b>

**TOTAL BUDGETED DEVELOPMENT COST** 116,536,250

**HOTEL SPACE SUMMARY FULL SERVICE HOTEL**

<b>PUBLIC SPACE</b>	<b>NSF</b>	<b>GROSS SF SUMMARY</b>	<b>sf</b>	<b>#</b>	<b>GUESTROOMS</b>
Lobby	3,200	Level 1 & 2 Public/BOH	58,481	150	King Room
Bar and Lounge	3,700	Level 3	15,288	28	Executive King Room
Restaurant	6,800	Level 4	15,288	162	Queen/Queen Room
Private Dining Room	800	Level 5-14 (15,540 x 10)	152,876	20	Suite
Public Restrooms	1,660	<b>TOTAL</b>	<b>241,933</b>	<b>360</b>	Guestroom NSF
Main Ballroom	14,400				Stairs, Elevators, Shafts, HK, Storage
Junior Ballroom	0				Total GSF Guestroom
Meeting Rooms (3)	0				Guestroom NSF/Key
Board Room	390				
Prefunction	0				
Fitness	1,312				
Pool / Whirlpool (outdoor)	0				
Pool/Toilets/Mechanical	450				
Spa	750				
<b>Subtotal Public Space</b>	<b>33,462</b>				

<b>BACK OF HOUSE AREAS</b>	<b>NSF</b>	<b>GUESTROOMS PER FLOOR</b>	<b>TOTAL GUESTROOMS</b>
Front Desk (in lobby)	0		
Front Office / Administration	1,500	30	30
Luggage Storage	250		
Bar Back of House	425		
Kitchen	3,500		
Pantry	200		
Function Storage	1,894		
Recycling	456		
Receiving	1,150		
Employee Facilities / Dining	800		
Maintenance	500		
General Storage	330		
Housekeeping/Linen	840		
Dirty Linen	360		
Loading Dock (outdoor)	0		
Receiving Office	100		
Uniforms	300		
Mechanical / Electrical	994		
<b>Subtotal BOH</b>	<b>13,599</b>		
Circulation and net to gross	11,420		
<b>TOTAL GSF - Public/BOH</b>	<b>58,481</b>		

	<b>GSF</b>	<b>GSF/KEY</b>
Hotel Public / Back of House	58,481	162
Hotel Guestrooms	183,452	510
<b>TOTAL HOTEL</b>	<b>241,933</b>	<b>672</b>

<b>PARKING</b>	<b>CARS</b>
0.8 cars/room	288
10/1000 for Ballrooms	144
	<b>432</b>

<b>TOTAL RETAIL SUMMARY</b>	
Total SF Retail	21,000

**HOTEL SPACE SUMMARY LIMITED/SELECT SERVICE HOTEL - #1**

<b>PUBLIC SPACE</b>	<b>NSF</b>
Lobby	1,800
Bar and Lounge	650
Restaurant	0
Private Dining Rooms (2)	0
Public Restrooms	850
Main Ballroom	0
Junior Ballroom	0
Meeting Room	600
Board Room	40
Prefunction	0
Fitness	800
Pool / Whirlpool (outdoor)	0
Pool/Toilets/Mechanical	330
Spa	0
<b>Subtotal Public Space</b>	<b>5,070</b>

<b>GROSS SF SUMMARY</b>	
Level 1	13,152
Level 2	8,500
Level 3	8,500
Level 4 - 8	42,500
<b>TOTAL</b>	<b>72,652</b>

<b>GUESTROOMS</b>	<b>sf</b>	<b>#</b>
King Room	320	35
Executive King Room	420	8
Queen/Queen Room	360	58
Suite	550	1
<b>TOTAL</b>	<b>1,020</b>	<b>102</b>

Guestroom NSF/Key..... 583

<b>GUESTROOMS PER FLOOR</b>	<b>16</b>
<b>TOTAL GUESTROOMS</b>	<b>102</b>

<b>BACK OF HOUSE AREAS</b>	<b>NSF</b>
Front Desk (in lobby)	0
Front Office / Administration	500
Luggage Storage	0
Bar Back of House	350
Kitchen	0
Pantry	400
Function Storage	0
Recycling	0
Receiving	500
Employee Facilities / Dining	0
Maintenance	660
General Storage	330
Housekeeping/Linen	600
Dirty Linen	360
Loading Dock (outdoor)	0
Receiving Office	182
Uniforms	300
Mechanical / Electrical	400
<b>Subtotal BOH</b>	<b>4,582</b>
<b>Circulation and net to gross</b>	<b>3,500</b>

<b>PARKING</b>	<b>CARS</b>
0.8 cars/room	82
10/2000 for Public	25
	<b>107</b>

	<b>GSF</b>	<b>GSFI/KEY</b>
Hotel Public / Back of House	13,152	129
Hotel Guestrooms	59,500	583
<b>TOTAL HOTEL</b>	<b>72,652</b>	<b>712</b>

**TOTAL GSF - Public/BOH**..... 13,152

**HOTEL SPACE SUMMARY LIMITED/SELECT SERVICE HOTEL - #2**

<b>PUBLIC SPACE</b>	<b>NSF</b>
Lobby	1,800
Bar and Lounge	650
Restaurant	0
Private Dining Rooms (2)	0
Public Restrooms	1,100
Main Ballroom	0
Junior Ballroom	0
Meeting Room	1,000
Board Room	0
Prefunction	0
Fitness	850
Pool / Whirlpool (outdoor)	0
Pool/Toilets/Mechanical	330
Spa	0
<b>Subtotal Public Space</b>	<b>5,730</b>

<b>GROSS SF SUMMARY</b>	
Level 1	16,096
Level 2	9,500
Level 3	9,500
Level 4 - 8	47,500
<b>TOTAL</b>	<b>82,596</b>

<b>GUESTROOMS PER FLOOR</b>	
	17
<b>TOTAL GUESTROOMS</b>	<b>119</b>

<b>GUESTROOMS</b>	<b>sf</b>	<b>#</b>
King Room	318	37
Executive King Room	430	5
Queen/Queen Room	362	75
Suite	600	2
		119
<b>TOTAL</b>		<b>42,266</b>

Guestroom NSF/Key..... 559

<b>BACK OF HOUSE AREAS</b>	<b>NSF</b>
Front Desk (in lobby)	500
Front Office / Administration	0
Luggage Storage	250
Bar Back of House	350
Kitchen	0
Pantry	400
Function Storage	200
Recycling	0
Receiving	600
Employee Facilities / Dining	0
Maintenance	660
General Storage	330
Housekeeping/Linen	600
Dirty Linen	360
Loading Dock (outdoor)	0
Receiving Office	182
Uniforms	300
Mechanical / Electrical	400
<b>Subtotal BOH</b>	<b>5,132</b>
<b>Circulation and net to gross</b>	<b>5,234</b>
<b>TOTAL GSF - Public/BOH</b>	<b>16,096</b>

<b>PARKING</b>	<b>CARS</b>
0.8 cars/room	95
10/2000 for Public	29
	<b>124</b>

	<b>GSF</b>	<b>GSF/KEY</b>
Hotel Public / Back of House	16,096	135
Hotel Guestrooms	66,500	559
<b>TOTAL HOTEL</b>	<b>82,596</b>	<b>694</b>

Upper / Upscale Hotel / Garden Grove, CA
Total Project Cost Budget
FULL SERVICE HOTEL

No. of Keys	No. of Mods	Total Sq. Ft.
360	360	241,933

Construction Costs	% of Total	Per Key	Per SF	
<b>Subtotal Site Construction</b>		\$ 6,586	\$ 9.80	\$ 2,370,943
Parking Structure (331 Stalls) - by city CFD	0.00%	\$ -	\$ -	\$ -
<b>Subtotal Building Shell</b>		\$ 66,565	\$ 99.05	\$ 14,983,581
<b>Subtotal Building Finishes</b>		\$ 43,420	\$ 64.61	\$ 15,631,291
<b>Subtotal Building Systems</b>		\$ 45,026	\$ 67.00	\$ 16,209,511
<b>Subtotal Project Indirect Costs</b>		\$ 21,841	\$ 32.50	\$ 7,862,823
<b>TOTAL CONSTRUCTION COSTS.....</b>		\$ 158,495	\$ 235.84	\$ 57,058,149

FF&E and OS&E	% of Total	Per Key	Per SF	
FF&E		\$ 20,000	\$ 29.76	\$ 7,200,000
OS&E		\$ 4,500	\$ 6.70	\$ 1,620,000
FF&E Restaurant (in Allow below)				
OS&E Restaurant (in Allow below)				
IT/Telephone, Point of Sales, etc. (No, Security)		\$ 4,000	\$ 5.95	\$ 1,440,000
Rest/Bar/Lounge TI Allow		\$ 3,696	\$ 5.50	\$ 1,330,632
Spa TI Allowance		\$ 1,512	\$ 2.25	\$ 544,349
Kitchen Equipment- Excludes Restaurant		\$ 2,778	\$ 4.13	\$ 1,000,000
Laundry Equipment		\$ 181	\$ 0.27	\$ 65,000
		\$ 347	\$ 0.52	\$ 125,000
Model Guestroom Model Allowance		\$ 236	\$ 0.35	\$ 85,000
<b>TOTAL FFE &amp; OSE COSTS.....</b>		\$ 37,250	\$ 55.43	\$ 13,409,981

Soft Costs	% of Total	Per Key	Per SF	
Pre-Opening Expenses (Excluded)		\$ -	\$ -	\$ -
Design Costs / Consultant Fees	6.19%	\$ 9,812	\$ 14.60	\$ 3,532,222
Hospitality Consultant	0.98%	\$ 1,546	\$ 2.30	\$ 556,446
Permits/Fees (Estimated)	2.97%	\$ 4,704	\$ 7.00	\$ 1,693,531
Appraisal / Market Study		\$ 56	\$ 0.08	\$ 20,000
General Expenses		\$ 69	\$ 0.10	\$ 25,000
Environmental Consultants		\$ 56	\$ 0.08	\$ 20,000
Legal Fees		\$ 278	\$ 0.41	\$ 100,000
Survey for Title		\$ 42	\$ 0.06	\$ 15,000
Real Estate Taxes (waived by City during Dev)		\$ -	\$ -	\$ -
Soil Test		\$ 28	\$ 0.04	\$ 10,000
Legal (Lender)		\$ 208	\$ 0.31	\$ 75,000
Deed Tax		\$ 28	\$ 0.04	\$ 10,000
Mortgage Registration		\$ 208	\$ 0.31	\$ 75,000
Title Insurance		\$ 69	\$ 0.10	\$ 25,000
Recording Fees		\$ 28	\$ 0.04	\$ 10,000
Inspection		\$ 125	\$ 0.19	\$ 45,000
Infrastructure Assessment Fee		\$ -	\$ -	\$ -
Construction Miniperme Fee and Interest Carry		\$ 4,167	\$ 6.20	\$ 1,500,000
Development Fee	3.00%	\$ 6,786	\$ 10.10	\$ 2,443,000
Development Contingency	1.00%	\$ 2,261	\$ 3.36	\$ 814,000
Land Cost	Contributed by Garden Grove	\$ -	\$ -	\$ -
Off-site improvements	Contributed by Garden Grove	\$ -	\$ -	\$ -
<b>TOTAL SOFT COSTS.....</b>		\$ 30,470	\$ 45.34	\$ 10,969,199
<b>Total Development Costs</b>		\$ 226,215	\$ 336.61	\$ 81,437,328

Limited Service Hotel / Garden Grove, CA
Total Project Cost Budget
LIMITED/SELECT SERVE HOTEL #1

No. of Keys	No. of Mods	Total Sq. Ft.
102	102	72,652

Construction Costs	% of Total	Per Key	Per SF	
<b>Subtotal Site Construction</b>		\$ 5,634	\$ 7.91	\$ 574,677
Parking Structure (164 Stalls) - by city CFD	0.00%	\$ -	\$ -	\$ -
<b>Subtotal Building Shell</b>		\$ 33,975	\$ 47.70	\$ 2,669,874
<b>Subtotal Building Finishes</b>		\$ 25,464	\$ 35.75	\$ 2,597,309
<b>Subtotal Building Systems</b>		\$ 39,887	\$ 56.00	\$ 4,068,512
<b>Subtotal Project Indirect Costs</b>		\$ 20,300	\$ 28.50	\$ 2,070,582
<b>TOTAL CONSTRUCTION COSTS.....</b>		\$ 117,460	\$ 164.91	\$ 11,980,954

FF&E and OS&E	% of Total	Per Key	Per SF	
FF&E		\$ 8,000	\$ 11.23	\$ 816,000
OS&E		\$ 2,000	\$ 2.81	\$ 204,000
FF&E Restaurant (in Allow below)				
OS&E Restaurant (in Allow below)				
IT/Telephone, Point of Sales, etc. (No, Security)		\$ 2,000	\$ 2.81	\$ 204,000
Rest/Bar/Lounge TI Allow		\$ -	\$ -	\$ -
Spa TI Allowance		\$ -	\$ -	\$ -
Kitchen Equipment- Excludes Restaurant		\$ -	\$ -	\$ -
Laundry Equipment		\$ 392	\$ 0.55	\$ 40,000
		\$ 735	\$ 1.03	\$ 75,000
Model Guestroom Model Allowance		\$ 245	\$ 0.34	\$ 25,000
<b>TOTAL FFE &amp; OSE COSTS.....</b>		\$ 13,373	\$ 18.77	\$ 1,364,000

Soft Costs	% of Total	Per Key	Per SF	
Pre-Opening Expenses (Excluded)		\$ -	\$ -	\$ -
Design Costs / Consultant Fees	7.88%	\$ 9,260	\$ 13.00	\$ 944,476
Hospitality Consultant	1.39%	\$ 1,638	\$ 2.30	\$ 167,100
Permits/Fees (Estimated)	4.24%	\$ 4,986	\$ 7.00	\$ 508,564
Appraisal / Market Study		\$ 196	\$ 0.28	\$ 20,000
General Expenses		\$ 245	\$ 0.34	\$ 25,000
Environmental Consultants		\$ 196	\$ 0.28	\$ 20,000
Legal Fees		\$ 490	\$ 0.69	\$ 50,000
Survey for Title		\$ 147	\$ 0.21	\$ 15,000
Real Estate Taxes (waived by City during Dev)		\$ -	\$ -	\$ -
Soil Test		\$ 98	\$ 0.14	\$ 10,000
Legal (Lender)		\$ 735	\$ 1.03	\$ 75,000
Deed Tax		\$ 98	\$ 0.14	\$ 10,000
Mortgage Registration		\$ 735	\$ 1.03	\$ 75,000
Title Insurance		\$ 245	\$ 0.34	\$ 25,000
Recording Fees		\$ 98	\$ 0.14	\$ 10,000
Inspection		\$ 441	\$ 0.62	\$ 45,000
Infrastructure Assessment Fee		\$ -	\$ -	\$ -
Construction Miniperm Fee and Interest Carry		\$ 3,922	\$ 5.51	\$ 400,000
Development Fee	2.91%	\$ 4,667	\$ 6.55	\$ 476,000
Development Contingency	0.98%	\$ 1,569	\$ 2.20	\$ 160,000
Land Cost	Contributed by Garden Grove	\$ -	\$ -	\$ -
Off-site improvements	Contributed by Garden Grove	\$ -	\$ -	\$ -
<b>TOTAL SOFT COSTS.....</b>		\$ 29,766	\$ 41.79	\$ 3,036,140
<b>Total Development Costs</b>		\$ 160,599	\$ 225.47	\$ 16,381,094



Limited Service Hotel / Garden Grove, CA
Total Project Cost Budget
LIMITED/SELECT SERVE HOTEL #2

No. of Keys	No. of Mods	Total Sq. Ft.
119	119	82,596

Construction Costs	% of Total	Per Key	Per SF	
<b>Subtotal Site Construction</b>		\$ 5,490	\$ 7.91	\$ 653,334
Parking Structure (164 Stalls) - by city CFD	0.00%	\$ -	\$ -	\$ -
<b>Subtotal Building Shell</b>		\$ 33,108	\$ 47.70	\$ 2,854,634
<b>Subtotal Building Finishes</b>		\$ 24,814	\$ 35.75	\$ 2,952,807
<b>Subtotal Building Systems</b>		\$ 38,869	\$ 56.00	\$ 4,625,376
<b>Subtotal Project Indirect Costs</b>		\$ 19,781	\$ 28.50	\$ 2,353,986
<b>TOTAL CONSTRUCTION COSTS.....</b>		\$ 112,942	\$ 162.72	\$ 13,440,137

FF&E and OS&E	% of Total	Per Key	Per SF	
FF&E		\$ 9,000	\$ 12.97	\$ 1,071,000
OS&E		\$ 2,200	\$ 3.17	\$ 261,800
FF&E Restaurant (in Allow below)				
OS&E Restaurant (in Allow below)				
IT/Telephone, Point of Sales, etc. (No, Security)		\$ 2,000	\$ 2.88	\$ 238,000
Rest/Bar/Lounge TI Allow		\$ -	\$ -	\$ -
Spa TI Allowance		\$ -	\$ -	\$ -
Kitchen Equipment- Excludes Restaurant		\$ -	\$ -	\$ -
Laundry Equipment		\$ 336	\$ 0.48	\$ 40,000
		\$ 630	\$ 0.91	\$ 75,000
Model Guestroom Model Allowance		\$ 210	\$ 0.30	\$ 25,000
<b>TOTAL FFE &amp; OSE COSTS.....</b>		\$ 14,376	\$ 20.71	\$ 1,710,800

Soft Costs	% of Total	Per Key	Per SF	
Pre-Opening Expenses (Excluded)		\$ -	\$ -	\$ -
Design Costs / Consultant Fees	7.99%	\$ 9,023	\$ 13.00	\$ 1,073,748
Hospitality Consultant	1.41%	\$ 1,596	\$ 2.30	\$ 189,971
Permits/Fees (Estimated)	4.30%	\$ 4,859	\$ 7.00	\$ 578,172
Appraisal / Market Study		\$ 168	\$ 0.24	\$ 20,000
General Expenses		\$ 210	\$ 0.30	\$ 25,000
Environmental Consultants		\$ 168	\$ 0.24	\$ 20,000
Legal Fees		\$ 420	\$ 0.61	\$ 50,000
Survey for Title		\$ 126	\$ 0.18	\$ 15,000
Real Estate Taxes (waived by City during Dev)		\$ -	\$ -	\$ -
Soil Test		\$ 84	\$ 0.12	\$ 10,000
Legal (Lender)		\$ 630	\$ 0.91	\$ 75,000
Deed Tax		\$ 84	\$ 0.12	\$ 10,000
Mortgage Registration		\$ 630	\$ 0.91	\$ 75,000
Title Insurance		\$ 210	\$ 0.30	\$ 25,000
Recording Fees		\$ 84	\$ 0.12	\$ 10,000
Inspection		\$ 378	\$ 0.54	\$ 45,000
Infrastructure Assessment Fee		\$ -	\$ -	\$ -
Construction Miniperm Fee and Interest Carry		\$ 5,042	\$ 7.26	\$ 600,000
Development Fee	2.98%	\$ 4,689	\$ 6.76	\$ 558,000
Development Contingency	1.00%	\$ 1,571	\$ 2.26	\$ 187,000
Land Cost	Contributed by Garden Grove	\$ -	\$ -	\$ -
Off-site improvements	Contributed by Garden Grove	\$ -	\$ -	\$ -
<b>TOTAL SOFT COSTS.....</b>		\$ 29,974	\$ 43.18	\$ 3,566,891
<b>Total Development Costs</b>		\$ 157,293	\$ 226.62	\$ 18,717,828

FULL SERVICE

2013 YR1

2014 YR 2

2015 YR 3  
Stabilized

2016 YR 4

	365	360	131,400	68%	84,096	147.50	153.50	160.00	164.80	164.80
Assumptions:										
Days open	365	360	131,400	70%	91,980	160.00	115.36	160.00	164.80	164.80
No. of rooms	365	360	131,400	70%	91,980	160.00	115.36	160.00	164.80	164.80
Room Nights available	365	360	131,400	70%	91,980	160.00	115.36	160.00	164.80	164.80
Occupancy	68%	64%	84,096	147.50	153.50	160.00	115.36	160.00	164.80	164.80
Room Nights Sold	84,096	84,096	84,096	147.50	153.50	160.00	115.36	160.00	164.80	164.80
Average Daily Rate	147.50	147.50	147.50	153.50	160.00	160.00	115.36	160.00	164.80	164.80
RevPAR	94.40	94.40	94.40	104.38	115.36	115.36	115.36	115.36	115.36	115.36

	2013 YR1	2014 YR 2	2015 YR 3	2016 YR 4
	\$ Amount	%	\$ PAR	\$ POR
<b>Revenues</b>				
Rooms	12,404,160	65.8%	34,456	147.50
F&B	5,213,952	27.7%	14,483	62.00
Telecommunications	294,336	1.6%	818	3.50
Spa	420,000	2.2%	1,167	4.99
Other	504,576	2.7%	1,402	6.00
<b>Total Revenues</b>	<b>18,837,024</b>	<b>100.0%</b>	<b>52,325</b>	<b>223.99</b>
<b>Direct Expenses</b>				
Rooms	3,349,123	27.0%	9,303	39.83
F&B	4,275,441	82.0%	11,876	50.84
Telecommunications	332,600	113.0%	924	3.96
Spa	399,000	95.0%	1,108	4.74
Other	237,151	47.0%	659	2.82
<b>Total Direct Expenses</b>	<b>8,593,314</b>	<b>45.6%</b>	<b>23,870</b>	<b>102.18</b>
<b>HOTEL PROFIT</b>	<b>10,243,710</b>	<b>54.4%</b>	<b>28,455</b>	<b>121.81</b>
<b>Undistributed Operating Expenses</b>				
Administrative and General	1,506,962	8.0%	4,186	17.92
Marketing	1,262,081	6.7%	3,506	15.01
Franchise Fees	791,155	4.2%	2,198	9.41
Banquet Sales	186,370	1.0%	523	2.24
Property Ops & Maintenance	659,296	3.5%	1,831	7.84
Utilities	715,807	3.8%	1,988	8.51
<b>Total Undistributed Operating Expenses</b>	<b>5,123,671</b>	<b>27.2%</b>	<b>14,232</b>	<b>60.93</b>
<b>Gross Operating Profit</b>	<b>5,120,039</b>	<b>27.2%</b>	<b>14,222</b>	<b>60.88</b>
<b>Fixed Expense</b>				
Management Fee	565,111	3.0%	1,570	6.72
Property Taxes (1.01% of improvements)	822,517	4.4%	2,285	9.78
FFE & Capital Reserve	470,926	2.5%	1,308	5.60
Insurance	244,881	1.3%	680	2.91
<b>Total Fixed Expenses</b>	<b>2,103,435</b>	<b>11.2%</b>	<b>5,843</b>	<b>25.01</b>
<b>NET OPERATING INCOME</b>	<b>3,016,605</b>	<b>16.0%</b>	<b>8,379</b>	<b>35.87</b>
Restaurant Rent (NET)	360,500			
Hotel Tax Rebate 80%	1,426,415	75.0%		
Property Tax Rebate 70%	575,762			
<b>CASH FLOW FROM OPERATIONS</b>	<b>5,151,772</b>	<b>27.3%</b>	<b>14,310</b>	<b>61.26</b>
Debt Service	4,834,890	25.7%	13,430	57.49
<b>NOI AFTER DEBT SERVICE</b>	<b>316,883</b>	<b>1.7%</b>	<b>880</b>	<b>3.77</b>

**FULL SERVICE**

2017 YR 5      2018 YR 6      2019 YR 7      2020 YR 8

Assumptions:

Days open	365	365	365	365
No. of rooms	360	360	360	360
Room Nights available	131,400	131,400	131,400	131,400
Occupancy	70%	70%	70%	70%
Room Nights Sold	91,980	91,980	91,980	91,980
Average Daily Rate	169.74	174.84	180.08	185.46
RevPAR	118.82	122.39	126.06	129.84

	\$ Amount	%	\$ PAR	%	\$ Amount	%	\$ PAR	%	\$ Amount	%	\$ PAR	%	\$ Amount	%	\$ PAR	%	
<b>Revenues</b>																	
Rooms	15,613,053	65.8%	43,370	65.8%	16,081,445	65.8%	44,671	65.8%	16,563,888	65.8%	46,011	65.8%	17,060,805	65.8%	47,391	65.8%	
F&B	6,635,548	28.0%	18,432	28.0%	6,834,614	28.0%	18,985	28.0%	7,039,652	28.0%	19,555	28.0%	7,250,842	28.0%	20,141	28.0%	
Telecommunications	341,536	1.4%	949	1.4%	351,782	1.4%	977	1.4%	362,335	1.4%	1,006	1.4%	373,205	1.4%	1,037	1.4%	
Spa	509,232	2.1%	1,415	2.1%	524,509	2.1%	1,457	2.1%	540,244	2.1%	1,501	2.1%	556,452	2.1%	1,546	2.1%	
Other	634,280	2.7%	1,762	2.7%	653,309	2.7%	1,815	2.7%	672,908	2.7%	1,869	2.7%	693,095	2.7%	1,925	2.7%	
<b>Total Revenues</b>	<b>23,733,649</b>	<b>100.0%</b>	<b>65,927</b>	<b>100.0%</b>	<b>24,445,658</b>	<b>100.0%</b>	<b>67,905</b>	<b>100.0%</b>	<b>25,179,028</b>	<b>100.0%</b>	<b>69,942</b>	<b>100.0%</b>	<b>25,934,399</b>	<b>100.0%</b>	<b>72,040</b>	<b>100.0%</b>	<b>281.96</b>
<b>Direct Expenses</b>																	
Rooms	3,591,002	23.0%	9,975	23.0%	3,698,732	23.0%	10,274	23.0%	3,809,694	23.0%	10,582	23.0%	3,923,985	23.0%	10,900	23.0%	46.66
F&B	5,175,727	78.0%	14,377	78.0%	5,330,999	78.0%	14,808	78.0%	5,490,929	78.0%	15,253	78.0%	5,655,657	78.0%	15,710	78.0%	67.25
Telecommunications	344,951	101.0%	958	101.0%	355,299	101.0%	987	101.0%	365,958	101.0%	1,017	101.0%	376,937	101.0%	1,047	101.0%	4.48
Spa	381,924	75.0%	1,061	75.0%	393,382	75.0%	1,093	75.0%	405,183	75.0%	1,126	75.0%	417,339	75.0%	1,159	75.0%	4.96
Other	272,741	43.0%	758	43.0%	280,923	43.0%	780	43.0%	289,350	43.0%	804	43.0%	298,031	43.0%	828	43.0%	3.54
<b>Total Direct Expenses</b>	<b>9,766,345</b>	<b>41.1%</b>	<b>27,129</b>	<b>41.1%</b>	<b>10,059,335</b>	<b>41.1%</b>	<b>27,943</b>	<b>41.1%</b>	<b>10,361,115</b>	<b>41.1%</b>	<b>28,781</b>	<b>41.1%</b>	<b>10,671,949</b>	<b>41.1%</b>	<b>29,644</b>	<b>41.1%</b>	<b>126.90</b>
<b>HOTEL PROFIT</b>	<b>13,967,304</b>	<b>58.9%</b>	<b>38,798</b>	<b>58.9%</b>	<b>14,386,323</b>	<b>58.9%</b>	<b>39,962</b>	<b>58.9%</b>	<b>14,817,913</b>	<b>58.9%</b>	<b>41,161</b>	<b>58.9%</b>	<b>15,262,450</b>	<b>58.9%</b>	<b>42,396</b>	<b>58.9%</b>	<b>155.05</b>
<b>Undistributed Operating Expenses</b>																	
Administrative and General	1,661,355	7.0%	4,615	7.0%	1,711,196	7.0%	4,753	7.0%	1,762,532	7.0%	4,896	7.0%	1,815,408	7.0%	5,043	7.0%	19.74
Marketing	1,424,019	6.0%	3,956	6.0%	1,466,739	6.0%	4,074	6.0%	1,510,742	6.0%	4,197	6.0%	1,556,064	6.0%	4,322	6.0%	16.92
Franchise Fees	1,376,552	5.8%	3,824	5.8%	1,417,848	5.8%	3,938	5.8%	1,460,384	5.8%	4,057	5.8%	1,504,195	5.8%	4,178	5.8%	16.35
Banquet Sales	237,336	1.0%	659	1.0%	244,457	1.0%	679	1.0%	251,790	1.0%	699	1.0%	259,344	1.0%	720	1.0%	2.82
Property Ops & Maintenance	878,145	3.7%	2,439	3.7%	904,469	3.7%	2,512	3.7%	931,624	3.7%	2,588	3.7%	959,573	3.7%	2,665	3.7%	10.43
Utilities	830,678	3.5%	2,307	3.5%	855,598	3.5%	2,377	3.5%	881,266	3.5%	2,448	3.5%	907,704	3.5%	2,521	3.5%	9.87
<b>Total Undistributed Operating Expenses</b>	<b>6,408,065</b>	<b>27.0%</b>	<b>17,800</b>	<b>27.0%</b>	<b>6,600,328</b>	<b>27.0%</b>	<b>18,334</b>	<b>27.0%</b>	<b>6,798,337</b>	<b>27.0%</b>	<b>18,884</b>	<b>27.0%</b>	<b>7,002,288</b>	<b>27.0%</b>	<b>19,451</b>	<b>27.0%</b>	<b>76.13</b>
<b>Gross Operating Profit</b>	<b>7,559,239</b>	<b>31.9%</b>	<b>20,998</b>	<b>31.9%</b>	<b>7,785,995</b>	<b>31.9%</b>	<b>21,628</b>	<b>31.9%</b>	<b>8,019,575</b>	<b>31.9%</b>	<b>22,277</b>	<b>31.9%</b>	<b>8,260,162</b>	<b>31.9%</b>	<b>22,945</b>	<b>31.9%</b>	<b>89.80</b>
<b>Fixed Expense</b>																	
Management Fee	712,009	3.0%	1,978	3.0%	733,370	3.0%	2,037	3.0%	755,371	3.0%	2,098	3.0%	778,032	3.0%	2,161	3.0%	9.25
Property Taxes (1.01% of improvements)	822,517	3.5%	2,285	3.5%	822,517	3.4%	2,285	3.4%	847,193	3.4%	2,353	3.4%	872,608	3.4%	2,424	3.4%	10.38
FFE & Capital Reserve	593,341	2.5%	1,648	2.5%	611,141	2.5%	1,698	2.5%	629,476	2.5%	1,749	2.5%	648,360	2.5%	1,801	2.5%	7.05
Insurance	308,537	1.3%	857	1.3%	317,794	1.3%	883	1.3%	327,327	1.3%	909	1.3%	337,147	1.3%	937	1.3%	3.67
<b>Total Fixed Expenses</b>	<b>2,436,405</b>	<b>10.3%</b>	<b>6,768</b>	<b>10.3%</b>	<b>2,484,822</b>	<b>10.2%</b>	<b>6,902</b>	<b>10.2%</b>	<b>2,559,366</b>	<b>10.2%</b>	<b>7,109</b>	<b>10.2%</b>	<b>2,636,147</b>	<b>10.2%</b>	<b>7,323</b>	<b>10.2%</b>	<b>28.66</b>
<b>NET OPERATING INCOME</b>	<b>5,122,834</b>	<b>21.6%</b>	<b>14,230</b>	<b>21.6%</b>	<b>5,301,173</b>	<b>21.7%</b>	<b>14,725</b>	<b>21.7%</b>	<b>5,460,209</b>	<b>21.7%</b>	<b>15,167</b>	<b>21.7%</b>	<b>5,624,015</b>	<b>21.7%</b>	<b>15,622</b>	<b>21.7%</b>	<b>61.14</b>
Restaurant Rent (NET)	393,928				405,746				417,918				430,456				
Hotel Tax Rebate 80%	1,623,758			1,672,470				1,722,644				1,774,324					
Property Tax Rebate 70%	575,762			575,762				575,762				610,826					
<b>CASH FLOW FROM OPERATIONS</b>	<b>7,716,251</b>	<b>32.5%</b>	<b>21,434</b>	<b>32.5%</b>	<b>7,955,152</b>	<b>32.5%</b>	<b>22,098</b>	<b>32.5%</b>	<b>8,176,533</b>	<b>32.5%</b>	<b>22,713</b>	<b>32.5%</b>	<b>8,439,620</b>	<b>32.5%</b>	<b>23,443</b>	<b>32.5%</b>	<b>91.75</b>
<b>Debt Service</b>	4,834,890	20.4%	13,430	20.4%	4,834,890	19.8%	13,430	19.8%	4,834,890	19.2%	13,430	19.2%	4,834,890	18.6%	13,430	18.6%	57.49
<b>NOI AFTER DEBT SERVICE</b>	<b>2,881,371</b>	<b>12.1%</b>	<b>8,004</b>	<b>12.1%</b>	<b>3,120,262</b>	<b>12.8%</b>	<b>8,667</b>	<b>12.8%</b>	<b>3,341,644</b>	<b>13.3%</b>	<b>9,282</b>	<b>13.3%</b>	<b>3,604,731</b>	<b>13.9%</b>	<b>10,013</b>	<b>13.9%</b>	<b>42.86</b>

**FULL SERVICE**

Assumptions:

Days open	365
No. of rooms	360
Room Nights available	131,400
Occupancy	70%
Room Nights Sold	91,980
Average Daily Rate	191.05
RevPAR	133.73

2021	2022	2023
YR 9	YR 10	YR 11

365	365	365
360	360	360
131,400	131,400	131,400
70%	70%	70%
91,980	91,980	91,980
191.05	196.78	202.68
133.73	137.75	141.88

365	365	365
360	360	360
131,400	131,400	131,400
70%	70%	70%
91,980	91,980	91,980
191.05	196.78	202.68
133.73	137.75	141.88

	\$ Amount	%	\$ PAR	\$ POR	\$ Amount	%	\$ PAR	\$ POR	\$ Amount	%	\$ PAR	\$ POR
<b>Revenues</b>												
Rooms	17,572,629	65.8%	48,813	191.05	18,099,808	65.8%	50,277	196.78	18,642,802	65.8%	51,786	202.68
F&B	7,468,367	28.0%	20,745	81.20	7,692,418	28.0%	21,368	83.63	7,923,191	28.0%	22,009	86.14
Telecommunications	384,401	1.4%	1,068	4.18	395,933	1.4%	1,100	4.30	407,811	1.4%	1,133	4.43
Spa	573,145	2.1%	1,592	6.23	590,339	2.1%	1,640	6.42	608,050	2.1%	1,689	6.61
Other	713,888	2.7%	1,963	7.76	735,305	2.7%	2,043	7.99	757,364	2.7%	2,104	8.23
<b>Total Revenues</b>	<b>26,712,430</b>	<b>100.0%</b>	<b>74,201</b>	<b>290.42</b>	<b>27,513,803</b>	<b>100.0%</b>	<b>76,427</b>	<b>299.13</b>	<b>28,339,218</b>	<b>100.0%</b>	<b>78,720</b>	<b>308.10</b>

<b>Direct Expenses</b>												
Rooms	4,041,705	23.0%	11,227	48.06	4,162,956	23.0%	11,564	49.50	4,287,844	23.0%	11,911	50.99
F&B	5,825,326	78.0%	16,181	69.27	6,000,086	78.0%	16,667	71.35	6,180,089	78.0%	17,167	73.49
Telecommunications	388,245	101.0%	1,078	4.62	399,893	101.0%	1,111	4.76	411,889	101.0%	1,144	4.90
Spa	428,859	75.0%	1,194	5.11	442,755	75.0%	1,230	5.26	456,037	75.0%	1,267	5.42
Other	306,972	43.0%	853	3.65	316,181	43.0%	878	3.76	325,668	43.0%	905	3.87
<b>Total Direct Expenses</b>	<b>10,992,107</b>	<b>41.1%</b>	<b>30,534</b>	<b>130.71</b>	<b>11,321,870</b>	<b>41.1%</b>	<b>31,450</b>	<b>134.63</b>	<b>11,661,526</b>	<b>41.1%</b>	<b>32,393</b>	<b>138.67</b>

**HOTEL PROFIT**

	16,720,323	58.9%	43,668	159.71	16,191,933	58.9%	44,978	164.50	16,677,691	58.9%	46,327	169.43
<b>Undistributed Operating Expenses</b>												
Administrative and General	1,869,870	7.0%	5,194	20.33	1,925,966	7.0%	5,350	20.94	1,983,745	7.0%	5,510	21.57
Marketing	1,602,746	6.0%	4,452	17.42	1,650,828	6.0%	4,586	17.95	1,700,353	6.0%	4,723	18.49
Franchise Fees	1,549,321	5.8%	4,304	16.84	1,595,801	5.8%	4,433	17.35	1,643,675	5.8%	4,566	17.87
Benquet Sales	267,124	1.0%	742	2.90	275,138	1.0%	764	2.99	283,392	1.0%	787	3.08
Property Ops & Maintenance	988,360	3.7%	2,745	10.75	1,018,011	3.7%	2,828	11.07	1,048,551	3.7%	2,913	11.40
Utilities	934,935	3.5%	2,597	10.16	962,983	3.5%	2,675	10.47	991,873	3.5%	2,755	10.78
<b>Total Undistributed Operating Expenses</b>	<b>7,212,356</b>	<b>27.0%</b>	<b>20,034</b>	<b>78.41</b>	<b>7,428,727</b>	<b>27.0%</b>	<b>20,635</b>	<b>80.76</b>	<b>7,651,589</b>	<b>27.0%</b>	<b>21,254</b>	<b>83.19</b>
<b>Gross Operating Profit</b>	<b>8,507,967</b>	<b>31.9%</b>	<b>23,633</b>	<b>92.50</b>	<b>8,763,206</b>	<b>31.9%</b>	<b>24,342</b>	<b>95.27</b>	<b>9,026,102</b>	<b>31.9%</b>	<b>25,073</b>	<b>98.13</b>

<b>Fixed Expense</b>												
Management Fee	801,373	3.0%	2,226	9.53	825,414	3.0%	2,293	9.82	850,177	3.0%	2,362	10.11
Property Taxes (1.01% of improvements)	898,787	3.4%	2,497	10.59	925,750	3.4%	2,572	11.01	953,523	3.4%	2,649	11.34
FFE & Capital Reserve	667,811	2.5%	1,855	7.26	687,845	2.5%	1,911	7.48	708,480	2.5%	1,968	7.70
Insurance	347,262	1.3%	965	3.78	357,679	1.3%	994	3.89	368,410	1.3%	1,023	4.01
<b>Total Fixed Expenses</b>	<b>2,715,232</b>	<b>10.2%</b>	<b>7,542</b>	<b>29.52</b>	<b>2,796,689</b>	<b>10.2%</b>	<b>7,769</b>	<b>30.41</b>	<b>2,880,689</b>	<b>10.2%</b>	<b>8,002</b>	<b>31.32</b>
<b>NET OPERATING INCOME</b>	<b>5,792,735</b>	<b>21.7%</b>	<b>16,091</b>	<b>62.98</b>	<b>5,966,517</b>	<b>21.7%</b>	<b>16,574</b>	<b>64.87</b>	<b>6,145,513</b>	<b>21.7%</b>	<b>17,071</b>	<b>66.81</b>

Restaurant Rent (NET)	443,370				456,671				470,371			
Hotel Tax Rebate 80%	1,827,553				1,882,380				1,938,651			
Property Tax Rebate 70%	629,151				648,025				667,466			
<b>CASH FLOW FROM OPERATIONS</b>	<b>8,692,809</b>	<b>32.5%</b>	<b>24,147</b>	<b>94.51</b>	<b>8,953,593</b>	<b>32.5%</b>	<b>24,871</b>	<b>97.34</b>	<b>9,222,201</b>	<b>32.5%</b>	<b>25,617</b>	<b>100.26</b>

Debt Service	4,834,890	18.1%	13,430	57.49	4,834,890	17.6%	13,430	57.49	4,834,890	17.1%	13,430	57.49
<b>NOI AFTER DEBT SERVICE</b>	<b>3,857,919</b>	<b>14.4%</b>	<b>10,716</b>	<b>45.88</b>	<b>4,118,704</b>	<b>15.0%</b>	<b>11,441</b>	<b>48.98</b>	<b>4,387,311</b>	<b>15.5%</b>	<b>12,187</b>	<b>52.17</b>

LIMITED / SELECT SERVICE #1

Assumptions:

Days open	365
No. of rooms	102
Room Nights available	37,230
Occupancy	64%
Room Nights Sold	23,944
Average Daily Rate	98.00
RevPAR	62.72

2013	2014	2015	2016
YR1	YR 2	YR 3	YR 4

365	365	365	365
102	102	102	102
37,230	37,230	37,230	37,230
64%	67%	72%	72%
23,944	24,944	26,806	26,806
98.00	107.00	115.00	118.45
62.72	71.69	82.80	86.28

2015	2016
YR 3	YR 4

Stabilized

	\$ Amount	%	\$ PAR	\$ POR	\$ Amount	%	\$ PAR	\$ POR	\$ Amount	%	\$ PAR	\$ POR
Revenues												
Rooms	2,335,066	99.2%	22,893	98.00	2,669,019	99.3%	26,167	107.00	3,082,644	98.7%	30,222	115.00
F&B	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Telecommunications	7,148	0.3%	70	0.30	7,483	0.3%	73	0.30	13,403	0.4%	131	0.50
Spa	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Other	11,914	0.5%	117	0.50	12,472	0.5%	122	0.50	26,806	0.9%	263	1.00
Total Revenues	2,354,127	100.0%	23,080	98.80	2,688,974	100.0%	26,362	107.80	3,122,852	100.0%	30,616	116.50
Direct Expenses												
Rooms	630,468	27.0%	6,181	26.46	720,635	27.0%	7,065	30.24	832,314	27.0%	8,160	34.93
F&B	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Telecommunications	8,077	113.0%	79	0.34	8,232	110.0%	81	0.35	14,743	110.0%	145	0.62
Spa	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Other	5,599	47.0%	55	0.24	5,488	44.0%	54	0.23	10,722	40.0%	105	0.45
Total Direct Expenses	644,145	27.4%	6,315	27.03	734,354	27.3%	7,200	30.82	857,779	27.5%	8,410	36.00
HOTEL PROFIT	1,709,983	72.6%	16,765	71.77	1,954,620	72.7%	19,163	76.98	2,265,073	72.5%	22,207	80.50
Undistributed Operating Expenses												
Administrative and General	229,527	9.8%	2,250	9.63	262,175	9.8%	2,570	10.51	296,671	9.5%	2,909	11.07
Marketing	157,727	6.7%	1,546	6.62	166,716	6.2%	1,634	6.68	171,757	5.5%	1,684	6.41
Franchise Fees	58,853	2.5%	577	2.47	94,114	3.5%	923	3.77	124,914	4.0%	1,225	4.66
Banquet Sales	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Property Ops & Maintenance	117,706	5.0%	1,154	4.94	134,449	5.0%	1,318	5.39	156,143	5.0%	1,531	5.83
Utilities	94,165	4.0%	923	3.95	121,004	4.5%	1,186	4.85	165,511	5.3%	1,623	6.17
Total Undistributed Operating Expenses	657,979	28.0%	6,451	27.61	778,458	29.0%	7,632	31.21	914,996	29.3%	8,971	34.13
Gross Operating Profit	1,052,004	44.7%	10,314	44.15	1,176,162	43.7%	11,531	47.15	1,350,077	43.2%	13,236	50.37
Fixed Expense												
Management Fee	82,394	3.5%	808	3.46	94,114	3.5%	923	3.77	109,300	3.5%	1,072	4.08
Property Taxes (1.01% of improvements)	165,449	7.0%	1,622	6.94	165,449	6.2%	1,622	6.63	165,449	5.3%	1,622	6.17
FFE & Capital Reserve	23,541	1.0%	231	0.99	26,890	1.0%	264	1.08	31,229	1.0%	306	1.17
Insurance	30,604	1.3%	300	1.28	34,957	1.3%	343	1.40	40,597	1.3%	398	1.51
Total Fixed Expenses	301,988	12.8%	2,961	12.67	321,410	12.0%	3,151	12.89	346,574	11.1%	3,398	12.93
NET OPERATING INCOME	750,016	31.9%	7,353	31.48	854,752	31.8%	8,380	34.27	1,003,503	32.1%	9,838	37.44
Restaurant Rent (NET)	0				0				0			
Hotel Tax Rebate 50% - 10 years	151,779	50.0%			277,578	50.0%			320,595	50.0%		
Property Tax Rebate 100%	82,725				82,725				82,725			
CASH FLOW FROM OPERATIONS	984,520	41.8%	9,652	41.32	1,215,055	45.2%	11,912	48.71	1,406,822	45.0%	13,792	52.48
Debt Service	972,537	41.3%	9,535	40.82	972,537	36.2%	9,535	40.82	972,537	31.1%	9,535	40.82
NOI AFTER DEBT SERVICE	11,983	0.5%	117	0.50	242,518	9.0%	2,378	10.18	434,286	13.9%	4,258	18.23

857,283	27.0%	8,405	35.98	857,283	27.0%	8,405	35.98	857,283	27.0%	8,405	35.98
14,909	108.0%	146	0.63	14,909	108.0%	146	0.63	14,909	108.0%	146	0.63
11,044	40.0%	108	0.46	11,044	40.0%	108	0.46	11,044	40.0%	108	0.46
883,236	27.5%	8,659	37.07	883,236	27.5%	8,659	37.07	883,236	27.5%	8,659	37.07
2,333,301	72.5%	22,876	82.93	2,333,301	72.5%	22,876	82.93	2,333,301	72.5%	22,876	82.93
305,571	9.5%	2,996	11.40	305,571	9.5%	2,996	11.40	305,571	9.5%	2,996	11.40
176,910	5.5%	1,734	6.60	176,910	5.5%	1,734	6.60	176,910	5.5%	1,734	6.60
128,662	4.0%	1,261	4.80	128,662	4.0%	1,261	4.80	128,662	4.0%	1,261	4.80
160,827	5.0%	1,577	6.00	160,827	5.0%	1,577	6.00	160,827	5.0%	1,577	6.00
170,477	5.3%	1,671	6.36	170,477	5.3%	1,671	6.36	170,477	5.3%	1,671	6.36
942,446	29.3%	9,240	35.16	942,446	29.3%	9,240	35.16	942,446	29.3%	9,240	35.16
1,390,856	43.2%	13,636	51.89	1,390,856	43.2%	13,636	51.89	1,390,856	43.2%	13,636	51.89
112,579	3.5%	1,104	4.20	112,579	3.5%	1,104	4.20	112,579	3.5%	1,104	4.20
165,449	5.1%	1,622	6.17	165,449	5.1%	1,622	6.17	165,449	5.1%	1,622	6.17
32,165	1.0%	315	1.20	32,165	1.0%	315	1.20	32,165	1.0%	315	1.20
41,815	1.3%	410	1.56	41,815	1.3%	410	1.56	41,815	1.3%	410	1.56
352,008	10.9%	3,451	13.13	352,008	10.9%	3,451	13.13	352,008	10.9%	3,451	13.13
1,038,848	32.3%	10,185	38.75	1,038,848	32.3%	10,185	38.75	1,038,848	32.3%	10,185	38.75
330,213	50.0%			330,213	50.0%			330,213	50.0%		
82,725				82,725				82,725			
1,451,785	45.1%	14,233	54.16	1,451,785	45.1%	14,233	54.16	1,451,785	45.1%	14,233	54.16
972,537	30.2%	9,535	40.82	972,537	30.2%	9,535	40.82	972,537	30.2%	9,535	40.82
479,248	14.9%	4,699	20.11	479,248	14.9%	4,699	20.11	479,248	14.9%	4,699	20.11

**LIMITED / SELECT SERVICE #1**

Assumptions:

	2017 YR 5			2018 YR 6			2019 YR 7			2020 YR 8		
Days open	365			365			365			365		
No. of rooms	102			102			102			102		
Room Nights available	37,230			37,230			37,230			37,230		
Occupancy	72%			72%			72%			72%		
Room Nights Sold	26,806			26,806			26,806			26,806		
Average Daily Rate	122.00			125.66			129.43			133.32		
RevPAR	87.84			90.48			93.19			95.99		

	\$ Amount	%	\$ PAR	\$ POR	\$ Amount	%	\$ PAR	\$ POR	\$ Amount	%	\$ PAR	\$ POR
<b>Revenues</b>												
Rooms	3,270,377	98.7%	32,063	122.00	3,368,488	98.7%	33,024	125.66	3,469,543	98.7%	34,015	129.43
F&B	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Telecommunications	14,219	0.4%	139	0.53	14,646	0.4%	144	0.55	15,085	0.4%	148	0.56
Spa	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Other	28,438	0.9%	279	1.06	29,291	0.9%	287	1.09	30,170	0.9%	296	1.13
<b>Total Revenues</b>	<b>3,313,034</b>	<b>100.0%</b>	<b>32,481</b>	<b>123.59</b>	<b>3,412,425</b>	<b>100.0%</b>	<b>33,455</b>	<b>127.30</b>	<b>3,514,798</b>	<b>100.0%</b>	<b>34,459</b>	<b>131.12</b>
<b>Direct Expenses</b>												
Rooms	883,002	27.0%	8,657	37.06	909,492	27.0%	8,917	38.17	936,777	27.0%	9,184	39.32
F&B	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Telecommunications	15,357	0.5%	151	0.64	14,792	0.4%	145	0.62	15,236	0.4%	149	0.64
Spa	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Other	11,375	0.4%	112	0.48	11,716	0.4%	115	0.49	12,068	0.4%	118	0.51
<b>Total Direct Expenses</b>	<b>909,734</b>	<b>27.5%</b>	<b>8,919</b>	<b>38.18</b>	<b>936,000</b>	<b>27.4%</b>	<b>9,176</b>	<b>39.28</b>	<b>964,080</b>	<b>27.4%</b>	<b>9,452</b>	<b>40.46</b>
<b>HOTEL PROFIT</b>	<b>2,403,301</b>	<b>72.5%</b>	<b>23,562</b>	<b>85.41</b>	<b>2,476,425</b>	<b>72.6%</b>	<b>24,279</b>	<b>88.02</b>	<b>2,550,717</b>	<b>72.6%</b>	<b>25,007</b>	<b>90.66</b>
<b>Undistributed Operating Expenses</b>												
Administrative and General	314,738	9.5%	3,086	11.74	324,180	9.5%	3,178	12.09	333,906	9.5%	3,274	12.46
Marketing	182,217	5.5%	1,786	6.80	187,683	5.5%	1,840	7.00	193,314	5.5%	1,895	7.21
Franchise Fees	132,521	4.0%	1,299	4.94	136,497	4.0%	1,338	5.09	140,592	4.0%	1,378	5.24
Banquet Sales	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Property Ops & Maintenance	165,652	5.0%	1,624	6.18	170,621	5.0%	1,673	6.37	175,740	5.0%	1,723	6.56
Utilities	180,859	5.5%	1,773	6.75	191,873	5.6%	1,881	7.16	203,558	5.8%	1,996	7.59
<b>Total Undistributed Operating Expenses</b>	<b>975,987</b>	<b>29.5%</b>	<b>9,568</b>	<b>36.41</b>	<b>1,010,855</b>	<b>29.6%</b>	<b>9,910</b>	<b>37.71</b>	<b>1,047,109</b>	<b>29.8%</b>	<b>10,266</b>	<b>39.06</b>
<b>Gross Operating Profit</b>	<b>1,427,314</b>	<b>43.1%</b>	<b>13,993</b>	<b>53.25</b>	<b>1,465,570</b>	<b>42.9%</b>	<b>14,368</b>	<b>54.67</b>	<b>1,503,608</b>	<b>42.8%</b>	<b>14,741</b>	<b>56.09</b>
<b>Fixed Expense</b>												
Management Fee	115,956	3.5%	1,137	4.33	119,435	3.5%	1,171	4.46	123,018	3.5%	1,206	5.16
Property Taxes (1.01% of improvements)	165,449	5.0%	1,622	6.17	165,449	4.8%	1,622	6.17	165,449	4.7%	1,622	6.94
FFE & Capital Reserve	33,130	1.0%	325	1.24	34,124	1.0%	335	1.27	35,148	1.0%	345	1.31
Insurance	43,069	1.3%	422	1.61	44,362	1.3%	435	1.65	45,692	1.3%	448	1.70
<b>Total Fixed Expenses</b>	<b>357,605</b>	<b>10.8%</b>	<b>3,506</b>	<b>13.34</b>	<b>363,370</b>	<b>10.6%</b>	<b>3,562</b>	<b>13.56</b>	<b>369,307</b>	<b>10.5%</b>	<b>3,621</b>	<b>13.78</b>
<b>NET OPERATING INCOME</b>	<b>1,069,709</b>	<b>32.3%</b>	<b>10,487</b>	<b>39.91</b>	<b>1,102,200</b>	<b>32.3%</b>	<b>10,806</b>	<b>41.12</b>	<b>1,134,301</b>	<b>32.3%</b>	<b>11,121</b>	<b>42.32</b>
Restaurant Rent (NET)	0		0		0		0		0		0	
Hotel Tax Rebate 50% - 10 years	340,119	50.0%			350,323	50.0%			360,632	50.0%		
Property Tax Rebate 100%	82,725				82,725				82,725			
<b>CASH FLOW FROM OPERATIONS</b>	<b>1,492,553</b>	<b>45.1%</b>	<b>14,633</b>	<b>55.68</b>	<b>1,535,248</b>	<b>45.0%</b>	<b>15,051</b>	<b>57.27</b>	<b>1,577,658</b>	<b>44.9%</b>	<b>15,469</b>	<b>58.86</b>
<b>Debt Service</b>	<b>972,537</b>	<b>29.4%</b>	<b>9,555</b>	<b>40.82</b>	<b>972,537</b>	<b>28.5%</b>	<b>9,535</b>	<b>40.82</b>	<b>972,537</b>	<b>27.7%</b>	<b>9,535</b>	<b>40.82</b>
<b>NOI AFTER DEBT SERVICE</b>	<b>520,016</b>	<b>15.7%</b>	<b>5,098</b>	<b>21.82</b>	<b>562,711</b>	<b>16.5%</b>	<b>5,517</b>	<b>23.62</b>	<b>605,321</b>	<b>17.2%</b>	<b>5,935</b>	<b>25.40</b>

<b>NOI AFTER DEBT SERVICE</b>	<b>648,849</b>	<b>17.9%</b>	<b>6,361</b>	<b>27.23</b>	<b>648,849</b>	<b>17.9%</b>	<b>6,361</b>	<b>27.23</b>	<b>648,849</b>	<b>17.9%</b>	<b>6,361</b>	<b>27.23</b>
<b>CASH FLOW FROM OPERATIONS</b>	<b>1,621,355</b>	<b>44.8%</b>	<b>15,896</b>	<b>60.49</b>	<b>1,621,355</b>	<b>44.8%</b>	<b>15,896</b>	<b>60.49</b>	<b>1,621,355</b>	<b>44.8%</b>	<b>15,896</b>	<b>60.49</b>
<b>NET OPERATING INCOME</b>	<b>1,167,003</b>	<b>32.2%</b>	<b>11,441</b>	<b>43.54</b>	<b>1,167,003</b>	<b>32.2%</b>	<b>11,441</b>	<b>43.54</b>	<b>1,167,003</b>	<b>32.2%</b>	<b>11,441</b>	<b>43.54</b>
Restaurant Rent (NET)	0		0		0		0		0		0	
Hotel Tax Rebate 50% - 10 years	371,657	50.0%			371,657	50.0%			371,657	50.0%		
Property Tax Rebate 100%	82,725				82,725				82,725			
<b>CASH FLOW FROM OPERATIONS</b>	<b>1,621,355</b>	<b>44.8%</b>	<b>15,896</b>	<b>60.49</b>	<b>1,621,355</b>	<b>44.8%</b>	<b>15,896</b>	<b>60.49</b>	<b>1,621,355</b>	<b>44.8%</b>	<b>15,896</b>	<b>60.49</b>
<b>Debt Service</b>	<b>972,537</b>	<b>26.9%</b>	<b>9,535</b>	<b>40.82</b>	<b>972,537</b>	<b>26.9%</b>	<b>9,535</b>	<b>40.82</b>	<b>972,537</b>	<b>26.9%</b>	<b>9,535</b>	<b>40.82</b>
<b>NOI AFTER DEBT SERVICE</b>	<b>648,849</b>	<b>17.9%</b>	<b>6,361</b>	<b>27.23</b>	<b>648,849</b>	<b>17.9%</b>	<b>6,361</b>	<b>27.23</b>	<b>648,849</b>	<b>17.9%</b>	<b>6,361</b>	<b>27.23</b>

LIMITED / SELECT SERVICE #1

Assumptions:

	2021 YR 9	2022 YR 10	2023 YR 11
Days open	365	365	365
No. of rooms	102	102	102
Room Nights available	37,230	37,230	37,230
Occupancy	72%	72%	72%
Room Nights Sold	26,806	26,806	26,806
Average Daily Rate	137.32	141.44	145.68
RevPAR	98.87	101.83	104.99

	\$ Amount	%	\$ PAR	\$ POR	\$ Amount	%	\$ PAR	\$ POR	\$ Amount	%	\$ PAR	\$ POR
<b>Revenues</b>												
Rooms	3,680,838	98.7%	36,087	137.32	3,791,263	98.7%	37,169	141.44	3,905,001	98.7%	38,284	145.68
F&B	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Telecommunications	16,004	0.4%	157	0.60	16,484	0.4%	162	0.61	16,978	0.4%	166	0.63
Spa	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Other	32,007	0.9%	314	1.19	32,968	0.9%	323	1.23	33,957	0.9%	333	1.27
<b>Total Revenues</b>	<b>3,728,849</b>	<b>100.0%</b>	<b>36,557</b>	<b>139.11</b>	<b>3,840,715</b>	<b>100.0%</b>	<b>37,654</b>	<b>143.28</b>	<b>3,955,936</b>	<b>100.0%</b>	<b>38,784</b>	<b>147.58</b>
<b>Direct Expenses</b>												
Rooms	993,826	27.0%	9,743	41.71	1,023,641	27.0%	10,036	42.96	1,054,350	27.0%	10,337	44.25
F&B	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Telecommunications	16,164	0.4%	158	0.68	16,649	0.4%	163	0.70	17,148	0.4%	168	0.72
Spa	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Other	12,803	0.3%	126	0.54	13,187	0.3%	129	0.55	13,583	0.3%	133	0.57
<b>Total Direct Expenses</b>	<b>1,022,793</b>	<b>27.4%</b>	<b>10,027</b>	<b>42.93</b>	<b>1,053,477</b>	<b>27.4%</b>	<b>10,328</b>	<b>44.21</b>	<b>1,085,081</b>	<b>27.4%</b>	<b>10,638</b>	<b>45.54</b>
<b>HOTEL PROFIT</b>	<b>2,706,056</b>	<b>72.6%</b>	<b>26,530</b>	<b>96.18</b>	<b>2,787,238</b>	<b>72.6%</b>	<b>27,326</b>	<b>99.07</b>	<b>2,870,855</b>	<b>72.6%</b>	<b>28,146</b>	<b>102.04</b>
<b>Undistributed Operating Expenses</b>												
Administrative and General	354,241	9.5%	3,473	13.22	364,868	9.5%	3,577	13.61	375,814	9.5%	3,684	14.02
Marketing	205,087	5.5%	2,011	7.65	211,239	5.5%	2,071	7.88	217,576	5.5%	2,133	8.12
Franchise Fees	149,184	4.0%	1,462	5.56	153,629	4.0%	1,506	5.73	158,237	4.0%	1,551	5.90
Banquet Sales	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Property Ops & Maintenance	186,442	5.0%	1,828	6.96	192,036	5.0%	1,883	7.16	197,797	5.0%	1,939	7.38
Utilities	231,331	6.2%	2,268	8.63	247,801	6.5%	2,429	9.24	265,445	6.7%	2,602	9.90
<b>Total Undistributed Operating Expenses</b>	<b>1,126,254</b>	<b>30.2%</b>	<b>11,042</b>	<b>42.02</b>	<b>1,169,573</b>	<b>30.5%</b>	<b>11,466</b>	<b>43.63</b>	<b>1,214,869</b>	<b>30.7%</b>	<b>11,910</b>	<b>45.32</b>
<b>Gross Operating Profit</b>	<b>1,579,802</b>	<b>42.4%</b>	<b>15,488</b>	<b>58.94</b>	<b>1,617,665</b>	<b>42.1%</b>	<b>15,859</b>	<b>60.35</b>	<b>1,655,986</b>	<b>41.9%</b>	<b>16,235</b>	<b>61.78</b>
<b>Fixed Expense</b>												
Management Fee	130,510	3.5%	1,280	5.48	134,425	3.5%	1,318	5.64	138,458	3.5%	1,357	5.81
Property Taxes (1.01% of improvements)	165,449	4.4%	1,622	6.94	165,449	4.3%	1,622	6.94	165,449	4.2%	1,622	6.94
FFE & Capital Reserve	37,288	1.0%	366	1.39	38,407	1.0%	377	1.43	39,559	1.0%	388	1.48
Insurance	48,475	1.3%	475	1.81	49,929	1.3%	490	1.86	51,427	1.3%	504	1.92
<b>Total Fixed Expenses</b>	<b>361,722</b>	<b>10.2%</b>	<b>3,742</b>	<b>14.24</b>	<b>388,210</b>	<b>10.1%</b>	<b>3,806</b>	<b>14.48</b>	<b>394,893</b>	<b>10.0%</b>	<b>3,872</b>	<b>14.73</b>
<b>NET OPERATING INCOME</b>	<b>1,198,080</b>	<b>32.1%</b>	<b>11,746</b>	<b>44.70</b>	<b>1,229,455</b>	<b>32.0%</b>	<b>12,053</b>	<b>45.87</b>	<b>1,261,092</b>	<b>31.9%</b>	<b>12,364</b>	<b>47.05</b>
<b>Restaurant Rent (NET)</b>	0				0				0			
Hotel Tax Rebate 50% - 10 years	362,807	50.0%			394,291	50.0%			406,120	50.0%		
Property Tax Rebate 100%	82,725				82,725				82,725			
<b>CASH FLOW FROM OPERATIONS</b>	<b>1,663,611</b>	<b>44.6%</b>	<b>16,310</b>	<b>62.06</b>	<b>1,706,471</b>	<b>44.4%</b>	<b>16,730</b>	<b>63.66</b>	<b>1,749,937</b>	<b>44.2%</b>	<b>17,156</b>	<b>65.26</b>
<b>Debt Service</b>	972,537	26.1%	9,535	40.82	972,537	25.3%	9,535	40.82	972,537	24.6%	9,535	40.82
<b>NOI AFTER DEBT SERVICE</b>	<b>691,075</b>	<b>18.5%</b>	<b>6,775</b>	<b>29.00</b>	<b>733,934</b>	<b>19.1%</b>	<b>7,195</b>	<b>30.80</b>	<b>777,400</b>	<b>19.7%</b>	<b>7,622</b>	<b>32.63</b>

CASH FLOW FROM OPERATIONS

Debt Service

NOI AFTER DEBT SERVICE

LIMITED / SELECT SERVICE #2

Assumptions:

Days open	365	365	365
No. of rooms	119	119	119
Room Nights available	43,435	43,435	43,435
Occupancy	64%	71%	71%
Room Nights Sold	27,798	30,839	30,839
Average Daily Rate	98.00	110.00	113.30
RevPAR	62.72	71.69	80.44

2013	2014	2015	2016
YR1	YR 2	YR 3	YR 4

2015	2016
YR 3	YR 4

Stabilized

365	365	365	365
119	119	119	119
43,435	43,435	43,435	43,435
71%	71%	71%	71%
30,839	30,839	30,839	30,839
110.00	110.00	113.30	113.30
71.69	78.10	80.44	80.44

	2013	2014	2015	2016
	%	%	%	%
	\$ Amount	\$ Amount	\$ Amount	\$ Amount
	PAR	PAR	PAR	PAR
	POR	POR	POR	POR
Revenues				
Rooms	2,724,243	3,113,855	3,392,274	3,494,042
F&B	0	0	0	0
Telecommunications	8,340	8,730	15,419	15,882
Spa	0	0	0	0
Other	13,899	14,551	30,839	31,764
Total Revenues	2,746,482	3,137,136	3,438,532	3,541,688
Direct Expenses				
Rooms	735,546	840,741	915,914	943,391
F&B	0	0	0	0
Telecommunications	9,424	9,603	16,961	17,153
Spa	0	0	0	0
Other	6,533	6,402	12,336	12,706
Total Direct Expenses	751,502	856,747	945,211	973,249
HOTEL PROFIT	1,994,980	2,280,390	2,493,321	2,568,438
Undistributed Operating Expenses				
Administrative and General	267,782	305,871	326,661	336,460
Marketing	184,014	194,502	189,119	194,793
Franchise Fees	68,662	109,800	137,541	141,668
Banquet Sales	0	0	0	0
Property Ops & Maintenance	137,324	156,857	171,927	177,084
Utilities	109,859	141,171	182,242	187,709
Total Undistributed Operating Expenses	767,642	908,201	1,007,490	1,037,715
Gross Operating Profit	1,227,338	1,372,189	1,485,831	1,530,724
Fixed Expense				
Management Fee	96,127	109,800	120,349	123,959
Property Taxes (1.01% of improvements)	165,449	165,449	165,449	165,449
FFE & Capital Reserve	27,465	31,371	34,385	35,417
Insurance	35,704	40,783	44,701	46,042
Total Fixed Expenses	324,745	347,403	364,884	370,867
NET OPERATING INCOME	902,593	1,024,786	1,120,947	1,159,857
Restaurant Rent (NET)	0	0	0	0
Hotel Tax Rebate 50% - 10 years	177,076	323,841	352,796	363,380
Property Tax Rebate 100%	82,725	82,725	82,725	82,725
CASH FLOW FROM OPERATIONS	1,162,394	1,431,351	1,556,468	1,605,962
Debt Service	972,537	972,537	972,537	972,537
NOI AFTER DEBT SERVICE	189,857	458,815	583,932	633,425

	2013	2014	2015	2016
	%	%	%	%
	\$ Amount	\$ Amount	\$ Amount	\$ Amount
	PAR	PAR	PAR	PAR
	POR	POR	POR	POR
Rooms	98.00	99.3%	98.7%	98.7%
F&B	0.00	0.0%	0.0%	0.0%
Telecommunications	0.30	0.3%	0.4%	0.4%
Spa	0.00	0.0%	0.0%	0.0%
Other	0.50	0.5%	0.9%	0.9%
Total Revenues	98.80	100.0%	100.0%	100.0%
Rooms	26.46	27.0%	27.0%	27.0%
F&B	0.00	0.0%	0.0%	0.0%
Telecommunications	0.34	110.0%	110.0%	108.0%
Spa	0.00	0.0%	0.0%	0.0%
Other	0.24	44.0%	40.0%	40.0%
Total Direct Expenses	27.03	27.3%	27.5%	27.5%
HOTEL PROFIT	71.77	72.7%	72.5%	72.5%
Administrative and General	9.63	9.8%	9.5%	9.5%
Marketing	6.62	6.2%	5.5%	5.5%
Franchise Fees	2.47	3.5%	4.0%	4.0%
Banquet Sales	0.00	0.0%	0.0%	0.0%
Property Ops & Maintenance	4.94	5.0%	5.0%	5.0%
Utilities	3.95	4.5%	5.3%	5.3%
Total Undistributed Operating Expenses	27.61	29.0%	29.3%	29.3%
Gross Operating Profit	44.15	43.7%	43.2%	43.2%
Management Fee	3.46	3.5%	3.5%	3.5%
Property Taxes (1.01% of improvements)	5.95	5.3%	4.8%	4.7%
FFE & Capital Reserve	0.99	2.64	2.89	2.98
Insurance	1.28	3.43	3.76	3.87
Total Fixed Expenses	11.68	11.1%	10.6%	10.5%
NET OPERATING INCOME	32.47	32.7%	32.6%	32.7%
Restaurant Rent (NET)	0	0	0	0
Hotel Tax Rebate 50% - 10 years	32.47	50.0%	50.0%	50.0%
Property Tax Rebate 100%	82,725	82,725	82,725	82,725
CASH FLOW FROM OPERATIONS	41.82	45.6%	45.3%	45.3%
Debt Service	34.99	31.0%	28.3%	27.5%
NOI AFTER DEBT SERVICE	6.83	14.6%	17.0%	17.9%



LIMITED / SELECT SERVICE #2

2017 YR 5

2018 YR 6

2019 YR 7

2020 YR 8

Assumptions:	2017 YR 5	2018 YR 6	2019 YR 7	2020 YR 8
Days open	365	365	365	365
No. of rooms	102	102	102	102
Room Nights available	37,230	37,230	37,230	37,230
Occupancy	71%	71%	71%	71%
Room Nights Sold	26,433	26,433	26,433	26,433
Average Daily Rate	116.70	120.20	123.81	127.52
RevPAR	82.86	85.34	87.90	90.54

	\$ Amount	%	\$ PAR	\$ POR	\$ Amount	%	\$ PAR	\$ POR	\$ Amount	%	\$ PAR	\$ POR
<b>Revenues</b>												
Rooms	3,084,740	98.4%	30,243	116.70	3,177,282	98.4%	31,150	120.20	3,272,600	98.4%	32,084	123.81
F&B	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Telecommunications	16,358	0.5%	160	0.62	16,849	0.5%	165	0.64	17,355	0.5%	170	0.66
Spa	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Other	32,717	1.0%	321	1.24	33,698	1.0%	330	1.27	34,709	1.0%	340	1.31
<b>Total Revenues</b>	<b>3,133,815</b>	<b>100.0%</b>	<b>30,724</b>	<b>118.56</b>	<b>3,227,830</b>	<b>100.0%</b>	<b>31,645</b>	<b>122.11</b>	<b>3,324,664</b>	<b>100.0%</b>	<b>32,595</b>	<b>125.78</b>
<b>Direct Expenses</b>												
Rooms	832,880	27.0%	8,165	29.96	857,866	27.0%	8,410	30.86	883,602	27.0%	8,663	31.79
F&B	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Telecommunications	17,667	0.6%	173	0.64	17,018	0.5%	167	0.61	17,528	0.5%	172	0.63
Spa	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Other	13,087	0.4%	128	0.47	13,479	0.4%	132	0.48	13,884	0.4%	136	0.50
<b>Total Direct Expenses</b>	<b>863,634</b>	<b>27.6%</b>	<b>7,257</b>	<b>31.07</b>	<b>888,363</b>	<b>27.5%</b>	<b>7,465</b>	<b>31.96</b>	<b>915,014</b>	<b>27.5%</b>	<b>7,689</b>	<b>32.92</b>
<b>HOTEL PROFIT</b>	<b>2,270,181</b>	<b>72.4%</b>	<b>23,466</b>	<b>87.49</b>	<b>2,339,466</b>	<b>72.5%</b>	<b>24,180</b>	<b>90.15</b>	<b>2,409,650</b>	<b>72.5%</b>	<b>24,906</b>	<b>92.86</b>

<b>Undistributed Operating Expenses</b>												
Administrative and General	297,712	9.5%	2,919	11.26	306,644	9.5%	3,006	11.60	315,843	9.5%	3,097	11.95
Marketing	172,360	5.5%	1,690	6.52	177,531	5.5%	1,740	6.72	182,857	5.5%	1,793	6.92
Franchise Fees	125,353	4.0%	1,229	4.74	129,113	4.0%	1,266	4.88	132,987	4.0%	1,304	5.03
Banquet Sales	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Property Ops & Maintenance	156,691	5.0%	1,536	5.93	161,391	5.0%	1,582	6.11	166,233	5.0%	1,630	6.29
Utilities	171,075	5.5%	1,677	6.47	181,493	5.6%	1,779	6.87	192,546	5.8%	1,888	7.28
<b>Total Undistributed Operating Expenses</b>	<b>923,191</b>	<b>29.5%</b>	<b>9,051</b>	<b>34.93</b>	<b>956,173</b>	<b>29.6%</b>	<b>9,374</b>	<b>36.17</b>	<b>990,466</b>	<b>29.8%</b>	<b>9,710</b>	<b>37.47</b>
<b>Gross Operating Profit</b>	<b>1,346,991</b>	<b>43.0%</b>	<b>13,206</b>	<b>50.96</b>	<b>1,383,294</b>	<b>42.9%</b>	<b>13,562</b>	<b>52.33</b>	<b>1,419,184</b>	<b>42.7%</b>	<b>13,914</b>	<b>53.69</b>
<b>Fixed Expense</b>												
Management Fee	109,684	3.5%	1,075	4.15	112,974	3.5%	1,108	4.27	116,363	3.5%	1,148	4.31
Property Taxes (1.01% of improvements)	165,449	5.3%	1,622	6.26	165,449	5.1%	1,622	6.26	165,449	5.0%	1,390	5.95
FFE & Capital Reserve	31,338	1.0%	307	1.19	32,278	1.0%	316	1.22	33,247	1.0%	326	1.26
Insurance	40,740	1.3%	399	1.54	41,962	1.3%	411	1.59	43,221	1.3%	424	1.64
<b>Total Fixed Expenses</b>	<b>347,210</b>	<b>11.1%</b>	<b>3,404</b>	<b>13.14</b>	<b>352,663</b>	<b>10.9%</b>	<b>3,457</b>	<b>13.34</b>	<b>358,280</b>	<b>10.8%</b>	<b>3,513</b>	<b>13.55</b>
<b>NET OPERATING INCOME</b>	<b>999,781</b>	<b>31.9%</b>	<b>9,802</b>	<b>37.82</b>	<b>1,030,631</b>	<b>31.9%</b>	<b>10,104</b>	<b>38.99</b>	<b>1,060,905</b>	<b>31.9%</b>	<b>10,401</b>	<b>40.14</b>
<b>Restaurant Rent (NET)</b>	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Hotel Tax Rebate 50% - 10 years	320,813	50.0%	3,300	13.14	330,437	50.0%	3,400	13.34	340,350	50.0%	3,500	13.55
Property Tax Rebate 100%	82,725	2.6%	800	3.14	82,725	2.6%	800	3.14	82,725	2.6%	800	3.14
<b>CASH FLOW FROM OPERATIONS</b>	<b>1,403,318</b>	<b>44.8%</b>	<b>13,758</b>	<b>53.09</b>	<b>1,443,792</b>	<b>44.7%</b>	<b>14,155</b>	<b>54.62</b>	<b>1,483,880</b>	<b>44.6%</b>	<b>14,549</b>	<b>56.14</b>
<b>Debt Service</b>	972,537	31.0%	8,173	34.99	972,537	30.1%	8,173	34.99	972,537	29.3%	8,173	34.99
<b>NOI AFTER DEBT SERVICE</b>	430,781	13.7%	3,620	15.50	471,256	14.6%	3,960	16.95	511,443	15.4%	4,298	18.40
<b>NOI</b>	552,495	16.1%	4,643	19.88	583,992	18.1%	5,000	21.14	622,663	19.0%	5,398	22.03

**LIMITED / SELECT SERVICE #2**

Assumptions:

Days open	365
No. of rooms	102
Room Nights available	37,230
Occupancy	71%
Room Nights Sold	26,433
Average Daily Rate	131.35
RevPAR	93.26

2021	2022	2023
YR 9	YR 10	YR 11

365	365	365
102	102	102
37,230	37,230	37,230
71%	71%	71%
26,433	26,433	26,433
131.35	135.29	139.34
93.26	96.05	98.93

2021	2022	2023
YR 9	YR 10	YR 11

365	365	365
102	102	102
37,230	37,230	37,230
71%	71%	71%
26,433	26,433	26,433
131.35	135.29	139.34
93.26	96.05	98.93

	\$ Amount	%	\$ PAR	\$ POR	\$ Amount	%	\$ PAR	\$ POR	\$ Amount	%	\$ PAR	\$ POR
<b>Revenues</b>												
Rooms	3,471,902	98.4%	34,038	131.35	3,576,059	98.4%	35,059	135.29	3,683,340	98.4%	36,111	139.34
F&B	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Telecommunications	18,412	0.5%	181	0.70	18,964	0.5%	186	0.72	19,533	0.5%	191	0.74
Spa	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Other	36,823	1.0%	361	1.39	37,928	1.0%	372	1.43	39,066	1.0%	383	1.48
<b>Total Revenues</b>	<b>3,527,136</b>	<b>100.0%</b>	<b>34,580</b>	<b>133.44</b>	<b>3,632,951</b>	<b>100.0%</b>	<b>35,617</b>	<b>137.44</b>	<b>3,741,939</b>	<b>100.0%</b>	<b>36,686</b>	<b>141.56</b>
<b>Direct Expenses</b>												
Rooms	937,413	27.0%	9,190	33.72	965,536	27.0%	9,466	34.73	994,502	27.0%	9,750	35.78
F&B	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Telecommunications	18,596	0.5%	182	0.67	19,154	0.5%	188	0.69	19,728	0.5%	193	0.71
Spa	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Other	14,729	0.4%	144	0.53	15,171	0.4%	149	0.55	15,626	0.4%	153	0.56
<b>Total Direct Expenses</b>	<b>970,738</b>	<b>27.5%</b>	<b>9,517</b>	<b>34.92</b>	<b>999,861</b>	<b>27.5%</b>	<b>9,802</b>	<b>35.97</b>	<b>1,029,856</b>	<b>27.5%</b>	<b>10,146</b>	<b>37.05</b>
<b>HOTEL PROFIT</b>	<b>2,556,398</b>	<b>72.5%</b>	<b>26,422</b>	<b>98.51</b>	<b>2,633,090</b>	<b>72.5%</b>	<b>27,215</b>	<b>101.47</b>	<b>2,712,083</b>	<b>72.5%</b>	<b>28,031</b>	<b>104.51</b>
<b>Undistributed Operating Expenses</b>												
Administrative and General	335,078	9.5%	3,285	12.68	345,130	9.5%	3,384	13.06	355,484	9.5%	3,485	13.45
Marketing	193,993	5.5%	1,902	7.34	199,812	5.5%	1,959	7.56	205,807	5.5%	2,018	7.79
Franchise Fees	141,085	4.0%	1,363	5.34	145,318	4.0%	1,425	5.50	149,678	4.0%	1,467	5.66
Banquet Sales	0	0.0%	0	0.00	0	0.0%	0	0.00	0	0.0%	0	0.00
Property Ops & Maintenance	176,357	5.0%	1,729	6.67	181,648	5.0%	1,781	6.87	187,097	5.0%	1,834	7.08
Utilities	218,817	6.2%	2,145	8.28	234,396	6.5%	2,298	8.87	251,085	6.7%	2,462	9.50
<b>Total Undistributed Operating Expenses</b>	<b>1,065,329</b>	<b>30.2%</b>	<b>10,444</b>	<b>40.30</b>	<b>1,106,305</b>	<b>30.5%</b>	<b>10,846</b>	<b>41.85</b>	<b>1,149,151</b>	<b>30.7%</b>	<b>11,266</b>	<b>43.47</b>
<b>Gross Operating Profit</b>	<b>1,491,069</b>	<b>42.3%</b>	<b>14,618</b>	<b>56.41</b>	<b>1,526,785</b>	<b>42.0%</b>	<b>14,968</b>	<b>57.76</b>	<b>1,562,932</b>	<b>41.8%</b>	<b>15,323</b>	<b>59.13</b>
<b>Fixed Expense</b>												
Management Fee	123,450	3.5%	1,037	4.44	127,153	3.5%	1,069	4.57	130,968	3.5%	1,101	4.71
Property Taxes (1.01% of improvements)	165,449	4.7%	1,390	5.95	165,449	4.6%	1,390	5.95	165,449	4.4%	1,390	5.95
FFE & Capital Reserve	35,271	1.0%	346	1.33	36,330	1.0%	356	1.37	37,419	1.0%	367	1.42
Insurance	45,853	1.3%	450	1.73	47,228	1.3%	463	1.79	48,645	1.3%	477	1.84
<b>Total Fixed Expenses</b>	<b>370,023</b>	<b>10.5%</b>	<b>3,628</b>	<b>14.00</b>	<b>376,160</b>	<b>10.4%</b>	<b>3,688</b>	<b>14.23</b>	<b>382,482</b>	<b>10.2%</b>	<b>3,750</b>	<b>14.47</b>
<b>NET OPERATING INCOME</b>	<b>1,121,046</b>	<b>31.8%</b>	<b>10,991</b>	<b>42.41</b>	<b>1,150,625</b>	<b>31.7%</b>	<b>11,281</b>	<b>43.53</b>	<b>1,180,450</b>	<b>31.5%</b>	<b>11,573</b>	<b>44.66</b>
Restaurant Rent (NET)	0				0				0			
Hotel Tax Rebate 50% - 10 years	361,078	50.0%			371,910	50.0%			383,067	50.0%		
Property Tax Rebate 100%	82,725				82,725				82,725			
<b>CASH FLOW FROM OPERATIONS</b>	<b>1,564,848</b>	<b>44.4%</b>	<b>15,342</b>	<b>59.20</b>	<b>1,605,260</b>	<b>44.2%</b>	<b>15,738</b>	<b>60.73</b>	<b>1,646,242</b>	<b>44.0%</b>	<b>16,140</b>	<b>62.28</b>
Debt Service	972,537	27.6%	8,173	34.99	972,537	26.8%	8,173	34.99	972,537	26.0%	8,173	34.99
<b>NOI AFTER DEBT SERVICE</b>	<b>592,311</b>	<b>16.8%</b>	<b>4,977</b>	<b>21.31</b>	<b>632,723</b>	<b>17.4%</b>	<b>5,317</b>	<b>22.76</b>	<b>673,706</b>	<b>18.0%</b>	<b>5,661</b>	<b>24.24</b>

**Subject:** RE: Proforma  
**From:** Matthew Reid <matt.reid@landanddesign.com>  
**Date:** Thu, 21 Oct 2010 15:42:19 -0000  
**To:** Greg Blodgett <>

sure

*Matthew W. Reid*  
**LAND & DESIGN, Inc.**  
Sustainability, Construction and Real Estate Advisors  
**SUSTAINABLE STRATEGIES | SUSTAINABLE INTEGRATION**  
8130 La Mesa Blvd | Suite 808 | La Mesa, CA 91942  
619.462.4060 o | 619.462.4144 f | 858.735.1858 direct  
Skype - matthew.reid.ca  
matt.reid@landanddesign.com

---

**From:** Greg Blodgett [mailto:greg1@ci.garden-grove.ca.us]  
**Sent:** Thursday, October 21, 2010 8:34 AM  
**To:** Matthew Reid  
**Subject:** RE: Proforma

can you send florida booth from horwath a excel copy it will save here time understanding the math  
fbooth@horwathhtl.com

---

**From:** "Matthew Reid" <matt.reid@landanddesign.com>  
**Sent:** Wed, 10/20/2010 10:16pm  
**To:** "'Greg Blodgett'" <greg1@ci.garden-grove.ca.us> ; "'Paul Guerrero'" <paulg@ci.garden-grove.ca.us>  
**Cc:** drose3@charter.net  
**Subject:** Proforma

Greg,  
Here is the revised proforma as promised. Let me know if you have any questions.

*Matthew W. Reid*  
**LAND & DESIGN, Inc.**  
Sustainability, Construction and Real Estate Advisors  
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Skype - matthew.reid.ca  
matt.reid@landanddesign.com

subject RE: Proforma  
to Greg Blodgett  
cc fbooth@horwathhl.com <fbooth@horwathhl.com>

Attached excel file.

**Matthew W. Reid**  
**LAND & DESIGN, Inc.**  
Sustainability, Construction and Real Estate Advisors  
**SUSTAINABLE STRATEGIES | SUSTAINABLE INTEGRATION**  
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**Matthew W. Reid**  
**LAND & DESIGN, Inc.**  
Sustainability, Construction and Real Estate Advisors  
**SUSTAINABLE STRATEGIES | SUSTAINABLE INTEGRATION**  
2130 La Mesa Blvd | Suite 308 | La Mesa, CA 91942  
619.462.4060 | 619.452.4144 f | 619.735.1858 direct  
skype - matthew.reid.ca  
matt.reid@landanddesign.com

# HOTEL SPACE SUMMARY FULL SERVICE HOTEL

PUBLIC SPACE	NSF	GROSS SF SUMMARY	sf	#	GUESTROOMS
Lobby	3,200	Level 1 & 2 Public/BOH	58,481	150	King Room
Bar and Lounge	3,700	Level 3	15,288	28	Executive King Room
Restaurant	6,800	Level 4	15,288	162	Queen/Queen Room
Private Dining Room	800	Level 5-14 (15,540 x 10)	152,876	20	Suite
Public Restrooms	1,660	TOTAL	241,933	360	Guestroom NSF
Main Ballroom	14,400				Stairs, Elevators, Shafts, HK, Storage
Junior Ballroom	0				Total GSF Guestroom
Meeting Rooms (3)	0				
Board Room	390				
Prefunction	0				
Fitness	1,312				
Pool / Whirlpool (outdoor)	0				Guestroom NSF/Key
Pool/Toilets/Mechanical	450				
Spa	750				
Subtotal Public Space	33,462				

Guestroom NSF/Key ..... 417

GUESTROOMS PER FLOOR ..... 30  
 TOTAL GUESTROOMS ..... 360

	GSF	GSF/KEY
Hotel Public / Back of House	58,481	162
Hotel Guestrooms	183,452	510
<b>TOTAL HOTEL</b>	<b>241,933</b>	<b>672</b>

**PARKING**  
 0.8 cars/room ..... 288  
 10/1000 for Ballrooms ..... 144  
 432

**TOTAL RETAIL SUMMARY**  
 Total SF Retail ..... 21,000

BACK OF HOUSE AREAS	NSF
Front Desk (in lobby)	0
Front Office / Administration	1,500
Luggage Storage	250
Bar Back of House	425
Kitchen	3,500
Pantry	200
Function Storage	1,894
Recycling	456
Receiving	1,150
Employee Facilitieis / Dining	800
Maintenance	500
General Storage	330
Housekeeping/Linen	840
Dirty Linen	360
Loading Dock (outdoor)	0
Receiving Office	100
Uniforms	300
Mechanical / Electrical	994
Subtotal BOH	13,599
Circulation and net to gross	11,420
<b>TOTAL GSF - Public/BOH</b>	<b>58,481</b>

**HOTEL SPACE SUMMARY LIMITED/SELECT SERVICE HOTEL - #1**

<b>PUBLIC SPACE</b>	<b>NSF</b>
Lobby	1,800
Bar and Lounge	650
Restaurant	0
Private Dining Rooms (2)	0
Public Restrooms	850
Main Ballroom	0
Junior Ballroom	0
Meeting Room	600
Board Room	40
Prefunction	0
Fitness	800
Pool / Whirlpool (outdoor)	0
Pool/Toilets/Mechanical	330
Spa	0
<b>Subtotal Public Space</b>	<b>5,070</b>

<b>GROSS SF SUMMARY</b>	
Level 1	13,152
Level 2	8,500
Level 3	8,500
Level 4 - 8	42,500
<b>TOTAL</b>	<b>72,652</b>

<b>GUESTROOMS PER FLOOR</b>	
	16
<b>TOTAL GUESTROOMS</b>	<b>102</b>

<b>GUESTROOMS</b>	<b>sf</b>	<b>#</b>
King Room	320	35
Executive King Room	420	8
Queen/Queen Room	360	58
Suite	550	1
<b>TOTAL</b>		<b>102</b>
		<b>35,990</b>

Guestroom NSF/Key..... 583

<b>BACK OF HOUSE AREAS</b>	<b>NSF</b>
Front Desk (in lobby)	0
Front Office / Administration	500
Luggage Storage	0
Bar Back of House	350
Kitchen	0
Pantry	400
Function Storage	0
Recycling	0
Receiving	500
Employee Facilities / Dining	0
Maintenance	660
General Storage	330
Housekeeping/Linen	600
Dirty Linen	360
Loading Dock (outdoor)	0
Receiving Office	182
Uniforms	300
Mechanical / Electrical	400
<b>Subtotal BOH</b>	<b>4,582</b>
<b>Circulation and net to gross</b>	<b>3,500</b>
<b>TOTAL GSF - Public/BOH</b>	<b>13,152</b>

<b>PARKING</b>	<b>CARS</b>
0.8 cars/room	82
10/2000 for Public	25
	<b>107</b>

	<b>GSF</b>	<b>GSF/KEY</b>
Hotel Public / Back of House	13,152	129
Hotel Guestrooms	59,500	583
<b>TOTAL HOTEL</b>	<b>72,652</b>	<b>712</b>

**HOTEL SPACE SUMMARY LIMITED/SELECT SERVICE HOTEL - #2**

<b>PUBLIC SPACE</b>	<b>NSF</b>
Lobby	1,800
Bar and Lounge	650
Restaurant	0
Private Dining Rooms (2)	0
Public Restrooms	1,100
Main Ballroom	0
Junior Ballroom	0
Meeting Room	1,000
Board Room	0
Prefunction	0
Fitness	850
Pool / Whirlpool (outdoor)	0
Pool/Toilets/Mechanical	330
Spa	0
<b>Subtotal Public Space</b>	<b>5,730</b>

<b>GROSS SF SUMMARY</b>	
Level 1	16,096
Level 2	9,500
Level 3	9,500
Level 4 - 8	47,500
<b>TOTAL</b>	<b>82,596</b>

<b>GUESTROOMS</b>	<b>sf</b>	<b>#</b>
King Room	318	37
Executive King Room	430	5
Queen/Queen Room	362	75
Suite	600	2
<b>TOTAL</b>		<b>119</b>
		<b>0</b>
		<b>42,266</b>

Guestroom NSF/Key..... 559

<b>GUESTROOMS PER FLOOR</b>	<b>17</b>
<b>TOTAL GUESTROOMS</b>	<b>119</b>

<b>BACK OF HOUSE AREAS</b>	<b>NSF</b>
Front Desk (in lobby)	500
Front Office / Administration	0
Luggage Storage	250
Bar Back of House	350
Kitchen	0
Pantry	400
Function Storage	200
Recycling	0
Receiving	600
Employee Facilities / Dining	0
Maintenance	660
General Storage	330
Housekeeping/Linen	600
Dirty Linen	360
Loading Dock (outdoor)	0
Receiving Office	182
Uniforms	300
Mechanical / Electrical	400
<b>Subtotal BOH</b>	<b>5,132</b>
<b>Circulation and net to gross</b>	<b>5,234</b>
<b>TOTAL GSF - Public/BOH</b>	<b>16,096</b>

<b>PARKING</b>	<b>CARS</b>
0.8 cars/room	95
10/2000 for Public	29
<b>TOTAL</b>	<b>124</b>

	<b>GSF</b>	<b>GSF/KEY</b>
Hotel Public / Back of House	16,096	135
Hotel Guestrooms	66,500	559
<b>TOTAL HOTEL</b>	<b>82,596</b>	<b>694</b>

**Subject:** 120 Days  
**From:** Matthew Reid <matt.reid@landanddesign.com>  
**Date:** Wed, 27 Oct 2010 02:46:05 -0000  
**To:** Greg Blodgett <>

Greg,

Give me a call in the morning to arrange for a conf call to talk about the results of tonights council meeting.

Sent from my iPhone

Matthew Reid  
858.735.1858 direct  
Skype: matthew.reid.ca



**Subject:** Re: 120 Days  
**From:** Matthew Reid <matt.reid@landanddesign.com>  
**Date:** Wed, 27 Oct 2010 14:51:12 -0000  
**To:** Greg Blodgett <>  
**CC:** Dave Rose <drose3@charter.net>

Ok call me in the afternoon.

Sent from my iPhone

Matthew Reid  
858.735.1858 direct  
Skype: matthew.reid.ca

On Oct 26, 2010, at 9:29 PM, Greg Blodgett <greg1@ci.garden-grove.ca.us> wrote:

> At a conf at hyatt irvine re ucla economic forecast back after lunch  
>  
> ----- Original Message -----  
> From: Matthew Reid <matt.reid@landanddesign.com>  
> To: Greg Blodgett <greg1@ci.garden-grove.ca.us>  
> Sent: Tue Oct 26 19:46:05 2010  
> Subject: 120 Days  
>  
> Greg,  
> Give me a call in the morning to arrange for a conf call to talk about  
> the results of tonights council meeting.  
>  
> Sent from my iPhone  
>  
> Matthew Reid  
> 858.735.1858 direct  
> Skype: matthew.reid.ca

question re: letter to Matt Read

**Subject:** question re: letter to Matt Read  
**From:** Sherri Oslund <>  
**Date:** Mon, 1 Nov 2010 22:47:07 -0000  
**To:** Greg Blodgett <>

Blodgett,

Please look at pg 2, where I highlighted. What section # do you want in there? Also, is the last pg to be blank except for the name & co name at the top?? Please let me know.

Sherri

<<...>>

November 1, 2010

Matthew Reid  
Land & Design Inc.  
8130 La Mesa Drive #808  
La Mesa, Ca 92942

Dear Mr. Reid;

The Garden Grove Agency For Community Development (Agency), has selected Land & Design Inc. for the developer Site "C". This letter allows Land & Design Inc. to have an exclusive right to negotiate with the Agency for a period of 120 days commencing on the execution of this letter.

A. In furtherance of the objectives of the Community Redevelopment Law of the State of California, Health and Safety Code Section 33000, *et seq.* (the "Act"), the Developer desires to redevelop Site "C" which is approximately 3.5 acres of real property in the City of Garden Grove. Site "C" is owned by the Agency located at The South East corner of Harbor Boulevard and Twin Tree Avenue (the "Site"). The Site is shown on the attached Site Map (Exhibit "A").

B. The Site is located within the boundaries of the Garden Grove Community Project (the "Project Area").

C. The Developer submitted a proposal to the Agency to develop a Full Service Hotel and Limited Service Hotels on the acres of which the Site is a part (the "Developer's Proposal"). The Developer's Proposal was selected by the Agency on October 26, 2010.

D. Consistent with the scope of the Developer's Proposal the following:

- *One Full service Hotel(s) with up to 350 rooms*
- *2 limited service hotels with 220 rooms*
- *Meeting space ranging from 15,000 s.f.*
- *Retail, dining and entertainment component of approximately 15,000 s.f., and*
- *Structured parking (the "Project").*

E. The purpose of this exclusive right to negotiate is to allow time for the developer to provide the additional information regarding the demand for the hotels and to provide a Letter of Intent from a Hotel Partner or Financial Partner.

1. **Developer's Negotiator.** The Developer represents to the Agency that Matthew Reid is the person with whom the Agency staff shall work with on a day-to-day basis concerning the negotiations toward the execution of the Deal Points for the development of the Development Project. If the Developer desires to designate other individuals as the lead negotiators on the Project, then it shall provide written notification to the Agency Director in a timely manner.

2. **Developer Submissions.** Developer agrees that within ninety (90) days following the date of this Agreement it shall submit to the Agency the following documents, reports, and information in a form satisfactory to the Agency Director that will provide the Agency with the following information (the "Developer Submissions"):

- (a) Hotel Market Study for the project which projections that include room demand and the rate and occupancy for each property prepared by an independent third party.
- (b) Letter of Intent from a Hotel Partner or Financial Partner.
- (c) Financial information from the hotel partner, including a company 10K from and Descriptions of the proposed method of construction and permanent financing and the amount and sources of capital, as well as marketing reports describing and substantiating, on a preliminary basis, the undertakings proposed by the Developer.

3. **Supplemental Progress Reports.** In addition to the information required in Section above, at no more frequently than thirty (30) day intervals from the date of this Letter Agreement (including all extended periods), the Agency may request, in writing, that the Developer provide to the Agency written reports regarding its progress in meeting the terms and obligations of this Agreement. The Agency may also request additional verbal reports of such matters from the Developer.

4. **Agency Consideration of Developer Proposals.** Within thirty (30) days after Developer has submitted all of the information described in Section 2 hereof, the Agency will consider and evaluate the Developer Submissions in good faith and notify Developer of its approval or disapproval of such Developer Submissions (and if disapproved, a reasonable statement of the reasons thereof). If the Agency does not approve the Developer Submissions, the Developer shall have fifteen (15) days from the date it receives notice from the Agency to revise and resubmit the Developer Submissions so as to address Agency concerns. The Agency shall then have fifteen (15) days to consider and evaluate the revised Developer Submissions. The Developer Submissions pursuant to Section 2 hereof shall not be deemed approved by the Agency as a result of the Agency's failure to timely approve or disapprove such submissions.

**Land & Design Inc.**

**AGENCY:**

**GARDEN GROVE AGENCY FOR  
COMMUNITY DEVELOPMENT**, a public  
body, corporate and politic

By: \_\_\_\_\_  
Matt Reid

By: \_\_\_\_\_  
Matthew Fertal, Agency Director

**Matthew Reid  
Land & Design Inc.**

Exhibit A-1

from Sherri Oslund

subject **Draft letter**

to matthew.reid@ryancompanies.com <matthew.reid@ryancompanies.com>

bcc Greg Blodgett

11/2/2010 9:00 AM

other actions

Mr. Reid, This is the draft letter Greg Blodgett spoke to you about. Please review and get back to him. Thanks

Sherri Oslund  
Economic Development Department  
City Of Garden Grove  
sherio@ci.garden-grove.ca.us  
ph 714/741-5120  
fax 714/741-5136



**CITY OF GARDEN GROVE**  
**GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**

---

November 1, 2010

Draft

Matthew Reid  
Land & Design Inc.  
8130 La Mesa Drive #808  
La Mesa, Ca 92942

Bruce A. Broadwater  
Chair

Dina Nguyen  
Vice Chair

William J. Dalton  
Member

Andrew Do  
Member

Steven R. Jones  
Member

Dear Mr. Reid;

The Garden Grove Agency For Community Development (Agency) has directed staff to negotiate with Land & Design for a period of 120 days to demonstrate certain abilities and commitments to facilitate a hotel development.

A. In furtherance of the objectives of the City Community Redevelopment (the Plan), the Developer desires to redevelop Site "C" which is approximately 3.5 acres of real property in the City of Garden Grove. Site "C" is owned by the Agency located at The South East corner of Harbor Boulevard and Twin Tree Avenue (the "Site"). The Site is shown on the attached Site Map (Exhibit "A").

B. The Site is located within the boundaries of the Garden Grove Community Project (the "Project Area").

C. The Developer submitted a proposal to the Agency to develop a Full Service Hotel and Limited Service Hotels on the acres of which the Site is a part (the "Developer's Proposal").

D. Consistent with the scope of the Developer's Proposal (the "Project") the following:

- *One Full service Hotel(s) with up to 350 rooms*
- *2 limited service hotels with 220 rooms*
- *Meeting space ranging from 15,000 s.f.*
- *Retail, dining and entertainment component of approximately 15,000 s.f., and*
- *Structured parking.*

E. The purpose of this memorandum to negotiate is to allow time for the developer to provide the additional information regarding the demand for the hotels and to provide a Letter of Intent from a Hotel Partner or Financial Partner.



that Matthew Reid is the person with whom the Agency staff shall work with on a day-to-day basis concerning the negotiations toward the execution of the Deal Points for the development of the Development Project. If the Developer desires to designate other individuals as the lead negotiators on the Project, then it shall provide written notification to the Agency Director in a timely manner.

2. **Developer Submissions.** Developer agrees that within ninety (90) days following the date of this Agreement it shall submit to the Agency the following documents, reports, and information in a form satisfactory to the Agency Director that will provide the Agency with the following information (the "Developer Submissions"):

- (a) Hotel Market Study for the project which projections that include room demand and the rate and occupancy for each property prepared by an independent third party.
- (b) Letter of Intent from a Full Service Hotel Partner and/or qualified Financial Partner.
- (c) Financial information from the hotel partner, including a company 10K from and Descriptions of the proposed method of construction and permanent financing and the amount and sources of capital, as well as marketing reports describing and substantiating, on a preliminary basis, the undertakings proposed by the Developer.

3. **Agency Consideration of Developer Submittals.** Within thirty (30) days after Developer has submitted all of the information described in Section 2 hereof, the Agency will consider and evaluate the Developer Submissions in good faith and notify Developer of its approval or disapproval of such Developer Submissions (and if disapproved, a reasonable statement of the reasons thereof).

**Land & Design Inc.**

**AGENCY:**

**GARDEN GROVE AGENCY FOR  
COMMUNITY DEVELOPMENT**, a public  
body, corporate and politic

By: \_\_\_\_\_  
Matt Reid

By: \_\_\_\_\_  
Matthew Fertal, Agency Director

**Subject:** word doc  
**From:** Matthew Reid <matt.reid@landanddesign.com>  
**Date:** Tue, 16 Nov 2010 23:30:41 -0000  
**To:** Greg Blodgett <>

Greg,  
Would you send the word doc of the draft letter to me?

***Matthew W. Reid***  
**LAND & DESIGN, Inc.**  
Sustainability, Construction and Real Estate Advisors  
**SUSTAINABLE STRATEGIES | SUSTAINABLE INTEGRATION**  
8130 La Mesa Blvd | Suite 808 | La Mesa, CA 91942  
619.462.4060 o | 619.462.4144 f | 858.735.1858 direct  
Skype - matthew.reid.ca  
matt.reid@landanddesign.com

from: Sherri Oslund

subject: Letter from City of Garden Grove

to: matt.reid@landanddesign.com <matt.reid@landanddesign.com>

bcc: Greg Blodgett

11/16/2010 4:22 PM

other actions

<<...>>

*Sherri Oslund for Greg Blodgett  
Economic Development Department  
City Of Garden Grove  
sherri@ci.garden-grove.ca.us  
ph 714/741-5120  
fax 714/741-5136*

November 1, 2010

Matthew Reid  
Land & Design Inc.  
8130 La Mesa Drive #808  
La Mesa, Ca 92942

Dear Mr. Reid;

The Garden Grove Agency For Community Development (Agency) has directed staff to negotiate with Land & Design for a period of 120 days to demonstrate certain Developer's abilities and commitments to facilitate a hotel development.

A. In furtherance of the objectives of the City Community Redevelopment Plan, the Developer desires to redevelop Site "C" which is approximately 3.5 acres of real property in the City of Garden Grove. Site "C" is owned by the Agency located at The South East corner of Harbor Boulevard and Twin Tree Avenue (the "Site"). The Site is shown on the attached Site Map (Exhibit "A").

B. The Site is located within the boundaries of the Garden Grove Community Project.

C. The Developer submitted a proposal to the Agency to develop a Full Service Hotel, Limited Service Hotels on the acres of which the Site is a part (the "Developer's Proposal").

D. Consistent with the scope of the Developer's Proposal (the "Project") the following:

- *One Full service Hotel(s) with up to 350 rooms*
- *2 limited service hotels with 220 rooms*
- *Meeting space ranging from 15,000 s.f.*
- *Retail, dining and entertainment component of approximately 15,000 s.f., and*
- *Structured parking.*

E. The purpose of this memorandum is to allow time for the developer to provide the additional information regarding the demand for the hotels and to provide a Letter of Intent from a Hotel Partner or Financial Partner.

1. **Developer's Negotiator.** The Developer represents to the Agency that Matthew Reid is the person with whom the Agency staff shall work with on a day-to-day basis concerning the negotiations toward the formulation of Deal Points for the development of the Hotel Project.

2. **Developer Submissions.** Developer agrees that within ninety (90) days following the date of this Agreement it shall submit to the Agency the following documents, reports, and information in a form satisfactory to the Agency Director that will provide the Agency with the following information (the "Developer Submissions"):

- (a) Hotel Market Study for the project which projections that include room demand and the rate and occupancy for each property prepared by an independent third party.
- (b) Letter of Intent from a Full Service Hotel Partner and/or qualified Financial Partner.
- (c) Financial information from the hotel partner, including a company 10K from and Descriptions of the proposed method of construction and permanent financing and the amount and sources of capital, as well as marketing reports describing and substantiating, on a preliminary basis, the undertakings proposed by the Developer.

3. **Agency Consideration of Developer Submittals.** Within thirty (30) days after Developer has submitted all of the information described in Section 2 hereof, the Agency will consider and evaluate the Developer Submissions in good faith and notify Developer of its approval or disapproval of such Developer Submissions (and if disapproved, a reasonable statement of the reasons thereof).

**Land & Design Inc.**

**AGENCY:**

**GARDEN GROVE AGENCY FOR  
COMMUNITY DEVELOPMENT**, a public  
body, corporate and politic

By: \_\_\_\_\_  
Matt Reid

By: \_\_\_\_\_  
Matthew Fertal, Agency Director

from Matthew Reid <matt.reid@landanddesign.com>

subject response

to Greg Blodgett

11/19/2010 9:33 AM

other actions +

Greg,

Please take a look at our response and let me know if we can talk later today. I'm at a board retreat and have limited availability. Please forward a copy to Matt and Paul for me. Thanks.

MR

PLEASE DO NOT REPLY TO THIS EMAIL

# LAND & DESIGN, INC.

## SAN DIEGO

8130 La Mesa Blvd, #808  
La Mesa, CA 91942  
619.462.4060 o  
619.462.4144 f

## ENCINITAS

1042 N El Camino Real  
Suite B-310  
Encinitas, CA 92024  
858.735.1858

---

November 18, 2010

Mr. Matthew J. Fertal  
City Manager  
City of Garden Grove  
11222 Acacia Parkway  
Garden Grove, California 92840

**RE: PROPOSED ENA dated NOVEMBER 1, 2010 | GARDEN GROVE, CALIFORNIA**

Dear Mr. Fertal:

Thank you for the opportunity to partner with the City of Garden Grove in this landmark development project. The City's cooperation and involvement along with my partners and my experience will make this project a reality within the next 24 months.

Attached is the draft "Agency" letter dated November 1, 2010 with our suggested edits for your consideration.

In summary, our primary concern, as identified by the nature and content of our revisions, focuses on the unfortunate historical fact that the finance and real estate and community "shuts down" between mid November and the 1<sup>st</sup> of the New Year. This is very typical end of year behavior by capital/debt providers, partners and investors. Additionally, the good news is the coming of the New Year marks a beginning of looking for new opportunities and projects. All things being equal, Q'1 of the New Year typically has heightened activity due to optimism and speculation of economic conditions turning around. This makes the 120 day deadline (which under normal "economic" and "non-holiday" circumstances) difficult, at best, to satisfy. Evidenced by the numerous hotel groups and finance/capital partners with which we've already spoken, all having sincere interest and delaying any further conversation until after the 1<sup>st</sup> of the year.

Please understand, we've spent a lot of time and money to get to this point and pledge our best and most diligent efforts to continue through the holiday season, however we fear it will not be as fruitful (as we all would like) due to the timing of the request.

Matt, I've learned that the City of Anaheim has officially terminated discussions with their development group regarding the short term objective of a hotel(s) with the Convention Center Expansion project. Therefore, with the Westin flag now available, have already begun conversations with Starwood Executives about the potential of being a part of our project. They too, have asked that our conversations be pushed to the first part of next year.

Once again, we appreciate and share the importance of this flagship project for the City of Garden Grove. This project deserves detailed focus, attention and execution all of which I fear will not happen during this time of the year. As you know, several current projects within the City of Garden Grove, including the water park project, have yet to secure financing after several months of soliciting equity/debt sources.

# LAND & DESIGN, INC.

## SAN DIEGO

8130 La Mesa Blvd, #808  
La Mesa, CA 91942  
619.462.4060 o  
619.462.4144 f

## ENCINITAS

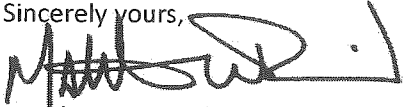
1042 N El Camino Real  
Suite B-310  
Encinitas, CA 92024  
858.735.1858

---

We request you consider your amendments to the agreement and look forward to speaking with you as soon as possible.

Thank you for your consideration.

Sincerely yours,



Matthew W. Reid  
Land and Design, Inc.

Enclosure

cc: Greg Blodgett / City of Garden Grove



November 1, 2010

Matthew Reid  
Land & Design Inc.  
8130 La Mesa Drive #808  
La Mesa, Ca 92942

Dear Mr. Reid;

The Garden Grove Agency For Community Development (Agency) has directed staff to negotiate with Land & Design for a period of 120 days to demonstrate certain Developer's abilities and commitments to facilitate a hotel development.

A. In furtherance of the objectives of the City Community Redevelopment Plan, the Developer desires to redevelop Site "C" which is approximately 3.5 acres of real property in the City of Garden Grove. Site "C" is owned by the Agency located at The South East corner of Harbor Boulevard and Twin Tree Avenue (the "Site"). The Site is shown on the attached Site Map (Exhibit "A").

B. The Site is located within the boundaries of the Garden Grove Community Project.

C. The Developer submitted a proposal to the Agency to develop a Full Service Hotel, Limited Service Hotels on the acres of which the Site is a part (the "Developer's Proposal").

D. Consistent with the scope of the Developer's Proposal (the "Project") the following:

- *One Full service Hotel(s) with approximately up to 350 rooms*
- *2 limited service hotels with approximately 220 rooms*
- *Meeting space ranging from 15,000 s.f.*
- *Retail, dining and entertainment component of approximately 15,000 s.f., and*
- *Structured parking.*

E. The purpose of this memorandum is to allow time for the developer to provide the additional information regarding the demand for the hotels and to provide a Letter of Intent from a Hotel Partner or Financial Partner.

1. **Developer's Negotiator.** The Developer represents to the Agency that Matthew Reid is the person with whom the Agency staff shall work with on a day-to-day basis concerning the negotiations toward the formulation of Deal Points for the development of the Hotel Project.

2. **Developer Submissions.** Developer agrees that within ~~ninety one~~ hundred twenty (9120) days following the date of this Agreement it shall make its best effort to—submit to the Agency the following documents, reports, and information in a form satisfactory to the Agency Director that will provide the Agency with the following information (the "Developer Submissions"):

- (a) ~~Hotel Market Study information~~ for the project which provide a basis (including room hotel flag information, demand, rate and occupancy) from which the Agency could then reasonably presume the proposed project is feasible. ~~projections that include room demand and the rate and occupancy for each property prepared by an independent third party.~~
- (b) Letter of Interest ~~at~~ from a Full Service Hotel Partner and/or qualified Financial Partner.
- (c) Financial ~~proforma information from the hotel partner, including a company 10K form and~~ Descriptions of the proposed project including method of construction, and permanent financing and the plan to amount and sources of capital. ~~Other information may be submitted as well, including,~~ as well as marketing reports describing and substantiating, on a preliminary basis, the undertakings proposed by the Developer.

3. **Agency Consideration of Developer Submittals.** Within thirty (30) days after Developer has submitted all of the information described in Section 2 hereof, the Agency will consider and evaluate the Developer Submissions in good faith and notify Developer of its approval or disapproval of such Developer Submissions (and if disapproved, a reasonable statement of the reasons thereof).


**Land & Design Inc.**

**AGENCY:**


**GARDEN GROVE AGENCY FOR  
COMMUNITY DEVELOPMENT**, a public  
body, corporate and politic


By: \_\_\_\_\_  
Matthew Reid

By: \_\_\_\_\_  
Matthew Fertal, Agency Director

from Sherri Oslund 

subject Land & Design ENBA Ltr

to matt.reid@landanddesign.com <matt.reid@landanddesign.com> 

bcc Greg Blodgett 

11/19/2010 1:31 PM

other actions 

Mr. Reid,

Here is the revised ENA letter for you signature. Please sign and fax back to 714/741-5136, and send a copy with original signature to Greg's attention at City of Garden Grove, 11222 Acacia Pkwy, Garden Grove CA 92840. If you have any questions, please contact Greg at 714/741/5124 or myself at 714/741/5120.

Thank you

*Sherri Oslund for Greg Blodgett  
Economic Development Department  
City Of Garden Grove  
sherria@ci.gardem-grove.ca.us  
ph 714/741-5120  
fax 714/741-5136*

November 1, 2010

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Land & Design Inc.  
8130 La Mesa Drive #808  
La Mesa, Ca 92942

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**Land & Design Inc.**

**AGENCY:**  
**GARDEN GROVE AGENCY FOR**  
**COMMUNITY DEVELOPMENT**, a public  
body, corporate and politic

By: \_\_\_\_\_  
Matthew Reid

By: \_\_\_\_\_  
Matthew Fertal, Agency Director

from: Matthew Reid <matthew.reid@landanddesign.com>

subject: Signed ENA

to: Greg Blodgett

11/19/2010 7:08 PM

other actions

Greg,

Thanks for your help on this. Please have Matt sign and return a copy to me for my files.  
Have a great weekend.

**Matthew W. Reid**

**LAND & DESIGN, Inc.**

Sustainability, Construction and Real Estate Advisors

**SUSTAINABLE STRATEGIES | SUSTAINABLE INTEGRATION**

8130 La Mesa Blvd | Suite 808 | La Mesa, CA 91942

619.462.4060 o | 619.462.4144 f | 858.735.1858 direct

Skype - matthew.reid.ca

matthew.reid@landanddesign.com

November 1, 2010

Matthew Reid  
Land & Design Inc.  
8130 La Mesa Drive #808  
La Mesa, Ca 92942

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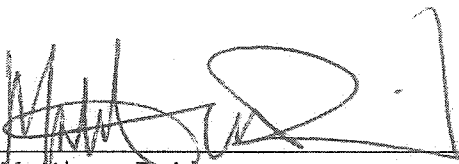
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**Land & Design Inc.**

By:   
Matthew Reid

**AGENCY:**  
**GARDEN GROVE AGENCY FOR  
COMMUNITY DEVELOPMENT**, a public  
body, corporate and politic

By: \_\_\_\_\_  
Matthew Fertal, Agency Director



**Subject:** Re: Signed ENA  
**From:** Matthew Reid <matt.reid@landanddesign.com>  
**Date:** Sat, 20 Nov 2010 06:37:25 -0000  
**To:** Greg Blodgett <>

Yes. Week of Dec 1 would be best.

Sent from my iPhone

Matthew Reid  
858.735.1858 direct  
Skype: [matthew.reid.ca](https://www.skype.com/user/matthew.reid.ca)

On Nov 19, 2010, at 8:55 PM, Greg Blodgett <[greg1@ci.garden-grove.ca.us](mailto:greg1@ci.garden-grove.ca.us)> wrote:

Thanks. We are going to start the entitlement process do you want to meet next week or the next to go over details.

---

**From:** Matthew Reid <matt.reid@landanddesign.com>  
**To:** Greg Blodgett <[greg1@ci.garden-grove.ca.us](mailto:greg1@ci.garden-grove.ca.us)>  
**Sent:** Fri Nov 19 19:08:21 2010  
**Subject:** Signed ENA

Greg,

Thanks for your help on this. Please have Matt sign and return a copy to me for my files.

Have a great weekend.

*Matthew W. Reid*

**LAND & DESIGN, Inc.**

Sustainability, Construction and Real Estate Advisors

**SUSTAINABLE STRATEGIES | SUSTAINABLE INTEGRATION**

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619.462.4060 o | 619.462.4144 f | 858.735.1858 direct

Skype - [matthew.reid.ca](https://www.skype.com/user/matthew.reid.ca)

[matt.reid@landanddesign.com](mailto:matt.reid@landanddesign.com)





**CITY OF GARDEN GROVE**  
**GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**

November 1, 2010

Matthew Reid  
Land & Design Inc.  
8130 La Mesa Drive #808  
La Mesa, Ca 92942

Dear Mr. Reid;

Bruce A. Broadwater  
Chair

Dina Nguyen  
Vice Chair

William J. Dalton  
Member

Andrew Do  
Member

Steven R. Jones  
Member

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**Land & Design Inc.**

By:   
Matthew Reid

**AGENCY:**  
**GARDEN GROVE AGENCY FOR  
COMMUNITY DEVELOPMENT**, a public  
body, corporate and politic

By:   
Matthew Fertal, Agency Director

**Subject:** Letter

**From:** Matthew Reid <matt.reid@landanddesign.com>

**Date:** Wed, 1 Dec 2010 00:27:54 -0000

**To:** Greg Blodgett <>

I signed the letter and sent back today....

***Matthew W. Reid***

**LAND & DESIGN, Inc.**

8130 La Mesa Blvd | Suite 808 | La Mesa, CA 91942

619.335.5896 Google voice | 619.462.4144 f

Skype - matthew.reid.ca

matt.reid@landanddesign.com