

Date: Updated October 17<sup>th</sup>, 2021 (Original April 4<sup>th</sup>, 2021)

Att: משמרת חברה לשירותי נאמנות בע"מ

Via Mail: Mailing list



B.Z.T Ltd Reg#: 510461809

תמצית זו נועדה לצורכי נוחות בלבד ואינה מייצגת את הצורך לקרוא את חוות הדעת כולה ובפרט את ההנחות הקשורות לביקוש והיצע וקביעת קצב גידול הרווח.

דו"ח זה הוכן לבקשת משמרת לצורך בחינת שווי מלון ויליאם וייל בברוקלין אילו היה פנוי ובשליטת הבעלים.. הדו"ח הוכן באפריל 2021 ועודכן ב 13 באוקטובר 2021. הדו"ח הסתמך על דוחות רווח והפסד לא מבוקרים של המלון שנת 2019 ושנת 2020. בנוסף קיבלנו דוחות חיצוניים של STR ופרסומים רשמיים נוספים המובאים במסגרת העבודה. מאז מרץ 2021 לא נמסרו דוחות.

ראשית ניתחנו את תוצאות ההפעלה בפועל תוך מיקוד בשינויים תפעוליים נדרשים. המסקנה הראשונית הייתה שהמלון כנכס תפעולי יכול ויניב כ 10 מיליון דולר רווח שנתי ובתנאי שהקומפלקס יופעל על ידי הבעלים בעזרת חברה מנהלת מקצועית ללא הקצאת דמי נהול מופרזים ועמלות תפעול כאלו ואחרות כפי שמופיע בדו"ח.

בנוסף הצפי היה שבשנת 2024 לכל המאוחר אמור המלון לחזור להפעלה בדומה לשנת 2019. לאחר בדיקה נוספת באוקטובר נראה שלוח הזמנים הזה יוקדם לשנת 2022.

לצורך קביעת שווי הנכס בהיותו נכס תפעולי השתמשנו בשיטה המקובלת ל"מכפיל" או שיעור היוון שנתי. לצורך היוון הרווח השנתי בהתאם למכפיל/ Cap מקובל לענף. החישוב נעשה על בסיס ה N.O.I מתוקן המנטרל דמי נהול ותשלומים עודפים שנצפו בדוחות המלון שקיבלנו. מטעמי שמרנות לא השתמשנו ב G.O.P כמקובל. משכך לאחר בחינה מצאנו את התפוסה הצפויה למלון לשנת 2021 69.9% ואת המחיר הממוצע כ 450 דולר לחדר תפוס. לגבי המחיר הממוצע יש להתייחס בזירות הראויה בהתחשב בכך שהנחה זו נסמכת על דו"ח STR של ברוקלין רבתי ואין בידינו נתונים בפועל של המלון.

כמו כן הנחנו מה יהיה מחזור מזון ומשקאות ותרומתו לרווח ובנוסף את צפי הכנסות השכירות השונות. להבהרה שווי של מלון נגזר מהרווח בפועל של המלון כאשר המו"מ מתבצע על המכפיל או שיעור ההיוון. מאחר שמדובר בהערכה היפותטית יתכנו הפרשי שווי בהתאם לטיב ההפעלה כפי שתהיה בפועל.

להכנת בדיקת המדדים במודל המלונאי המקובל מסקנתנו הייתה שהכנסה התפעולית הנקייה הינה 9,078,000 דולר. מקדם ההיוון המתאים למלון נקבע על 5.5% לשנה זו למרות שהשוק כולו נע 6%-7% זאת בשל ייחודיות המלון וקצב "סגירת הפערים" למול המתחרים והסביבה העסקית הכללית. לשנת 2022 ואילך יסגרו הפערים ולפיכך העמדנו את שיעור היוון על cap של 6%.

#### תמצית מסקנות הדו"ח:

1. משכך העמדנו את שווי המלון נכון ל 13 באוקטובר 2021 ובהתאם למסמכים שנמסרו לידינו על 165 מיליון דולר ארה"ב, בכפוף לתנאים המתלים.
2. כפוף לתנאים המתלים ובהפעלה מיטבית בשליטת הבעלים צפויה הכנסה התפעולית הנקייה ב 2022 לעמוד על 10,876,000 ומקדם ההיוון יעמוד על 6.0% ר' טבלה רגישות מצורפת בעמוד 12.

#### תנאים מתלים:

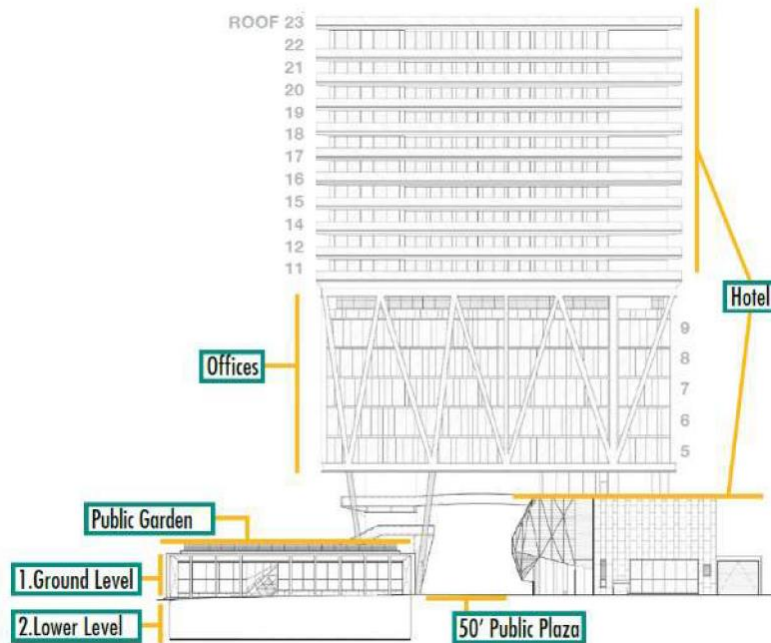
הצפי הוכן על סמך הנחה שהמלון מנוהל על ידי הבעלים ובעזרת חברת נהול חיצונית מקצועית מיוצב לתזרים סביר, כאשר הבעלים זכאים למלוא הרווח הנקי N.O.I כמשמעותו על פי הגדרתו בפרסומי American Hotel & Motel Association.

חשוב לציין בשנית: לדו"ח זה לא נתקבלו דוחות תפעוליים עדכניים ולמעשה אנחנו לא יודעים לאשר בפועל את התוצאות העסקיות האמיתיות של המלון נכון למועד זה. מאידך שנת 2019 בהחלט משמשת כמתווה דרך אמין וברור.

לשאלות, הבהרות והשגות ניתן לפנות ישירות לאיל בן-יוסף במייל [ayal.lighthouse@gmail.com](mailto:ayal.lighthouse@gmail.com) או בטלפון 050-7441188

**RE: Valuation and Feasibility Study - William Vale Hotel, Brooklyn – Updated October 13<sup>th</sup>, 2021**

The client requested to perform an update following the rapid recovery of the Brooklyn Market during the January 2021 till September 2021. This valuation reflects the April assessment and update October 2021. Pursued to and subject to the terms and conditions in our engagement letter dated March 7<sup>th</sup>, 2021, we have prepared this report summarizing our findings in connection to the subject known as The William Vale Hotel located in Brooklyn New-York, here and after referred as the "Hotel" or "Site".



This report will serve as a guideline for the Hotel feasibility study. At this stage, our evaluation is based on data provided to B.Z.T by the client, which include P&L (both rooms, F&B and rent schedule) excel reports 2019-2020 (Not audited). The master lease contract, STR reports, and evaluation done by Bowery by March 17<sup>th</sup>, 2020. However, we did not receive the audited balance sheet, cash flows, marketing report or formal PIP reports from the owners. During the site visit we did manage to understand the operation and evaluate the service standards and implications for future operation of the Hotel.

Nevertheless, 2019 P&L reports do provide the actual operation performance of the Hotel in a stabilized year as a Benchmark for the hotel valuation.

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## Hotel Description

The subject consists of a complex constructed by 2016, mixed-use development of 183 key hotel located on floors 11-21, 37,422 SF of leasable retail space located in the cellar, 18,672 SF and first floor 18,750 SF and of 42,734 SF leasable office space located on floors 5-9. A parking garage with a capacity of 228 spaces located on floors 2 and 3. The hotel known as William Vale, contains high-end amenities including 60 foot pool, a fitness center, ice rink on the roof, two year round restaurants (one on the first floor and one on the 22<sup>nd</sup> floor), and 2 additional seasonal F&B outposts (a retrofitted shipping container on the fourth floor and a retrofitted air stream trailer in the public park) The has an event space/lawn on the roof, a ballroom and a meeting space on the lower level. The hotel also features a 50 foot public plaza between the hotel and retail space, and a public park located on top of the retail space. The F&B program is designed by NoHo Hospitality Group featuring renowned Chef Andrew Carmellini and his award-winning cuisine. The gross building area including underground space is 275,238 SF (25,570 m<sup>2</sup>). Per permit the subject contains 185,141 SF.

Floor	Gross SF	Deductions	ZFA	Use
Cellar	50,000	50,000	0	Retail, ballroom, meeting space, kitchen
Cellar Mezz	1,899	1,899	0	Hotel
1	30,752	9,886	20,866	Retail, Hotel Lobby, restaurant
2	20,078	19,594	484	Parking, park
3	31,966	18,912	13,054	Parking
4	3,397	172	3,225	Hotel Amenity space (pool, gym)
5	8,649	608	8,041	Office
6	8,669	953	7,717	Office
7	8,669	953	7,717	Office
8	8,669	953	7,717	Office
9	8,669	953	7,717	Office
10	8,878	8,878	0	Mechanical
11	7,964	676	7,288	Hotel
12	7,964	644	7,320	Hotel
14	7,964	644	7,320	Hotel
15	7,964	644	7,320	Hotel
16	7,964	644	7,320	Hotel
17	7,964	644	7,320	Hotel
18	7,964	644	7,320	Hotel
19	7,964	644	7,320	Hotel
20	6,963	673	6,290	Hotel
21	6,967	696	6,271	Hotel
22	5,631	386	5,245	Restaurant
23	834	834	0	Roof top lawn/event space
Bulkhead	834	834	0	Hotel
Total	275,238	122,371	152,867	
Total Above Grade	223,339	70,472	152,867	

## Scope of work

Based on the goals set to us by the client, we assessed the following:

- ✓ Investigate and research the economic activity of the complex, via its profit and loss reports, setting a benchmark for future activity.
- ✓ Analyze the complex ability supply for the future, in term of income generating areas, by the three major divisions: rooms, food and beverage, offices and commercial.
- ✓ Inspection of the property, mainly to comply results to actual areas and verifying that no PIP is needed. No future changes are recommended in this stage.
- ✓ Inspection of nearby competitors and some other districts of New-York hotel supply. This information is essential to understand the positioning of the Complex and penetration rates.
- ✓ Review the actual complex financial results, ADR review and plausibility, occupancy verification, GOP ratio and NOI finalization for regular operation, visa vi the P&L reports provided to us by the operator. Since we do not have the actual 2021 full year reports, our assessment of the actual performance should be regarded with caution.
- ✓ Research of valuation using the “income approach” method, which is the common methodology of the industry. Comprise of set the Gross Operational Profit by cap to set the value of the complex.

## Update - Scope of work and methodology

The assessment update was done as per client request since the Brooklyn market seemed to have a better recovery ratio than anticipated by April 2021, thus will eventually reduce the cap rates of the complex and the growth of Complex profit. Therefore, the value of the hotel should be higher than anticipated by April 2021.

Please note that we could not obtain any update P&L reports or Complex STR report therefore we used a Brooklyn updated STR report to set up the actual performance of 2021 attached to this report.

- ✓ Obtain updated P&L of the complex, alternatively STR reports stating the Market trends and actual performance of the Hotels in Brooklyn.
- ✓ Analyzing the reports to determine the actual ADR and Occupancy of the Hotel, the actual rent status and F&B operation.
- ✓ Compare the results to the operating forecast for the next 5 years, set a new sensitivity analysis and determine the updated value of the complex to date

## Updated Methodology

1. Review the (P&L) STR reports.
2. Set up hotel general variables as per past actual performance, 2019 as benchmark.
3. Calculate the actual profit of the complex.
4. Assess the current cap.
5. Perform sensitivity analysis, N.O.I visa vi Cap.

6. Set the updated Value of the Complex.

## Five-year operating forecast - Updated

The William Vale operating updated forecast submitted to the client by April 14<sup>th</sup> 2021 update of actual operating performance September 30<sup>th</sup> 2021 and update forecast till the end of 2021.

Item	Year 1 2020		Year 2 2021		Year 3 2022		Year 4 2023		Year 5 2024		Year 6 2025	
	Data	%	Data	%	Data	%	Data	%	Data	%	Data	%
Rooms Available	66,795		66,795		66,795		66,795		66,795		66,795	
Occupancy	35%		70%		72%		73%		75%		75%	
Rooms Occupied	23,305		46,683		48,019		48,687		50,023		50,023	
Guest Occupancy	29,131		58,354		60,024		60,859		62,529		62,529	
Average Rate	333		450		454		461		466		475	
F & B Covers Availability	547,500		547,500		547,500		547,500		547,500		547,500	
F & B Covers Utilization	145,657		291,771		300,120		304,295		312,644		312,644	
Average Check - Food	45		47		48		48		49		49	
Average Check - Beverage	15		16		16		16		16		16	
Rev/PAR/ Total Revenue/POR	116	749	314	826	327	887	336	929	349	934	356	955
Revenues:												
Rooms	7,767	44.47%	21,004	54.45%	21,821	51.21%	22,456	49.63%	23,303	49.90%	23,769	49.73%
F & B	8,739	50.04%	16,111	41.77%	19,333	45.37%	20,300	44.87%	20,909	44.77%	21,536	45.06%
Rent	960	5.50%	1,460	3.78%	1,460	3.43%	2,488	5.50%	2,488	5.33%	2,488	5.21%
Subtotal	17,466	100.00%	38,575	100.00%	42,614	100.00%	45,244	100.00%	46,700	100.00%	47,793	100.00%
Expenses:												
Number of Employees	143		188		188		188		188		188	
Labor cost	9,626	55.11%	12,378	32.09%	12,378	29.05%	12,378	27.36%	12,378	26.51%	12,378	25.90%
F&B cost	2,622	15.01%	4,833	12.53%	5,800	13.61%	6,090	13.46%	6,273	13.43%	6,461	13.52%
Base fee/Franchise	349	2.00%	771	2.00%	852	2.00%	905	2.00%	934	2.00%	956	2.00%
Operating Expenses and Equipment	786	4.50%	1,736	4.50%	1,918	4.50%	2,036	4.50%	2,102	4.50%	2,151	4.50%
Energy & Maintenance cost	1,310	7.50%	2,893	7.50%	3,196	7.50%	3,393	7.50%	3,503	7.50%	3,585	7.50%
Overheads:												
Human Resources	262	1.50%	638	1.66%	699	1.64%	738	1.63%	760	1.63%	777	1.63%
Marketing & Centralized Services	873	5.00%	1,929	5.00%	2,131	5.00%	2,262	5.00%	2,335	5.00%	2,390	5.00%
Admin. & General	786	4.50%	1,736	4.50%	1,918	4.50%	2,036	4.50%	2,102	4.50%	2,151	4.50%
Insurance	250	1.43%	250	0.65%	250	0.59%	250	0.55%	250	0.54%	250	0.52%
Property Taxes	230	1.32%	230	0.60%	230	0.54%	230	0.51%	230	0.49%	230	0.48%
Subtotal	17,094	97.87%	27,395	71.02%	29,371	68.92%	30,319	67.01%	30,866	66.09%	31,327	65.55%
G.O.P (L)	372	2.13%	11,180	28.98%	13,243	31.08%	14,925	32.99%	15,834	33.91%	16,466	34.45%
FF&E Provision	349	2.00%	1,543	4.00%	1,705	4.00%	1,810	4.00%	1,868	4.00%	1,912	4.00%
Net Income	23	0.13%	9,637	24.98%	11,538	27.08%	13,115	28.99%	13,966	29.91%	14,554	30.45%
Incentive Fee	19	0.11%	559	1.45%	662	1.55%	746	1.65%	792	1.70%	823	1.72%
N.O.I	4	0.03%	9,078	23.53%	10,876	25.52%	12,369	27.34%	13,175	28.21%	13,731	28.73%

April Valuation N.O.I was set to USD 6,851,000 by April 2021. The update version of October 2021, due to acceleration of the Brooklyn Hospitality market is set to USD 9,078,000. 2019 benchmark Occupancy 77.65% and ADR 367.5. Please see the implementation of the strategy of Increasing ADR vis a vi Occupancy page 18.

### Methodology (April 2021):

1. Benchmark – P&L reports of 2019.
2. Adjusting the actual performance to industry standards.
3. Perform a fast cap to net operating income sensitivity analysis.
4. Set an indicative preliminary value.
5. Perform full research of the hotel, including but not limited to, Location, Marketing, STR comp set, and SWOT analysis.
6. Prepare the full feasibility study for the client approval.
7. Provide a fine tune updated valuation.

Our valuation is based on the common “Hotel” on-going concern of GOP/CAP since the main hotel income is generated by Rooms and F&B activities. The commercial and office rent is about 5% of total Income.



## Sensitivity Analysis – Hotel values

### Definition of fair value

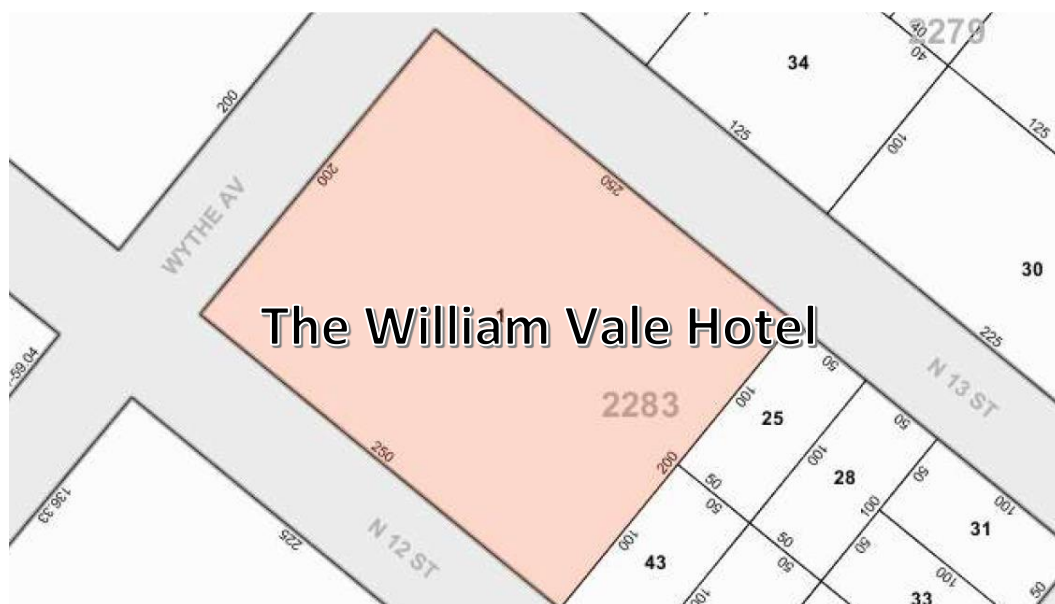
IFRS 13 sets the guideline for such definition and defines fair value, sets out a framework for measuring fair value, and requires disclosures about fair value measurements.

It applies when another Standard requires or permits fair value measurements or disclosures about fair value measurements (and measurements based on fair value, such as fair value less costs to sell), except in specified circumstances in which other Standards govern. For example, IFRS 13 does not specify the measurement and disclosure requirements for share-based payment transactions, leases or impairment of assets. Nor does it establish disclosure requirements for fair values related to employee benefits and retirement plans.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). When measuring fair value, an entity uses the assumptions that market participants would use when pricing the asset or the liability under current market conditions, including assumptions about risk. As a result, an entity's intention to hold an asset or to settle or otherwise fulfil a liability is not relevant when measuring fair value.

### Asset value and Property tax share

This paragraph was provided by the last valuation done for the Hotel complex, the COVID 19 period has an impact which is not published yet. The P&L statements, submitted to our review state that the complex payment for Property tax are set to circa USD 230,000 and F&B part is set to USD 42,000. It is our understanding that the Complex has a tax abatement for the next 21 years.



The subject property is designated on the tax maps of the City of New York, Borough of Brooklyn, as Block 2283, Lot 1. The property is tax Class 4. Below we present the tax assessment over the last four years.

**2017/2018 Tax Assessment**

		<b>Actual</b>	<b>Transitional</b>
Land		\$900,000	\$718,200
Building	+	16,681,500	16,681,500
Total		\$17,581,500	\$17,399,700

**2018/2019 Tax Assessment**

		<b>Actual</b>	<b>Transitional</b>
Land		\$900,000	\$809,100
Building	+	20,210,400	20,210,400
Total		\$21,110,400	\$21,019,500

**2019/2020 Tax Assessment**

		<b>Actual</b>	<b>Transitional</b>
Land		\$900,000	\$900,000
Building	+	18,230,850	19,814,490
Total		\$19,130,850	\$20,714,490

**2020/2021 Tax Assessment**

		<b>Actual</b>	<b>Transitional</b>
Land		\$900,000	\$900,000
Building	+	19,201,950	19,612,800
Total		\$20,101,950	\$20,512,800

We have applied the 2019/2020 tax rate of 10.537% to the 2020/2021 assessed value of the property to determine the current tax liability. The lower of the Actual or the Transitional Assessed Value is applied. In the subject's case, it is the Actual Assessed Value.

**Tax Liability**

<b>Taxable AV</b>		<b>Tax Rate</b>		<b>Tax Liability</b>	<b>Less Abatement</b>	<b>Taxes Due</b>
\$20,101,950	x	10.537%	=	\$2,118,142	(\$1,750,265)	\$367,877
Tax Liability PSF				\$11.44		

Per the commercial leases, the total retail space accounts for 13% of the taxable area and the garage accounts for 11% of the taxable area. Based on the total area, we project the office comprises 16% of the total area. Thus, the hotel encompasses 60% of the total. The tax liability for each component will be utilized in the discounted cash flow value.

<b>Component</b>	<b>Percentage</b>
Hotel	60%
Retail	13%
Office	16%
Garage	11%
Total	100%

To simplify the issue, by law for each SF there is a Tax Value according to its allocation to the Complex. The sum due was set to 367,000, it is lower with about 272,000 for the year 2020.

## Actual Tax projection:

The William Vale - ICAP Model											
Summary											
<u>Block / Lot</u>						<u>Appraiser Assumptions</u>					
Block	2283					Assessed Value Growth				2.00%	
Lot	1					Tax Rate Growth				1.00%	
						Discount Rate				6.00%	
ICAP Period	Tax Year	Total Assessed Value	Total Transitional Value	Tax Rate	FY Taxes w/out ICAP	Total Abatement Amount	% Abatement	FY Taxes w/ICAP	Tax Savings	Valuation date Adjustment	PV of Savings (Rounded)
1	2017 / 2018	\$17,581,500	\$17,399,700	10.514%	\$1,829,404	\$1,756,628	100%	\$72,777	\$1,756,628		
2	2018 / 2019	\$21,110,400	\$21,019,500	10.514%	\$2,209,990	\$1,756,628	100%	\$453,363	\$1,756,628		
3	2019 / 2020	\$19,130,850	\$20,714,490	10.537%	\$2,015,818	\$1,750,265	100%	\$265,553	\$1,750,265		
4	2020 / 2021	\$20,101,950	\$20,512,800	10.694%	\$2,149,703	\$1,756,628	100%	\$393,075	\$1,756,628	\$1,756,628	\$18,200,000
5	2021 / 2022	\$16,983,900	\$19,687,500	10.801%	\$1,834,421	\$1,756,628	100%	\$77,793	\$1,756,628	\$1,756,628	
6	2022 / 2023	\$17,323,578	\$17,323,578	10.909%	\$1,889,820	\$1,756,628	100%	\$133,193	\$1,756,628	\$1,756,628	
7	2023 / 2024	\$17,670,050	\$17,670,050	11.018%	\$1,946,893	\$1,756,628	100%	\$190,265	\$1,756,628	\$1,756,628	
8	2024 / 2025	\$18,023,451	\$18,023,451	11.128%	\$2,005,689	\$1,756,628	100%	\$249,061	\$1,756,628	\$1,756,628	
9	2025 / 2026	\$18,383,920	\$18,383,920	11.240%	\$2,066,261	\$1,756,628	100%	\$309,633	\$1,756,628	\$1,756,628	
10	2026 / 2027	\$18,751,598	\$18,751,598	11.352%	\$2,128,662	\$1,756,628	100%	\$372,034	\$1,756,628	\$1,756,628	
11	2027 / 2028	\$19,126,630	\$19,126,630	11.465%	\$2,192,948	\$1,756,628	100%	\$436,320	\$1,756,628	\$1,756,628	
12	2028 / 2029	\$19,509,163	\$19,509,163	11.580%	\$2,259,175	\$1,756,628	100%	\$502,547	\$1,756,628	\$1,756,628	
13	2029 / 2030	\$19,899,346	\$19,899,346	11.696%	\$2,327,402	\$1,756,628	100%	\$570,774	\$1,756,628	\$1,756,628	
14	2030 / 2031	\$20,297,333	\$20,297,333	11.813%	\$2,397,689	\$1,756,628	100%	\$641,062	\$1,756,628	\$1,756,628	
15	2031 / 2032	\$20,703,279	\$20,703,279	11.931%	\$2,470,099	\$1,756,628	100%	\$713,472	\$1,756,628	\$1,756,628	
16	2032 / 2033	\$21,117,345	\$21,117,345	12.050%	\$2,544,696	\$1,756,628	100%	\$788,069	\$1,756,628	\$1,668,796	
17	2033 / 2034	\$21,539,692	\$21,539,692	12.171%	\$2,621,546	\$1,580,965	90%	\$1,040,581	\$1,580,965	\$1,493,133	
18	2034 / 2035	\$21,970,486	\$21,970,486	12.292%	\$2,700,717	\$1,405,302	80%	\$1,295,415	\$1,405,302	\$1,317,471	
19	2035 / 2036	\$22,409,895	\$22,409,895	12.415%	\$2,782,279	\$1,229,639	70%	\$1,552,639	\$1,229,639	\$1,141,808	
20	2036 / 2037	\$22,858,093	\$22,858,093	12.540%	\$2,866,303	\$1,053,977	60%	\$1,812,327	\$1,053,977	\$966,145	
21	2037 / 2038	\$23,315,255	\$23,315,255	12.665%	\$2,952,866	\$878,314	50%	\$2,074,552	\$878,314	\$790,482	
22	2038 / 2039	\$23,781,560	\$23,781,560	12.792%	\$3,042,042	\$702,651	40%	\$2,339,391	\$702,651	\$614,820	
23	2039 / 2040	\$24,257,191	\$24,257,191	12.920%	\$3,133,912	\$526,988	30%	\$2,606,924	\$526,988	\$439,157	
24	2040 / 2041	\$24,742,335	\$24,742,335	13.049%	\$3,228,556	\$351,326	20%	\$2,877,231	\$351,326	\$263,494	
25	2041 / 2042	\$25,237,182	\$25,237,182	13.179%	\$3,326,059	\$175,663	10%	\$3,150,396	\$175,663	\$87,831	
26	2042 / 2043	\$25,741,926	\$25,741,926	13.311%	\$3,426,506	\$0	0%	\$3,426,506	\$0	\$0	

### Updated Sensitivity Analysis

Based on the above updated Methodology following actual performance we assess the hotel value. The “Brooklyn Hospitality Cap” is set to 6%-7% however the William Vale being the market leader and unique concept should be regarded with a better Rate. Therefore, we currently set the cap to 5.5% post COVID 19 due to location, concept, and the accelerated accomplished milestones of the “Path to Recovery” pattern. However due to supply return to pre-covid rates we assume the cap will be back to 6% by 2022 for this unique property.

	2021	2022	2023
<b>N.O.I</b>	<b>9,077,803</b>	<b>10,875,903</b>	<b>12,369,118</b>
<b>5.00%</b>	181,556,063	217,518,068	247,382,355
<b>5.25%</b>	172,910,537	207,160,065	235,602,242
<b>5.50%</b>	165,050,967	197,743,698	224,893,050
<b>5.75%</b>	157,874,838	189,146,146	215,115,091
<b>6.00%</b>	151,296,719	181,265,057	206,151,962
<b>6.25%</b>	145,244,851	174,014,455	197,905,884
<b>6.50%</b>	139,658,510	167,321,591	190,294,119
<b>6.75%</b>	134,485,973	161,124,495	183,246,189
<b>7.00%</b>	129,682,902	155,370,049	176,701,682

It is imperative to clarify that the table Values above consist outcome of the cash flow N.O.I of the specific year divided by the Cap (or multiply by the specific multiplier). The Value of the asset for each year, take in consideration only the cash flow of the same year and does not relate to future cash flows.

### Sensitivity Analysis – April 2021

Based on the following actual performance we assess the hotel value. Currently the cap is set to 7% post COVID 19 due to location and concept, should be 5.5%-6.0%.

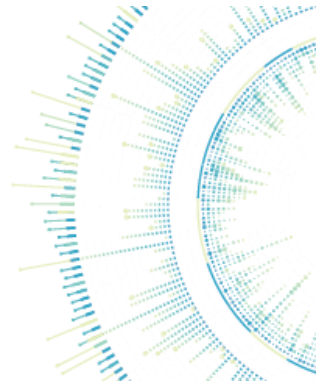
#### Cap rate of hotels industry trends:

HVS report for 2019 “Cap rates for high-performing limited- and select-service assets have hovered around the 5% mark, with capitalization rates on more upscale and luxury assets trending in the low single digits.” The COVID 19 effect is still vague, yet we assume a factor of additional 2 points will suffice to cover the COVID risk, pending complete return to “normal” by 2024. CBRE publish a flexible standard which provide an indication of 4%-7% for the William Vale Hotel.

	2019	2024	2029
<b>NOI</b>	<b>9,893,838</b>	<b>11,891,939</b>	<b>14,134,463</b>
<b>5.00%</b>	197,876,753	237,838,771	282,689,263
<b>5.50%</b>	179,887,957	216,217,064	256,990,239
<b>5.75%</b>	172,066,742	206,816,322	245,816,750
<b>6.00%</b>	164,897,294	198,198,976	235,574,386
<b>6.25%</b>	158,301,402	190,271,017	226,151,410
<b>6.50%</b>	152,212,887	182,952,901	217,453,279
<b>6.75%</b>	146,575,372	176,176,867	209,399,454
<b>7.00%</b>	141,340,538	169,884,836	201,920,902
<b>7.25%</b>	136,466,726	164,026,738	194,958,112
<b>7.50%</b>	131,917,835	158,559,181	188,459,508

## HOTEL SUMMARY

	CBD	SUBURBAN
OVERALL	▼ 1 BPS TO 7.99%	◄ 0 BPS TO 8.55%
LUXURY	▼ 4 BPS TO 7.01%	◄ 0 BPS TO 7.61%
FULL SERVICE	◄ 0 BPS TO 7.76%	▲ 2 BPS TO 8.28%
SELECT SERVICE	▼ 3 BPS TO 8.00%	▼ 2 BPS TO 8.50%
ECONOMY	▲ 1 BPS TO 9.22%	▲ 2 BPS TO 9.76%



CBRE cap rates for stabilized properties New York:

City	Cap rate for stabilized properties	Return on cost for value-add properties
New York	4.00%-5.00%	6.25%-7.50%

It is imperative that we believe we should be creative especially in times of extreme crises. Therefore, we set a special Cap for 2021 at 5.5% which will return to 6% for the years to follow. The hotel is the leader in ADR in Brooklyn STR report, yet occupancy was lower than comp set. Annex A - sensitivity analysis illustrate the ADR factor contribution to profit visa vi occupancy. The F&B revenue is very high and should boost the profit as well.

**Therefore, the updated conservative indicative Value is set to:**

**Current hotel value at US 165M cap of 5.5%, for the year 2021.**

Singed by Ayal Ben-Joseph, DBA  
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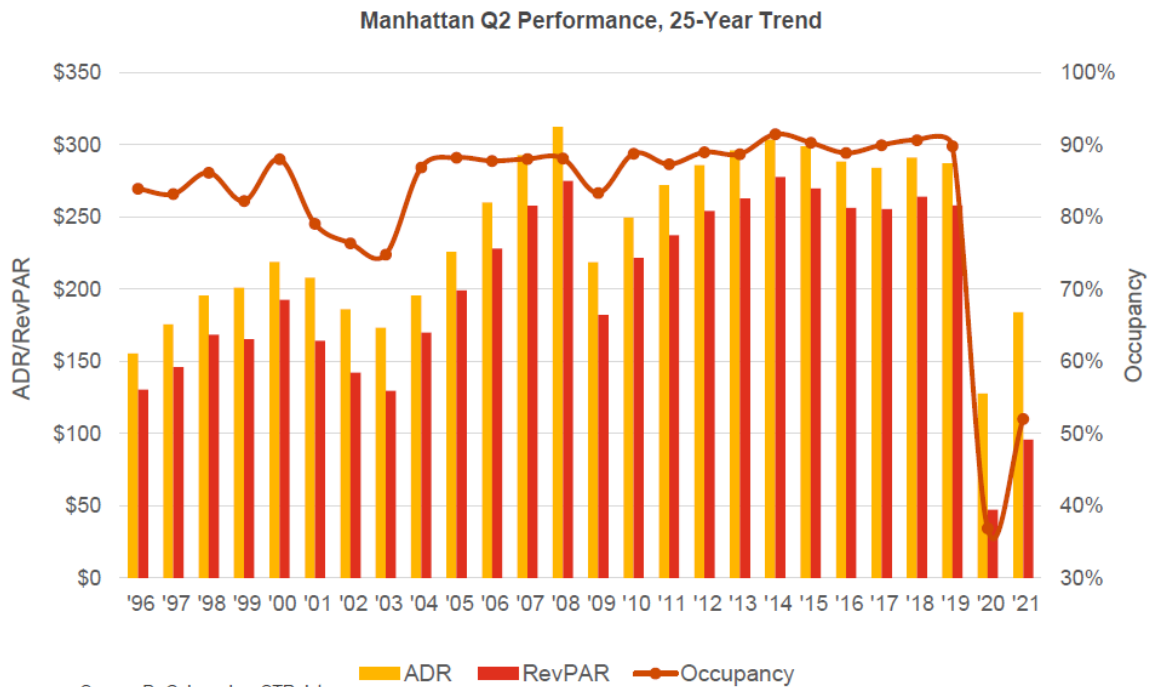
## Definition of Occupancy, ADR and Rev/Par

### New York published trends and tendencies

CBRE report of July 2021 state that the occupancy of New-York was set, for the first six months of 2021 to (TASE October 2021):

Occupancy 2021	
January	71.88%
February	55.33%
March	64.63%
April	74.45%
May	80.60%
June	85.93%

PWC report for the same period “....Of the four market classes tracked, luxury properties exhibited the most notable year-over-year increase in RevPAR to \$209.42 -up 584.9 percent for the quarter, driven by a 230.8 percent increase in occupancy from 12.9 percent in 2020 to 42.7 percent, and a 107.1 percent increase in ADR from \$236.72 to \$490.20. For upper upscale hotel properties, where occupancy grew by 26.9 percent and ADR experienced an increase of 32.4 percent, Q2 RevPAR finished the quarter up 68.0 percent to \$79.68.”



PwC Manhattan Lodging Index | Second Quarter 2021    2

The NY STR reports of August 31<sup>st</sup>, 2021, determine the following:

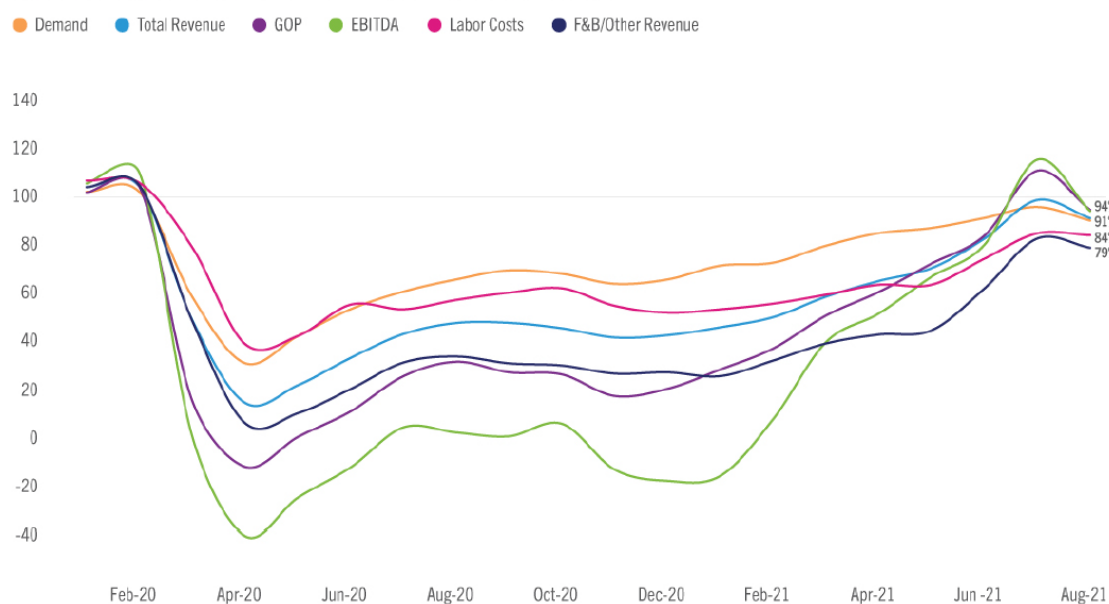
“In addition to total GOP estimates above July 2019, EBITDA came in at 116% of the pre-pandemic comparable. On a per-available-room basis, each of the key profitability metrics, aside from labor, came in higher than any month since February 2020.”

The September 30<sup>th</sup>, 2021, reports:

“August GOP was lower on a per-available-room basis as well as when indexed to the comparable month from 2019. **Estimated GOP was 111% of 2019 levels in July but just 94%**

**in August.** The only key profitability metric to increase month over month was labor per available room.”

Estimated Total U.S. Revenues and Profits – Indexed to 2019



Source: STRL © 2021 CoStar Group

“The week-over-week demand decline was the second of the past five weeks and the largest since the week before the Labor Day holiday. As anticipated, and despite the overall decrease, the 2019 demand index rose on easy comparisons due to the 2019 observance of Rosh Hashanah. For the month of September, we estimate that the industry sold 93% of the comparable 2019 room volume, which was up from 90% in August.”

Based on the above and the STR report below of Brooklyn we estimate that the William vale lost 7% of its occupancy in comparison to 2019 and set it at 69.9% for the year 2021. The unique location and positioning of the hotel, using a linear regression establish an ADR of 450.

### STR report – October 13<sup>th</sup>, 2021.

This is the major data base info we had to use at this stage, no actual P&L reports provided by the Hotel. The reports relate to Brooklyn only and for the five following hotels:

STR Code	Name of Establishment	City & State
61320	McCarren Hotel	Brooklyn, NY
62147	Wythe Hotel	Brooklyn, NY
64468	The Williamsburg Hotel	Brooklyn, NY
64539	The William Vale	Brooklyn, NY
67179	The Hoxton Williamsburg	Brooklyn, NY



The full report is annexed to this report.

Brooklyn, NY Selected Properties  
Job Number: 1291847\_SADIM Staff: GS Created: October 12, 2021

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Jan 21	38.4	-34.6	217.76	14.5	83.73	-25.1	31,155	-20.9	11,979	-48.2	2,608,509	-40.7	7	1,005	75.0
Feb 21	43.6	-35.0	230.93	8.2	100.71	-29.6	28,140	-20.9	12,272	-48.6	2,834,000	-44.3	7	1,005	75.0
Mar 21	48.5	88.8	234.33	8.5	113.62	105.0	31,248	-20.6	15,152	49.9	3,550,509	62.7	7	1,008	75.1
Apr 21	57.8		270.04		155.97		30,480		17,605		4,754,037		7	1,016	75.3
May 21	63.2		329.84		208.34		31,589		19,953		6,581,328		7	1,019	81.6
Jun 21	76.4	35.9	359.20	86.2	274.26	153.2	30,570	75.4	23,341	138.4	8,383,994	344.0	7	1,019	75.4
Jul 21	73.8	167.0	391.97	30.6	289.44	248.7	31,651	0.0	23,372	167.0	9,161,202	248.7	7	1,021	81.7
Aug 21	75.2	99.2	329.72	6.7	247.79	112.5	39,370	24.4	29,588	147.8	9,755,675	164.4	8	1,270	65.7
Average	59.6	53.6	295.47	25.8	184.23	94.1	31,775	6.2	19,158	67.7	5,953,657	122.5	7	1,045	75.6

The Complex three profit generators are Rooms, Food and Beverage and spaces to let.

### Rooms:

The table above illustrates the rapid growth in this sub segment. During the year 2021 till August 2021 the market supply has increased by 6.2% however the demanded increased by 67.7%. The general Brooklyn market occupancy increased by 53% and ADR by 25%.

It is imperative to understand that by local regulation obtaining a new permit for a new hotel to increase the supply, in Brooklyn in the next few years will be very difficult.

By a simple linear regression method, we assessed that the William Vale complex has implemented the same strategy used by 2020 for 2021, being a unique COVID 19 “years”. The strategy main objective was to farther increase the ADR taking in consideration the “price” to pay in occupancy.

Category	Occupancy		ADR		RevPar	
	Year	% Chg	Year	% Chg	Year	% Chg
TWV 2020	36.3		333.31		120.87	
Comp 2020	31.1		218.44		68.40	
TWV 2021	69.6	91.6%	450.85	35.3%	325.56	169.3%
Comp 2021	59.6		295.47		184.23	

We determine that the hotel will have occupancy rate of 69.6% and ADR of 450.85, Rev/Par of 325.56 by the end of 2021. The implication for the property N.O.I is significant and set the hotel at 12% lower than 2019. The third quarter (which the STR does not cover) of 2021 we regarded as a continuation of the last 8 month. Though September and October are traditionally strong months.

### Food & Beverage

We do have the P&L statement of March 2021, the actual revenue was 1.9 M visa vi 0.41 M in the forecast of the Hotel operation. We estimate that since the hotel F&B operation returned to normal by April 2021 the revenue for 2021 should be about 85% of 2019 which was almost 19 M. Therefore, we set the F&B revenue for the 2021 to be 16.1 M.



## Rent Roll

The operator set the rent roll for 2021 at 2.7 we estimated while assessing the hotel by April 2021 that the rent roll for 2021 will be 1.46 M. Being conservative and since we do not have any other indication, we kept the forecast at the same level as per April 2021 prognoses. See rent roll and forecast pages 19-20 below.

The rent income contributes to the N.O.I as follows:

year	2019	2020	2021	2022	2023	2024	2025
Rent/N.O.I	14.7%	21829.6%	16.1%	13.4%	20.1%	18.9%	18.1%

## Complex final indicators:

It is our assessment that the hotel variables for the year 2021 are:

- Occupancy – 69.9%

Occupancy (%)		
	Total Year	Aug YTD
2018	73.7	72.7
2019	75.7	74.0
2020		
2021		61.4
Avg	74.8	69.1

- ADR – USD 450.85 (please allow cautious with our ADR assumption. It seems to be high however due to the lower occupancy it is coherent with the STR report)

ADR (\$)		
	Total Year	Aug YTD
2018	311.29	309.11
2019	303.06	289.96
2020		
2021		292.75
Avg	306.70	296.26

- **Rev/PAR – USD 314** this is the best parameter to use for comparison taking both occupancy and ADR in consideration

RevPAR (\$)		
	Total Year	Aug YTD
2018	229.33	224.86
2019	229.48	214.48
2020		
2021		179.81
Avg	229.41	204.62

- Office rent – 1.46M per annum (as per projected rent income for the period)
- F&B – Revenue is set to 16.11 M (all outlets operate and running, most F&B revenue generators are from Brooklyn and New-York, hence accelerate rate of recovery. Being conservative please note that we set 2019 with F&B profit of almost 11% which should be 12%-18%.

Therefore, we calculate the N.O.I for a **typical** (visa vi the current one) **operating entity** to be – USD 9,077,803

The table (Page 7) of the five years forecast submitted by April 14<sup>th</sup>, 2021, set year 2022 to be at this stage. Therefore, it is reasonable to assume that the Complex actual performance supersedes the project timeline by 18 months.

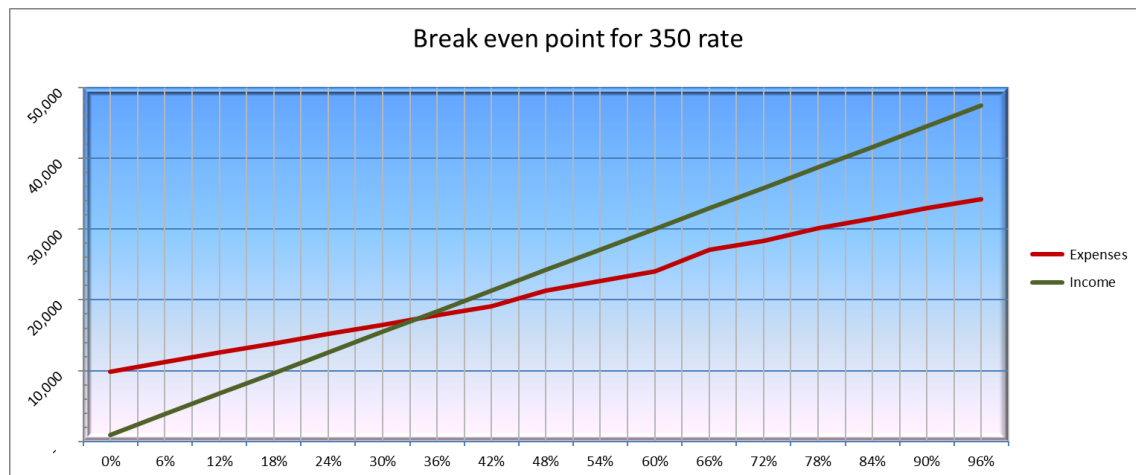
Based on the STR report and the actual financial results of Brooklyn we estimate the triggers being:

- ✚ Decrease of Hotels supply.
- ✚ Rapid increase of demand since January 2021, mostly of domestic national markets. (F.I.T) while competition diminish to allow growth in ADR.
- ✚ Return of the local market for F&B outlets of the Hotel.
- ✚ **Slow** return of renters to the Complex.
- ✚ **Hotel** strategy

### Hotel Operational Strategy:

Based on the 2017, 2018, 2019, 2020 and 2021 reports submitted to our review the general indication of high increase of ADR while keeping moderate growth in occupancy seems to be the correct implementation on behalf of the Hotel Management.

As one can see **Increase of ADR contributes directly to delta and the profit**, increase of occupancy has a significant implication on expenses as well and does not necessary impact the profit due to increase of variable cost as well.



We do this is the correct approach implemented properly at the William Vale Hotel.

## Hotel P&L reports

### Annex 1 – 2019 Rooms division (including rent):

Estimated net profit to the owners is set to almost US 10M per annum.

Please note that Management fees should be 3% of revenue not 11.66% which eventually creates a negative net income of US 3.8M instead of negative net income of US 2.1M.

Other income which should be included in the income part above is the only “income” placed in this section. It is misleading in first glance and seems to be premeditated.

### Annex 2 – 2019 Food & Beverage division P&L:

The total sum of Fixed Charges & Other expenses includes two lines accumulating to 12% of F&B revenue.

Preferred Return	1,137,682	6.00%
Management Fee	1,137,660	6.00%

We estimate that F&B should provide about US 2M net operating income. The term “preferred return” is stipulated in one contract; however, it is not clear how it was calculated and due to a loan amount at a sum of? We do know that the sum registered, is 6% of F&B revenue. Management fee at 6% of revenue is extremely high. It is not the common practise of the industry. The common practise should be 1.5%-3% of revenue and incentive fee 5%-10% of GOP.

## Rent Roll 2019

Lessor	Lessee		Annual rent 2019	Annual rent 2018	Annual rent 2017
Wythe Berry LLC	The William Vale Hotel LLC	Retail	\$ 10,000,000.00	\$ 9,999,999.96	\$ 10,000,000.00
Wythe Berry LLC	The William Vale FNB LLC/Basement storage	Retail	\$ 53,181.24	\$ 52,138.44	\$ 51,116.10
Wythe Berry LLC	WD49 LLC	Retail	\$ 63,424.95	\$ 53,258.56	\$ 33,161.04
Wythe Berry LLC	Everlane	Retail	\$	\$ 44,000.00	\$ 10,000.00
Wythe Berry LLC	All Wise LLC	Retail	\$ 144,996.00	\$ 84,581.00	
Wythe Berry LLC	Suit Supply	Retail	\$ 356,319.96	\$ 237,546.64	
Wythe Berry LLC	Kamp Grizzly	Office		\$ 130,950.00	
	Northside Media	Retail		\$ 14,000.00	
	The Museum Company, LLC	Retail		\$ 100,000.00	
	13 Rattles, Inc.	Retail		\$ 14,000.00	
	Nostrand Wines Liquors	Office		\$ 5,000.00	
Wythe Berry LLC	EXR NY	Office	\$ 83,500.00	\$ 44,000.00	
Wythe Berry LLC	NYSF	Office	\$ 590,333.33		
Wythe Berry LLC	Zumper	Office	\$ 47,900.00		
Wythe Berry LLC	Williamsburg Therapy Group	Office	\$ 36,193.52		
<b>TOTAL</b>			<b>\$ 11,375,849.00</b>	<b>\$ 10,779,474.60</b>	<b>\$ 10,094,277.14</b>

The operator forecast for 2020 was \$ 11,976,774 and for 2021 \$ 12,778,313. We set the Rent Roll, without the Hotel, benchmark on running average, of cash flow protection provided by an independent surveyor. Set at \$ 2,488,000 for stabilized year.

According to the same report no major refurbishment is needed or allocated for that purpose. Following a copy of their notes:

Notes:

[1] Sizes were provided by the Client.

[2] Williamsburg Therapy Group leased three units on the 5th floor. Rental payment increase by 3% annually. Tenant pays prorata share of expenses. According to information provided by the Client, tenant has been paid 50% of the rent for the first two units between April and August 2020, with the balance to be paid over 12 months beginning January 2021. In addition, tenant has not taken possession of 3rd unit since it was ready in August 2020 and has requested abatement on that unit until April 2021.

[3] EXR signed a 5-year lease in 2019. Rental rate is flat during the two initial lease year, followed by 3% annual increases. Tenant pays prorata share of expenses. According to information provided by the Client, tenant deferred rent payments between April and July 2020, to be paid over 18 months between November 2020 and April 2022.

[4] Dadi Kit signed a 5-year lease in September 2019. Initial lease year rent is \$68/SF; rent increases 3% annually. Tenant pays prorata share of expenses. According to information provided by the client, tenant has been paying rent during COVID.

[5] NK Dental (Boe Tie Dental) signed a 15-year lease in December 2019. Rent is flat at \$40/SF during the three initial lease years, increases to \$55/SF in during the forth lease year, and annually by 5% during the fifth lease year and by 4% annually starting the sixth lease year. Tenant pays prorata share of expenses. According to information provided by the client, tenant has been paying rent during COVID.

[6] CORE Foods signed a 5-year lease in September 2019. Rent increases by 3% annually. Tenant pays prorata share of expenses. According to information provided by the client, tenant has been paying rent during COVID.

[7] Impact Equities signed a 3-year lease in October 2020. Rent increases by 3% annually. Tenant pays prorata share of expenses. Tenant has a 5-year renewal option with 3% annual rent increases.

[8] New York Studio Factory leases the two upper office floors; they sublease office space to artists. The tenant signed a 30-year lease with a rental rate of \$70,000/month (\$48/SF) during the first three lease years, increases by 12% in year 4 and by 3% annually thereafter. Tenant pays prorata share of expenses. Tenant received four free months and \$1,094,000 of TI. According to information provided by the client, tenant has not been able to pay rent since 2Q 020, and is in discussions to surrender for both floors.

Forecast of 2021 done by the operator can also provide an indication for rent roll.

**2021**

	January	February	March	April	May	June	July	August	September	October	November	December	Total
FNB Storage	\$ 4,565	\$ 4,565	\$ 4,565	\$ 4,565	\$ 4,565	\$ 4,565	\$ 4,565	\$ 4,656	\$ 4,656	\$ 4,656	\$ 4,656	\$ 4,656	\$ 55,330
All-Wise	\$ 12,083	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 204,583
Suit Supply	\$ 46,396	\$ 46,396	\$ 46,396	\$ 46,396	\$ 46,396	\$ 46,396	\$ 46,396	\$ 46,396	\$ 47,788	\$ 47,788	\$ 47,788	\$ 47,788	\$ 562,317
DUs													\$ -
EXR	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,240	\$ 8,240	\$ 8,240	\$ 8,240	\$ 8,240	\$ 8,240	\$ 8,240	\$ 97,680
WTG	\$ 14,884	\$ 14,884	\$ 14,884	\$ 14,884	\$ 14,884	\$ 14,884	\$ 14,884	\$ 14,884	\$ 15,330	\$ 15,330	\$ 15,330	\$ 15,330	\$ 180,388
Dadi Inc	\$ 11,989	\$ -	\$ 11,989	\$ 11,989	\$ 11,989	\$ 11,989	\$ 11,989	\$ 11,989	\$ 11,989	\$ 11,989	\$ 11,989	\$ 11,989	\$ 131,874
CORE Foods	\$ 9,199	\$ 9,475	\$ 9,475	\$ 9,475	\$ 9,475	\$ 9,475	\$ 9,475	\$ 9,475	\$ 9,475	\$ 9,475	\$ 9,475	\$ 9,475	\$ 113,426
Bow Tie Dental	\$ 6,847	\$ 6,847	\$ 6,847	\$ 6,847	\$ 6,847	\$ 6,847	\$ 6,847	\$ 6,847	\$ 6,847	\$ 6,847	\$ 6,847	\$ 6,847	\$ 82,160
NYSF	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 78,400	\$ 78,400	\$ 78,400	\$ 78,400	\$ 873,600
Overall Murals	\$ 20,000	\$ 20,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 41,200	\$ 41,200	\$ 41,200	\$ 443,600
Impact Equities	\$ 2,609	\$ 2,795	\$ 2,795	\$ 2,795	\$ 2,795	\$ 2,795	\$ 2,795	\$ 2,795	\$ 2,795	\$ 2,795	\$ 2,795	\$ 2,795	\$ 33,356
													\$ 2,778,313

### Annex 3 - 2020 Rooms division (including rent):

The operator should charge management fees rated by the common practice of the industry. Hence the hotel would break-even. For some reason Brooklyn as a separate district, occupancy and ADR had a major effect due to the COVID 19 yet not as deep as it was in the other districts of New-York city. However, the rent payment of US 10,000,000 contributes to the actual loss of the hotel. Rent payment reduced to 960,000.

### Annex 4 – 2020 Food & Beverage division P&L:

The total sum of Fixed Charges & Other expenses includes two lines accumulating to 11.89% of F&B revenue.

Preferred Return	379,399	5.89%
Management Fee	386,376	6.00%

We estimate that F&B should have a loss of about US 75,000 which set the hotel in a proper way to continue operation yet will not pay any rent fees. However, we should understand the New-York "COVID 19 Hotel Compensation" of the state, to calculate exactly how much the operator received.

Same as 2019, the term “preferred return” ditto 2019 above. Management fee at 6% of revenue is extremely high. It is not the common practise of the industry. The common practise should be 1.5%-3% of revenue and incentive fee 5%-10% of GOP.

The depreciation of Circa US 10,000 will not suffice for anything. As stipulated in the contract the sum equal to 4% of revenue both Rooms and F&B with a cap of 4M should be for the use of the owners at the end of year. In our calculation an allowance was made accordingly.

## Site Inspection

The site inspection was done by March 17<sup>th</sup> till March 21<sup>st</sup>, 2021. Due to limited access to the facilities of the complex we had to make some assumptions. We did not have access to any new reports, nor did we get the cash flows, budgets, plans of the hotels or any other necessary documentation.

The occupancy tax is deducted from the ADR directly, only property tax is included. Please see annex A for explanation of the occupancy tax. This issue needs to be addressed in the future since we have no reports of cash flow, we cannot provide the exact sums or assess any implications.

**Office and commercial areas** – after site inspection and the status of the offices and commercial areas, we set the rent income on US 2.488M per annum for a stabilized year. The assumption is based on the independent survivor report and Hotel submitted forecast for the year 2021. Currently the offices are almost completely vacant. The commercial areas seem to be mostly empty as well though it seems one more major tenant is due in shortly.

## Rooms:

Room size as a standard is about 260 SF gross. 20 suites are more than double in size. The rooms relatively small by size yet functional. The room is missing a table which can be flattened on the wall to be used when needed. No coffee/tea kit was provided in some rooms. However, all low voltage system function same as mechanical systems and plumbing. A check was done on several floors and rooms no suites were available during the inspection to be checked. We assume the findings will be similar. No major PIP activity seems to be necessary at this stage.

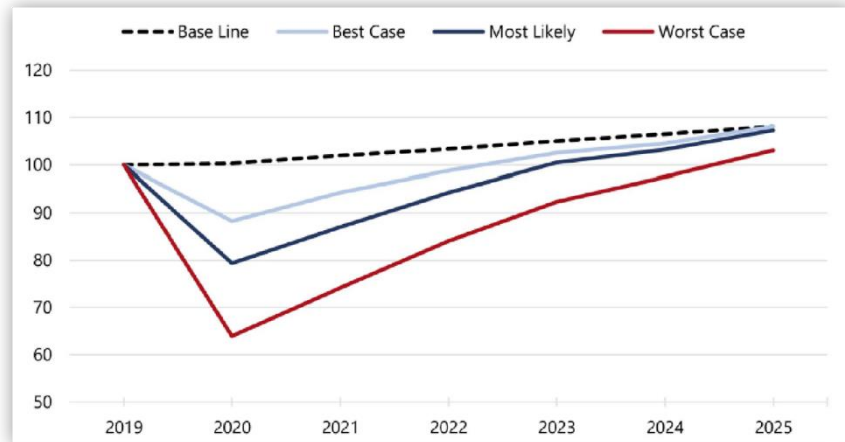
## F&B:

Due to the COVID 19 effect F&B activity is set to the main restaurant and the Westlight roof top Bar. During the inspection time both seems to be very hectic and full volume operation. Service is of high quality so is the food. The Kitchen are well designed and provide fast and Good working environments. The banquet area is sufficient for its needs, no major events during the inspection yet the venue is impressive and will provide high turnover in regular times.

## The Path to recovery:





Current status is still vague, yet the vaccination will provide a cure to this pandemic in the near future, which will enable the industry to get back on track and commence a slow return to past performance. The hotel will need to implement a full COVID 19 operation as per regulation. As per HVS assumption the industry will recover in due time.

Based on current vaccination rate it seems we are on “the red line”. i.e. by 2024 it is expected to be back in line with 2019.



## Brooklyn Market overview (Source HVS):

### Transportation:

-  There are several options for transportation by car from Brooklyn to Manhattan. The quickest routes include those via either the Queens Midtown Tunnel in Long Island City to the north, or the Williamsburg Bridge. The Brooklyn Queens Expressway (BQE / I-278) provides Highway access through Brooklyn and Queens and continues to the Bronx, and it also connects to the Long Island Expressway (LIE / I-495) to Long Island.
-  Williamsburg is served by the L, J, M, Z and G train lines. All lines, but the G train, provide access into Manhattan. The L train is one of the most popular lines serving nearly 250,000 passengers a day.
-  Numerous MTA bus routes serve the neighborhood. Williamsburg is served by the B32, B62, B39, B60, B54, B46, B48, B43, and B48.
-  The nearest major airports are LaGuardia Airport (7.2 mi.) and John F. Kennedy International Airport (13.9 mi.) followed by Newark Liberty International Airport (25.4).

### Market:

Brooklyn is renowned not simply for the Brooklyn Bridge, but also for its innovation economics, arts, and eclectic neighbourhoods. Expansive commercial and residential development projects have created a new façade for this multi-faceted New York City borough. Its convenience to Manhattan, opportunities for redevelopment/adaptive reuse, and diversity of neighbourhoods have bolstered Brooklyn's appeal to entrepreneurs and business enterprises, as well as residents seeking relocation. The myriad of dining, shopping, entertainment venues, and attractions, plus the ease of access to/from Manhattan and the areas three major airports, have also been instrumental in boosting Brooklyn's popularity with domestic and international leisure travelers.



The borough benefits from economic diversification, with the healthcare sector as a major employer, and the technology industry playing an increasingly key role in the local economy. Technological advancements have continued to foster growth in many related subsectors and breathe new life into the manufacturing industry, primarily driven by the Brooklyn Tech Triangle that comprises Downtown Brooklyn, DUMBO (Down Under the Manhattan Bridge Overpass) and Brooklyn Navy Yard. MetroTech Center, situated in the heart of Downtown Brooklyn, attracts a variety of businesses from start - up companies to established entities such as Magellan Health, which opened a new office at the center in May 2019. According to the Center for an Urban Future, Brooklyn has experienced a 356% growth rate in tech - enabled start - up companies since 2008 as one of the major U.S. technology hubs, ranking second to that of San Francisco. The revitalization of Brooklyn Bridge Park area has also established the waterfront neighborhood as a desirable location for businesses. The Jehovah' s Witness World Headquarters relocated from Brooklyn Heights to Warwick, New York in 2017, enabling the adaptive reuse of the renowned Watchtower and corresponding former headquarters buildings into mixed - use developments featuring upscale office towers. Moreover, the 35 - acre Industry City in Sunset Park houses businesses that further contribute to the borough's technology, design services, and manufacturing industries.

#### Brooklyn Hotels supply 2019 (HVS report)

BROOKLYN	OCCUPANCY	ADR
Upper-Midscale to Upscale	Mid-80s	Low 170s
Upper-Upscale to Luxury	Low-80s	Low 200s, Upper 300s to Low 400s
New supply that opened: 2018 through YTD August 2019	772 rooms	
New supply: currently under construction	Approx. 1,230 rooms	
Tourist Attractions	Brooklyn Bridge, Brooklyn Bridge Park, Brooklyn Botanic Garden, Brooklyn Children's Museum, Brooklyn Museum, Downtown Brooklyn, Green-Wood Cemetery, Greenpoint, Prospect Park, and Williamsburg; Brooklyn offers convenience and ease of transit to/from Manhattan.	



Liveability remains a focus of the local officials. The importance of green space is evident in the adaptive reuse projects along the Brooklyn waterfront areas. The six-pier redevelopment at the 85-acre Brooklyn Bridge Park and the creation of the six-acre Domino Park, in addition to well-established urban parks such as Prospect Park and McCarren Park, offer an abundance of green space and outdoor recreational areas for the community and visitors. The ongoing revitalization of post-industrial neighbourhoods, such as Williamsburg and Greenpoint, have produced popular retail, dining, and nightlife venues along major commercial corridors such as Wythe Avenue, Bedford Avenue, and Metropolitan Avenue. Meanwhile, DUMBO has undergone major gentrification, where former warehouses have been revamped into independent shops, cafés, artist workspaces, and loft-style residences. The surrounding neighborhoods of Boerum Hill, Carroll Gardens, Cobble Hill, and Park Slope also feature a plethora of individualistic shops and restaurants, each area with its own different ambience.

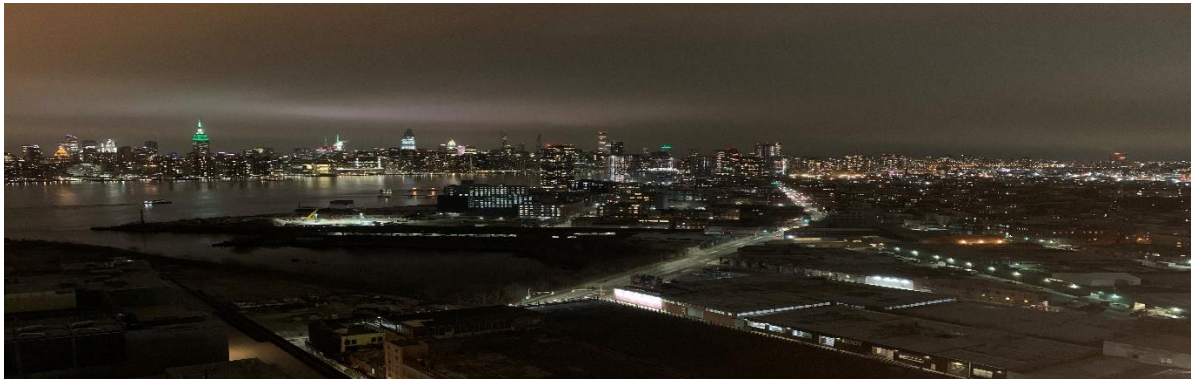
### Brooklyn Bridge Park





Continued growth within the borough has contributed to an influx of new supply in the past several years. Upscale lifestyle hotels have sprouted, boasting décor and amenities that complement the local community flair. The 185-key 1 Hotel Brooklyn Bridge boasts sustainability-inspired designs and breath-taking views of the East River and Manhattan. The William Vale in Williamsburg features 183 guestrooms and select public areas that offer expansive, panoramic views of the surrounding boroughs. In August 2019, the 187-key Hotel Indigo Williamsburg-Brooklyn opened along Metropolitan Avenue, featuring scenic city views. Hotel performance has remained relatively stable in light of the additional guestroom inventory. Leisure and tourism demand have softened in recent years given the vast amount of new supply in Manhattan. Recent changes, however, are anticipated to help alleviate some of the room-night loss.

In December 2018, the New York City Council adopted a zoning amendment requiring a special permit for either the development of or the conversion to a transient. hotel in M1 (manufacturing) districts, thereby placing strict limitations on hotel development. Moreover, Local Law 50 recently expired. The law had placed a moratorium on the conversion (of more than 20% of the floor area) of lodging facilities with 150+ guestrooms to non-hotel uses such as permanent housing. As such, a modest reduction in hotel rooms is anticipated for the future, which is expected to help offset some of the new supply.



## STR Reports

### Market Summary 2019

#### Market Summary

	Occupancy								Supply			
	Cur Mo	% Chg	YTD	% Chg	R3 Mo	% Chg	R12 Mo	% Chg	Month % Chg	YTD % Chg	R3 Mo % Chg	R12 Mo % Chg
The William Vale	77.7	18.0	77.8	0.5	78.3	1.5	77.8	0.5	0.0	0.0	0.0	0.0
Market: New York, NY	88.5	1.2	86.2	-1.1	88.7	-0.4	86.2	-1.1	4.5	3.8	4.3	3.8
Market Class: Upper Upscale Class	88.8	1.1	85.8	-0.6	89.2	-0.4	85.8	-0.6	2.1	2.1	2.3	2.1
Submarket: East River - Queens/Brooklyn West, NY	84.6	5.1	83.4	0.8	85.6	1.1	83.4	0.8	9.2	7.6	9.4	7.6
Submarket Scale: Independents	80.7	5.8	80.0	0.6	83.0	2.6	80.0	0.6	6.6	7.6	5.1	7.6
Comp Set: Competitors	84.3	-0.2	84.7	2.7	87.0	0.2	84.7	2.7	0.0	-0.1	0.0	-0.1

	Average Daily Rate								Demand			
	Cur Mo	% Chg	YTD	% Chg	R3 Mo	% Chg	R12 Mo	% Chg	Month % Chg	YTD % Chg	R3 Mo % Chg	R12 Mo % Chg
The William Vale	354.63	3.2	362.06	-1.0	364.06	-1.9	362.06	-1.0	18.0	0.5	1.5	0.5
Market: New York, NY	303.24	0.0	255.16	-2.4	289.80	-3.7	255.16	-2.4	5.8	2.6	3.8	2.6
Market Class: Upper Upscale Class	335.30	1.4	280.72	-2.6	319.76	-3.1	280.72	-2.6	3.2	1.5	1.9	1.5
Submarket: East River - Queens/Brooklyn West, NY	192.71	-1.9	191.66	-0.3	200.13	-3.1	191.66	-0.3	14.8	8.5	10.6	8.5
Submarket Scale: Independents	220.25	-2.7	223.12	-1.0	231.84	-3.0	223.12	-1.0	12.7	8.3	7.8	8.3
Comp Set: Competitors	399.98	2.1	358.88	-1.0	397.98	-2.1	358.88	-1.0	-0.2	2.5	0.2	2.5

	RevPAR								Revenue			
	Cur Mo	% Chg	YTD	% Chg	R3 Mo	% Chg	R12 Mo	% Chg	Month % Chg	YTD % Chg	R3 Mo % Chg	R12 Mo % Chg
The William Vale	275.49	21.8	281.76	-0.5	285.07	-0.4	281.76	-0.5	21.8	-0.5	-0.4	-0.5
Market: New York, NY	268.39	1.2	220.06	-3.5	256.92	-4.1	220.06	-3.5	5.8	0.2	0.0	0.2
Market Class: Upper Upscale Class	297.70	2.6	240.85	-3.1	285.17	-3.5	240.85	-3.1	4.7	-1.1	-1.2	-1.1
Submarket: East River - Queens/Brooklyn West, NY	162.95	3.1	159.89	0.6	171.41	-2.0	159.89	0.6	12.6	8.2	7.2	8.2
Submarket Scale: Independents	177.79	2.9	178.41	-0.4	192.51	-0.5	178.41	-0.4	9.7	7.2	4.5	7.2
Comp Set: Competitors	337.20	1.9	303.89	1.7	346.13	-1.9	303.89	1.7	1.9	1.6	-1.9	1.6

By the year 2019 the hotel performance was yelling his competitors with occupancy of 77.4% comp set at 84.3. ADR of 354.63 comp set at 399.98 and Rev/PAR of 275.49 comp set at 337.20. As per STR reports of 2020 and 2021 the trend reversed, and the hotel supersede the Comp Set by far, both in Occupancy and ADR which prevail to 5.5% Cap for 2021. It is our conclusion that should the owner placed an international brand or management the situation would be better. Especially due to that fact that by now we know that the operational costs will be lower.

#### STR 2019 Comp Set

Comp Set 1	STR#	Property Name	Room Count	Open Date	City	State
	25564	11 Howard	207	02/1992	New York	NY
	58856	The Standard East Village	144	12/2008	New York	NY
	59549	The NoMad Hotel	168	04/2012	New York	NY
	61811	Hotel Indigo Lower East Side New York	294	11/2015	New York	NY
	63754	Thompson Hotels The Beekman Hotel	287	09/2016	New York	NY
	65394	1 Hotel Brooklyn Bridge	195	02/2017	Brooklyn	NY
	64539	The William Vale	183	08/2016	Brooklyn	NY

## Occupancy, ADR, Rev/PAR

### Occupancy

### Averages

	Year To Date		
	2017	2018	2019
Occupancy			
My Property	74.7	77.4	77.8
Comp Set	74.2	82.5	84.7
Index (Comp Set)	100.6	93.9	91.9
Industry	75.1	79.5	80.0
Comp Set Rank	5/7	6/7	7/7

	Year To Date		
	2017	2018	2019
Occ % Chg			
My Property	50.6	3.7	0.5
Comp Set	6.7	11.1	2.7
Index (Comp Set)	41.2	-6.7	-2.1
Industry	-4.7	5.9	0.6
Comp Set Rank	2/6	4/7	4/7

### ADR

### Averages

	Year To Date		
	2017	2018	2019
ADR			
My Property	326.84	365.84	362.06
Comp Set	342.60	362.39	358.88
Index (Comp Set)	95.4	101.0	100.9
Industry	216.04	225.48	223.12
Comp Set Rank	6/7	4/7	4/7

	Year To Date		
	2017	2018	2019
ADR % Chg			
My Property	-5.3	11.9	-1.0
Comp Set	-0.2	5.8	-1.0
Index (Comp Set)	-5.2	5.8	-0.1
Industry	14.5	4.4	-1.0
Comp Set Rank	4/6	2/7	3/7

### RevPAR

### Averages

	Year To Date		
	2017	2018	2019
RevPAR			
My Property	244.04	283.18	281.76
Comp Set	254.34	298.81	303.89
Index (Comp Set)	96.0	94.8	92.7
Industry	162.14	179.17	178.41
Comp Set Rank	5/7	4/7	5/7

	Year To Date		
	2017	2018	2019
RevPAR % Chg			
My Property	42.6	16.0	-0.5
Comp Set	6.5	17.5	1.7
Index (Comp Set)	33.9	-1.2	-2.2
Industry	9.2	10.5	-0.4
Comp Set Rank	2/6	3/7	4/7

## Market Summary 2020 The COVID 19 effect

### Market Summary

	Occupancy								Supply			
	Cur Mo	% Chg	YTD	% Chg	R3 Mo	% Chg	R12 Mo	% Chg	Month % Chg	YTD % Chg	R3 Mo % Chg	R12 Mo % Chg
The William Vale	32.8	-57.6	36.3	-53.3	32.7	-58.0	36.3	-53.3	0.0	-16.4	0.0	-16.4
Market: New York, NY	35.8	-59.5	46.6	-45.9	36.6	-58.7	46.6	-45.9	-29.7	-24.7	-30.1	-24.7
Market Class: Upper Upscale Class	22.9	-74.3	38.1	-55.6	23.2	-74.0	38.1	-55.6	-33.5	-31.9	-35.2	-31.9
Submarket: East River - Queens/Brooklyn West, NY	42.5	-49.8	53.7	-35.5	45.4	-46.9	53.7	-35.5	-8.7	-4.1	-8.6	-4.1
Submarket Scale: Independents	44.0	-45.6	52.8	-33.7	46.3	-44.0	52.8	-33.7	-9.7	-6.3	-7.6	-6.3
Comp Set: Competitors	12.9	-84.6	31.1	-62.8	18.0	-79.0	31.1	-62.8	-14.4	-31.8	-14.4	-31.8

	Average Daily Rate								Demand			
	Cur Mo	% Chg	YTD	% Chg	R3 Mo	% Chg	R12 Mo	% Chg	Month % Chg	YTD % Chg	R3 Mo % Chg	R12 Mo % Chg
The William Vale	329.62	-9.4	333.31	-9.3	345.98	-8.1	333.31	-9.3	-57.6	-61.0	-58.0	-61.0
Market: New York, NY	130.16	-57.0	151.60	-40.3	132.68	-54.1	151.60	-40.3	-71.5	-59.3	-71.1	-59.3
Market Class: Upper Upscale Class	152.47	-54.2	179.30	-35.9	154.76	-51.3	179.30	-35.9	-82.9	-69.8	-83.2	-69.8
Submarket: East River - Queens/Brooklyn West, NY	121.54	-37.0	129.95	-31.9	126.30	-36.8	129.95	-31.9	-54.2	-38.1	-51.4	-38.1
Submarket Scale: Independents	150.76	-32.0	155.38	-30.5	158.21	-32.1	155.38	-30.5	-50.9	-37.8	-48.2	-37.8
Comp Set: Competitors	194.22	-48.0	218.44	-32.0	195.62	-46.6	218.44	-32.0	-86.8	-74.6	-82.1	-74.6

	RevPAR								Revenue			
	Cur Mo	% Chg	YTD	% Chg	R3 Mo	% Chg	R12 Mo	% Chg	Month % Chg	YTD % Chg	R3 Mo % Chg	R12 Mo % Chg
The William Vale	108.13	-61.6	120.87	-57.6	113.19	-61.4	120.87	-57.6	-61.6	-64.6	-61.4	-64.6
Market: New York, NY	46.59	-82.6	70.69	-67.7	48.58	-81.0	70.69	-67.7	-87.8	-75.7	-86.7	-75.7
Market Class: Upper Upscale Class	34.93	-88.2	68.33	-71.6	35.88	-87.4	68.33	-71.6	-92.2	-80.6	-91.8	-80.6
Submarket: East River - Queens/Brooklyn West, NY	51.60	-68.4	69.81	-56.1	57.39	-66.5	69.81	-56.1	-71.1	-57.9	-69.3	-57.9
Submarket Scale: Independents	66.29	-63.0	82.04	-53.9	73.24	-62.0	82.04	-53.9	-66.6	-56.8	-64.9	-56.8
Comp Set: Competitors	25.06	-92.0	68.04	-74.7	35.24	-88.8	68.04	-74.7	-93.1	-82.7	-90.4	-82.7

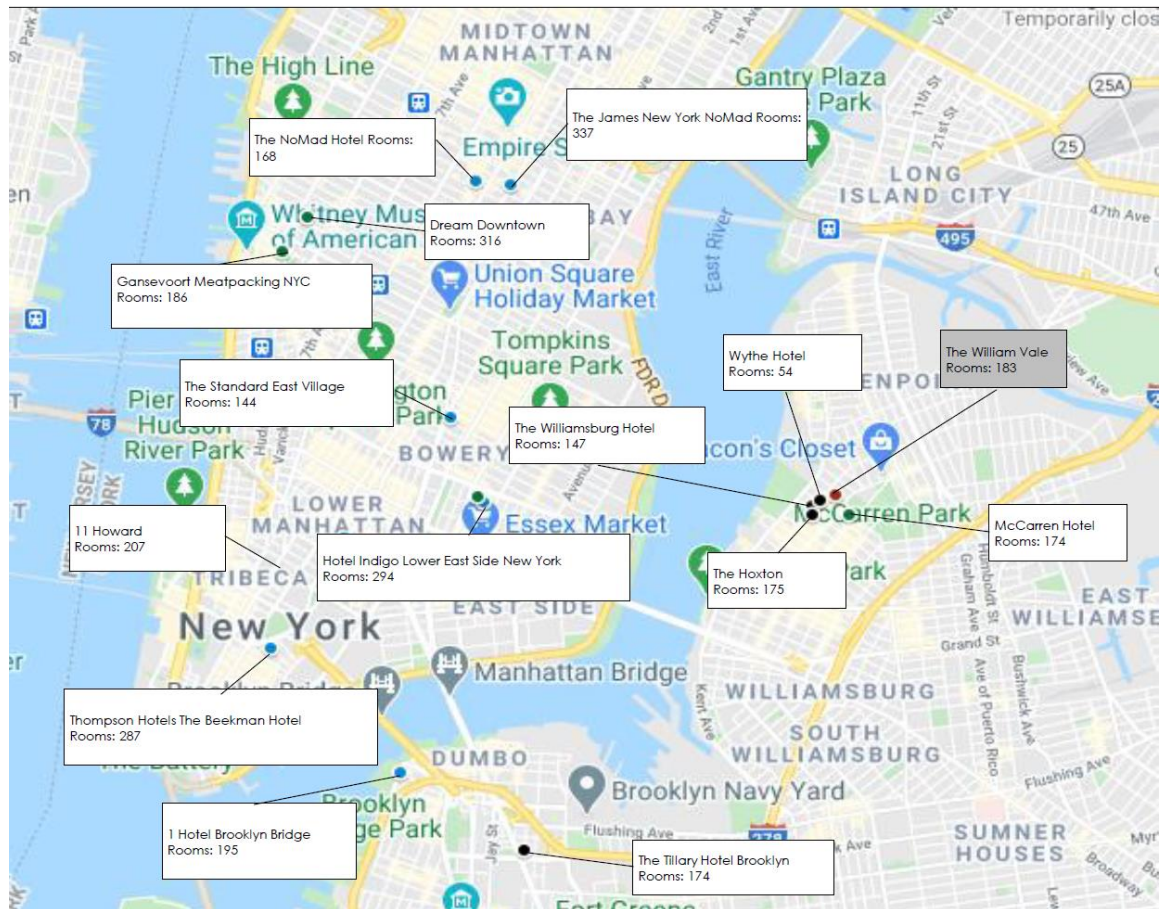
By the year 2020 something occurred in Brooklyn. The hotel performance was over and above his competitors with occupancy of 32.8% comp set at 12.9%. ADR of 329.62 comp set at 194.22 and Rev/PAR of 108.13 comp set at 25.06. It seems that Brooklyn is an “island at mid storm” and the William Vale is the only property who managed to breakeven in 2020 creating its own micro world. We believe it is sheer anomaly and not due to deliberate action by the operator, yet to be used for 2021 as well. By 2022 we expect the market to stabilize using the “**Best Case**” light blue in the “Path to recovery” page 21 above.

### STR 2020 Comp Set

Comp Set 1	STR#	Property Name	Room Count	Open Date	City	State
	58856	The Standard East Village	144	12/2008	New York	NY
	59549	The NoMad Hotel	168	04/2012	New York	NY
	61811	Hotel Indigo Lower East Side New York	294	11/2015	New York	NY
	25564	11 Howard	0	02/1992	New York	NY
	63754	Thompson Hotels The Beekman Hotel	287	09/2016	New York	NY
	20240	The James New York NoMad	337	06/1904	New York	NY
	64539	The William Vale	183	08/2016	Brooklyn	NY

Please note that 2020 comp set does not include the 1<sup>st</sup> Brooklyn Bridge hotel 195 rooms yet include The James NoMad hotel with 337 rooms. At this stage we cannot assess the implication of that fact.







## Competition Map













## B.T.Z Hotels Prognosis Guidance

Annual Performance - Five Year History and Forecast						
Year	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVEPAR
2016	87.50%	0.50%	\$ 254.40	5.30%	\$ 222.60	-2.20%
2017	86.90%	-0.69%	\$ 248.61	-2.28%	\$ 216.04	-2.95%
2018	87.80%	1.04%	\$ 252.74	1.66%	\$ 221.91	2.71%
2019	87.10%	-0.80%	\$ 244.29	-3.34%	\$ 212.78	-4.11%
2020	35.00%	-59.82%	\$ 141.71	-41.99%	\$ 49.60	-76.69%
2021	43.30%	23.71%	\$ 171.79	21.23%	\$ 74.39	49.97%
2022	74.30%	71.59%	\$ 216.61	26.09%	\$ 160.94	116.36%
2023	83.10%	11.84%	\$ 243.05	12.21%	\$ 201.97	25.50%
2024	85.80%	3.25%	\$ 254.05	4.53%	\$ 217.97	7.92%
2025	86.40%	0.70%	\$ 260.26	2.44%	\$ 224.86	3.16%

Competitor's description (Partly):

Profile of Competitive Facilities					
	Subject				STR Competitive Set
Hotel Name	The William Vale	The Standard East Village	The NoMad Hotel	Hotel Indigo Lower East Side New York	11 Howard
Hotel Exterior Photo					
Sample Guestroom Photo					
Country	United States	United States	United States	United States	United States
Address	111 N 12th Street Brooklyn, NY 11249	25 Cooper Square New York, NY 10003	1170 Broadway New York, NY 10001	171 Ludlow Street New York, NY 10002	11 Howard Street New York, NY 10013
City, State					
Distance from Subject	—	3.6 miles	5.0 miles	4.0 miles	4.5 miles
Year Opened	2014	2008	2012	2015	1992
Affiliation	Independent	Independent	Independent	IHG	Independent
Owner	94 North, LLC	Transale Development	Sydel Group Ltd.	MRR Development	RPR Holding LLC CW
Manager	94 North, LLC	Standard International	GRI Hospitality	IHG	RPR Holding LLC
STR Segment	Upper Upscale	Luxury	Luxury	Upper Upscale	Upper Upscale
Room Count	183	144	168	294	207
Suite Mix	13.7%	5.6%	N/A	1.7%	1.9%
Room Type 1	Standard King (260 SF)	Standard Q (200 - 275 SF)	Classic K (340 SF)	Standard K (300 - 350 SF)	Howard Q
Room Type 2	Corner Suite (380 SF)	Standard K (250 - 300 SF)	Atelier K (370 SF)	Deluxe Room (300-404 SF)	Howard DD
Room Type 3	Gotham Queen (Manhattan View) (240 SF)	Deluxe K (265 SF)	Salon K (440 SF)	Superior K (290 - 330 SF)	Howard K
Room Type 4	Gotham King (Manhattan View) (245 SF)	Corner K (300 - 340 SF)	Grande K (400 SF)	Superior Q (285 - 300 SF)	Howard Sr. K
Room Type 5	2 Double Beds (325 SF)	Standard DD (325 SF)	Salon Double GQ (425 SF)	Deluxe K (325 - 400 SF)	Howard Deluxe K
Room Type 6	Bedroom Suite (550 SF)	Downtown Studio K (430 - 600 SF)	Suite K (725 SF)	Deluxe Q (245 - 404 SF)	Terrace K
Room Type 7	Vale Garden Residence (1,300 SF)	Junior Studio K	NoMad Suite K (1,100 SF)	City View K (325 - 400 SF)	Corner Studio K
Room Type 8				Grande Deluxe K (380 - 404 SF)	Howard Suite K
Room Type 9				Deluxe Terrace K (300 - 330 SF)	Terrace Suite K (3,000 SF)
Room Type 10				Deluxe GQ (360-405 SF)	
Room Type 11				Studio Suite K w/ City View (540 SF)	
Room Type 12				Suite K (550 SF)	
Room Type 13				Suite K w/ Blended Terrace (650 SF)	
Room Type 14				Duplex Penthouse Suite (2,000 SF)	
Indoor Meeting Space					
Total Dedicated Meeting Space	7,714	3,470	1,100	5,800	2,406
Meeting Space Sq. Ft. / Key	42	24.1	6.5	19.7	11.6
# of Rooms	6	3	1	3	3
Largest Room	4,100	1,300	1,100	3,000	2,000
Second Largest Room	990	570		2,000	1,600
Amenities					
Restaurants	Leuca	The Winter Garden Café Standard (Street-Side Bistro)	NoMad Restaurant The Library		LeCaucou
Lounges			NoMad Bar		The Library
Rooftop Bar	Westlight	No	The Rooftop	Mr. Purple Rooftop Bar	
Pools	Outdoor Rooftop Pool	No	No	Outdoor Pool	No
# of Adult Bath					
Fitness Center	Yes	No	No	Yes	Yes
Business Center					
Golf					
Tennis					
Retail					
Parking	Self-Parking (\$33/day); Valet	Valet (\$55/day)		Self Parking (\$55/day)	Valet Parking
Spa Specifics					
Spa					
Spa Size (SF)					
Treatment Rooms					
Comments					



Profile of Competitive Facilities					
Hotel Name	Subject	SIXTY LES Hotel	Gansevoort Meatpacking NYC	McCarren Hotel	Close Competitive Comp.
Hotel Exterior Photo					
Sample Guestroom Photo					
Country	United States	United States	United States	United States	United States
Address	111 N 12th Street	190 A Len Street	18 9th Ave	140 North 12th St	355 West 16th Street
City, State	Brooklyn, NY 11249	New York, NY 1002	New York, NY 10014	Brooklyn, NY 11249	New York, NY 10011
Distance from Subject		4.2 miles	5.2 miles	9.1 miles	4.0 miles
Year Opened	2016	2009	2017	2011	2011
ARLiation	Independent	Independent	Independent	Independent	Dream Hotel Group
Owner	94 North, LLC	Pomeranc Group - Sixty Hotels	Heritage Equity Partners	N/A	Sahara India Partner
Manager	94 North, LLC	Sixty Hotels	Gansevoort Hotel Group	Access Hotels & Resorts	Dream Upscale Group
STR Segment	Upper Upscale	Luxury	Luxury	Upper Upscale	Upper Upscale
Room Count	183	141	186	64	316
Suite Mix	13.7%	9.9%	12.4%	4.3%	3.8%
Room Type 1	Balcony K (70 SF)	Les Q Studio (325 SF)	Superior K (250 SF)	Standard Q (225 SF)	Bronze Q (225 SF)
Room Type 2	Balcony Q (70 SF)	Les K Studio (375 SF)	Superior Q (250 SF)	Superior K (250 SF)	Bronze K (242 SF)
Room Type 3	Gotham K Balcony (70 SF)	Les Q Studio (415-450 SF)	Deluxe K (300 SF)	Balcony Q (240 SF)	Bronze K Balcony (300 SF)
Room Type 4	Gotham Q Balcony (70 SF)	Les Empire Terrace K (375 SF)	Deluxe Q (300 SF)	Balcony K (250 SF)	Silver K (244 SF)
Room Type 5	Balcony DD (155 SF)	Les Junior Suite K (450 SF)	Deluxe DD (310 SF)	Deluxe K (295 SF)	Silver DD (320 SF)
Room Type 6	Deluxe Corner Suite K w/ Wraparound Balcony (300 SF)	Les A Len Suite K (485 SF)	Grand Deluxe Q (310 SF)	Deluxe DD (295 SF)	Silver K Pool View (300 SF)
Room Type 7	Gotham Corner Suite K w/ Wraparound Balcony (380 SF)	Les K Suite (465 SF)	Grand Deluxe K (310 SF)	1 Bedroom Suite K	Gold K (320 SF)
Room Type 8	1 Bedroom K Suite Balcony (380 SF)	Les K Suite Terrace (450 SF)	Grand Deluxe DD (310 SF)		Gold K Pool View (300 SF)
Room Type 9	Vale Garden Residence (1,632 SF)	Les Orchard Suite K (1,200 SF)	Gansevoort Suite K (475 SF)		Platinum Suite K (550 SF)
Room Type 10		2 Bedroom Les K Suite (1,200 SF)	Manhattan Suite K (550 SF)		South Tower Terrace Suite (900 SF)
Room Type 11		Les Corner Skyline Suite Q (450 SF)	2 Bedroom Gansevoort Suite KK (785 SF)		Guesthouse Presidential Suite (1,600 SF)
Room Type 12		Les Sixty Loft K (2,000 SF)	2 Bedroom Manhattan Suite K (860 SF)		
Room Type 13			Platinum Penthouse (1,700 SF)		
Indoor Meeting Space					
Total Dedicated Meeting Space	7,714	3,200	364	-	9,104
Meeting Space Sq. Ft. / Key	42	23	2.0	-	28.8
# of Rooms	6	2	2	-	1
Largest Room	4,100	2,000	364	-	4,352
Second Largest Room	990	1,200		-	1,620
Amenities					
Restaurants	Leuca	Blue Ribbon Sushi Izakaya	The Chester		Sodega Negra Natura Cafe Philippe Downtown
Lounges			Coffee & Cocktails		
Rooftop Bar	Westlight	Blue Ribbon Sushi Kanpai	Gansevoort Rooftop	Talk Story	PHD Rooftop
Pools	Outdoor Rooftop Pool	Outdoor Rooftop Pool	Outdoor Pool	Heated Saltwater Outdoor Pool	Outdoor Rooftop Pool
# of Picture Bath					
Fitness Center	Yes	Yes	Yes	Yes	
Business Center			Yes		
Golf					
Tennis					
Retail					
Parking	Self Parking (\$33/day); Valet	Valet Parking (\$55/day)	Valet Parking (\$70/day)	Self Parking (\$35/day)	Self Parking & Valet (\$45/day)
Spa Specifics					
Spa Size (SF)					
Treatment Rooms					
Comments					

## New York – Upper Priced Hotels

### Annual Performance - Five Year History and Forecast

Year	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVEPAR
2016	86.10%	-1.70%	\$ 313.84	5.30%	\$ 270.22	-4.70%
2017	84.70%	-1.63%	\$ 309.69	-1.32%	\$ 262.31	-2.93%
2018	85.80%	1.30%	\$ 317.09	2.39%	\$ 272.06	3.72%
2019	84.00%	-2.10%	\$ 308.65	-2.66%	\$ 259.27	-4.70%
2020	24.80%	-70.48%	\$ 192.65	-37.58%	\$ 47.78	-81.57%
2021	38.50%	55.24%	\$ 250.89	30.23%	\$ 96.59	102.17%
2022	76.50%	98.70%	\$ 281.87	12.35%	\$ 215.63	123.24%
2023	82.00%	7.19%	\$ 304.99	8.20%	\$ 250.09	15.98%
2024	82.60%	0.73%	\$ 321.51	5.42%	\$ 265.57	6.19%
2025	83.10%	0.61%	\$ 328.51	2.18%	\$ 272.99	2.80%

## Brooklyn/Coney Island Submarket - Upper Priced Hotels

### Annual Performance - Five Year History and Forecast

Year	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVEPAR
2016	86.10%	-1.70%	\$ 313.84	5.30%	\$ 270.22	-4.70%
2017	84.70%	-1.63%	\$ 309.69	-1.32%	\$ 262.31	-2.93%
2018	85.80%	1.30%	\$ 317.09	2.39%	\$ 272.06	3.72%
2019	84.00%	-2.10%	\$ 308.65	-2.66%	\$ 259.27	-4.70%
2020	24.80%	-70.48%	\$ 192.65	-37.58%	\$ 47.78	-81.57%

### Brooklyn/Coney Island Submarket - Penetration vs. Market

Year	OCC	ADR	REVPAR
2016	90.10%	71.70%	64.60%
2017	97.40%	73.40%	71.49%
2018	98.00%	73.90%	72.42%
2019	98.80%	76.10%	75.19%
2020	139.70%	87.20%	121.82%

### General assumption and guidelines:

Last review done:

<b>Edition</b>	<b>Q4</b>	<b>2020</b>
<b>Market</b>	<b>New York</b>	
<b>Chain Scale</b>	<b>All Hotels USD</b>	

Findings:

Long run average	<b>2000</b>	to	<b>2020</b>
Occupancy	81.30%		
ADR Change	-1.10%		
RevPAR Change	-2.50%		

<b>Submarket Profile</b>	<b>Brooklyn/Coney Island</b>
<b>Chain Scale</b>	<b>Upper Priced Hotels</b>
<b>RevPAR Penetration</b>	<b>122%</b>



## Market Penetration

	Actual	Actual	Actual	Projection	Year 1 Projection	Year 2 Projection	Year 3 Projection	Year 4 Projection
Year	2018	2019	2020	2021	2022	2023	2024	2025
Property fare share	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%
Property occupancy	77.40%	77.60%	36.30%	47.0%	75.0%	82.0%	85.0%	85.0%
Penetration	96.00%	94.10%	96.30%	99.40%	100.10%	102.60%	103.10%	103.10%
Δ in Penetration		-1.98%	2.34%	3.22%	0.70%	2.50%	0.49%	0.00%
Δ in Occupancy		0.26%	-53.22%	29.48%	59.57%	9.33%	3.66%	0.00%
<b>B.Z.T. Occupancy Horizons Guideline</b>								
Q4 2020 New-York, All hotels	87.80%	87.10%	35.00%	43.30%	74.30%	83.10%	85.80%	86.40%
	1.00%	-0.80%	-59.82%	23.71%	71.59%	11.84%	3.25%	0.70%
Q4 2020 New-York Forecast - Upper Priced Hotels	85.80%	84.00%	24.80%	38.50%	76.50%	82.00%	82.60%	83.10%
	1.30%	-2.10%	-70.48%	55.24%	98.70%	7.19%	0.73%	0.61%
Q4 2020 Brooklyn/Coney Island Submarket - Upper Priced Hotels	1.30%	-2.10%	-70.48%					
Property ADR	\$ 365.84	\$ 367.50	\$ 333.31		\$ 388.73	\$ 404.28	\$ 416.41	\$ 428.91
Penetration	112.90%	115.70%	146.10%		127.60%	125.00%	123.70%	123.70%
Δ in Penetration		2.48%	26.27%			-2.04%	-1.04%	0.00%
Δ in ADR		0.45%	-9.30%			4.00%	3.00%	3.00%
<b>B.Z.T. ADR Horizons Guideline</b>								
Q4 2020 New-York, All hotels	\$ 252.74	\$ 244.29	\$ 141.71	\$ 171.79	\$ 216.61	\$ 243.05	\$ 254.05	\$ 260.26
	1.00%	-3.34%	-41.99%	21.23%	26.09%	12.21%	4.53%	2.44%
Q4 2020 New-York Forecast - Upper Priced Hotels	\$ 317.09	\$ 308.65	\$ 192.65	\$ 250.89	\$ 281.87	\$ 304.99	\$ 321.51	\$ 328.51
	1.30%	-2.66%	-37.58%	30.23%	12.35%	8.20%	5.42%	2.18%
Q4 2020 Brooklyn/Coney Island Submarket - Upper Priced Hotels	1.30%	-2.66%	-37.58%					
Property RevPAR	\$ 283.18	\$ 285.36	\$ 120.87		\$ 291.55	\$ 331.51	\$ 353.57	\$ 364.57
Penetration	112.90%	115.70%	146.10%		127.60%	125.00%	123.70%	123.70%
Δ in Penetration		2.48%	26.27%			-2.04%	-1.04%	0.00%
Δ in ADR		0.77%	-57.64%			13.71%	6.65%	3.11%
<b>B.Z.T. RevPAR Horizons Guideline</b>								
Q4 2020 New-York, All hotels	\$ 221.86	\$ 212.77	\$ 49.57	\$ 74.40	\$ 160.91	\$ 201.85	\$ 218.08	\$ 224.74
	1.00%	-4.10%	-76.70%	50.09%	116.28%	25.44%	8.04%	3.05%
Q4 2020 New-York Forecast - Upper Priced Hotels	\$ 272.08	\$ 259.38	\$ 47.78	\$ 96.62	\$ 215.56	\$ 249.98	\$ 265.63	\$ 273.03
	1.30%	-4.67%	-81.58%	102.22%	123.10%	15.97%	6.26%	2.79%
Q4 2020 Brooklyn/Coney Island Submarket - Upper Priced Hotels	1.30%	-4.67%	-81.58%					

## Occupancy, ADR, Rev/PAR 2020

### Occupancy

	Averages		
	Year To Date		
	2018	2019	2020
Occupancy			
My Property	77.4	77.6	36.3
Comp Set	79.5	83.7	31.1
Index (Comp Set)	97.4	92.7	116.4
Industry	79.4	79.6	52.8
Comp Set Rank	5/7	7/7	3/7

	Averages		
	Year To Date		
	2018	2019	2020
Occ % Chg			
My Property	3.7	0.3	-53.3
Comp Set	16.6	5.3	-62.8
Index (Comp Set)	-11.1	-4.8	25.5
Industry	5.8	0.2	-33.7
Comp Set Rank	4/7	5/7	2/7

### ADR

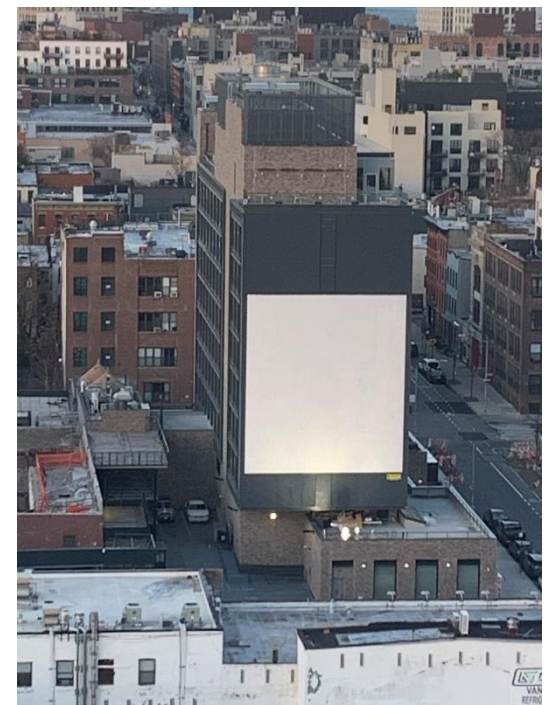
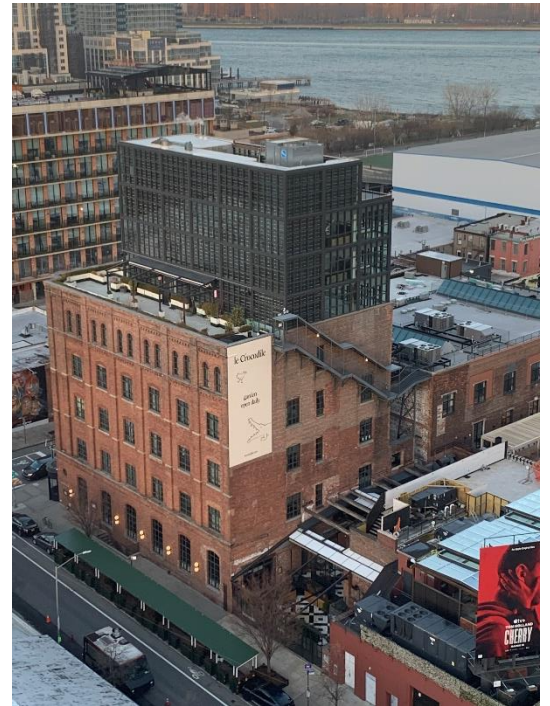
	Averages		
	Year To Date		
	2018	2019	2020
ADR			
My Property	365.84	367.50	333.31
Comp Set	331.72	321.36	218.44
Index (Comp Set)	110.3	114.4	152.6
Industry	225.17	223.65	155.38
Comp Set Rank	3/7	2/7	2/7

	Averages		
	Year To Date		
	2018	2019	2020
ADR % Chg			
My Property	11.9	0.5	-9.3
Comp Set	2.8	-3.1	-32.0
Index (Comp Set)	8.8	3.7	33.4
Industry	4.2	-0.7	-30.5
Comp Set Rank	1/7	2/7	1/7

### RevPAR

	Averages		
	Year To Date		
	2018	2019	2020
RevPAR			
My Property	283.18	285.36	120.87
Comp Set	263.66	269.06	68.04
Index (Comp Set)	107.4	106.1	177.6
Industry	178.84	178.02	82.04
Comp Set Rank	3/7	4/7	3/7

	Averages		
	Year To Date		
	2018	2019	2020
RevPAR % Chg			
My Property	16.0	0.8	-57.6
Comp Set	19.9	2.0	-74.7
Index (Comp Set)	-3.2	-1.2	67.5
Industry	10.3	-0.5	-53.9
Comp Set Rank	3/7	3/7	2/7



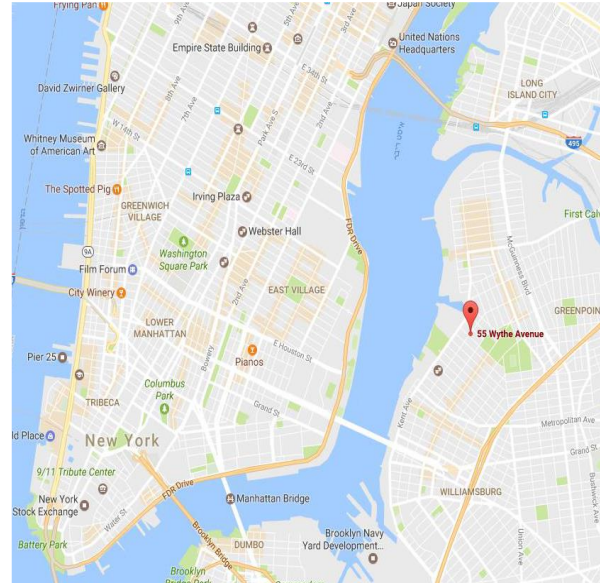
Market Segment First stabilized year (2019 figures STR)

	Budget 2025			Statistic			Per Day	Per Day
	R/N	Avr.Rate	Revenue	R/N	Avr.Rate	Revenue	R/N	Revenue
<b>RACK RATES</b>								
<b>CONTRACT</b>								
MID WEEK	6,175	378.24	2,335,625	28.5%	98.97%	28.20%	16.92	6,399
CORPORATE	5,050	379.95	1,918,750	23.3%	99.42%	23.16%	13.84	5,257
RACK RATES	5,625	422.89	2,378,750	26.0%	110.65%	28.72%	15.41	6,517
WEEK ENDS	4,825	342.10	1,650,625	22.3%	89.51%	19.93%	13.22	4,522
SUB TOTAL	21,675	382.18	8,283,750	41.7%	105.33%	43.95%	59.38	22,695
<b>TRANSIT</b>								
WALK INN	1,750	345.71	605,000	7.8%	102.91%	8.04%	4.79	1,658
INTERNET	7,550	356.29	2,690,000	33.7%	106.06%	35.75%	20.68	7,370
IND. DIRECT	6,950	334.17	2,322,500	31.0%	99.47%	30.86%	19.04	6,363
WEEK ENDS	6,150	310.16	1,907,500	27.5%	92.33%	25.35%	16.85	5,226
SUB TOTAL	22,400	335.94	7,525,000	43.1%	92.59%	39.92%	61.37	20,616
<b>GROUPS</b>								
CONVATIONS/FAIRS	3,400	426.47	1,450,000	43.2%	110.48%	47.70%	9.32	3,973
BUSS GROUPS	2,150	376.74	810,000	27.3%	97.59%	26.64%	5.89	2,219
PRIVATE GROUPS	2,325	335.48	780,000	29.5%	86.91%	25.66%	6.37	2,137
OTHERS								
SUB TOTAL	7,875	386.03	3,040,000	15.2%	106.40%	16.13%	21.58	8,329
<b>SPECIALS</b>								
INDUSTRY DISC:								
FAM TRIP								
Houseuse								
SUB TOTAL								
<b>GRAND TOTAL</b>	51,950	362.82	18,848,750				142.33	51,640
<b>OCCUPANCY</b>		77.78%						

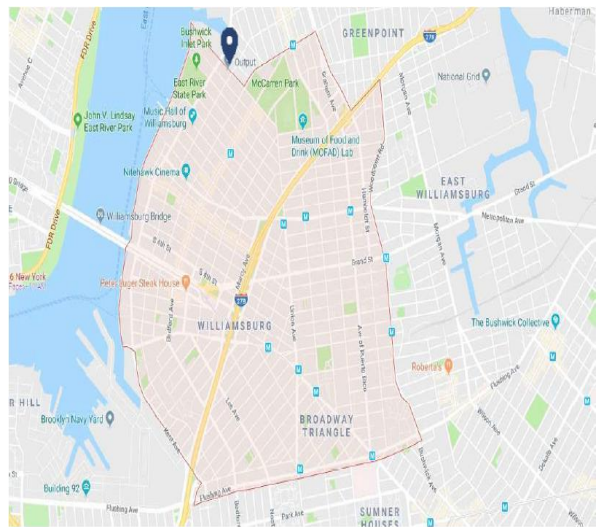


Location:

Brooklyn area:



Williamsburg – Hotel Site



## SWOT Analysis

Internal Factors 13			
<b>Strength</b>		<b>Weakness</b>	
18.9%	37	24	
16.2%	7	5	20.8%
13.5%	6	3	12.5%
13.5%	5	1	29.2%
18.9%	5	5	20.8%
18.9%	7	3	12.5%
18.9%	7	1	4.2%
<b>Opportunities</b>		<b>Threats</b>	
25.8%	31	27	
9.7%	8	8	29.6%
9.7%	3	9	33.3%
16.1%	3	5	18.5%
22.6%	5	3	11.1%
16.1%	7	1	3.7%
16.1%	5	1	3.7%
external factors 4			

The SWOT analysis is an important tool to evaluate the Hotel status. For each category we quantify a figure from -10 to 10. The matrix provides good analysis to control the running or progress of the hotel. Should the final figure of both factors be positive, we estimate that the business has high verification of achieving its financial goals.

For the reader comfort we explain the elements inside the SWOT analysis:

- **Strength** – it describes about the power of the organization or the Hotel. Here, in making the point of strength, we mention some points, such as a strong brand, base of loyal customers, sheet of strong balance, unique technology, and others.
- **Weakness** – this point talks about the condition that company should improve. There are several matters we consider for this part, such as the weak brand, high levels of debt, lack of capital and other weakness to be aware of.
- **Opportunities** – it refers to the favourable external factors that will be able to give competitive advantage of the organization. The examples of this point are cuts tariffs of country and market share.
- **Threats** – this point talks about the factor that could influence the harm the hotel or organization. For example, the threat talks about the rising costs of the material, the supply of tight labor and others.

Annexed to this document is the feasibility study evaluation as Annex A.

## Feasibility study explanation:

### Page 1 – General

The page includes a full 10 year projection of the operation based on occupancy assumptions and ADR assumptions illustrated. The stabilizing year is the fifth year. Management fees as common in the hospitality industry (stabilize at 2% of Revenue and up to 8% of GOP Incentive fee), should be re-negotiated at a later stage. All other information is self-explanatory. Annex A include the updated version for October 2021.

Item	Year 1 2024		Year 2 2025		Year 3 2026		Year 4 2027		Year 5 2028		Year 6 2029	
	Data	%	Data	%	Data	%	Data	%	Data	%	Data	%
Rooms Available	66,795		66,795		66,795		66,795		66,795		66,795	
Occupancy	78%		79%		80%		80%		80%		80%	
Rooms Occupied	51,986		52,654		53,322		53,322		53,322		53,322	
Guest Occupancy	64,982		65,817		66,652		66,652		66,652		66,652	
Average Rate	362		373		384		390		394		397	
F & B Covers Availability	547,500		547,500		547,500		547,500		547,500		547,500	
F & B Covers Utilization	324,911		329,085		333,260		333,260		333,260		333,260	
Average Check - Food	45		47		48		48		49		49	
Average Check - Beverage	15		16		16		16		16		16	
Rev/PAR/ Total Revenue/POR	282	785	294	802	306	819	311	836	314	852	317	868
Revenues:												
Rooms	18,810	46.10%	19,623	46.50%	20,469	46.89%	20,776	46.61%	20,983	46.19%	21,193	45.78%
F & B	19,495	47.78%	20,079	47.58%	20,682	47.38%	21,302	47.79%	21,941	48.30%	22,600	48.82%
Rent	2,500	6.13%	2,500	5.92%	2,500	5.73%	2,500	5.61%	2,500	5.50%	2,500	5.40%
Subtotal	40,805	100.00%	42,203	100.00%	43,650	100.00%	44,578	100.00%	45,425	100.00%	46,293	100.00%
Expenses:												
Number of Employees	198		198		198		198		198		198	
Labor cost	12,842	31.47%	12,842	30.43%	12,842	29.42%	12,842	28.81%	12,842	28.27%	12,842	27.74%
F&B cost	3,509	8.60%	3,614	8.56%	3,723	8.53%	3,834	8.60%	3,949	8.69%	4,068	8.79%
Base fee/Franchise	816	2.00%	844	2.00%	873	2.00%	892	2.00%	908	2.00%	926	2.00%
Operating Expenses and Equipment	1,632	4.00%	1,688	4.00%	1,746	4.00%	1,783	4.00%	1,817	4.00%	1,852	4.00%
Energy & Maintenance cost	3,060	7.50%	3,165	7.50%	3,274	7.50%	3,343	7.50%	3,407	7.50%	3,472	7.50%
Overheads:												
Human Resources	612	1.50%	696	1.65%	718	1.64%	732	1.64%	744	1.64%	757	1.64%
Marketing & Centralized Services	2,040	5.00%	2,110	5.00%	2,183	5.00%	2,229	5.00%	2,271	5.00%	2,315	5.00%
Admin. & General	1,836	4.50%	1,899	4.50%	1,964	4.50%	2,006	4.50%	2,044	4.50%	2,083	4.50%
Insurance	420	1.03%	420	1.00%	420	0.96%	420	0.94%	420	0.92%	420	0.91%
Property Taxes	230	0.56%	230	0.54%	230	0.53%	230	0.52%	230	0.51%	230	0.50%
Subtotal	26,998	66.16%	27,509	65.18%	27,972	64.08%	28,311	63.51%	28,634	63.04%	28,965	62.57%
G.O.P (L)	13,806	33.84%	14,694	34.82%	15,678	35.92%	16,267	36.49%	16,791	36.96%	17,328	37.43%
FF&E Provision	1,224	3.00%	1,266	3.00%	1,310	3.00%	1,337	3.00%	1,817	4.00%	1,852	4.00%
Net Income	12,582	30.84%	13,428	31.82%	14,369	32.92%	14,929	33.49%	14,974	32.96%	15,476	33.43%
Incentive Fee	690	1.69%	735	1.74%	784	1.80%	813	1.82%	840	1.85%	866	1.87%
N.O.I	11,892	29.14%	12,693	30.08%	13,585	31.12%	14,116	31.67%	14,134	31.12%	14,610	31.56%

For your reference we got during the last week some more indications for the year 2020 and forecast of 2021, please refer to page 8 above.

### Page 2 – rates

This worksheet elaborates the breakdown of the occupancy per general market segment and ADR as well. Note the seasonality effect and the general trend of the hotel being a mixture of Transit/F.I.T/Corporate and some groups, especially for conventions, holidays and weekends. The rates were set on the 2019 actual performance being conservative. Occupancy is set to 6% lower due to the same conservative approach we took. We assume it can be increased as the Hotel saturate as part of the land scape of Brooklyn.

### Page 3 – 6 Labor cost

A full breakdown of all positions per occupancy needed for the hotel including the cost per employee per employer. All social benefits and other costs are added at page 6. Please note that the F&B operation do require a significant part of the employees, about 2/3 of labor cost.

Labor Expenses	Item	Occupancy				
		25.0%	45.0%	65.0%	75.0%	90.0%
Per Month	Number of Employees	142.80	160.20	188.40	198.40	199.40
	Total Salaries	802,135	880,057	1,031,514	1,070,187	1,084,732
	Average Salary	5,617.19	5,493.49	5,475.13	5,394.09	5,439.98

### Page 7 – Marketing

This is a full first year of operation year, as you can see above it illustrates all market segments and ADR for each segment providing breakdown of individuals and groups also for domestic and tourists.

### Page 8 - Sensitivity analysis and Breakeven point

This analysis is made for a full view of the hotel operation in a variety of ADR and occupancy. The breakeven point, at an ADR of 350 is relatively low.

### Page 9 – Cash flows

Here we determine the financial ratios and final calculations. For your convenience annexed we submitted three scenarios. Base year is 2019 as 2024.

All based on the following assumptions:

1. Interest rate of 4.95% per annum as published on internet site.
2. Management fee at 0.5% per annum - assumption.
3. No Loan structure has been implemented.
4. Cap value is set to 6.0%.
5. Hotel management fee basic fee is 2% of revenue and incentive fee of 5%-8% pending G.O.P.

<b>Cash flow Realistic Scenario</b>		Interest Rate: 4.95%				
<b>Year</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Occupancy</b>		<b>34.89%</b>	<b>69.89%</b>	<b>71.89%</b>	<b>72.89%</b>	<b>74.89%</b>
<b>Average Rate USD</b>		<b>333</b>	<b>450</b>	<b>454</b>	<b>461</b>	<b>466</b>
Revenue		17,466	38,575	42,614	45,244	46,700
Expenses		17,462	29,497	31,738	32,875	33,525
<b>N.O.I</b>		<b>4</b>	<b>9,078</b>	<b>10,876</b>	<b>12,369</b>	<b>13,175</b>
<b>Finance by Bonds at 4.95%</b>	186,000					
Loan Balance	0.50%	186,000	186,000	186,000	186,000	186,000
Management fee 0.5%	186,000	930	930	930	930	930
Owners Capital Investment	-			-	-	-
Key Money	-					
Interest payment per annum	4.95%	9,207	9,207	9,207	9,207	9,207
<b>Interest plus management fee</b>	186,000	10,137	10,137	10,137	10,137	10,137
<b>Other net income (commercial rent)</b>		120	120	120	120	120
<b>Cash Availability</b>		(10,013)	(939)	859	2,352	3,158
<b>Accum. Cash Availability</b>		(10,013)	(10,952)	(10,093)	(7,741)	(4,583)
<b>DSCR</b>		1.23%	90.73%	108.47%	123.20%	131.15%
<b>Hotel Value 6.0%</b>		6,206	186,330	220,710	248,752	263,906
Upside on 168M		-179.79%	0.33%	34.71%	62.75%	77.91%

Above we determine the financial ratios and final calculations year 2021 results assumed operational breakeven. Base year is 2020.

#### Page 10-11 Financial Ratios.

Several financial ratios to assess the project value based on the NOI as per cash flow scenarios illustrated at page 10.

#### Page 12-23 Monthly Marketing projection for the first year.

Detailed projection of all market segments for each month elaborating the seasonality effect of Brooklyn.



## Conclusions:

It is our observation that the project, as an on-going concern for duration longer than 5 years, will be highly profitable. The correct management should provide an NOI of 12M and above in a few years' time, thus combined with the correct cap rate of 6% will set the hotel at a value of 180-220 M.

The fact that the hotel is non-unionized hotel, is a major pro.

The risk is that we will need to yield the rates towards the competition, this is also an advantage, since by the time we take over we expect Brooklyn to be on the path to recovery and in high demand. The complex will generate profit at a very reasonable average rate, we minimize the operational risk by that factor. Brooklyn, being a fully develop destination makes it very lucrative and contributes to the assurance of the project. While assessing the additional income of F&B activities, it seems that this activity will generate a profit of about 15% of F&B revenue, as well as hectic operation, based on the above assumptions and evaluations. therefore, we highly recommend outsourcing the banqueting and all F&B by the hotel pending a fixed lease of 15% or above of estimate revenue with a threshold of \$ 3M per annum. Offices and Commercial areas should provide additional \$ 2.5M per year.

The location of the hotel is the most desired one due to the "After Covid 19" tourism boom, both business and leisure, of the region. We assume it will have an impact visa vi ADR and occupancy. As long as the operator will emphasize a growth of ADR the contribution to the profit will be extremely high. The Hotel is definitely the "Place to be and be seen" in Brooklyn.

An international brand should be considered, yet not compulsory. It will provide a major data base for sales and marketing re-establishing the hotel as one of the leading hotels of Brooklyn and New-York. Combined with a minimum guarantee insured by a third party it seems the risk is relatively low. A local established management company could be a good option as an independent hotel.

It is also imported to address the Hotel value issue per cash flow projection, Average DSCR is about 1.78 stabilizing at 2.0 after 10 years.

**Following the review of the latest updates, it seems the Complex will return to 2019 financial results by next year 2022 which will short our initial projection by 18 months.**

**\* This conclusion is based and conditioned by replacing the current lessee/operator for the complex.**

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## Annex A – Feasibility study

This pdf document is annexed to the review as essential explanation.

“William Vale FS ver 2 Bonds update 15102021.pdf”

## Annex B – Occupancy Tax

3/19/2021

Business Hotel Room Occupancy Tax

Menu



Search

Property Business & Excise Tax Professionals Forms

## Hotel Room Occupancy Tax

### Hotel Room Occupancy Tax Rate

The Hotel Room Occupancy Tax Rate of 5.875% went into effect on December 20, 2013. From December 1, 2013 to December 19, 2013, the Hotel Room Occupancy Tax rate was 5%. When filing your Hotel Room Occupancy Tax return, you should include all of the rent charged on Line 5 and multiply that by 5.875%. For the 19 days before the 5.875% rate went into effect, you will be entitled to a credit for the difference in the tax rate. You should put the credit amount on Line 9 of your filing along with any other refunds or credits to which you are entitled. Please read the tax return filing instructions for more detailed information.

One of three taxes and one fee that apply to hotel room rentals in New York City. The Department of Finance collects the New York City Hotel Room Occupancy Tax, also known as the Hotel Tax. The New York State Department of Taxation and Finance collects:

1. New York State Sales Tax
2. New York City Sales Tax
3. New York State Hotel Unit Fee (\$1.50 per unit per day)

### Who Has to Pay the Hotel Room Occupancy Tax?

The Hotel Room Occupancy Tax must be paid on the occupancy, or the right of occupancy, of a room or rooms in a hotel. A "hotel" includes an apartment, hotel, motel, boarding house, bed-and-breakfast, bungalow, or club, whether or not meals are served. The occupant of any room

or rooms in a hotel must pay the tax. Hotel operators and remarketers (when a room has been purchased through a re-seller) collect the tax from the occupant.

A building is not considered a hotel if rooms are only rented for up to 14 days or are only rented once or twice during any four consecutive tax quarters of a 12-month filing period. Rentals to permanent residents should not be included in the number of rooms counted as hotel room rentals.

### Who is Exempt from this Tax?

- A permanent resident (one who occupies a room for at least 180 consecutive days)
- New York State, a political subdivision of the State, or a public benefit corporation,
- The United States
- The United Nations

A not-for-profit organization that was formed and operated exclusively for religious, charitable, or educational purposes, or for the prevention of cruelty to children or animals. Filing Information and Forms

<https://www1.nyc.gov/site/finance/taxes/business-hotel-room-occupancy-tax.page>  
Occupancy Tax

1/2 3/19/2021

Business Hotel Room

### Tax Rates

Hotel Room Occupancy Tax is based on the "rent" being charged for a room:

If the rent for the room is...	The tax will be...
\$10 or more, but less than \$20	50 cents per day per room + the hotel room occupancy tax rate
\$20 or more, but less than \$30	\$1.00 per day per room + the hotel room occupancy tax rate
\$30 or more, but less than \$40	\$1.50 per day per room + the hotel room occupancy tax rate
\$40 or more	\$2.00 per day per room* + the hotel room occupancy tax rate

\* A hotel suite may have more than one room. The tax will be \$2.00 per room per day on each of the rooms that make up the suite plus the hotel room occupancy tax for the entire suite rental. (For example; The tax on a suite with 3 rooms will be \$6.00 per day plus the hotel room occupancy tax for the entire suite rental).

Annex 1 – 2019 Rooms division (including rent):

	For Property: The William Vale Hotel			
	T12 P&L Statement with %			
	As of 12/31/2019			
	Year 2019	%	Assumed results 2019	
<b>Summary</b>				
<b>Rooms Available</b>	<b>66,795</b>		<b>66,795</b>	
<b>Rooms Sold</b>	<b>51,865</b>		<b>51,865</b>	
<b>Occupancy %</b>	<b>77.65%</b>		<b>77.65%</b>	
<b>ADR</b>	<b>367.50</b>		<b>367.50</b>	
<b>ReVPar</b>	<b>285.36</b>		<b>285.36</b>	
<b>Operating Revenue</b>				
Rooms Revenue	19,060,501.86	96.22%	19,060,501.08	96.22%
Pool Revenue	475,073.07	2.40%	475,073.07	2.40%
Vale Rink Revenue	3,451.00		3,451.00	0.02%
Other Operated Departments	87,770.57	0.44%	87,770.57	0.44%
Miscellaneous Income	183,101.83	0.92%	183,101.83	0.92%
<b>Total Operating Revenue</b>	<b>19,809,898.33</b>	<b>100.00%</b>	<b>19,809,897.55</b>	<b>100.00%</b>
<b>Departmental Expenses</b>				
Rooms Expenses	5,404,568.97	28.35%	5,404,568.97	95.50%
Pool Expenses	211,645.15	44.55%	211,645.15	3.74%
Vale Rink Expenses	5,475.02		5,475.02	0.10%
Other Operated Depts. Expenses	37,638.26	42.88%	37,638.26	0.67%
<b>Total Departmental Expenses</b>	<b>5,659,327.40</b>	<b>28.57%</b>	<b>5,659,327.40</b>	<b>28.57%</b>
<b>Total Departmental Profit</b>	<b>14,150,570.93</b>	<b>71.43%</b>	<b>14,150,570.15</b>	<b>71.43%</b>
<b>Undistributed Operating Expenses</b>				
Administrative and General	2,536,745.98	12.81%	2,536,745.98	41.10%
Sales and Marketing	1,731,559.51	8.74%	1,731,559.51	28.05%
Information and Telecom Systems	455,470.19	2.30%	455,470.19	7.38%
Property Operation and Maintenance	936,686.73	4.73%	936,686.73	15.18%
Utilities	511,868.22	2.58%	511,868.22	8.29%
<b>Total Undistributed Expenses</b>	<b>6,172,330.63</b>	<b>31.16%</b>	<b>6,172,330.63</b>	<b>31.16%</b>
<b>Gross Operating Profit</b>	<b>7,978,240.30</b>	<b>40.27%</b>	<b>7,978,239.52</b>	<b>40.27%</b>

Annex 1 – Continue, 2019 Rooms division (including rent):

	For Property: The William Vale Hotel			
	T12 P&L Statement with %			
	As of 12/31/2019			
	Year 2019	%	Assumed results 2019	
Management Fees	2,310,268.10	11.66%	594,296.95	3.00%
<b>Income Before Non-Oper. Expenses</b>	<b>5,667,972.20</b>	<b>28.61%</b>	<b>7,383,942.57</b>	<b>37.27%</b>
<b>Non Operating Income &amp; Expenses</b>				
Other Income (Rent Income)	1,318,820.55	6.66%	-1,318,820.55	-14.35%
Rent	9,999,996.00	50.48%	9,999,996.00	108.78%
Property & Other Taxes	230,436.00	1.16%	230,436.00	2.51%
Insurance	251,151.96	1.27%	251,151.96	2.73%
Other Non-Oper. Expenses	29,716.72	0.15%	29,716.72	0.32%
<b>Total Non-Oper Inc. &amp; Expenses</b>	<b>9,192,480.13</b>	<b>46.40%</b>	<b>9,192,480.13</b>	<b>31.16%</b>
<b>EBITDA</b>	<b>(3,524,507.93)</b>	<b>-17.79%</b>	<b>(1,808,537.56)</b>	<b>-9.13%</b>
Depreciation & Amortization	249,921.64	1.26%	249,921.64	
Interest	47,699.16	0.24%	47,699.16	
Income Taxes	0.00	0.00%	0.00	
<b>Net Income</b>	<b>(3,822,128.73)</b>	<b>-19.29%</b>	<b>(2,106,158.36)</b>	<b>-10.63%</b>
Rent to breakeven	6,177,867.27	31.19%	7,893,837.64	39.85%
F&B assumptions (Net contribution)	343,298.30		1,500,000.00	
Banquest assumptions (net contribution)			500,000.00	
Total rent payable to the owner			9,893,837.64	



Annex 2 – 2019 Food & Beverage division P&L:

Hotel Reports 2019			Assumed 2019	
<b>Revenues</b>				
A-La Carte	13,301,488	70.18%	13,301,488	70.18%
F&B Venue Event Revenue	3,840,638	20.26%	3,840,638	20.26%
Other Revenue	1,812,350	9.56%	1,812,350	9.56%
	18,954,475		18,954,475	100.00%
Cost of goods sold	3,946,934	20.82%	3,946,934	20.82%
Labor Cost	8,141,841	42.95%	7,734,749	40.81%
Operating Expenses	3,191,207	16.84%	3,191,207	16.84%
	15,279,982	80.61%	14,872,890	78.47%
<b>Gross Operating Profit</b>	<b>3,674,493</b>	19.39%	<b>4,081,585</b>	21.53%
Utility Costs	385,131	2.03%	385,131	2.03%
Fixed Charges & Other Expenses	2,908,447	15.34%	1,609,898	8.49%
Capital expenditure	68,171	0.36%	68,171	0.36%
<b>Net Operating Income</b>	<b>312,744</b>	1.65%	<b>2,018,385</b>	10.65%

Annex 3 - 2020 Rooms division (including rent):

	For Property: The William Vale Hotel			
	T12 P&L Statement with %			
	As of 12/31/2020			
	Total	%	2020 Actual results	
<b>Summary</b>				
<b>Rooms Available</b>	<b>66,978</b>		<b>66,978</b>	
<b>Rooms Sold</b>	<b>20,241</b>		<b>20,241</b>	
<b>Occupancy %</b>	<b>30.22%</b>		<b>30.22%</b>	
<b>ADR</b>	<b>333.30</b>		<b>333.30</b>	
<b>ReVPar</b>	<b>100.72</b>		<b>100.72</b>	
<b>Operating Revenue</b>				
Rooms Revenue	6,746,227.12	93.47%	6,746,325.30	93.47%
Pool Revenue	204,314.40	2.83%	204,314.40	2.83%
Vale Rink Revenue	110,750.67		110,750.67	1.53%
Other Operated Departments	56,757.53	0.79%	56,757.53	0.79%
Miscellaneous Income	99,586.91	1.38%	99,586.91	1.38%
<b>Total Operating Revenue</b>	<b>7,217,636.63</b>	<b>100.00%</b>	<b>7,217,734.81</b>	<b>100.00%</b>
<b>Departmental Expenses</b>				
Rooms Expenses	2,490,554.93	36.92%	2,490,554.93	90.82%
Pool Expenses	132,683.29	64.94%	132,683.29	4.84%
Vale Rink Expenses	67,441.25		67,441.25	2.46%
Other Operated Depts. Expenses	51,573.79	90.87%	51,573.79	1.88%
<b>Total Departmental Expenses</b>	<b>2,742,253.26</b>	<b>37.99%</b>	<b>2,742,253.26</b>	<b>37.99%</b>
<b>Total Departmental Profit</b>	<b>4,475,383.37</b>	<b>62.01%</b>	<b>4,475,481.55</b>	<b>62.01%</b>
<b>Undistributed Operating Expenses</b>				
Administrative and General	1,599,498.46	22.16%	1,599,498.46	42.16%
Sales and Marketing	826,858.44	11.46%	826,858.44	21.79%
Information and Telecom Systems	338,314.22	4.69%	338,314.22	8.92%
Property Operation and Maintenance	568,040.54	7.87%	568,040.54	14.97%
Utilities	461,119.33	6.39%	461,119.33	12.15%
<b>Total Undistributed Expenses</b>	<b>3,793,830.99</b>	<b>52.56%</b>	<b>3,793,830.99</b>	<b>31.16%</b>
<b>Gross Operating Profit</b>	<b>681,552.38</b>	<b>9.44%</b>	<b>681,650.56</b>	<b>9.44%</b>

Annex 3 - Continue, 2020 Rooms division (including rent):

Management Fees	1,238,706.52	17.16%	216,529.10	3.00%
<b>Income Before Non-Oper. Expenses</b>	<b>(557,154.14)</b>	<b>-7.72%</b>	<b>465,121.46</b>	<b>6.44%</b>
<b>Non Operating Income &amp; Expenses</b>				
Othe Income	428,422.00	5.94%	-428,422.00	-4.26%
Rent	9,999,996.00	138.55%	9,999,996.00	99.48%
Property & Other Taxes	230,436.00	3.19%	230,436.00	2.29%
Insurance	248,512.53	3.44%	248,512.53	2.47%
Other Non-Oper. Expenses	1,923.22	0.03%	1,923.22	0.02%
<b>Total Non-Oper Inc. &amp; Expenses</b>	<b>10,052,445.75</b>	<b>139.28%</b>	<b>10,052,445.75</b>	<b>31.16%</b>
<b>EBITDA</b>	<b>(10,609,599.89)</b>	<b>-147.00%</b>	<b>(9,587,324.29)</b>	<b>-132.83%</b>
Depreciation & Amortization	252,000.00	3.49%	252,000.00	
Interest	48,000.00	0.67%	48,000.00	
Income Taxes	0.00	0.00%	0.00	
<b>Net Income</b>	<b>(10,909,599.89)</b>	<b>-151.15%</b>	<b>(9,887,324.29)</b>	<b>-136.99%</b>
1/25/2021 at 11:53:26 AM	<b>(909,603.89)</b>		<b>112,671.71</b>	<b>1.56%</b>

Annex 4 – 2020 Food & Beverage division P&L:

<b>Hotel Reports 2020</b>			<b>Assumed 2020</b>	
<b>Revenues</b>				
A-La Carte	5,264,248	81.75%	5,264,248	81.75%
F&B Venue Event Revenue	798,887	12.41%	798,887	12.41%
Other Revenue	375,958	5.84%	375,958	5.84%
	6,439,093		6,439,093	100.00%
Cost of goods sold	1,324,170	20.56%	1,324,170	20.56%
Labor Cost	3,297,470	51.21%	3,297,470	51.21%
Operating Expenses	1,026,862	15.95%	1,026,862	15.95%
	5,648,501	87.72%	5,648,501	87.72%
<b>Gross Operating Profit</b>	<b>790,591</b>	12.28%	<b>790,591</b>	12.28%
Utility Costs	247,643	3.85%	247,643	3.85%
Fixed Charges & Other Expenses	1,178,910	18.31%	606,308	9.42%
Interest and depreciation	12,295	0.19%	12,295	0.19%
<b>Net Operating Income</b>	<b>(648,256)</b>	-10.07%	<b>(75,654)</b>	-1.17%

William Vale

P&amp;L

Rooms 183  
Currency USD

Item	Year 1 2020 Data	%	Year 2 2021 Data	%	Year 3 2022 Data	%	Year 4 2023 Data	%	Year 5 2024 Data	%	Year 6 2025 Data	%	Year 7 2026 Data	%	Year 8 2027 Data	%	Year 9 2028 Data	%	Year 10 2027 Data	%
Rooms Available	66,795		66,795		66,795		66,795		66,795		66,795		66,795		66,795		66,795		66,795	
Occupancy	35%		70%		72%		73%		75%		75%		75%		75%		75%		75%	
Rooms Occupied	23,305		46,683		48,019		48,687		50,023		50,023		50,023		50,023		50,023		50,023	
Guest Occupancy	29,131		58,354		60,024		60,859		62,529		62,529		62,529		62,529		62,529		62,529	
Average Rate	333		450		454		461		466		475		489		494		499		504	
F & B Covers Availability	547,500		547,500		547,500		547,500		547,500		547,500		547,500		547,500		547,500		547,500	
F & B Covers Utilization	145,657		291,771		300,120		304,295		312,644		312,644		312,644		312,644		312,644		312,644	
Average Check - Food	45		47		48		48		49		49		49		49		49		49	
Average Check - Beverage	15		16		16		16		16		16		16		16		16		16	
Rev/PAR/ Total Revenue/POR	116	749	314	826	327	887	336	929	349	934	356	955	367	983	370	1,001	374	1,019	378	1,039
Revenues:																				
Rooms	7,767	44.47%	21,004	54.45%	21,821	51.21%	22,456	49.63%	23,303	49.90%	23,769	49.73%	24,482	49.81%	24,727	49.39%	24,974	48.97%	25,224	48.55%
F & B	8,739	50.04%	16,111	41.77%	19,333	45.37%	20,300	44.87%	20,909	44.77%	21,536	45.06%	22,182	45.13%	22,848	45.64%	23,533	46.15%	24,239	46.66%
Rent	960	5.50%	1,460	3.78%	1,460	3.43%	2,488	5.50%	2,488	5.33%	2,488	5.21%	2,488	5.06%	2,488	4.97%	2,488	4.88%	2,488	4.79%
Subtotal	17,466	100.00%	38,575	100.00%	42,614	100.00%	45,244	100.00%	46,700	100.00%	47,793	100.00%	49,153	100.00%	50,063	100.00%	50,995	100.00%	51,951	100.00%
Expenses:																				
Number of Employees	143		188		188		188		188		188		188		188		188		188	
Labor cost	9,626	55.11%	12,378	32.09%	12,378	29.05%	12,378	27.36%	12,378	26.51%	12,378	25.90%	12,378	25.18%	12,378	24.73%	12,378	24.27%	12,378	23.83%
F&B cost	2,622	15.01%	4,833	12.53%	5,800	13.61%	6,090	13.46%	6,273	13.43%	6,461	13.52%	6,655	13.54%	6,854	13.69%	7,060	13.84%	7,272	14.00%
Base fee/Franchise	349	2.00%	771	2.00%	852	2.00%	905	2.00%	934	2.00%	956	2.00%	983	2.00%	1,001	2.00%	1,020	2.00%	1,039	2.00%
Operating Expenses and Equipment	786	4.50%	1,736	4.50%	1,918	4.50%	2,036	4.50%	2,102	4.50%	2,151	4.50%	2,212	4.50%	2,253	4.50%	2,295	4.50%	2,338	4.50%
Energy & Maintenance cost	1,310	7.50%	2,893	7.50%	3,196	7.50%	3,393	7.50%	3,503	7.50%	3,585	7.50%	3,686	7.50%	3,755	7.50%	3,825	7.50%	3,896	7.50%
Overheads:																				
Human Resources	262	1.50%	638	1.66%	699	1.64%	738	1.63%	760	1.63%	777	1.63%	797	1.62%	811	1.62%	825	1.62%	839	1.62%
Marketing & Centralized Services	873	5.00%	1,929	5.00%	2,131	5.00%	2,262	5.00%	2,335	5.00%	2,390	5.00%	2,458	5.00%	2,503	5.00%	2,550	5.00%	2,598	5.00%
Admin. & General	786	4.50%	1,736	4.50%	1,918	4.50%	2,036	4.50%	2,102	4.50%	2,151	4.50%	2,212	4.50%	2,253	4.50%	2,295	4.50%	2,338	4.50%
Insurance	250	1.43%	250	0.65%	250	0.59%	250	0.55%	250	0.54%	250	0.52%	250	0.51%	250	0.50%	250	0.49%	250	0.48%
Property Taxes	230	1.32%	230	0.60%	230	0.54%	230	0.51%	230	0.49%	230	0.48%	230	0.47%	230	0.46%	230	0.45%	230	0.44%
Subtotal	17,094	97.87%	27,395	71.02%	29,371	68.92%	30,319	67.01%	30,866	66.09%	31,327	65.55%	31,861	64.82%	32,288	64.49%	32,727	64.18%	33,178	63.86%
G.O.P (L)	372	2.13%	11,180	28.98%	13,243	31.08%	14,925	32.99%	15,834	33.91%	16,466	34.45%	17,292	35.18%	17,775	35.51%	18,269	35.82%	18,774	36.14%
FF&E Provision	349	2.00%	1,543	4.00%	1,705	4.00%	1,810	4.00%	1,868	4.00%	1,912	4.00%	1,966	4.00%	2,003	4.00%	2,040	4.00%	2,078	4.00%
Net Income	23	0.13%	9,637	24.98%	11,538	27.08%	13,115	28.99%	13,966	29.91%	14,554	30.45%	15,326	31.18%	15,772	31.51%	16,229	31.82%	16,696	32.14%
Incentive Fee	19	0.11%	559	1.45%	662	1.55%	746	1.65%	792	1.70%	823	1.72%	865	1.76%	889	1.78%	913	1.79%	939	1.81%
N.O.I	4	0.03%	9,078	23.53%	10,876	25.52%	12,369	27.34%	13,175	28.21%	13,731	28.73%	14,461	29.42%	14,884	29.73%	15,315	30.03%	15,757	30.33%

year	2019	2020	2021	2022	2023	2024	2025
Rent/N.O.I	14.7%	21829.6%	16.1%	13.4%	20.1%	18.9%	18.1%

## William Vale

### Rates structure

Category	Season	Rate USD	Start date	End Date	Start date	End Date	Start date	End Date	Total days	Occupancy	Room*Nights		Revenue
F.I.T	Regular	325.00	1-Jan-25	6-Apr-25	21-Aug-25	19-Sep-25	13-Oct-25	14-Dec-25	189	40%	13,835	20.7%	4,496,310
F.I.T	High	400.00	19-Apr-25	20-Jun-25	20-Sep-25	12-Oct-25			86	15%	2,361	3.5%	944,280
F.I.T	Holidays	325.00	7-Apr-25	18-Apr-25	21-Jun-25	20-Aug-25	15-Dec-25	31-Dec-25	90	10%	1,647	2.5%	535,275
MICE/Groups	Regular	350.00	1-Jan-25	6-Apr-25	21-Aug-25	19-Sep-25	13-Oct-25	14-Dec-25	189	10%	3,459	5.2%	1,210,545
MICE/Groups	High	300.00	19-Apr-25	20-Jun-25	20-Sep-25	12-Oct-25			86	8%	1,180	1.8%	354,105
MICE/Groups	Holidays	275.00	7-Apr-25	18-Apr-25	21-Jun-25	20-Aug-25	15-Dec-25	31-Dec-25	90	5%	824	1.2%	226,463
Total/Average		333.27									23,305	34.89%	7,766,978

Arrangement Double Occupancy on R/O per night without VAT and taxes

Rate on 1.5 Occupancy including Breakfast and VAT 397.79

### F&B Analysis Guest ratio per room 1.25 Typical year

All day restaurant						
Seat	Guest Capture	Walk in	Daily Cover	AV. Food Check	Revenue	
Breakfast	300	75.0%	50	275.0	15	1,485,000
Lunch	300	15.0%	50	95.0	35	1,197,000
Dinner	300	50.0%	100	250.0	40	3,600,000
Total Food			200	620.0	28	6,282,000
Beverage				345.0	8	993,600
Total all day restaurant - breakfast and Bar						7,275,600

Bars & Lounges						
Lobby	75	50%	50	87.5	20	630,000
Walk-ins	70	200%	75	215.0	25	1,128,750
Bar all day beverage	25	20%	20	25.0	15	135,000
Bar Beverage	30	25%	20	27.5	20	198,000
Total Bars & Lounges				355.0	16	2,091,750

In Room dining						
Room Service		8%		4.8	50	86,196.76
Total In room dining						86,196.76

MICE/Banquets	SQF <sup>2</sup>	Income per SQF <sup>2</sup>		Annum
Ball Room	22000		250	5,500,000
Conference	15000		200	3,000,000
Roof top Bar	5000		180	900,000
Parties	0		-	416,000
Total MICE/Banquets				9,816,000

Annually	Nominal	% of total Revenue	Per Available Room	Per Occ. Room
Total F&B	19,269,547	71.27%	288.49	826.84



Hotel Name: William Vale  
 Rooms 183  
 Currency USD  
 Room occupancy 1.25  
 F&B Availability 450  
 Benefits rate 15%

### Human Resources Budget by Occupancy

Position	Gross Salary	Employer Cost	Occupancy					Total Employer Cost				
			25.0%	45.0%	65.0%	75.0%	90.0%	25.0%	45.0%	60.0%	75.0%	90.0%
Management												
General Manager	30,000	34,632	1.0	1.0	1.0	1.0	1.0	34,632	34,632	34,632	34,632	34,632
Asst. General Manager	20,000	23,088	0.0	0.0	1.0	1.0	1.0	-	-	23,088	23,088	23,088
Secretary	5,000	5,772	0.0	0.0	1.0	1.0	1.0	-	-	5,772	5,772	5,772
Revenue Manager	10,000	11,544	1.0	1.0	1.0	1.0	1.0	11,544	11,544	11,544	11,544	11,544
Sales Mgr.	6,500	7,504	2.0	2.0	3.0	3.0	3.0	15,007	15,007	22,511	22,511	22,511
Human Resources	6,000	6,926	1.0	1.0	1.0	1.0	1.0	6,926	6,926	6,926	6,926	6,926
Guest relation	3,200	3,694	2.0	2.0	2.0	2.0	2.0	7,388	7,388	7,388	7,388	7,388
Night Manager	3,500	4,040	2.8	2.8	2.8	2.8	2.8	11,313	11,313	11,313	11,313	11,313
Purchasing Manager	4,500	5,195	1.0	1.0	1.0	1.0	1.0	5,195	5,195	5,195	5,195	5,195
Sub Total			10.8	10.8	13.8	13.8	13.8	92,006	92,006	128,369	128,369	128,369

Finance												
Controller	10,000	11,544	1.0	1.0	1.0	1.0	1.0	11,544	11,544	11,544	11,544	11,544
Secretary	4,000	4,618	0.0	0.0	1.0	1.0	1.0	-	-	4,618	4,618	4,618
IT Manager	7,500	8,658	1.0	1.0	1.0	1.0	1.0	8,658	8,658	8,658	8,658	8,658
Chief Accountant	6,000	6,926	0.0	0.0	1.0	1.0	1.0	-	-	6,926	6,926	6,926
Credit Card	4,500	5,195	1.0	1.0	1.0	1.0	1.0	5,195	5,195	5,195	5,195	5,195
City ledger	4,500	5,195	0.0	0.0	1.0	1.0	1.0	-	-	5,195	5,195	5,195
Receivable	-	-	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-
Accountant	-	-	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-
F&B controller	5,000	5,772	1.0	1.0	1.0	1.0	1.0	5,772	5,772	5,772	5,772	5,772
Night auditor	4,500	5,195	1.0	1.0	1.0	1.0	1.0	5,195	5,195	5,195	5,195	5,195
Receiver	5,000	5,772	1.0	1.0	1.0	1.0	1.0	5,772	5,772	5,772	5,772	5,772
General store	3,500	4,040	0.0	0.0	1.0	1.0	1.0	-	-	4,040	4,040	4,040

Position	Gross Salary	Employer Cost	Occupancy					Total Employer Cost				
			25.0%	45.0%	65.0%	75.0%	90.0%	25.0%	45.0%	60.0%	75.0%	90.0%
Sub Total			6.0	6.0	10.0	10.0	10.0	42,136	42,136	62,915	62,915	62,915
Rooms Division												
Head of Rooms	10,000	11,544	1.0	1.0	1.0	1.0	1.0	11,544	11,544	11,544	11,544	11,544
Secretary	3,200	3,694	1.0	1.0	1.0	1.0	1.0	3,694	3,694	3,694	3,694	3,694
Reception Manager	6,000	6,926	1.0	1.0	1.0	1.0	1.0	6,926	6,926	6,926	6,926	6,926
Reception clerk/Bar	4,000	4,618	4.2	5.6	8.0	8.0	8.0	19,394	25,859	36,941	36,941	36,941
Bell Captain	5,000	5,772	1.0	1.0	1.0	1.0	1.0	5,772	5,772	5,772	5,772	5,772
Bell boy/Valet Parking	3,200	3,694	4.2	4.2	4.2	4.2	4.2	15,515	15,515	15,515	15,515	15,515
Concierge	3,500	4,040	2.8	2.8	2.8	2.8	2.8	11,313	11,313	11,313	11,313	11,313
Battler service	-	-	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-
Reservation clerk	3,200	3,694	2.8	2.8	2.8	2.8	2.8	10,343	10,343	10,343	10,343	10,343
Operator shift leader	-	-	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-
Operator	-	-	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-
Housekeeping Manager	8,000	9,235	1.0	1.0	1.0	1.0	1.0	9,235	9,235	9,235	9,235	9,235
Public Area shift leader	5,000	5,772	4.2	4.2	4.2	4.2	4.2	24,242	24,242	24,242	24,242	24,242
Chambermaid	4,000	4,618	12.0	15.0	20.0	24.0	24.0	55,411	69,264	92,352	110,822	110,822
Public Area	4,000	4,618	4.2	4.2	4.2	4.2	4.2	19,394	19,394	19,394	19,394	19,394
Laundry	4,000	4,618	2.8	2.8	2.8	2.8	2.8	12,929	12,929	12,929	12,929	12,929
Store keeper	-	-	0.0	0.0	0.0	1.0	0.0	-	-	-	-	-
Pool Operator	3,500	4,040	1.0	1.0	1.0	1.0	1.0	4,040	4,040	4,040	4,040	4,040
Life Guard	3,750	4,329	1.0	1.0	1.0	1.0	1.0	4,329	4,329	4,329	4,329	4,329
Chief Security Officer	5,000	5,772	1.0	1.0	1.0	1.0	1.0	5,772	5,772	5,772	5,772	5,772
Security Officer	4,000	4,618	2.0	2.0	2.0	2.0	2.0	9,235	9,235	9,235	9,235	9,235
Hotel Engineer	7,500	8,658	1.0	1.0	1.0	1.0	1.0	8,658	8,658	8,658	8,658	8,658
Engineer Assistant	6,000	6,926	1.0	1.0	1.0	1.0	1.0	6,926	6,926	6,926	6,926	6,926
Maintenance Store	-	-	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-
High Voltage electrician	4,500	5,195	1.0	1.0	1.0	1.0	1.0	5,195	5,195	5,195	5,195	5,195
Low Voltage electrician	-	-	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-
Plumber	3,500	4,040	1.0	1.0	1.0	1.0	1.0	4,040	4,040	4,040	4,040	4,040
Carpenter	-	-	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-
Painter	-	-	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-
Handyman	3,500	4,040	2.8	2.8	2.8	2.8	2.8	11,313	11,313	11,313	11,313	11,313

Position	Gross Salary	Employer Cost	Occupancy					Total Employer Cost				
			25.0%	45.0%	65.0%	75.0%	90.0%	25.0%	45.0%	60.0%	75.0%	90.0%
SPA manager	4,000	4,618	0.0	0.0	1.0	1.0	1.0	-	-	4,618	4,618	4,618
Care Taker	3,500	4,040	0.0	0.0	2.0	2.0	2.0	-	-	8,081	8,081	8,081
Sub Total			54.0	58.4	68.8	73.8	72.8	265,223	285,541	332,409	350,880	350,880
F & B Division												
F&B Manager	10,000	11,544	1.0	1.0	1.0	1.0	1.0	11,544	11,544	11,544	11,544	11,544
Assistant F&B Manager	8,500	9,812	2.0	2.0	2.0	2.0	2.0	19,625	19,625	19,625	19,625	19,625
Secretary	4,000	4,618	1.0	1.0	1.0	1.0	1.0	4,618	4,618	4,618	4,618	4,618
Banquet Manager	10,000	11,544	1.0	1.0	1.0	1.0	1.0	11,544	11,544	11,544	11,544	11,544
Group Coordination	5,000	5,772	1.0	1.0	1.0	1.0	1.0	5,772	5,772	5,772	5,772	5,772
Chef	20,000	23,088	1.0	1.0	1.0	1.0	1.0	23,088	23,088	23,088	23,088	23,088
Chef Assistant	15,000	17,316	1.0	1.0	1.0	1.0	1.0	17,316	17,316	17,316	17,316	17,316
Cold Kitchen	5,000	5,772	2.8	2.8	4.2	4.2	4.2	16,162	16,162	24,242	24,242	24,242
Hot Kitchen	5,000	5,772	2.8	2.8	4.2	4.2	4.2	16,162	16,162	24,242	24,242	24,242
Breakfast	5,000	5,772	6.0	8.0	8.0	8.0	10.0	34,632	46,176	46,176	46,176	57,720
Cooks	4,800	5,541	12.0	14.0	14.0	14.0	16.0	66,493	77,576	77,576	77,576	88,658
Chief Stuart	6,000	6,926	1.0	1.0	1.0	1.0	1.0	6,926	6,926	6,926	6,926	6,926
Stuart	3,200	3,694	8.0	12.0	15.0	15.0	15.0	29,553	44,329	55,411	55,411	55,411
Dinning Room Manager	5,000	5,772	2.8	2.8	2.8	2.8	2.8	16,162	16,162	16,162	16,162	16,162
Restaurant/R.S Manager	5,000	5,772	2.8	2.8	2.8	2.8	2.8	16,162	16,162	16,162	16,162	16,162
Waiter Shift Leader	4,000	4,618	2.0	2.0	2.0	2.0	2.0	9,235	9,235	9,235	9,235	9,235
Hostess	3,500	4,040	2.0	2.0	2.0	2.0	2.0	8,081	8,081	8,081	8,081	8,081
Waitstaff	3,500	4,040	15.0	20.0	25.0	30.0	30.0	60,606	80,808	101,010	121,212	121,212
Barman	3,500	4,040	4.0	4.0	4.0	4.0	2.0	16,162	16,162	16,162	16,162	8,081
Sub Total			69.2	82.2	93.0	98.0	100.0	389,841	447,445	494,891	515,093	529,639
Others												
Guest relation Team	-	-	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-
Gym Instructor	4,000	4,618	2.8	2.8	2.8	2.8	2.8	12,929	12,929	12,929	12,929	12,929
Sub Total			2.8	2.8	2.8	2.8	2.8	12,929	12,929	12,929	12,929	12,929
Total			142.8	160.2	188.4	198.4	199.4	802,135	880,057	1,031,514	1,070,187	1,084,732

Position	Gross Salary	Employer Cost	Occupancy					Total Employer Cost				
			25.0%	45.0%	65.0%	75.0%	90.0%	25.0%	45.0%	60.0%	75.0%	90.0%
<b>Labor Expenses</b>	<b>Item</b>		Occupancy									
			25.0%	45.0%	65.0%	75.0%	90.0%					
	<b>Number of Employees</b>		142.80	160.20	188.40	198.40	199.40					
<b>Per Month</b>	<b>Total Salaries</b>		802,135	880,057	1,031,514	1,070,187	1,084,732					
	<b>Average Salary</b>		5,617.19	5,493.49	5,475.13	5,394.09	5,439.98					
<b>Cost by %</b>												
<b>Social Security - FICA</b>	<b>7.90%</b>		63,369	69,524	81,490	84,545	85,694					
<b>Medicare</b>	<b>1.85%</b>		14,839	16,281	19,083	19,798	20,068					
<b>FUTA</b>	<b>0.24%</b>		1,925	2,112	2,476	2,568	2,603					
<b>SUTA (un employment insurance frud)</b>	<b>1.68%</b>		13,476	14,785	17,329	17,979	18,223					
<b>MTA &amp; Others (employees frud insurance)</b>	<b>0.26%</b>		2,086	2,288	2,682	2,782	2,820					
<b>Health Insurance</b>	<b>4.39%</b>		35,214	38,634	45,283	46,981	47,620					
<b>Health Insurance - employees</b>	<b>-2.87%</b>		(23,021)	(25,258)	(29,604)	(30,714)	(31,132)					
<b>Compensation</b>	<b>1.61%</b>		12,914	14,169	16,607	17,230	17,464					
<b>Disability</b>	<b>0.37%</b>		2,968	3,256	3,817	3,960	4,014					
<b>Other Benfits</b>	<b>0.01%</b>		80	88	103	107	108					
<b>Sub Total</b>	<b>15.44%</b>		123,850	135,881	159,266	165,237	167,483					
<b>Cost per employee</b>												
<b>Convalescence Fee</b>			-	-	-	-	-					
<b>Accommodation Fee</b>			-	-	-	-	-					
<b>Clothing</b>			-	-	-	-	-					
<b>Flights</b>			-	-	-	-	-					
<b>Yearly-Premium</b>			-	-	-	-	-					
<b>Transportation</b>			-	-	-	-	-					
<b>Employees meals</b>			-	-	-	-	-					
<b>Others</b>			-	-	-	-	-					
<b>Sub Total</b>	<b>-</b>		-	-	-	-	-					
<b>Total related Expenses</b>			123,850	135,881	159,266	165,237	167,483					

## William Vale

Sensitivity Analysis

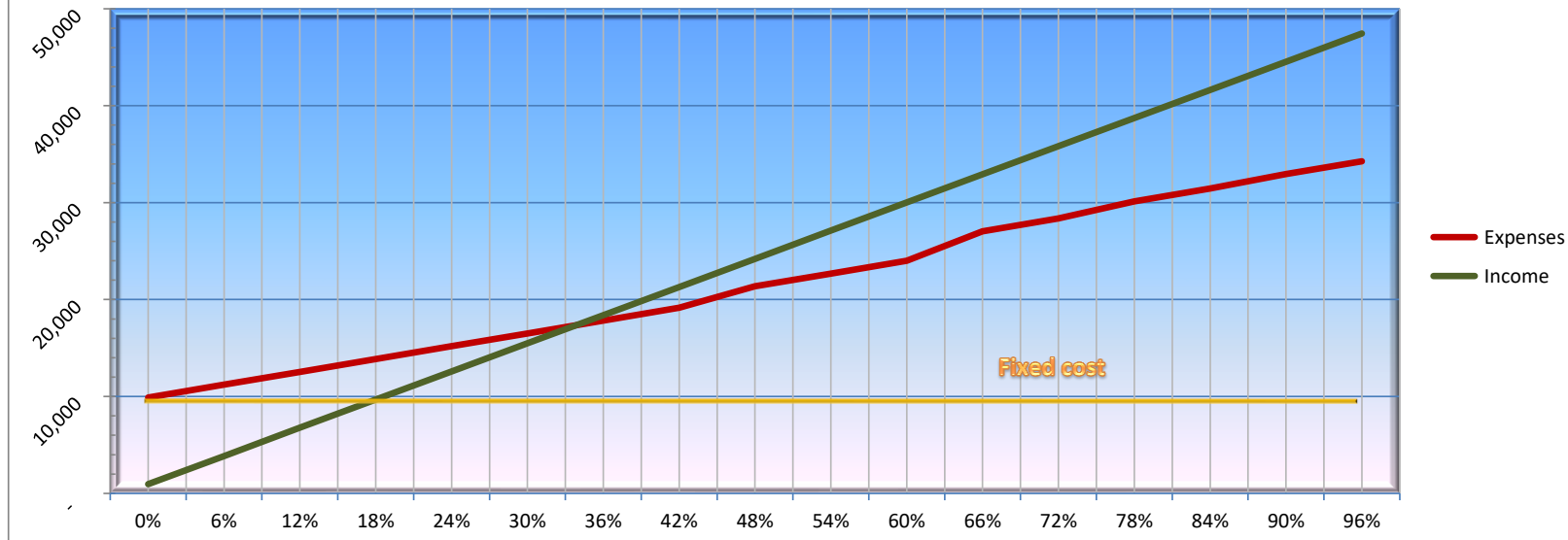
Figures in USD

% / Rate	250	275	300	325	350	375	400
5.00%	(7,847)	(7,789)	(7,731)	(7,674)	(7,616)	(7,558)	(7,500)
11.00%	(6,541)	(6,414)	(6,286)	(6,159)	(6,032)	(5,905)	(5,778)
17.00%	(5,234)	(5,038)	(4,841)	(4,645)	(4,448)	(4,252)	(4,055)
23.00%	(3,928)	(3,662)	(3,396)	(3,130)	(2,864)	(2,598)	(2,332)
29.00%	(2,622)	(2,287)	(1,951)	(1,616)	(1,281)	(945)	(610)
35.00%	(1,316)	(911)	(506)	(101)	303	708	1,113
41.00%	(9)	465	939	1,413	1,887	2,361	2,835
47.00%	409	952	1,496	2,039	2,583	3,126	3,670
53.00%	1,715	2,328	2,941	3,553	4,166	4,779	5,392
59.00%	3,021	3,703	4,386	5,068	5,750	6,432	7,115
65.00%	2,601	3,352	4,104	4,856	5,607	6,359	7,111
71.00%	3,907	4,728	5,549	6,370	7,191	8,012	8,833
77.00%	4,772	5,663	6,553	7,444	8,334	9,224	10,115
83.00%	6,079	7,038	7,998	8,958	9,918	10,878	11,837
89.00%	7,385	8,414	9,443	10,472	11,502	12,531	13,560

Average rate 350.00

Occupanc	Expenses	Income
0%	9,896	960
6%	11,217	3,866
12%	12,539	6,771
18%	13,861	9,677
24%	15,183	12,582
30%	16,504	15,488
36%	17,826	18,393
42%	19,148	21,299
48%	21,358	24,205
54%	22,680	27,110
60%	24,002	30,016
66%	27,050	32,921
72%	28,372	35,827
78%	30,135	38,733
84%	31,456	41,638
90%	32,944	44,544
96%	34,266	47,449

Break even point for 350 rate



**William Vale****Yearly 2025****Total day.**  
**Rooms 365**  
**183**

	<b>Budget 2025</b>			<b>Statistic</b>			<b>Per Day</b>	<b>Per Day</b>
	R/N	Avr.Rate	Revenue	R/N	Avr.Rate	Revenue	R/N	Revenue
<b><u>RACK RATES</u></b>								
<b><u>CONTRACT</u></b>								
MID WEEK	6,175	378.24	2,335,625	28.5%	98.97%	28.20%	16.92	6,399
CORPORATE	5,050	379.95	1,918,750	23.3%	99.42%	23.16%	13.84	5,257
RACK RATES	5,625	422.89	2,378,750	26.0%	110.65%	28.72%	15.41	6,517
WEEK ENDS	4,825	342.10	1,650,625	22.3%	89.51%	19.93%	13.22	4,522
<b>SUB TOTAL</b>	<b>21,675</b>	<b>382.18</b>	<b>8,283,750</b>	<b>41.7%</b>	<b>105.33%</b>	<b>43.95%</b>	<b>59.38</b>	<b>22,695</b>
<b><u>TRANSIT</u></b>								
WALK INN	1,750	345.71	605,000	7.8%	102.91%	8.04%	4.79	1,658
INTERNET	7,550	356.29	2,690,000	33.7%	106.06%	35.75%	20.68	7,370
IND. DIRECT	6,950	334.17	2,322,500	31.0%	99.47%	30.86%	19.04	6,363
WEEK ENDS	6,150	310.16	1,907,500	27.5%	92.33%	25.35%	16.85	5,226
<b>SUB TOTAL</b>	<b>22,400</b>	<b>335.94</b>	<b>7,525,000</b>	<b>43.1%</b>	<b>92.59%</b>	<b>39.92%</b>	<b>61.37</b>	<b>20,616</b>
<b><u>GROUPS</u></b>								
CONVATIONS/FAIRS	3,400	426.47	1,450,000	43.2%	110.48%	47.70%	9.32	3,973
BUSS GROUPS	2,150	376.74	810,000	27.3%	97.59%	26.64%	5.89	2,219
PRIVATE GROUPS	2,325	335.48	780,000	29.5%	86.91%	25.66%	6.37	2,137
OTHERS								
<b>SUB TOTAL</b>	<b>7,875</b>	<b>386.03</b>	<b>3,040,000</b>	<b>15.2%</b>	<b>106.40%</b>	<b>16.13%</b>	<b>21.58</b>	<b>8,329</b>
<b><u>SPECIALS</u></b>								
INDUSTRY DISC:								
FAM TRIP								
Houseuse								
<b>SUB TOTAL</b>								
<b>GRAND TOTAL</b>	<b>51,950</b>	<b>362.82</b>	<b>18,848,750</b>				<b>142.33</b>	<b>51,640</b>
<b>OCCUPANCY</b>		<b>77.78%</b>						



William Vale USD**Cash flow Realistic Scenario**

Year	0	1	2	3	4	5	6	7	8	9	10	Totals
Occupancy		34.89%	69.89%	71.89%	72.89%	74.89%	74.89%	74.89%	74.89%	74.89%	74.89%	
Average Rate USD		333	450	454	461	466	475	489	494	499	504	
Revenue		17,466	38,575	42,614	45,244	46,700	47,793	49,153	50,063	50,995	51,951	440,555
Expenses		17,462	29,497	31,738	32,875	33,525	34,062	34,691	35,179	35,680	36,194	320,905
N.O.I		4	9,078	10,876	12,369	13,175	13,731	14,461	14,884	15,315	15,757	119,650
Finance by Bonds at 4.95%	186,000											
Loan Balance	0.50%	186,000	186,000	186,000	186,000	186,000	186,000	186,000	186,000	186,000	186,000	
Management fee 0.5%	186,000	930	930	930	930	930	930	930	930	930	930	9,300
Owners Capital Investment	-			-	-	-	-	-	-	-	-	
Key Money	-											
Interest payment per annum	4.95%	9,207	9,207	9,207	9,207	9,207	9,207	9,207	9,207	9,207	9,207	92,070
Interest plus management fee	186,000	10,137	10,137	10,137	10,137	10,137	10,137	10,137	10,137	10,137	10,137	101,370
Other net income (commercial rent)		120	120	120	120	120	120	120	120	120	120	1,200
Cash Availability		(10,013)	(939)	859	2,352	3,158	3,714	4,444	4,867	5,298	5,740	19,480
Accum. Cash Availability		(10,013)	(10,952)	(10,093)	(7,741)	(4,583)	(869)	3,575	8,442	13,740	19,480	
DSCR		1.23%	90.73%	108.47%	123.20%	131.15%	136.64%	143.84%	148.01%	152.27%	156.62%	
Hotel Value 6.0%		6,206	186,330	220,710	248,752	263,906	274,436	288,195	296,247	304,478	312,895	
Upside on 168M		-179.79%	0.33%	34.71%	62.75%	77.91%	88.44%	102.20%	110.25%	118.48%	126.89%	

**Cash flow Pessimistic Scenario**

Year	0	1	2	3	4	5	6	7	8	9	10	Totals
Occupancy		33.15%	68.15%	70.15%	71.15%	73.15%	73.15%	73.15%	73.15%	73.15%	73.15%	
Average Rate USD		317	427	432	438	443	451	465	470	474	479	
Revenue		16,272	37,027	41,020	43,611	45,019	46,079	47,387	48,279	49,194	50,132	424,019
Expenses		16,970	28,990	31,216	32,340	32,975	33,501	34,113	34,595	35,090	35,598	315,389
N.O.I		(698)	8,037	9,804	11,271	12,044	12,578	13,273	13,684	14,104	14,533	108,630
Finance by Bonds at 4.95%	186,000											
Loan Balance	0.50%	186,000	186,000	186,000	186,000	186,000	186,000	186,000	186,000	186,000	186,000	
Management fee 0.5%	186,000	930	930	930	930	930	930	930	930	930	930	9,300
Owners Capital Investment	-			213	-	-	-	-	-	-	-	
Key Money	-											
Interest payment per annum	4.95%	9,207	9,207	9,207	9,207	9,207	9,207	9,207	9,207	9,207	9,207	92,070
Interest plus management fee	186,000	10,137	10,137	10,137	10,137	10,137	10,137	10,137	10,137	10,137	10,137	101,370
Other net income (commercial rent)		120	120	120	120	120	120	120	120	120	120	1,200
Cash Availability		(10,715)	(1,980)	(213)	1,254	2,027	2,561	3,256	3,667	4,087	4,516	8,460
Accum. Cash Availability		(10,715)	(12,695)	(12,909)	(11,655)	(9,628)	(7,067)	(3,810)	(143)	3,944	8,460	
DSCR		-5.70%	80.46%	97.90%	112.37%	120.00%	125.27%	132.12%	136.18%	140.32%	144.55%	
Hotel Value 6.0%		(6,538)	166,977	200,784	228,335	242,895	253,005	266,122	273,952	281,961	290,152	
Upside on 150M		-192.54%	-19.02%	14.78%	42.33%	56.90%	67.01%	80.12%	87.95%	95.96%	104.15%	

**Cash flow Optimistic Scenario**

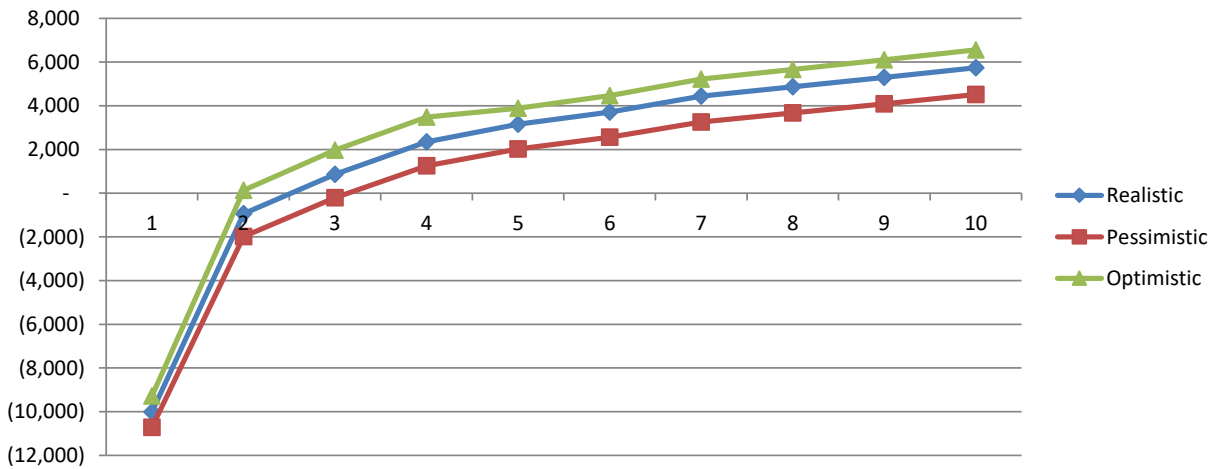
Year	0	1	2	3	4	5	6	7	8	9	10	Totals
Occupancy		36.63%	71.63%	73.63%	74.63%	76.63%	76.63%	76.63%	76.63%	76.63%	76.63%	
Average Rate USD		350	472	477	484	489	499	514	519	524	529	
Revenue		18,699	40,175	44,261	46,931	48,435	49,563	50,975	51,904	52,855	53,829	457,629
Expenses		17,966	30,021	32,278	33,428	34,538	35,086	35,732	36,226	36,733	37,253	329,260
N.O.I		734	10,154	11,984	13,504	13,898	14,477	15,243	15,678	16,122	16,576	128,370
Finance by Bonds at 4.95%	186,000											
Loan Balance	0.50%	186,000	186,000	186,000	186,000	186,000	186,000	186,000	186,000	186,000	186,000	
Management fee 0.5%	186,000	930	930	930	930	930	930	930	930	930	930	9,300
Owners Capital Investment	-			-	-	-	-	-	-	-	-	
Key Money	-											
Interest payment per annum	4.95%	9,207	9,207	9,207	9,207	9,207	9,207	9,207	9,207	9,207	9,207	92,070
Interest plus management fee	186,000	10,137	10,137	10,137	10,137	10,137	10,137	10,137	10,137	10,137	10,137	101,370
Other net income (commercial rent)		120	120	120	120	120	120	120	120	120	120	1,200
Cash Availability		(9,283)	137	1,967	3,487	3,881	4,460	5,226	5,661	6,105	6,559	28,200
Accum. Cash Availability		(9,283)	(9,146)	(7,179)	(3,693)	188	4,648	9,874	15,535	21,640	28,200	
DSCR		8.42%	101.35%	119.40%	134.40%	138.28%	144.00%	151.55%	155.84%	160.23%	164.70%	

**William Vale****Owners Return (000) USD**

Owners investment 55,800

Principal 0.5%

Years	Owners return						EBIDAT/ Debt	EBDAT/ Debt	EBDAT/AP Debt
	Realistic	%	Pessimistic	%	Optimistic	%			
1	(10,013)	-17.94%	(10,715)	-19.20%	(9,283)	-16.64%	0.00%		
2	(939)	-1.68%	(1,980)	-3.55%	137	0.25%	4.88%		
3	859	1.54%	(213)	-0.38%	1,967	3.52%	5.85%	0.90%	0.46%
4	2,352	4.22%	1,254	2.25%	3,487	6.25%	6.65%	1.70%	1.26%
5	3,158	5.66%	2,027	3.63%	3,881	6.95%	7.08%	2.13%	1.70%
6	3,714	6.66%	2,561	4.59%	4,460	7.99%	7.38%	2.43%	2.00%
7	4,444	7.96%	3,256	5.84%	5,226	9.37%	7.77%	2.82%	2.39%
8	4,867	8.72%	3,667	6.57%	5,661	10.14%	8.00%	3.05%	2.62%
9	5,298	9.50%	4,087	7.32%	6,105	10.94%	8.23%	3.28%	2.85%
10	5,740	10.29%	4,516	8.09%	6,559	11.75%	8.47%	3.52%	3.09%

**Owners Return**

Total Investment 186,000

Index 2.5%

Years	Return on Investment						Total Investment Balance *		
	Realistic	%	Pessimistic	%	Optimistic	%	Realistic	Pessimistic	Optimistic
1	(10,013)	-5.38%	(10,715)	-5.76%	(9,283)	-4.99%	190,650	190,650	190,650
2	(939)	-0.50%	(1,980)	-1.06%	137	0.07%	204,726	205,446	203,978
3	859	0.46%	(213)	-0.11%	1,967	1.06%	209,853	211,659	207,984
4	2,352	1.26%	1,254	0.67%	3,487	1.87%	213,266	216,215	210,214
5	3,158	1.70%	2,027	1.09%	3,881	2.09%	215,234	219,383	210,943
6	3,714	2.00%	2,561	1.38%	4,460	2.40%	216,425	221,836	211,285
7	4,444	2.39%	3,256	1.75%	5,226	2.81%	217,075	223,803	211,042
8	4,867	2.62%	3,667	1.97%	5,661	3.04%	216,994	225,107	210,008
9	5,298	2.85%	4,087	2.20%	6,105	3.28%	216,477	226,023	208,503
10	5,740	3.09%	4,516	2.43%	6,559	3.53%	215,505	226,531	206,505

\* Assumption - all cash available will be diverted to minimize the loan and the owners investment pro-rata.

## Project Value Realistic Scenario

Years *	EBIDAT	Multiplier 16	Project Profit 16	Multiplier 18	Project Profit 18	Multiplier 20	Project Profit 20
1	4	70		79		88	
2	9,078	145,245		163,400		181,556	
3	10,876	174,014		195,766		217,518	7,665
4	12,369	197,906		222,644	9,378	247,382	34,116
5	13,175	210,794		237,143	21,910	263,493	48,259
6	13,731	219,698	3,273	247,160	30,736	274,623	58,198
7	14,461	231,376	14,301	260,299	43,223	289,221	72,146
8	14,884	238,137	21,143	267,904	50,910	297,671	80,677
9	15,315	245,047	28,570	275,678	59,201	306,309	89,832
10	15,757	252,111	36,607	283,625	68,121	315,139	99,634

\* As of opening day

## Project Value Pessimistic Scenario

Years *	EBIDAT	Multiplier 16	Project Profit 16	Multiplier 18	Project Profit 18	Multiplier 20	Project Profit 20
1	(698)	(11,169)		(12,566)		(13,962)	
2	8,037	128,586		144,659		160,732	
3	9,804	156,862		176,470		196,078	
4	11,271	180,331		202,872		225,413	9,198
5	12,044	192,708		216,797		240,885	21,503
6	12,578	201,250		226,407	4,571	251,563	29,727
7	13,273	212,375		238,922	15,119	265,469	41,666
8	13,684	218,946		246,314	21,206	273,682	48,575
9	14,104	225,664		253,872	27,849	282,080	56,057
10	14,533	232,535	6,003	261,601	35,070	290,668	64,137

\* As of opening day

## Project Value Optimistic Scenario

Years *	EBIDAT	Multiplier 16	Project Profit 16	Multiplier 18	Project Profit 18	Multiplier 20	Project Profit 20
1	734	11,740		13,208		14,675	
2	10,154	162,468		182,777		203,085	
3	11,984	191,737		215,704	7,720	239,671	31,687
4	13,504	216,060	5,845	243,067	32,853	270,074	59,860
5	13,898	222,362	11,419	250,157	39,215	277,953	67,010
6	14,477	231,639	20,354	260,594	49,309	289,549	78,264
7	15,243	243,889	32,847	274,375	63,333	304,861	93,819
8	15,678	250,845	40,837	282,201	72,193	313,557	103,548
9	16,122	257,954	49,451	290,198	81,695	322,442	113,939
10	16,576	265,218	58,714	298,371	91,866	331,523	125,018

\* As of opening day

**William Vale*****January*****31  
183**

	Budget 2025			Statistic		
	R/N	Avr.Rate	Revenue	R/N	Avr.Rate	Revenue
<b><u>RACK RATES</u></b>						
<b><u>CONTRACT</u></b>						
MID WEEK	375	275.00	103,125	25.0%	95.65%	23.88%
CORPORATE	350	300.00	105,000	23.3%	104.35%	24.31%
RACK RATES	400	325.00	130,000	26.7%	113.04%	30.10%
WEEK ENDS	375	250.00	93,750	25.0%	86.96%	21.71%
SUB TOTAL	1,500	287.50	431,875	44.8%	114.74%	51.45%
<b><u>TRANSIT</u></b>						
WALK INN	50	275.00	13,750	4.0%	122.22%	5.21%
INTERNET	400	225.00	90,000	32.0%	100.00%	34.12%
IND. DIRECT	350	200.00	70,000	28.0%	88.89%	26.54%
WEEK ENDS	450	200.00	90,000	36.0%	88.89%	34.12%
SUB TOTAL	1,250	225.00	263,750	37.3%	89.80%	31.42%
<b><u>GROUPS</u></b>						
CONVATIONS/FAIRS	250	275.00	68,750	41.7%	117.86%	47.83%
BUSS GROUPS	150	200.00	30,000	25.0%	85.71%	20.87%
PRIVATE GROUPS	200	225.00	45,000	33.3%	96.43%	31.30%
OTHERS						
SUB TOTAL	600	233.33	143,750	17.9%	93.12%	17.13%
<b><u>SPECIALS</u></b>						
INDUSTRY DISC:						
FAM TRIP						
Houseuse						
SUB TOTAL						
GRAND TOTAL	3,350	250.56	839,375			
OCCUPANCY		59.05%				

**William Vale****February****29**  
**183**

	Budget 2025			Statistic		
	R/N	Avr.Rate	Revenue	R/N	Avr.Rate	Revenue
<b><u>RACK RATES</u></b>						
<b><u>CONTRACT</u></b>						
MID WEEK	450	300.00	135,000	27.7%	97.96%	27.07%
CORPORATE	400	325.00	130,000	24.6%	106.12%	26.07%
RACK RATES	400	350.00	140,000	24.6%	114.29%	28.07%
WEEK ENDS	375	250.00	93,750	23.1%	81.63%	18.80%
SUB TOTAL	1,625	306.25	498,750	43.0%	114.04%	49.20%
<b><u>TRANSIT</u></b>						
WALK INN	100	275.00	27,500	5.7%	115.79%	6.88%
INTERNET	600	250.00	150,000	34.3%	105.26%	37.50%
IND. DIRECT	500	225.00	112,500	28.6%	94.74%	28.13%
WEEK ENDS	550	200.00	110,000	31.4%	84.21%	27.50%
SUB TOTAL	1,750	237.50	400,000	46.4%	88.44%	39.46%
<b><u>GROUPS</u></b>						
CONVATIONS/FAIRS	200	325.00	65,000	50.0%	118.18%	56.52%
BUSS GROUPS	100	250.00	25,000	25.0%	90.91%	21.74%
PRIVATE GROUPS	100	250.00	25,000	25.0%	90.91%	21.74%
OTHERS						
SUB TOTAL	400	275.00	115,000	10.6%	102.40%	11.34%
<b><u>SPECIALS</u></b>						
INDUSTRY DISC:						
FAM TRIP						
Houseuse						
SUB TOTAL						
GRAND TOTAL	3,775	268.54	1,013,750			
OCCUPANCY		71.13%				

**William Vale****March****31  
183**

	<b>Budget 2025</b>			<b>Statistic</b>		
	R/N	Avr.Rate	Revenue	R/N	Avr.Rate	Revenue
<b><u>RACK RATES</u></b>						
<b><u>CONTRACT</u></b>						
MID WEEK	550	300.00	165,000	29.3%	96.00%	28.00%
CORPORATE	450	325.00	146,250	24.0%	104.00%	24.81%
RACK RATES	500	350.00	175,000	26.7%	112.00%	29.69%
WEEK ENDS	375	275.00	103,125	20.0%	88.00%	17.50%
SUB TOTAL	1,875	312.50	589,375	42.9%	107.39%	46.29%
<b><u>TRANSIT</u></b>						
WALK INN	150	300.00	45,000	7.1%	109.09%	7.95%
INTERNET	750	275.00	206,250	35.7%	100.00%	36.42%
IND. DIRECT	600	250.00	150,000	28.6%	90.91%	26.49%
WEEK ENDS	600	275.00	165,000	28.6%	100.00%	29.14%
SUB TOTAL	2,100	275.00	566,250	48.0%	94.50%	44.48%
<b><u>GROUPS</u></b>						
CONVATIONS/FAIRS	200	325.00	65,000	50.0%	114.71%	55.32%
BUSS GROUPS	100	250.00	25,000	25.0%	88.24%	21.28%
PRIVATE GROUPS	100	275.00	27,500	25.0%	97.06%	23.40%
OTHERS						
<b><u>SUB TOTAL</u></b>	400	283.33	117,500	9.1%	97.37%	9.23%
SPECIALS						
INDUSTRY DISC:						
FAM TRIP						
Houseuse						
SUB TOTAL						
GRAND TOTAL	4,375	291.00	1,273,125			
OCCUPANCY		77.12%				



**William Vale****April****30  
183**

	<b>Budget 2025</b>			<b>Statistic</b>		
	R/N	Avr.Rate	Revenue	R/N	Avr.Rate	Revenue
<b><u>RACK RATES</u></b>						
<b><u>CONTRACT</u></b>						
MID WEEK	550	375.00	206,250	29.3%	100.00%	29.20%
CORPORATE	450	375.00	168,750	24.0%	100.00%	23.89%
RACK RATES	500	400.00	200,000	26.7%	106.67%	28.32%
WEEK ENDS	375	350.00	131,250	20.0%	93.33%	18.58%
<b>SUB TOTAL</b>	<b>1,875</b>	<b>375.00</b>	<b>706,250</b>	<b>43.4%</b>	<b>105.66%</b>	<b>46.01%</b>
<b><u>TRANSIT</u></b>						
WALK INN	150	325.00	48,750	7.7%	98.11%	7.50%
INTERNET	650	350.00	227,500	33.3%	105.66%	35.00%
IND. DIRECT	600	325.00	195,000	30.8%	98.11%	30.00%
WEEK ENDS	550	325.00	178,750	28.2%	98.11%	27.50%
<b>SUB TOTAL</b>	<b>1,950</b>	<b>331.25</b>	<b>650,000</b>	<b>45.1%</b>	<b>93.33%</b>	<b>42.35%</b>
<b><u>GROUPS</u></b>						
CONVATIONS/FAIRS	250	400.00	100,000	50.0%	117.07%	55.94%
BUSS GROUPS	150	325.00	48,750	30.0%	95.12%	27.27%
PRIVATE GROUPS	100	300.00	30,000	20.0%	87.80%	16.78%
OTHERS						
<b><u>SUB TOTAL</u></b>	<b>500</b>	<b>341.67</b>	<b>178,750</b>	<b>11.6%</b>	<b>96.27%</b>	<b>11.64%</b>
<b><u>SPECIALS</u></b>						
INDUSTRY DISC:						
FAM TRIP						
Houseuse						
<b>SUB TOTAL</b>						
<b>GRAND TOTAL</b>	<b>4,325</b>	<b>354.91</b>	<b>1,535,000</b>			
<b>OCCUPANCY</b>		<b>78.78%</b>				

**William Vale****May****31  
183**

	<b>Budget 2025</b>			<b>Statistic</b>		
	R/N	Avr.Rate	Revenue	R/N	Avr.Rate	Revenue
<b><u>RACK RATES</u></b>						
<b><u>CONTRACT</u></b>						
MID WEEK	550	425.00	233,750	29.7%	97.14%	28.68%
CORPORATE	450	425.00	191,250	24.3%	97.14%	23.47%
RACK RATES	500	500.00	250,000	27.0%	114.29%	30.67%
WEEK ENDS	350	400.00	140,000	18.9%	91.43%	17.18%
SUB TOTAL	1,850	437.50	815,000	42.0%	105.99%	44.87%
<b><u>TRANSIT</u></b>						
WALK INN	150	375.00	56,250	8.3%	100.00%	8.29%
INTERNET	600	400.00	240,000	33.3%	106.67%	35.36%
IND. DIRECT	600	375.00	225,000	33.3%	100.00%	33.15%
WEEK ENDS	450	350.00	157,500	25.0%	93.33%	23.20%
SUB TOTAL	1,800	375.00	678,750	40.9%	90.85%	37.37%
<b><u>GROUPS</u></b>						
CONVATIONS/FAIRS	300	500.00	150,000	40.0%	117.65%	46.51%
BUSS GROUPS	200	425.00	85,000	26.7%	100.00%	26.36%
PRIVATE GROUPS	250	350.00	87,500	33.3%	82.35%	27.13%
OTHERS						
SUB TOTAL	750	425.00	322,500	17.0%	102.96%	17.76%
<b><u>SPECIALS</u></b>						
INDUSTRY DISC:						
FAM TRIP						
Houseuse						
SUB TOTAL						
GRAND TOTAL	4,400	412.78	1,816,250			
OCCUPANCY		77.56%				

**William Vale****June****30  
183**

	<b>Budget 2025</b>			<b>Statistic</b>		
	R/N	Avr.Rate	Revenue	R/N	Avr.Rate	Revenue
<b><u>RACK RATES</u></b>						
<b><u>CONTRACT</u></b>						
MID WEEK	550	450.00	247,500	29.7%	100.00%	29.46%
CORPORATE	450	450.00	202,500	24.3%	100.00%	24.11%
RACK RATES	500	500.00	250,000	27.0%	111.11%	29.76%
WEEK ENDS	350	400.00	140,000	18.9%	88.89%	16.67%
SUB TOTAL	1,850	450.00	840,000	42.3%	105.14%	44.86%
<b><u>TRANSIT</u></b>						
WALK INN	150	375.00	56,250	7.9%	95.24%	7.39%
INTERNET	650	425.00	276,250	34.2%	107.94%	36.29%
IND. DIRECT	650	400.00	260,000	34.2%	101.59%	34.15%
WEEK ENDS	450	375.00	168,750	23.7%	95.24%	22.17%
SUB TOTAL	1,900	393.75	761,250	43.4%	92.00%	40.65%
<b><u>GROUPS</u></b>						
CONVATIONS/FAIRS	250	500.00	125,000	40.0%	117.65%	46.08%
BUSS GROUPS	200	425.00	85,000	32.0%	100.00%	31.34%
PRIVATE GROUPS	175	350.00	61,250	28.0%	82.35%	22.58%
OTHERS						
SUB TOTAL	625	425.00	271,250	14.3%	99.30%	14.49%
<b><u>SPECIALS</u></b>						
INDUSTRY DISC:						
FAM TRIP						
Houseuse						
SUB TOTAL	-		0			
GRAND TOTAL	4,375	428.00	1,872,500			
OCCUPANCY		79.69%				

**William Vale****July****31  
183**

	Budget 2025			Statistic		
	R/N	Avr.Rate	Revenue	R/N	Avr.Rate	Revenue
<b><u>RACK RATES</u></b>						
<b><u>CONTRACT</u></b>						
MID WEEK	550	425.00	233,750	28.2%	101.49%	28.51%
CORPORATE	450	400.00	180,000	23.1%	95.52%	21.95%
RACK RATES	500	475.00	237,500	25.6%	113.43%	28.96%
WEEK ENDS	450	375.00	168,750	23.1%	89.55%	20.58%
SUB TOTAL	1,950	418.75	820,000	41.1%	104.48%	43.07%
<b><u>TRANSIT</u></b>						
WALK INN	150	375.00	56,250	7.9%	100.00%	7.85%
INTERNET	650	400.00	260,000	34.2%	106.67%	36.30%
IND. DIRECT	600	375.00	225,000	31.6%	100.00%	31.41%
WEEK ENDS	500	350.00	175,000	26.3%	93.33%	24.43%
SUB TOTAL	1,900	375.00	716,250	40.0%	93.57%	37.62%
<b><u>GROUPS</u></b>						
CONVATIONS/FAIRS	400	450.00	180,000	44.4%	112.50%	48.98%
BUSS GROUPS	250	400.00	100,000	27.8%	100.00%	27.21%
PRIVATE GROUPS	250	350.00	87,500	27.8%	87.50%	23.81%
OTHERS						
SUB TOTAL	900	400.00	367,500	18.9%	99.80%	19.30%
<b><u>SPECIALS</u></b>						
INDUSTRY DISC:						
FAM TRIP						
Houseuse						
SUB TOTAL	-		0			
GRAND TOTAL	4,750	400.79	1,903,750			
OCCUPANCY		83.73%				

**William Vale****August****31  
183**

	<b>Budget 2025</b>			<b>Statistic</b>		
	R/N	Avr. Rate	Revenue	R/N	Avr. Rate	Revenue
<b><u>RACK RATES</u></b>						
<b><u>CONTRACT</u></b>						
MID WEEK	550	425.00	233,750	27.5%	101.49%	27.87%
CORPORATE	450	400.00	180,000	22.5%	95.52%	21.46%
RACK RATES	500	475.00	237,500	25.0%	113.43%	28.32%
WEEK ENDS	500	375.00	187,500	25.0%	89.55%	22.35%
SUB TOTAL	2,000	418.75	838,750	42.1%	105.31%	44.41%
<b><u>TRANSIT</u></b>						
WALK INN	150	375.00	56,250	7.1%	100.00%	7.12%
INTERNET	700	400.00	280,000	33.3%	106.67%	35.44%
IND. DIRECT	650	375.00	243,750	31.0%	100.00%	30.85%
WEEK ENDS	600	350.00	210,000	28.6%	93.33%	26.58%
SUB TOTAL	2,100	375.00	790,000	44.2%	94.31%	41.83%
<b><u>GROUPS</u></b>						
CONVATIONS/FAIRS	250	450.00	112,500	38.5%	112.50%	43.27%
BUSS GROUPS	150	400.00	60,000	23.1%	100.00%	23.08%
PRIVATE GROUPS	250	350.00	87,500	38.5%	87.50%	33.65%
OTHERS						
SUB TOTAL	650	400.00	260,000	13.7%	100.60%	13.77%
<b><u>SPECIALS</u></b>						
INDUSTRY DISC:						
FAM TRIP						
Houseuse						
SUB TOTAL						
GRAND TOTAL	4,750	397.63	1,888,750			
OCCUPANCY		83.73%				

**William Vale****September****30  
183**

	<b>Budget 2025</b>			<b>Statistic</b>		
	R/N	Avr.Rate	Revenue	R/N	Avr.Rate	Revenue
<b><u>RACK RATES</u></b>						
<b><u>CONTRACT</u></b>						
MID WEEK	500	425.00	212,500	29.0%	103.03%	29.82%
CORPORATE	350	400.00	140,000	20.3%	96.97%	19.65%
RACK RATES	425	450.00	191,250	24.6%	109.09%	26.84%
WEEK ENDS	450	375.00	168,750	26.1%	90.91%	23.68%
SUB TOTAL	1,725	412.50	712,500	35.8%	99.39%	35.58%
<b><u>TRANSIT</u></b>						
WALK INN	150	400.00	60,000	7.5%	101.59%	7.57%
INTERNET	700	425.00	297,500	35.0%	107.94%	37.54%
IND. DIRECT	650	400.00	260,000	32.5%	101.59%	32.81%
WEEK ENDS	500	350.00	175,000	25.0%	88.89%	22.08%
SUB TOTAL	2,000	393.75	792,500	41.5%	94.87%	39.58%
<b><u>GROUPS</u></b>						
CONVATIONS/FAIRS	450	475.00	213,750	40.9%	105.56%	42.96%
BUSS GROUPS	300	450.00	135,000	27.3%	100.00%	27.14%
PRIVATE GROUPS	350	425.00	148,750	31.8%	94.44%	29.90%
OTHERS						
SUB TOTAL	1,100	450.00	497,500	22.8%	108.43%	24.84%
<b><u>SPECIALS</u></b>						
INDUSTRY DISC:						
FAM TRIP						
Houseuse						
SUB TOTAL	-		0			
GRAND TOTAL	4,825	415.03	2,002,500			
OCCUPANCY		87.89%				



**William Vale****October****31  
183**

	<b>Budget 2025</b>			<b>Statistic</b>		
	R/N	Avr.Rate	Revenue	R/N	Avr.Rate	Revenue
<b><u>RACK RATES</u></b>						
<b><u>CONTRACT</u></b>						
MID WEEK	450	400.00	180,000	26.5%	96.97%	25.85%
CORPORATE	350	425.00	148,750	20.6%	103.03%	21.36%
RACK RATES	400	450.00	180,000	23.5%	109.09%	25.85%
WEEK ENDS	500	375.00	187,500	29.4%	90.91%	26.93%
SUB TOTAL	1,700	412.50	696,250	37.4%	102.42%	37.99%
<b><u>TRANSIT</u></b>						
WALK INN	200	375.00	75,000	10.8%	100.00%	10.77%
INTERNET	600	400.00	240,000	32.4%	106.67%	34.47%
IND. DIRECT	550	375.00	206,250	29.7%	100.00%	29.62%
WEEK ENDS	500	350.00	175,000	27.0%	93.33%	25.13%
SUB TOTAL	1,850	375.00	696,250	40.7%	93.11%	37.99%
<b><u>GROUPS</u></b>						
CONVATIONS/FAIRS	400	500.00	200,000	40.0%	115.38%	45.45%
BUSS GROUPS	300	450.00	135,000	30.0%	103.85%	30.68%
PRIVATE GROUPS	300	350.00	105,000	30.0%	80.77%	23.86%
OTHERS						
SUB TOTAL	1,000	433.33	440,000	22.0%	107.59%	24.01%
<b><u>SPECIALS</u></b>						
INDUSTRY DISC:						
FAM TRIP						
Houseuse						
SUB TOTAL	-					
GRAND TOTAL	4,550	402.75	1,832,500			
OCCUPANCY		80.20%				

**William Vale****November****30  
183**

	<b>Budget 2025</b>			<b>Statistic</b>		
	R/N	Avr.Rate	Revenue	R/N	Avr.Rate	Revenue
<b><u>RACK RATES</u></b>						
<b><u>CONTRACT</u></b>						
MID WEEK	550	325.00	178,750	29.7%	96.30%	28.43%
CORPORATE	450	350.00	157,500	24.3%	103.70%	25.05%
RACK RATES	500	375.00	187,500	27.0%	111.11%	29.82%
WEEK ENDS	350	300.00	105,000	18.9%	88.89%	16.70%
SUB TOTAL	1,850	337.50	628,750	45.1%	104.83%	47.63%
<b><u>TRANSIT</u></b>						
WALK INN	150	300.00	45,000	8.3%	100.00%	8.28%
INTERNET	600	325.00	195,000	33.3%	108.33%	35.86%
IND. DIRECT	600	300.00	180,000	33.3%	100.00%	33.10%
WEEK ENDS	450	275.00	123,750	25.0%	91.67%	22.76%
SUB TOTAL	1,800	300.00	543,750	43.9%	93.18%	41.19%
<b><u>GROUPS</u></b>						
CONVATIONS/FAIRS	200	350.00	70,000	44.4%	107.69%	47.46%
BUSS GROUPS	100	325.00	32,500	22.2%	100.00%	22.03%
PRIVATE GROUPS	150	300.00	45,000	33.3%	92.31%	30.51%
OTHERS						
SUB TOTAL	450	325.00	147,500	11.0%	100.95%	11.17%
<b><u>SPECIALS</u></b>						
INDUSTRY DISC:						
FAM TRIP						
Houseuse						
SUB TOTAL						
GRAND TOTAL	4,100	321.95	1,320,000			
OCCUPANCY		74.68%				

**William Vale****December****31  
183**

	<b>Budget 2025</b>			<b>Statistic</b>		
	R/N	Avr.Rate	Revenue	R/N	Avr.Rate	Revenue
<b><u>RACK RATES</u></b>						
<b><u>CONTRACT</u></b>						
MID WEEK	550	375.00	206,250	29.3%	100.00%	29.20%
CORPORATE	450	375.00	168,750	24.0%	100.00%	23.89%
RACK RATES	500	400.00	200,000	26.7%	106.67%	28.32%
WEEK ENDS	375	350.00	131,250	20.0%	93.33%	18.58%
SUB TOTAL	1,875	375.00	706,250	42.9%	105.76%	45.53%
<b><u>TRANSIT</u></b>						
WALK INN	200	325.00	65,000	10.0%	98.11%	9.76%
INTERNET	650	350.00	227,500	32.5%	105.66%	34.15%
IND. DIRECT	600	325.00	195,000	30.0%	98.11%	29.27%
WEEK ENDS	550	325.00	178,750	27.5%	98.11%	26.83%
SUB TOTAL	2,000	331.25	666,250	45.7%	93.42%	42.95%
<b><u>GROUPS</u></b>						
CONVATIONS/FAIRS	250	400.00	100,000	50.0%	117.07%	55.94%
BUSS GROUPS	150	325.00	48,750	30.0%	95.12%	27.27%
PRIVATE GROUPS	100	300.00	30,000			
OTHERS						
SUB TOTAL	500	341.67	178,750	11.4%	96.36%	11.52%
<b><u>SPECIALS</u></b>						
INDUSTRY DISC:						
FAM TRIP						
Houseuse						
SUB TOTAL	-					
GRAND TOTAL	4,375	354.57	1,551,250			
OCCUPANCY		77.12%				