



Comfort Suites Orlando Lake Buena Vista
Orlando, Florida

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TABLE OF CONTENTS

Opportunity Overview	3	Universal’s New Epic Universe	9	Accelerating Tourism Growth	13
Property Background	5	Orange County Convention Center	10	Lodging Sector	15
Central Florida Market Fundamentals	7	Universal Orlando Resort	11	Hotel Market Overview	17
LBV Market Highlights	8	About SeaWorld	12	Confidentiality & Conditions	19



Opportunity Overview

HREC Investment Advisors (“HREC IA”) is pleased to offer to qualified investors the opportunity to acquire the fee-simple interest in the brand new **127-room Comfort Suites Orlando Lake Buena Vista** (Hotel or Property), situated at 11942 Ravallo Resort Dr, Orlando, FL 32836.

The Property is an integral part of the Orlando Market, which is the most sought-after tourism destination in the world. The Central Florida area features (1) the best collection of amusement parks on the planet, (2) the most popular convention center anywhere, (3) the most active cruise port in the world (Port Canaveral), (4) the second busiest airport in the State of Florida and, (5) access to some of the most visited beaches in the nation.

The subject Lake Buena Vista Submarket continues to sizzle due to (1) the never-ending lineup of new attractions coming out of Walt Disney World, (2) the expansion of local destination shopping venues, (3) new additions to the local food and beverage offering and (4) the ability of hotel owners in the Market to push ADRs at an accelerating pace.

Of note: There are no other Choice branded properties located in the Lake Buena Vista Submarket.

IN LIGHT OF THE 2025 OPENING OF UNIVERSAL’S 750-ACRE EPIC UNIVERSE AMUSEMENT PARK, HOTEL ASSET VALUES THROUGHOUT CENTRAL FLORIDA WILL NOT STAY AT THEIR CURRENT AFFORDABLE LEVELS ONCE EPIC UNIVERSE OPENS.

In short, an acquisition of the Hotel represents a tremendous opportunity to acquire the fee-simple interest in a brand-new limited-service hotel that is primed to be a direct beneficiary of one of the most dynamic economies anywhere in the world.

Investment Highlights

- Newest Property in Lake Buena Vista
- Unprecedented Market Strength
- “Exclusive” Access within the LBV Submarket to the Choice Reservation System.
- Supply/Demand Dynamics that Heavily Favor Hotel Owners
- Upcoming Asset Value Reset (to the Upside).

Trade Area Map



O'Town West



ORLANDO VINELAND PREMIUM OUTLETS
A SIMON CENTER

EPCOT

DISNEY SPRINGS

Disney's HOLLYWOOD STUDIOS

Disney's ANIMAL KINGDOM



Celebration

Property Background

The brand new 127-unit, 4-story Hotel opened in February 2023 as a custom-designed Comfort Suites.

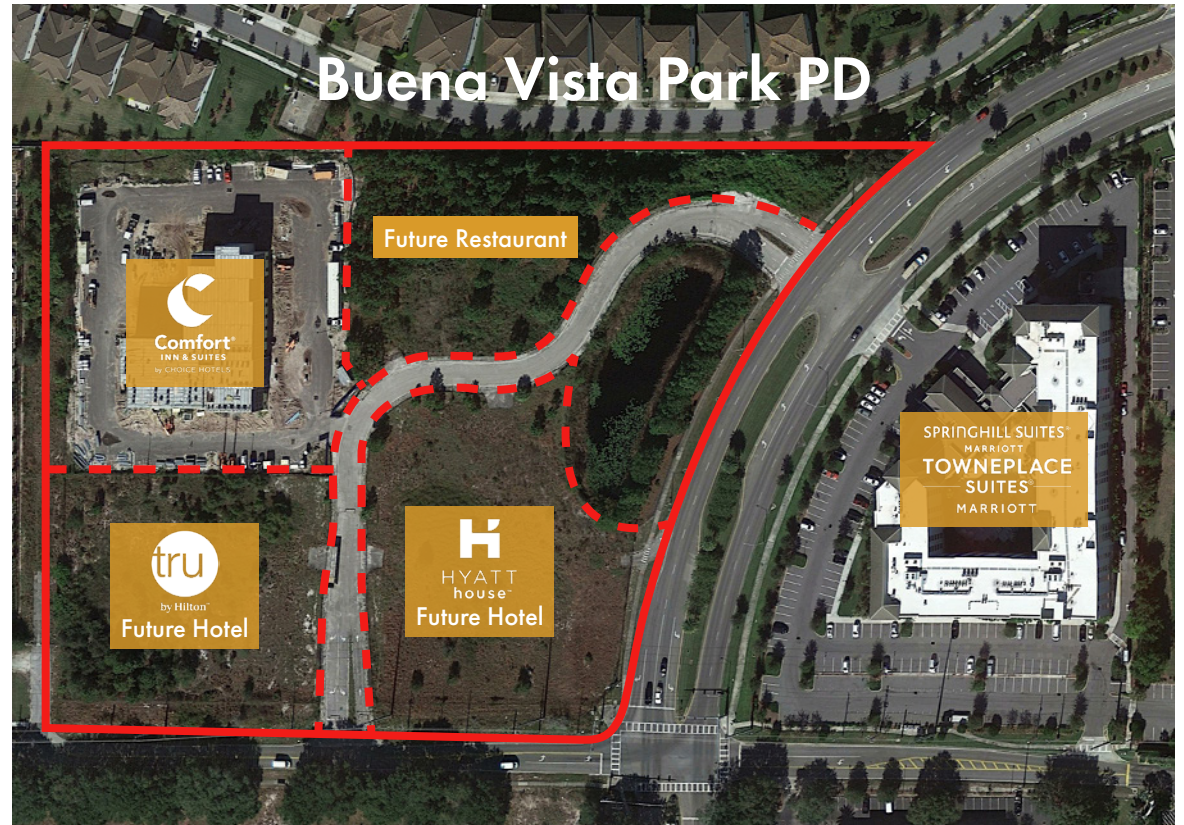
Buena Vista Park Planned Development

The hotel is part of the Buena Vista Park PD located within the northwest quadrant of Palm Parkway and Lake Street. The PD includes two additional hotel parcels and a restaurant parcel. The other two hotel parcels are owned by two different local hotel investors. The one parcel (SW corner) is approved for a 111-key Tru by Hilton and the other (SE corner) is approved for a 110-key Hyatt House.

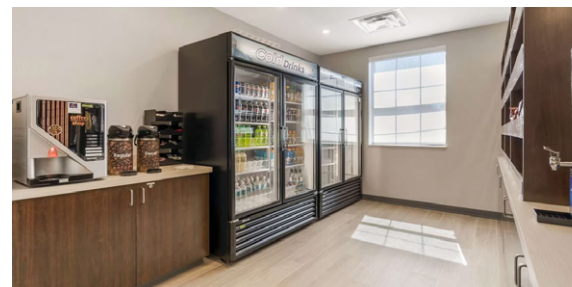
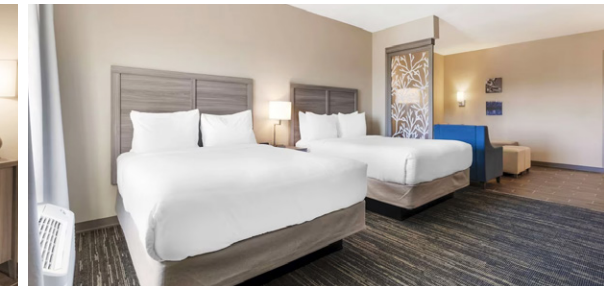
The approved site plans for each property can be found in the due diligence vault.

Once the overall development is built out, the owners will collectively be able to establish common signage at both entrances (Palm Parkway and Lake Street) and will be able to set their own landscaping and roadway maintenance standards.

Further, given the higher rate structures and low key counts of each of the two proposed hotels, the Comfort will be a beneficiary of any overflow demand that they might generate.



Property Overview	
Street Address	11942 Ravallo Resort Dr Orlando, FL 32836
County	Orange County, Florida
Year Built	Feb-23
Ownership Interest	Fee simple
Guestrooms	127
Number of Stories	5
Meeting Space	±500 SF
Features & Amenities	Outdoor Swimming Pool, Hot Breakfast, Fitness Room, Laundry, Marketplace, Electronic Vehicle Charging Station, Complimentary Shuttle Service



Guestrooms

The Hotel features a variety of guestroom types as indicated in the adjacent table. A typical room is 450 SF. All guestrooms are fitted with RFID locking systems.

The Property features spaciouly appointed guest rooms, each complete with a microwave, refrigerator, 55" flat-screen televisions with cable satellite, and wireless high-speed Internet access.

Other Amenities

Hotel amenities include an outdoor pool, fitness room, shuttle service, electronic vehicle charging station, meeting space, laundry, and business center.

Guestroom Breakdown	
Room Type	Amount
Kings	3
King Suites	23
Custom Kings	2
Accessible Kings	6
Queen Suites	80
Wide Queen Suites	8
Custom King Suites	3
Accessible Queens	2
Total	127

Structural Overview	
Number of Stories	Reinforced Concrete
Building Size	+/-82,000 SF
Foundation / Substructure	Reinforced Concrete
Superstructure	Light Guage Metal Framing & Masonry
Roofing	PVCfoof over Insulated Light Weight Concrete
Façade	EIFS
Windows	Double Pane
HVAC	6 HVAC Units
Elevators	2 Guest Elevators



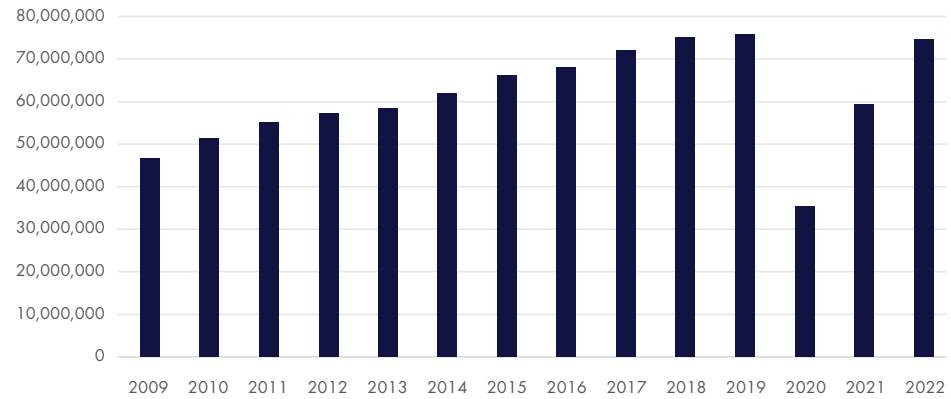
Travel Times from Comfort Suites Lake Buena Vista			
Destination	Travel Time	Destination	Travel Time
Walt Disney World	Neighborhood	Mall at Millenia	20
Orlando Premium Outlets International Drive	Neighborhood	Florida Mall	20
Seaworld/Discovery Cove	10	Downtown Orlando/Amway Center	25
Orange County Convention Center	10	Orlando International Airport	30
Discovery Cove Orlando	10	LegoLand Florida	50
Restaurant Row	10	Cocoa Beach	70
Lockheed Martin Campus	15	Daytona Beach	75
Icon Park	15	Area Golf Courses	Various
Universal Orlando Resort	20		

Central Florida Market Fundamentals

Central Florida is one of the world’s greatest playgrounds. Known as the “Theme Park Capital of the World,” the area also boasts:

- The first destination to entertain over 50 million, then 60 million, then 70 million visitors. “Peak year” visitations reached 75.8 million in 2019; at 74 million, visitations in 2022 were just shy of the peak years. In 2022, the market did exceptionally well as measured by (1) reported record business at “the parks,” (2) record hotel rooms occupied and (3) record bed-tax collections. **Based on past consumer demand trends within the market, visitations to Central Florida will quickly approach 100 million once Universal’s new Epic Universe amusement park begins to stabilize after its 2025 opening.**
- The densest concentration of theme parks anywhere on the planet.
- The most popular convention center in the nation as measured by Cvent, Inc. Prior to the pandemic, Orlando beat out Las Vegas and Chicago for the top spot five years running. Further, Orlando has dominated the group market since the pandemic.
- Orlando International Airport, which (in 2022) was the second busiest airport in the state, the 8th busiest in the country, and the 17th in the world.
- Port Canaveral is the busiest cruise port in the world (it recently overtook Port Miami for the number one slot).
- The world’s one and only Space Coast which includes the Kennedy Space Center and Cape Canaveral Space Force Station.
- Some of the world’s most popular shopping venues, including two of the highest-grossing outlet malls in the nation and the ever-popular Mall at Millenia.
- Direct access to pristine beaches on both the Atlantic and Gulf coasts.
- Countless golf courses and an abundance of other world-class demand-generating sports facilities, such as Disney’s Wide World of Sports.

Visitors to Orlando 2009 – 2021



Source: Orlando/Orange County Convention and Visitors Bureau

Visitors to Orlando							
Year	2009	2010	2011	2012	2013	2014	2015
Total	46,583,000	51,455,000	55,168,000	57,158,000	58,455,561	62,000,000	66,100,000
% Change	-4.7%	10.5%	7.2%	3.6%	2.3%	6.1%	6.6%
Year	2016	2017	2018	2019	2020	2021	2022
Total	68,000,000	72,000,000	75,000,000	75,795,000	35,300,000	59,300,000	74,000,000
% Change	2.9%	5.9%	4.2%	11.5%	-53.4%	68.0%	24.8%

Source: Orlando/Orange County Convention and Visitors Bureau



Orlando International Airport

Disney World/Lake Buena Vista Highlights

The Lake Buena Vista submarket continues to sizzle due to (1) the never-ending line up of new attractions coming out of Walt Disney World, (2) the expansion of local destination shopping centers, (3) new additions to the local food and beverage offering and (4) the success of existing hotel owners to continually upgrade their product offering resulting in ongoing ADR improvement.

Here is a list of Disney's latest projects and attractions:

- Tron Lightcycle/Run coaster at Magic Kingdom opening opened in April 2023
- "Moana" themed area called The Journey of Water opening late 2023
- New Restaurant – Space 220
- Additions to Big Thunder Mountain including themed areas from "Coco" and "Encanto"

Disney has pledged to spend \$17 Billion on park expansions/upgrades over the next 10 years – which will amount to \$1.7 Billion per year.



About Universal's New Epic Universe

Epic Universe is Universal Orlando Resort's most ambitious addition ever and leverages off the company's uber-successful development of two Harry Potter attractions during the last economic cycle. The new theme park is actively under construction on a 750+ acre site approximately 15 minutes from the Hotel.

When completed as early as 1Q 2025, Epic Universe will be the largest Universal "park" in the United States, and second globally (just behind the upcoming Universal Studios Beijing).

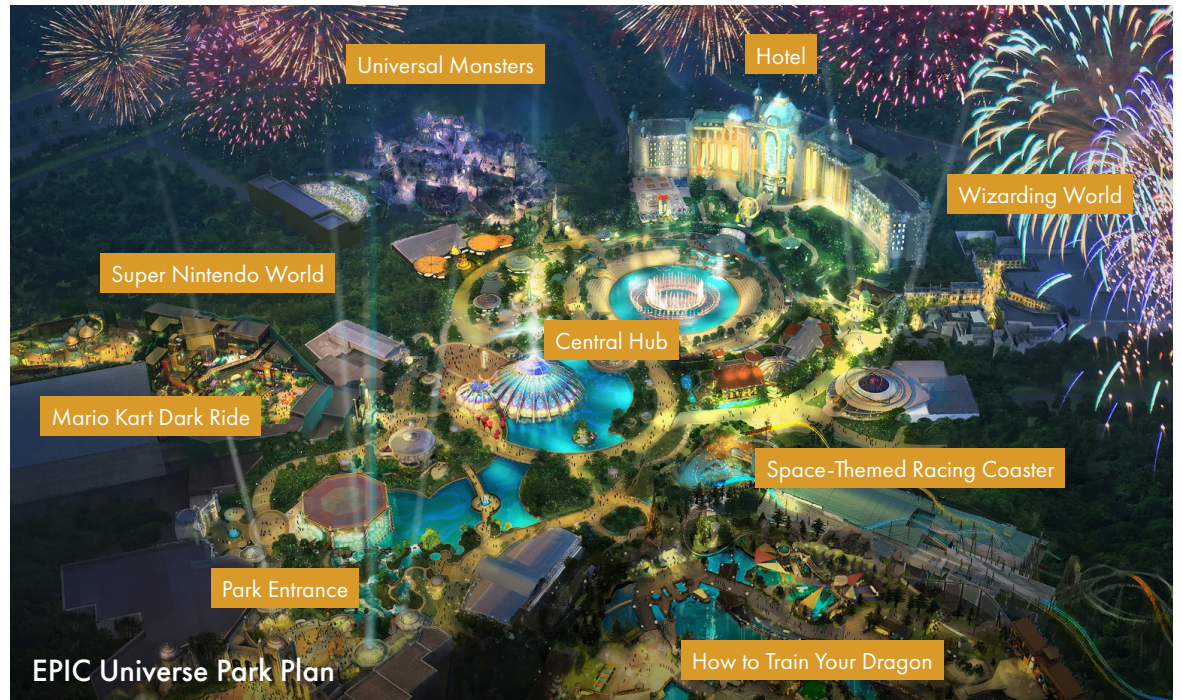
Epic Universe will house attractions from at least three of their fountains of intellectual property: DreamWorks Animation, Illumination, and Nintendo; and it is expected to have four themed areas:

1. Super Nintendo World
2. Universal Monsters
3. How to Train Your Dragon
4. Wizarding World of Harry Potter.

The company's two primary parks in Orlando – Universal Studios and Islands of Adventure – brought in about 21 million visitors in 2019. Based on this and other theme park comparables, the new park could bring in some 10.0 – 15.0 million visitors or more per year upon its initial stabilization. Not surprisingly, as is typical with park owners, Universal will hold land in reserve for future expansions.

Although construction slowed during the pandemic, Universal quickly got back to work and, as such, the park is on track to open as early as in the first quarter of 2025 (just one year behind the original scheduled opening date).

Epic Universe is estimated to cost into the billions to develop (the original Harry Potter attraction cost a reported \$550 million). Although though no official figures have been released, local economists have indicated that the project will have an economic impact (from its development only) on the local market of \$11 billion. Universal officials have stated that the park will employ some 14,000 permanent workers.



Orange County Convention Center

The Orange County Convention Center (OCCC) provides 2.1 million square feet of exhibition space, as well as 480,000 square feet of flexible meeting space. In recent years, the Center provides approximately \$3 billion in economic impact to Central Florida annually. The OCCC has averaged nearly 200 events, including 115 conventions and tradeshow that attract more than 1.5 million attendees to the region each year.

As mentioned above: (1) OCCC has dominated the convention/conference market in the USA during the post-pandemic era and (2) meeting planners and hotel company officials alike anticipate that 2023 will continue to be a strong year for group business.

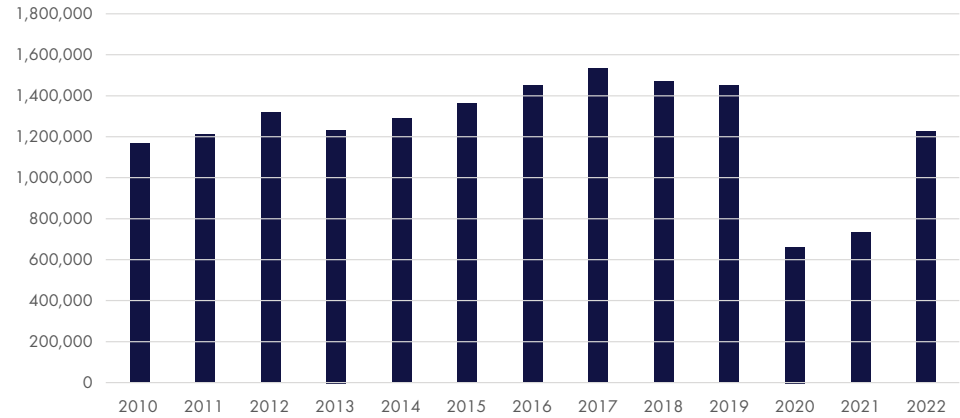
From January to March 2023, the convention welcomed 52 events, generating an estimated \$753.5 million in economic impact with approximately 365,000 attendees – indicating strong momentum for 2023.

The recent history of attendance at OCCC is presented in the adjacent table.

Orange County Convention Center Convention and Trade Show Attendance			
Year	Total Attendance	Number of Events	% Change
2010	1,171,006	200	8.81%
2011	1,214,573	178	3.72%
2012	1,320,429	181	8.72%
2013	1,244,229	194	-5.77%
2014	1,289,776	189	3.66%
2015	1,367,217	192	6.00%
2016	1,456,816	226	6.55%
2017	1,530,157	193	5.03%
2018	1,474,378	192	-3.65%
2019	1,453,507	170	-1.42%
2020	660,000	79	-53.82%
2021	734,619	119	11.31%
2022	1,221,610	93	66.29%

Source: Orange County Convention Center

Orange County Convention Center Convention Trade Show Attendance



Source: Orange County Convention Center



Orange County Convention Center

Universal Orlando Resort

Universal Studios Florida is a 541-acre theme park featuring numerous rides, attractions, and live shows that are primarily themed to movies, television, and other aspects of the entertainment industry.

In 2021, Universal Studios had an attendance of 8.99 million and Universal's Islands of Adventure had 9.08 million visitors which when combined surpassed Walt Disney World Magic Kingdom's total visitors.

Universal Studios Florida was the first of three theme parks to open at Universal Orlando Resort, joined later by Universal's Islands of Adventure, adding a shopping promenade and nightlife district, in 1999 and Volcano Bay, a themed water park, in 2017.



Star Wars: Galaxy's Edge



Universal Orlando Resort



The Wizarding World of Harry Potter

SeaWorld Orlando

SeaWorld (which now owns 12 parks across the USA and one internationally) first opened in 1973 just 2 years after Disney World’s Magic Kingdom. The opening of the park is credited with making Central Florida a multi-park vacation destination.

Due to changes in consumer interest in their live mammal shows, SeaWorld has successfully shifted its focus to ride-based attractions, a business strategy that continues to accelerate.

Since 2015, the company has rolled out the following three coaster rides (it now has seven):

- Mako Roller Coaster (2015)
- Ice Breaker Roller Coaster (2022)
- Pipeline: Surf Coaster (2023)

During a recent earnings call, company executives indicated they would be spending between \$250 and \$300 million on systemwide capital expenditures this year.



Focus on Accelerating Tourism Growth

While many markets across the USA are still talking about “recovery,” the Orlando market continues to accelerate past “peak year” milestones.

Each of the region’s major amusement parks reported record years in 2022 and the **opening of Universal’s Epic Universe Park in 2025** will surely be a game changer for the entire region.

The Orange County Convention Center has completely dominated the post-pandemic groups’ business throughout the nation. Further, in recent earnings calls, several of the hotel brands pointed out that **group bookings for 2023 were the strongest they have seen since the pandemic** – a sentiment that is being echoed by the major group planning intermediaries.

Fueled by growth in average rates in the market, **RevPAR has reached new highs every month since**

March 2022. Continued topline growth within the hotel sector is expected to continue throughout 2023 and into 2025 when Universal’s Epic Universe opens.

Major dynamics moving the market include:

- **Continued Visitation Growth** – The Orlando Market was identified by the World Travel & Tourism Association as the #1 tourism destination in the USA in 2022. Orlando’s tourism had an estimated “economic contribution” of more than \$31 billion in 2022 surpassing 2019 numbers by \$2.7 billion and showcasing the market’s organic growth. Revenue from tourism represents 20% of the area’s gross domestic product.
- **The Parks Continue to Wow Visitors** – Over the past 10 – 15 years there has been intense competition amongst the local theme parks that has

resulted in unprecedented capital investments in the parks. This has created tons of truly extraordinary attractions and amenities. Think: the Harry Potter attractions at Universal, Star Wars at Disney, and SeaWorld’s many world-class coasters.

As indicated, Universal is in the depths of an unprecedented capital spend in Orlando with the development of Epic Universe.

As also indicated above, SeaWorld is spending between \$250 and \$300 million this year on capital improvements throughout their system, much of which will likely come to the Orlando Park.

During their annual shareholder meeting in April of this year (2023), Disney announced that they would be spending some \$17 million on Walt Disney World over the next 10 years (a capital investment of \$1.7 million/year).



Orange County Convention Center

Infrastructure Improvements

Central Florida has been going through a once-in-a-generation makeover to its entire transportation infrastructure that is successfully increasing the bandwidth for visitors coming into the area and for their ability to get around the market more quickly.

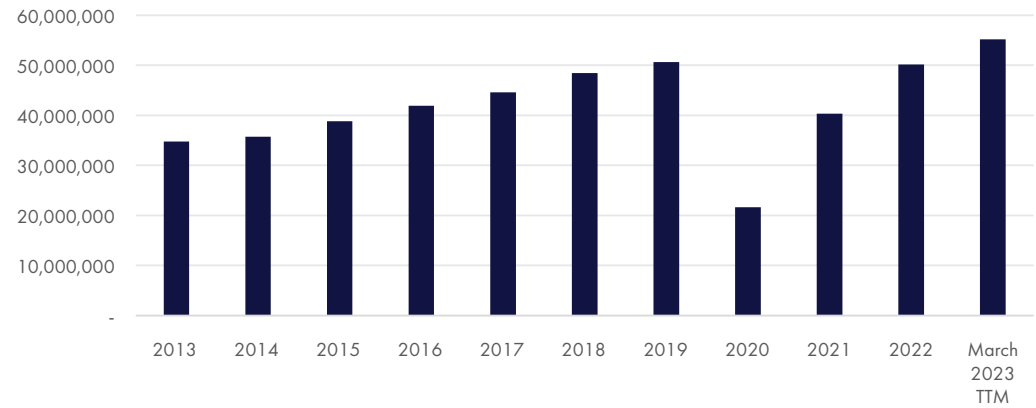
Roadways: Most noticeable has been the recent completion of the I-4 Ultimate Project, a \$2.3 billion endeavor that covered some 21 miles of Orlando’s most traveled freeway corridor.

As part of the project toll lanes were added in each direction, nearly all the bridges spanning I-4 (some 140 of them) were rebuilt and several freeway interchanges were reconfigured.

Orlando International Airport Total Passengers		
Year	Total Passengers	Percent Change
2013	34,768,945	-1.5%
2014	35,714,786	2.7%
2015	38,809,337	8.7%
2016	41,923,399	8.0%
2017	44,611,265	6.4%
2018	48,471,386	8.7%
2019	50,613,072	4.4%
2020	21,617,803	-57.3%
2021	40,351,068	86.7%
2022	50,178,499	24.4%
Mar 2023 TTM	52,766,112	5.2%

Source: Greater Orlando Aviation Authority

Orlando International Airport Total Passengers



Source: Greater Orlando Aviation Authority

After nearly seven years of construction on this key part of the I-4 Ultimate Project, the 21-mile stretch of eastbound and westbound express toll lanes from Kirkman Road to State Road 434 opened at the end of February 2022.

Several new major roadway capacity improvements are underway including reconstruction of the Daryl Carter Parkway overpass into a DDI, reconfiguration of the Sand Lake Road interchange, a handful of new auxiliary lanes, and other similar work.

Airport: Orlando International Airport’s new Terminal C opened in September 2022 at a cost of some \$2.3 billion. Terminal C is home to a variety of international carriers and Jet Blue.

The airport is also home to the newly constructed (at a cost of \$682 million) Intermodal Terminal Facility. The multimodal hub includes a parking structure, the

airport’s Automated People Mover, and will become the Orlando terminus for Brightline’s upcoming high-speed train service to/from Miami.

The airport has nearly recovered to 2019 passenger counts in 2022 with domestic passenger movements above 2019 numbers and international passenger movements now catching up. The ten-year history of passenger traffic at the Orlando International Airport is presented in the adjacent table.

Brightline Railroad: Brightline, Florida’s high-speed intercity railroad, will start service in 3Q 2023 between Orlando and South Florida – the track is completed, the trains have been delivered and testing is underway. The train’s terminus will be at the Orlando International Airport Intermodal Transportation Facility at the airport. Officials are already discussing an extension of the rail service to International Drive, possibly Walt Disney World, and then on to Tampa.

Lodging Sector

Overview

The “Orlando Market” (as defined by STR) is the largest market in the nation as measured by (1) the actual number of lodging establishments and (2) by the number of individual lodging units.

According to Visit Orlando data for 2022, the average occupancy rate amongst hotels in the Orlando Market was 73%, more than 10 points higher than the average for the nation. The average daily room rate in the market was \$150, up 24% from the market’s 2021 average.

RevPAR for the market has established record highs every month since March 2022. All indications are that CY 2023 will see another annual record. Certainly, by the opening of Epic Universe in 2025, the entire market will be operating at unprecedented RevPAR levels.

The 8-year trend in hotel market performance is presented in the adjacent table.

Orlando Market Performance by Year									
Year	2015	2016	2017	2018	2019	COVID – 19 2020	2021	2022	April 2023 YTD
Number of Rooms Occupied	34,488,866	34,757,635	36,120,055	26,513,031	36,992,546	15,896,294	26,205,984	36,630,734	12,942,989
Occupancy Rate	78.6%	78.5%	81.2%	80.0%	79.0%	41.2%	57.4%	73.7%	78.5%
Average Daily Rate	\$143.53	\$147.99	\$150.65	\$158.50	\$161.80	\$129.69	\$146.01	\$186.49	\$215.75
RevPAR	\$112.81	\$116.17	\$122.33	\$126.80	\$127.82	\$53.43	\$83.81	\$137.44	\$169.36

Source: Smith Travel Research

Orlando Buena Vista Sub-Market Performance by Year									
Year	2015	2016	2017	2018	2019	COVID – 19 2020	2021	2022	April 2023 YTD
Number of Rooms Occupied	7,828,155	7,931,668	7,806,726	775,570	7,981,339	4,148,664	5,623,058	7,838,650	2,694,533
Occupancy Rate	83.9%	84.5%	85.8%	85.3%	86.3%	46.4%	59.1%	78.5%	83.9%
Average Daily Rate	\$224.80	\$233.07	\$238.64	\$257.58	\$263.17	\$231.60	\$255.66	\$306.12	\$351.07
RevPAR	\$188.61	\$196.94	\$204.75	\$219.72	\$227.12	\$107.46	\$151.10	\$240.30	\$294.55

Source: Smith Travel Research



View of Downtown Orlando

The Lake Buena Vista Submarket

The “Lake Buena Vista” submarket (also as defined by STR) encompasses all the hotels within Walt Disney World and surrounding areas such as Bonnet Creek and Lake Buena Vista. Popular food and beverage outlets are located primarily within Disney Springs.

According to STR, the submarket includes 38,000 rooms in some 63 properties. With Disney hotels included in the count, the submarket has the largest hotels (607 rooms on average) in the country outside of the Las Vegas Strip.

Occupancies in the submarket (over the TTM period) average around 80%, somewhat below “peak year” occupancies in the high 80% range.

STR recently changed their algorithm to more accurately account for the Disney-owned properties (which do not contribute to STR). As such the TTM ADR for the submarket is estimated at nearly \$320.

Focus on Hotel Supply Growth

Overlooked by most hotel investors is the fact that

for nearly two decades **additions to supply in the Orlando Market have not been able to keep up with the growth in demand.** This is due to an ever-shrinking number of “good” developable sites and (surprisingly so given the proliferation of new flags) a scarcity of bankable hotel brands, among other factors.

In fact, while demand in the market grew at an average of 6% per year over the 2009 – 2019 period, hotel supply grew at a rate of just 1% per year. Further, if it weren’t for Universal adding some 6,600 guestrooms during this period, only half of that growth would have been realized.

Given the cost of debt, construction materials, and skilled labor, we do not expect the supply/demand dynamic to change over the short to medium term – certainly not before the opening of Epic Universe.

Based on information obtained from CoStar (and verified by HREC independently), there are just eleven hotel projects – representing 1,544 guestrooms -- expected to open in the Orlando Market in 2023

(including two properties that have already opened this year). This equates to approximately 1% growth anticipated for the year.

Additions to Supply – Lake Buena Vista

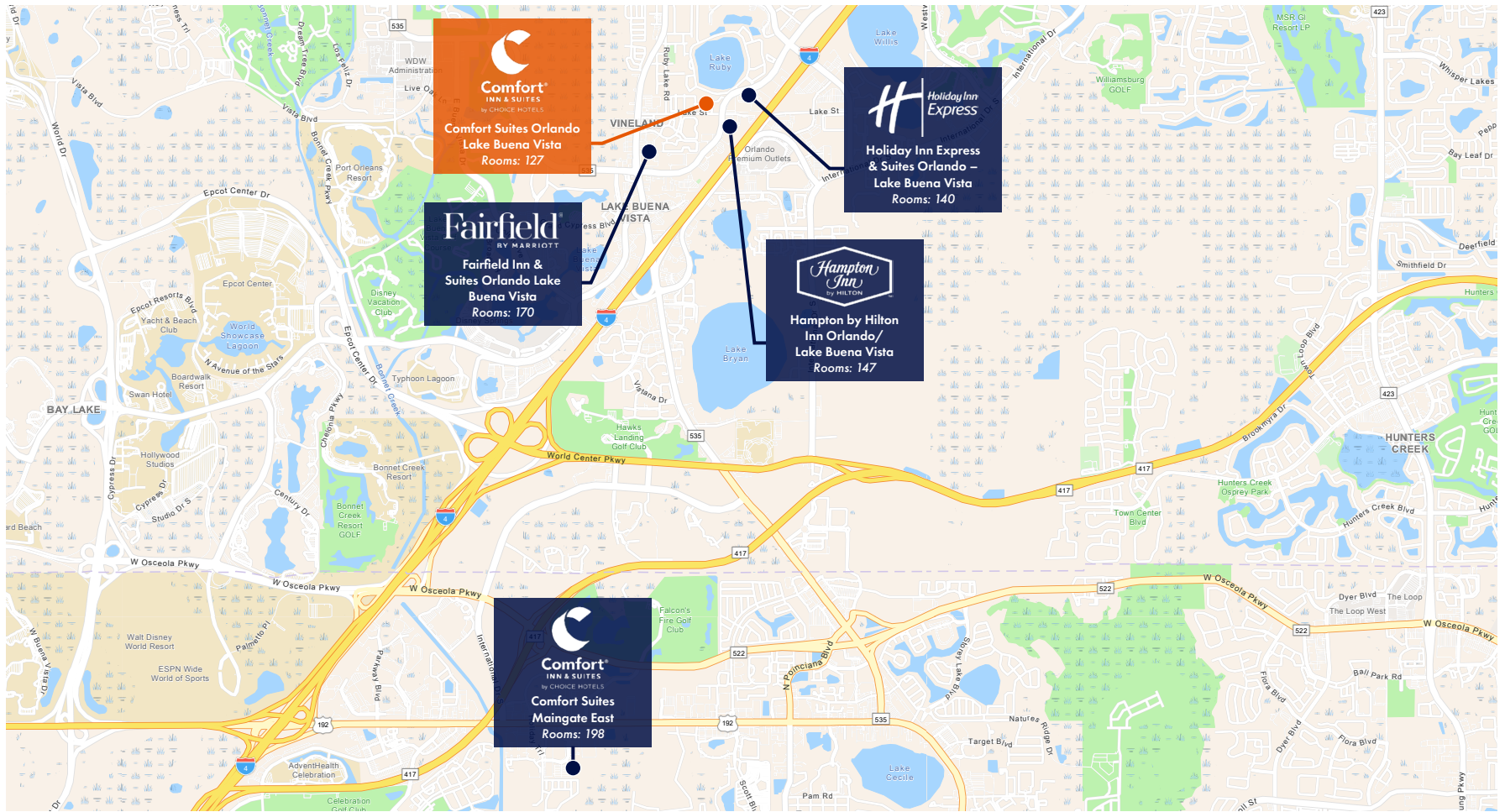
A select few hotels were developed within the Submarket over the past cycle, including an Aloft, a Holiday inn Express, a Townplace/Springhill property and a JW Marriott. Also, Drury Hotels recently opened a 549-room property that was part renovation and part new construction. And there is a luxury-oriented Conrad resort that is expected to open later this year.

Other projects have been “proposed” or are in “final planning” (CoStar classifications) for the two submarkets, albeit not enough – in our opinion – to push the growth rate of overall supply materially higher than what we have experienced in the recent past.

Included in the “final planning” stages are the Tru by Hilton and the Hyatt House that are proposed for the subject neighborhood (see site on page 5 and development plans located in the deal room.)



View of Downtown Orlando



Competitive Set

As determined by management, the Comfort Suites competes most directly with four other hotels which form the primary competitive set. These properties have been selected based on location, size, market positioning and overall quality of facilities. The competitive set, including the Property, totals 782 guestrooms.

The table on the right identifies the hotels in the primary competitive set.

Primary Competitive Set			
#	Hotel	# of Rooms	Opening Date
-	Comfort Suites Orlando Lake Buena Vista	127	Feb - 2023
1	Fairfield Inn & Suites Orlando Lake Buena Vista	170	Mar - 1998
2	Hampton by Hilton Inn Orlando/Lake Buena Vista	147	Sep - 1998
3	Comfort Suites Maingate East	198	Apr - 2000
4	Holiday Inn Express & Suites Orlando - Lake Buena Vista	140	May - 2019
Totals		782	

Income & Expense Pro Forma

Given that the Property just opened, there are no meaningful historical operating results as of this date. As such, the following table provides an estimated five year proforma for the Property. The proforma is presented for informational purposes only and should not be relied upon in making a final investment decision with regard to the Hotel. In this regard, HREC Investment Advisors encourages potential investors to conduct their own research and analysis of the Hotel and the market.

Income & Expense Pro Forma – Comfort Suites Orlando Lake Buena Vista																				
Year	2024	% Gross	\$ POR	\$ PAR	2025	% Gross	\$ POR	\$ PAR	2026	% Gross	\$ POR	\$ PAR	2027	% Gross	\$ POR	\$ PAR	2028	% Gross	\$ POR	\$ PAR
Number of Guestrooms:	127				127				127				127				127			
Occupancy:	75%				80%				85%				85%				85%			
Average Room Rate:	\$117.00				\$122.85				\$128.99				\$134.15				\$138.18			
RevPAR:	\$87.75				\$98.28				\$109.64				\$114.03				\$117.45			
REVENUES																				
Rooms	\$4,079	93.7%	\$117.00	\$32,117	\$4,556	94.0%	\$122.85	\$35,872	\$5,083	94.2%	\$128.99	\$40,020	\$5,286	94.2%	\$134.15	\$41,621	\$5,459	94.2%	\$138.18	\$42,987
Other Income	272	6.3%	7.80	2,142	292	6.0%	7.87	2,299	314	5.8%	7.97	2,472	323	5.8%	8.20	2,543	334	5.8%	8.45	2,630
TOTAL REVENUES	\$4,351	100.0%	\$124.80	\$34,258	\$4,848	100.0%	\$130.72	\$38,171	\$5,397	100.0%	\$136.96	\$42,492	\$5,609	100.0%	\$142.35	\$44,164	\$5,793	100.0%	\$146.63	\$45,617
DEPARTMENTAL EXPENSES**																				
Rooms	\$1,021	25.0%	\$29.28	\$8,037	\$1,084	23.8%	\$29.24	\$8,538	\$1,154	22.7%	\$29.28	\$9,085	\$1,188	22.5%	\$30.16	\$9,358	\$1,227	22.5%	\$31.07	\$9,665
Other Income	27	9.9%	0.77	213	29	9.9%	0.78	228	31	9.9%	0.79	244	31	9.6%	0.79	244	33	9.9%	0.84	260
TOTAL DEPARTMENTAL EXPENSES	\$1,048	24.1%	\$30.05	\$8,250	\$1,113	23.0%	\$30.02	\$8,766	\$1,185	22.0%	\$30.07	\$9,329	\$1,219	21.7%	\$30.95	\$9,602	\$1,260	21.8%	\$31.90	\$9,925
DEPARTMENTAL INCOME	\$3,303	75.9%	\$94.75	\$26,009	\$3,734	77.0%	\$100.70	\$29,405	\$4,212	78.0%	\$106.89	\$33,163	\$4,389	78.3%	\$111.40	\$34,562	\$4,533	78.2%	\$114.73	\$35,692
UNDIST. OPERATING EXPENSES																				
Administrative & General	\$325	7.5%	\$9.33	\$2,561	\$349	7.2%	\$9.42	\$2,750	\$376	7.0%	\$9.54	\$2,960	\$389	6.9%	\$9.88	\$3,064	\$402	6.9%	\$10.17	\$3,165
Information & Telecom	25	0.6%	0.72	197	26	0.5%	0.69	203	27	0.5%	0.67	209	27	0.5%	0.69	215	28	0.5%	0.71	222
Management Fee	131	3.0%	3.74	1,028	145	3.0%	3.92	1,145	162	3.0%	4.11	1,275	168	3.0%	4.27	1,325	174	3.0%	4.40	1,369
Franchise Fees	283	6.5%	8.11	2,227	315	6.5%	8.50	2,481	351	6.5%	8.90	2,762	365	6.5%	9.25	2,871	377	6.5%	9.53	2,965
Sales & Marketing	228	5.2%	6.53	1,794	244	5.0%	6.57	1,920	262	4.8%	6.64	2,060	271	4.8%	6.87	2,132	280	4.8%	7.08	2,202
Property Operations & Maint.	142	3.3%	4.08	1,121	153	3.2%	4.13	1,205	164	3.0%	4.16	1,291	170	3.0%	4.31	1,336	175	3.0%	4.44	1,380
Utilities	168	3.9%	4.82	1,324	178	3.7%	4.81	1,405	190	3.5%	4.81	1,493	195	3.5%	4.96	1,538	202	3.5%	5.11	1,589
TOTAL UNDIST. OPERATING EXPENSES	\$1,302	30.0%	\$37.35	\$10,251	\$1,411	29.1%	\$38.04	\$11,109	\$1,530	28.3%	\$38.84	\$12,050	\$1,585	28.2%	\$40.23	\$12,481	\$1,637	28.2%	\$41.44	\$12,891
GROSS OPERATING PROFIT	\$2,001	45.9%	\$57.40	\$15,757	\$2,324	47.9%	\$62.66	\$18,296	\$2,681	49.7%	\$68.05	\$21,114	\$2,804	50.1%	\$71.17	\$22,081	\$2,896	50.0%	\$73.29	\$22,801
FIXED CHARGES																				
Property Taxes	\$210	4.8%	\$6.02	\$1,653	\$216	4.5%	\$5.83	\$1,702	\$223	4.1%	\$5.65	\$1,753	\$229	4.1%	\$5.82	\$1,806	\$236	4.1%	\$5.98	\$1,860
Insurance	131	3.0%	3.76	1,033	135	2.8%	3.64	1,064	139	2.6%	3.53	1,096	143	2.6%	3.64	1,129	148	2.5%	3.74	1,162
TOTAL FIXED CHARGES	\$341	7.8%	\$9.78	\$2,685	\$351	7.2%	\$9.47	\$2,766	\$362	6.7%	\$9.18	\$2,849	\$373	6.6%	\$9.46	\$2,934	\$384	6.6%	\$9.72	\$3,022
C/F BEFORE RESERVE	\$1,660	38.2%	\$47.62	\$13,072	\$1,972	40.7%	\$53.19	\$15,530	\$2,320	43.0%	\$58.87	\$18,265	\$2,432	43.4%	\$61.71	\$19,147	\$2,512	43.4%	\$63.58	\$19,779
Reserve for Replacement	174	4.0%	4.99	1,370	194	4.0%	5.23	1,527	216	4.0%	5.48	1,700	224	4.0%	5.69	1,767	232	4.0%	5.87	1,825
TOTAL NET INCOME	\$1,486	34.2%	\$42.63	\$11,701	\$1,778	36.7%	\$47.96	\$14,003	\$2,104	39.0%	\$53.39	\$16,565	\$2,207	39.4%	\$56.02	\$17,380	\$2,280	39.4%	\$57.71	\$17,954

Of note, the current licensing agreement provides for a 6% Royalty Fee and a discounted System Fee of 0.5% for the first seven years of the building's life. We have assumed that that fee structure would be continued for the new owner for the duration of the first seven years (i.e., through CY 2029).

NOTE: This proforma is based on estimates, assumptions and other information developed from our analysis of the hotel market area and characteristics of the lodging facility. Since the projections are based upon estimates and assumptions that are inherently subject to uncertainty and variation depending upon the evolving events, we do not represent or warrant them as results that will actually be achieved. Buyers should base their pricing decisions on their own independent analyses' projections.

**Note: Departmental expenses ratios are expressed as a percentage of their respective departmental revenues.
Source: HREC Investment Advisors

Confidentiality & Conditions

This is a **confidential** Investment Offering Memorandum ("Memorandum"), which is intended solely for your limited use and benefit in determining whether you desire to express any further interest in participating in the acquisition of the **Comfort Suites Orlando Lake Buena Vista (the "Property" or "Hotel")**, located in Orlando, Florida. You are bound by the Confidentiality Agreement executed in connection with your receipt of this Memorandum. This Memorandum was prepared by HREC Investment Advisors and has been reviewed by the Owner. It contains select information pertaining to the Property and does not purport to be all-inclusive or to contain all of the information which prospective investors may desire. It should be noted that all the market analysis projections are provided for general reference purposes and are based on assumptions relating to the general economy, competition, and other factors beyond our control and, therefore, are subject to material variation. Additional information and an opportunity to inspect material related to the Property will be made available to interested and qualified prospective investors. Neither the Owner nor HREC Investment Advisors nor any of their respective officers have made any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitments or obligations shall arise by reason of this Memorandum or its contents. It is essential that all parties to real estate transactions be aware of the health, liability and economic impact of environmental factors on real estate. HREC Investment Advisors does not conduct investigations or analyses of environmental matters and, accordingly, urges interested parties to retain qualified environmental professionals to determine whether hazardous or toxic wastes or substances (such as asbestos, PCBs and other contaminants or petrochemical products stored in underground tanks) or other undesirable materials or conditions are present at the Property and if so, whether any health danger or other liability exists. Various laws and regulations have been enacted at the federal, state and local levels dealing with the use, storage, handling, removal, transport and disposal of toxic or hazardous wastes and substances. Depending on past, current and proposed uses of the Property, it may be prudent to retain an environmental expert to conduct a site investigation and/or building inspection. If such substances exist or are contemplated to be used at the Property, special governmental approvals or permits may be required. Consequently, legal counsel and technical experts should be consulted where these substances are or may be present. In this Memorandum, certain documents are described in summary form. The summaries do not purport to be complete descriptions of the full agreements involved, nor do they purport to constitute any legal analysis of the provisions of the documents. This brochure shall not be deemed an indication of the state of affairs of the Owner nor constitute an indication that there has been no change in the business or affairs of the Owner since the date of preparation of this Memorandum. **Photocopying or other duplication of the Investment Offering Memorandum in part or entirety is not authorized.**



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