



RENAISSANCE NEWARK AIRPORT HOTEL

1000 SPRING STREET,
ELIZABETH, NEW JERSEY, 07201

CONFIDENTIAL
FINANCING MEMORANDUM





TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
PROPERTY OVERVIEW	11
MARKET OVERVIEW	16
LODGING MARKET OVERVIEW	33
FINANCIAL ANALYSIS	39
EXHIBITS	43

CONTACTS

STEVE MICHELS
Managing Director
+1 (212) 841-7782
stephen.michels@cushwake.com

JARED KELSO
Executive Managing Director
+1 (212) 841-9205
jared.kelso@cushwake.com

STEVEN VAZQUEZ
Senior Director
+1 (212) 698-5562
steven.vazquez@cushwake.com

JACOB FRISCH
Analyst
+1 (212) 660-7723
jacob.frisch@cushwake.com

CONDITIONS OF THE FINANCING REQUEST

THIS IS A CONFIDENTIAL MEMORANDUM intended solely for your own limited use to determine whether you wish to express interest in providing financing for the Renaissance Newark Airport (the "Property" or "Hotel"), located at 1000 Spring St, Elizabeth, NJ 07201. Cushman & Wakefield ("C&W") has been retained as the exclusive advisor to MCR Investors LLC (the "Ownership").

By your receipt of this confidential memorandum, you agree that this memorandum and the information contained herein is of a confidential nature, and that you will hold and treat it in the strictest confidence, and that you will not, directly or indirectly, disclose or permit anyone else to disclose this memorandum or any part of the contents to any other person, firm or entity, including any prospective investor or any financial institution or other potential lender, without prior written authorization of C&W, nor will you use or permit to be used this memorandum or any part of the contents in any fashion or manner detrimental to or in conflict with the interest of the Ownership.

You specifically agree not to contact any employees of the Ownership or the Property. All arrangements for inspections and all communications shall be made by C&W.

This confidential memorandum contains brief, selected information pertaining to the business and affairs of the Property and has been prepared by C&W primarily from information supplied by the Ownership. It does not purport to be all-inclusive or to contain all of the information which a prospective buyer may desire. Neither the Ownership nor C&W make any representation or warranty, expressed or implied, as to the accuracy or completeness of this confidential memorandum or any of its contents, or to the quality or fitness of the Property, and no legal liability is assumed or to be implied by any of the aforementioned with respect thereto. This memorandum has been prepared solely for informational purposes to assist an interested investor in determining whether to proceed with an in-depth investigation of the Property. An interested buyer shall rely only on its own investigation. While the information contained herein is from sources deemed reliable, it has not been independently verified and is provided subject to errors and omissions.

Furthermore, this memorandum shall in no way be construed as creating any warranties or representations, express or implied, as to the existence or nonexistence, or nature of any hazardous or toxic substance in, under or on the Property. Any interested buyer is hereby advised to obtain his own assistance from professional consultants and/or attorney with respect to hazardous substances prior to deciding whether to acquire the Property.

Ownership and C&W expressly reserve the right at their sole discretion to reject any or all proposals or expressions of interest to acquire the Property and to terminate discussions with any party at any time with or without notice.

No agent, broker or advisor is authorized to offer the sale of the Property without prior written authorization in advance from C&W. If you do not wish to pursue this matter, kindly return this confidential memorandum to C&W at your earliest possible convenience. Photocopying or other duplication is not authorized.

1 | EXECUTIVE SUMMARY

FINANCING SUMMARY

Cushman & Wakefield (“C&W”) has been exclusively engaged by MCR Investors to arrange up to \$20 million (\$51,000 per key; 55% LTV) of financing proceeds for the 396-room Renaissance Newark Airport (the “Hotel” or “Property”), a recently renovated, full-service hotel boasting a premier location and unparalleled accessibility within the Newark Airport submarket. Proceeds will be used to retire the existing senior loan, fund additional capital investment, fund any required reserves, and cover closing costs.

The Hotel underwent a \$6.7 million (\$17,000 per key) renovation that upgraded the lobby, restaurant, fitness center, exterior and systems. Ownership is currently implementing a 2-acre expansion of the Property’s parking facility that will increase the number of spaces at the Property from 485 to 953, which is expected to generate an additional \$1.5 million in revenue in its first year of operation.

As one of the closest properties to the recently expanded Newark International Airport (“EWR”), which recently completed a \$2.7 billion renovation program that replaced the aging Terminal A, the Property is primed to take advantage of the increase in airport capacity that is anticipated to total approximately 50 million passengers annually.

Home to major corporations such as Panasonic, Prudential, and PSE&G, Downtown Newark is in the midst of a major revitalization that is transforming the area into a 24/7 live-work-play environment. With more than \$2.0 billion of investment into the downtown area, projects such as Ironside Newark and Gateway Center have attracted numerous high-profile office tenants, including Mars Wrigley and Audible (an

Amazon company), while Riverfront Park and Mulberry Commons are fostering a vibrant, walkable downtown community that has spurred the construction of thousands of new residential units and millions of square feet of Class-A office space.

At 55% loan-to-value and a \$51,000 per key basis on requested proceeds, the financing offers lenders a well-secured position for an institutional quality asset with proven cash-flow, irreplaceable location, a robust and ramping parking operation, world-class management, and unmatched sponsorship.

FINANCING REQUEST

Proceeds	\$20,000,000
Per Key	\$51,000
Term	Up to 5 Years
Type	Floating Rate
Amortization	Interest-Only
Recourse	Non-Recourse
LTV	55%
Debt Yield	9%



Renaissance Newark Airport Hotel



TRANSACTION HIGHLIGHTS

- **Strong in-place NOI** with a 2023 forecast of \$1.76 million representing a 9% debt yield on requested proceeds.
- **Valuable Parking Operation** that is currently being expanded by two acres and will result in a total of 953 spaces, which will generate an additional \$1.5 million in revenue in its first year of operation.
- **Strong 2024 NOI** expected to total over \$4 million with the addition of the newly expanded parking operation.
- **Attractive loan basis** of \$51,000 per key is significantly below replacement cost and well below Newark hotel sale transactions.
- **Unparalleled Sponsorship in MCR Investors**, the third largest hotel operator in the U.S.
- **Globally-recognized Marriott Bonvoy affiliation** with access to one of the world's largest reservation networks and a 141-million-member rewards program.
- **Recently Renovated Hotel with ramping performance** having received \$6.7 million (\$17,000 per key) in capital improvements.
- **Unmatched visibility and accessibility** from both Newark International Airport and Downtown Newark relative to other hotels located within the submarket.
- **Robust airport activity** with over 43.5 million passengers in 2022, below the 2019 peak of \$46.3 million, which underscores the expected lift from the recently completed terminal A.
- **Favorable submarket dynamics** given the ongoing \$2.7 billion airport expansion, over \$2.0 billion of development activity in Downtown Newark, and limited supply concerns.
- **Record-setting Northern New Jersey economic and demographic trends**, highlighted by historically low unemployment, above-average GDP growth led by the TAMI segments, and steady population growth.
- **Tremendous market-wide demand fundamentals** with the continued influx of high-profile corporate tenants to the market such as TD Ameritrade, Mars Wrigley, Pearlman & Miranda, Pershing/BNY, U.S. Immigration and Customs Enforcement, and Robinson Miller.
- **\$100+ RevPAR market** highlighted by the competitive set peaking at \$111 RevPAR in 2019.
- **No new competitive supply** entering the Newark market.

FINANCING HIGHLIGHTS

STRONG SPONSORSHIP AND MANAGEMENT

Established in 2006, MCR Investors is a premier hotel owner and operator that has grown to become the 3rd largest hotel owner-operator in the United States. MCR, which acquired the asset in October of 2018, is headquartered in Manhattan and has significant tri-state area hotel management experience that also includes the 1,780-room Sheraton Times Square, the 725-room Lexington Hotel, and the 512-room TWA Hotel at JFK Airport.

STRENGTHENING NEWARK AIRPORT MARKET

Located just 10 miles from New York City and easily accessible to Manhattan's West Side, Newark airport recently completed a \$2.7 billion capital improvement plan that renovated and expanded Terminal A and is planning a \$2.0 billion replacement of the AirTrain. Expected to be fully complete in 2029, the upgraded facilities will bring the airport's capacity to accommodate the expected 50 million passengers annually.



Renaissance Newark Airport Hotel

HIGHLIGHTS (2022)



43.5 million

Total Passengers



870,000

Tons of Cargo



3

Runways



125

Gates



\$2.7 billion

Recently Completed Capital Investment



RECENTLY RENOVATED HOTEL WITH RAMPING PERFORMANCE AND IN-PLACE YIELD

Having invested \$6.7 million (\$17,000 per key) to renovate the Property, there is a clear path to continued performance ramp in both the rooms and parking departments.

SIGNIFICANT RATE UPSIDE

The Renaissance Newark operates at a \$22 ADR discount relative to its competitive set, providing significant opportunity to bridge the rate gap that currently exists in the market.

DISCOUNT TO REPLACEMENT COST

The Property offers lenders the opportunity to provide financing for a recently renovated asset at a substantial discount to replacement cost. With limited available land surrounding Newark Airport and rising construction costs, replacement for a like-kind property would easily exceed \$350,000/key.

INSTITUTIONAL FULL-SERVICE PRODUCT

Built in 1975, the Hotel features 396 institutional-quality guestrooms, an executive lounge, complimentary airport shuttle service, expansive surface parking, state-of-the-art fitness and business centers, full-service restaurant and bar, and 16,618 square feet of premier function and meeting space, including a 7,280 square foot ballroom.

INDUSTRY LEADING BRANDING

The premier-branded Hotel benefits from its affiliation to Marriott's reservation system and the industry-leading Bonvoy rewards systems. The Marriott Bonvoy Network has 141 million members and is the largest hotel chain network in the world, with over 8,000 properties containing 1.4 million rooms across 131 countries.

1	Gateway Center Address: 1 Gateway Center, Newark, NJ Developer: Onyx Equities Status: Under Construction Est. Completion: 2023
2	Mulberry Commons Address: PRMJ+68 Newark, New Jersey Developer: City of Newark Status: Proposed Est. Completion: 2025
3	Vibe Address: Halsey St. and Williams St. Newark, NJ Developer: Strategic Development Partners Status: Under Construction Est. Completion: 2024
4	Riverfront Square Address: 450 Broad St, Newark, NJ Developer: Lotus Equity Group Status: Complete Completed: 2021
5	Riverfront Park Address: 1-3 Brill St, Newark, NJ Developer: Essex County Department of Public Works Status: Under Construction Est. Completion: 2024
6	Journal Square Address: 615 Pavonia Ave, Jersey City, NJ Developer: Kushner Real Estate Group Status: Under Construction Est. Completion: 2024
7	Ironside Newark Address: 110 Edison Pl, Newark, NJ Developer: Edison Properties Status: Complete Completed: 2021

8	The Halo Address: 289-301 Washington St, Newark, NJ Developer: Acier Holdings Status: Under Construction Est. Completion: 2024
9	50 Rector Park (Shaq Tower) Address: 50 Rector St, Newark, NJ Developer: Boraia Development Status: Complete Completed: 2019
10	Innovation Cathedral Address: 1 Washington St, Newark, NJ Developer: Audible.com Status: Complete Completed: 2019
11	New Jersey Performing Arts Center Riverfront Campus Address: 1 Rector Square, NJ Developer: L+M Development Partners Status: Under Construction Est. Completion: 2024



SURGE OF DEVELOPMENT ACTIVITY

With more than \$2.0 billion in direct investment into Downtown Newark, the area is being transformed into a vibrant, walkable CBD. Already benefitting from world-class transportation and proximity to Manhattan, countless mixed-use developments and public improvement initiatives are reestablishing Newark as a prime destination for living, working, and entertainment.



Under Construction **Proposed** **Complete**

Renaissance Newark Airport Hotel

MOST UPSCALE BRAND WITHIN THE NEWARK AIRPORT MARKET

The Property is branded with the most premier hotel flag in the market.

SIGNIFICANT PARKING OPERATION

The Property features a 485-space parking lot that is projected to generate approximately \$1.5 million in revenue for 2023, resulting from both hotel guests and third-party airport parking vendors. Ownership plans to expand the lot to include an additional 465 spaces with the potential to generate an additional \$1.5 million of revenue in its first year of operation.

ROBUST HOTEL MARKET FUNDAMENTALS

The Newark lodging market, already the strongest hotel submarket in Northern New Jersey, is expected improve dramatically due to the completion of the EWR expansion and the lack of new hotel supply in the submarket.

LIMITED NEW SUPPLY

The Newark/Union County submarket has only three hotels in the construction pipeline, a Holiday Inn Express, a Fairfield Inn & Suites, and a Comfort Inn & Suites, none of which are competitive with the Property due to their location, size, branding, full-service amenity offering, and market positioning.



2 | PROPERTY DESCRIPTION

PROPERTY OVERVIEW

The 396-room Hotel, located at 1000 Spring St, is ideally situated across from the recently expanded Newark International Airport, one of three primary airports serving the New York Metropolitan area, as well as minutes from downtown Newark, NJ. The Hotel's unrivaled visibility from the Newark Expressway and NJ Turnpike have contributed to its ideal positioning within the high-barrier-to-entry Newark hotel market.

In addition to the demand derived from EWR's 43.5 million annual passengers, the recently renovated Hotel also benefits from its central location less than 10 miles from Manhattan and just minutes away from other notable demand drivers including the Prudential Center, Jersey Gardens Outlets, Rutgers University, Red Bull Stadium, and the rapidly-expanding neighborhoods of Newark and Jersey City.

Guests at the Property enjoy a host of superior amenities and services including a newly-renovated executive lounge, complimentary airport shuttle service, expansive surface parking, state-of-the-art fitness and business centers, full-service restaurant, and 16,600 square feet of premier function and meeting space.

Ownership completed a comprehensive \$6.7 million (\$17,000 per key) renovation in 2019 that re-envisioned and modernized the Hotel's public spaces and exterior, positioning the Property to capture the expected increased demand from EWR's \$2.7 billion renovation and expansion. Further, the Hotel's expanded parking lot operation and additional value-add upside allow for strong yield management opportunities and superior flow-through to the bottom-line.

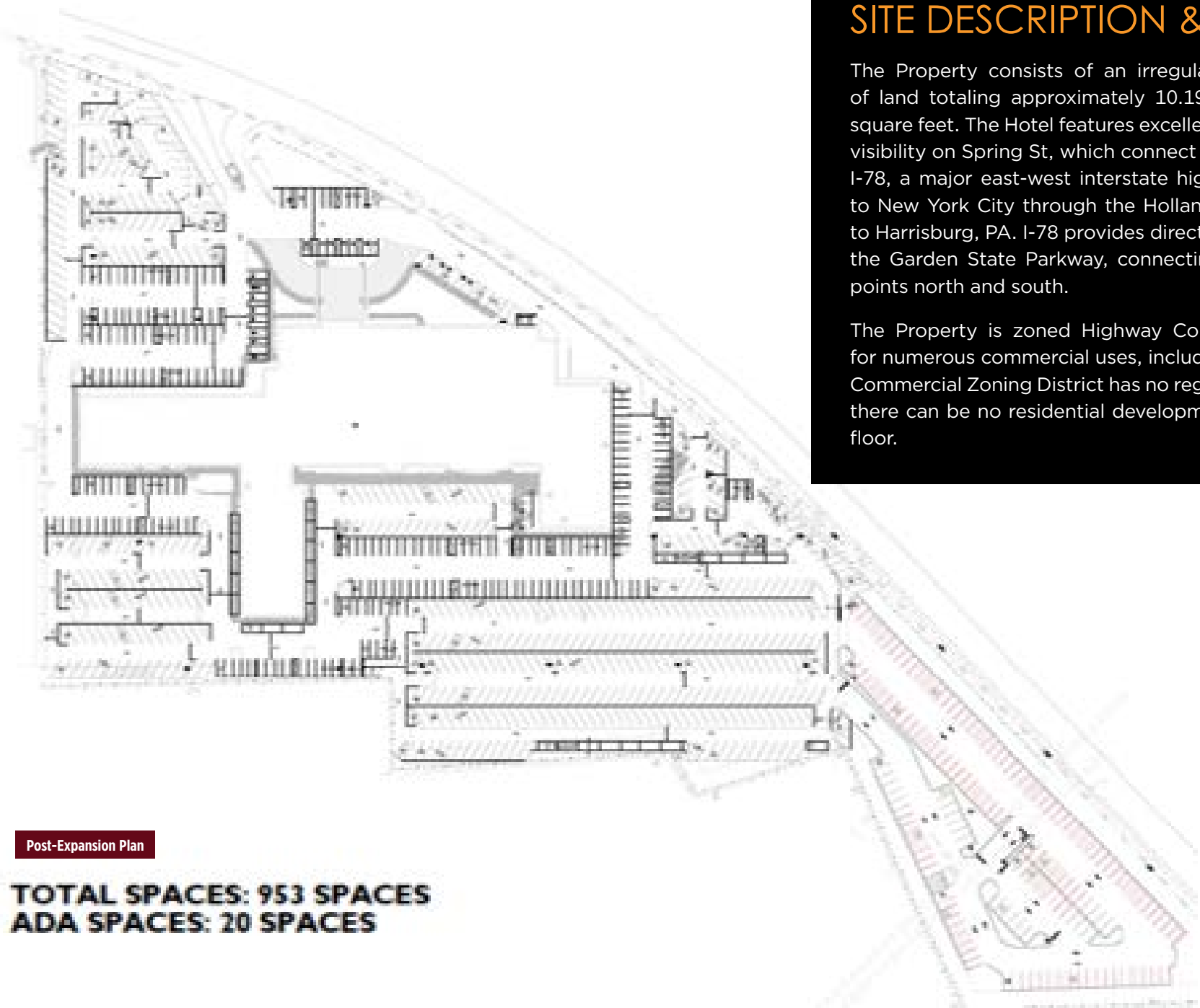
PROPERTY OVERVIEW

Address	1000 Spring St, Elizabeth, NJ 07201
Guestrooms	396
Date Opened	June 1975
Ownership Interest	Fee Simple
Hotel Management	MCR Hotels
Franchise Affiliation	Marriott International (Renaissance) (Expires 2029)
Labor	Union
Building Size	240,000 SF
Plot Size	10.2 acres
Floors	10
Food & Beverage Outlets	Ironbound
Meeting & Event Space	16,618 square feet
Amenities	Airport Shuttle, Fitness Center, Business Center, Valet Dry-Cleaning, Executive Lounge
Parking	On-Site (\$22/night)
Parking Spaces	485 spaces (953 following expansion in 2024)

SITE DESCRIPTION & ZONING

The Property consists of an irregularly shaped parcel of land totaling approximately 10.19 acres or 443,783 square feet. The Hotel features excellent accessibility and visibility on Spring St, which connect to U.S Route 9 and I-78, a major east-west interstate highway leading east to New York City through the Holland Tunnel and west to Harrisburg, PA. I-78 provides direct access to I-95 and the Garden State Parkway, connecting the Hotel to all points north and south.

The Property is zoned Highway Commercial, allowing for numerous commercial uses, including hotel. Highway Commercial Zoning District has no regulations other than there can be no residential development on the ground floor.



Post-Expansion Plan

TOTAL SPACES: 953 SPACES
ADA SPACES: 20 SPACES

GUESTROOMS

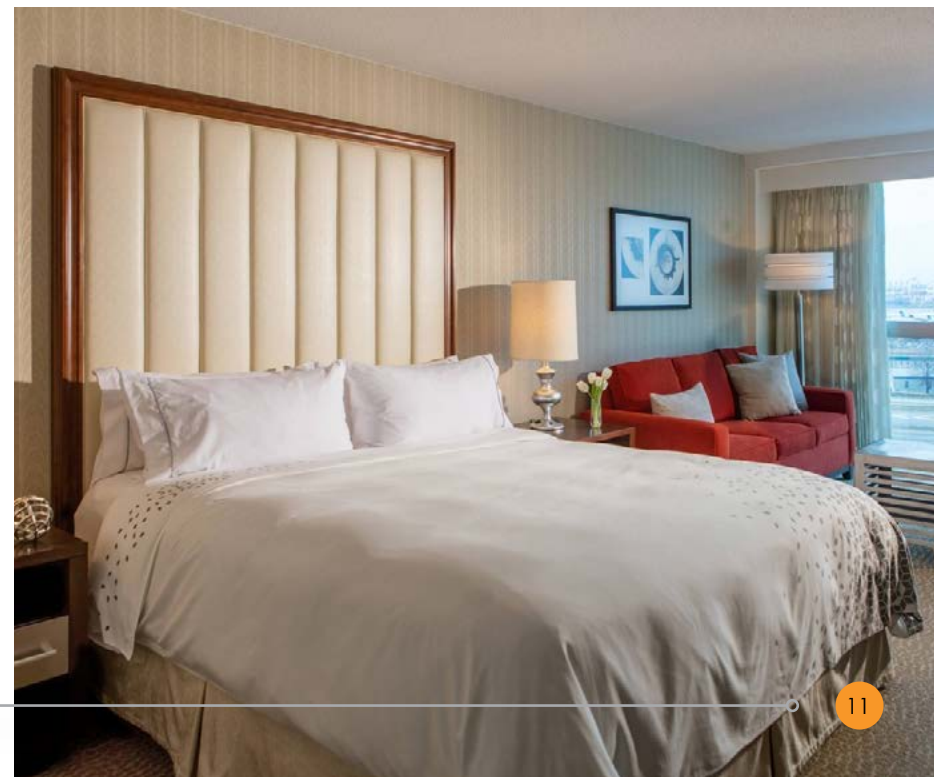
The Renaissance Newark offers a total of 396 well-appointed guestrooms located on floors one through 10 of the Property, many of which feature views of the airport and/or downtown Newark. The Property's 396 spacious guestrooms consist of 180 king rooms, 202 double/double rooms, and 10 double/queen rooms representing an ideal mix of 45%, 51%, and 3% respectively, as well as four suites with separate living areas, a wet bar, refrigerator, and separate bath. The guestroom inventory offers contemporary design with modern furnishings and state-of-the-art technology, appealing to both business and leisure travelers alike.

The Hotel's guestroom product features a comprehensive amenity package that offers an unmatched level of comfort, connectivity, and guest productivity. Each guestroom is equipped with the latest technology including high-speed wireless internet access, flat-panel televisions, and digital key access. Additionally, all guestrooms are tastefully furnished with one king or two double beds, a dresser with mirror, nightstands, an ergonomic workstation, floor and table lamps, wall mirrors, iron and ironing board, a safe, mini-refrigerators and a coffee/tea maker. The Hotel's guestroom product offers stylish bathrooms that feature shower tub combinations, tile and tub surrounds, well-lit vanities, hair dryers, and upscale fixtures and accessories.

A breakout of the Hotel's guestroom inventory is displayed below:

GUESTROOM MIX

Room Type	Keys	Square Footage	% Mix
King	180	336	45%
Double/Double	202	336	51%
Queen/Queen	10	518	3%
Suites	4	1,073	1%
Total	396	348	100%





FOOD & BEVERAGE

The Hotel features a full-service restaurant which was renovated and re-concepted as part of the Property's 2019 comprehensive capital improvement plan. The Hotel also offers daily room service.

- The Ironbound serves as the Hotel's primary breakfast, lunch, and dinner outlet, open daily from 7:00am until 11:00pm. The restaurant is centrally located in the lobby area and offers a modern layout and a contemporary atmosphere that features an expansive bar and 16 TVs.
- The Executive Lounge is a 1,500 square-foot exclusive venue located on the lobby level of the Hotel. The Lounge is available to Marriott Bonvoy Members and is open for complimentary continental breakfast and evening receptions, offering hors d'oeuvres and both alcoholic and non-alcoholic beverages.



MEETING SPACE

The Hotel offers 16,618 square feet of premier indoor meeting & event space strategically located across the first floor of the Property. The meeting space features two ballrooms, the 7,280 square foot Grand Ballroom and the 3,872 Essex Ballroom, that are located adjacent to each other with dedicated pre-function space and direct exterior access. The event and meeting space is spread across nine individual rooms that are extremely functional and flexible. Ownership's current plan is to operate the meeting and banquet facility on an ad-hoc basis in order to minimize the losses incurred by the union operation. Management anticipates continuing the plan of focusing on IBT business rather than group business.

MEETING & EVENT SPACE BREAKDOWN

Space	Square Footage
Grand Ballroom	7,280
Salon A,B,C or D	1,820
Salon A&B or C&D	3,640
Salon A, B, & C or B, C & D	5,460
Elizabeth Ballroom	3,872
Salon E, F, G and H	968
Salon E&F, F&G, or G&H	1,936
Salon E, F, & G or F, G, and H	2,904
Boardroom	616
Bergen, Essex, and Hudson	1,875
Union	1,174
Atlantic Room	625
Somerset	625
Morris	625
Middlesex	600
Hunterdon	500
Total	16,618

PARKING FACILITIES

The Property features a surface parking lot totaling approximately 485 parking spaces including 12 ADA spaces. The fully-automated parking operation is projected to generate approximately \$1.5 million in 2023. Management successfully implemented a third-party parking operator to increase revenue from hotel guests, airport parking, and other vendors.

Current Ownership is in the process of implementing a two-acre expansion of the parking lot to increase parking capacity to 953 total spaces, with an anticipated completion by early 2024. It is estimated that the expansion will generate an additional \$1.5 million in its first year of operation.



PREMIER FITNESS CENTER

The Hotel offers a best-in-class fitness facility totaling 4,000 square feet that includes free weights, cardio, Peloton and other premium equipment. The quality of the facility drives significant guest loyalty from business transient and leisure guests.

OTHER AMENITIES

- Full-service business center
- Complimentary airport shuttle
- Exclusive executive lounge



3 | MARKET OVERVIEW

NEWARK LIBERTY INTERNATIONAL AIRPORT

EWR airport is one of the three major commercial airports that serve the New York-New Jersey metropolitan area along with John F. Kennedy International Airport (“JFK”) and LaGuardia Airport (“LGA”). EWR occupies over 2,000 acres on the waterfront of Flushing Newark Bay and resides in the cities of Newark and Elizabeth, N.J., only six miles from Manhattan. The Airport’s central terminal area encompasses 425 acres and supports three runways spanning nearly 30,000 feet, and can accommodate 125 aircraft gates.

EWR is comprised of three passenger terminals and is served by several major carriers including Delta Airlines, American Airlines, Southwest Airlines, JetBlue Airways, and United Airlines, the latter of which EWR is a major hub. Newark Airport directly employs roughly 23,000 workers and contributes \$29.3 billion in annual economic impact to the New York-New Jersey metropolitan area. Indirectly, EWR is responsible for generating around 137,00 total jobs that earn upwards of \$12.5 billion in annual wages.

In 2022, EWR served 43.5 million travelers, up from 29.10 million travelers in 2021 signaling strong recovery from Covid-19 and strong fundamentals in the market. As a result of the recently completed \$2.7 billion terminal A expansion plan, the airport is poised for significant passenger growth. As of 2022, the airport ranks as the 13th busiest airport in the nation with Atlanta, Dallas, and Denver being the top three.



NEWARK NEW JERSEY

Newark, with a population of 305,344, is the largest city in New Jersey. The city is the seat of Essex County and serves as a prominent location for both the state's federal and county judicial systems. Newark's proximity to Manhattan, Newark Liberty International Airport, the Port of Newark-Elizabeth and New Jersey's extensive highway system makes the city a major transportation hub for the state. Supported by a major corporate presence and by virtue of its proximity to Manhattan, Newark is one the fastest growing and most dynamic cities in the Northeast with over \$2 billion in commercial and residential development underway including more than 9,000 apartment units recently completed, under construction, or planned. Although Newark's hotel market has historically been driven primarily by demand generated by the Newark Liberty International Airport, the city is experiencing a renaissance and transitioning toward more corporate and tourism given its easy access across the Hudson.

Previously viewed as a 9AM to 5PM neighborhood, Newark's CBD is rapidly transitioning into a 24/7 environment with ample retail amenities, outstanding entertainment, upscale lodging, fine dining, and new luxury residential facilities. New residential and mixed-use buildings, art galleries, boutiques, clubs, bars, cafes and restaurants are making the downtown a vibrant place to be after work. Several of the City's streetscape/public space projects continue to bring new lighting, sidewalks, curb corners, signage and landscaping throughout the 56 blocks of the CBD - creating a vibrant and pedestrian friendly environment.

The driving force behind the development of Newark remains the proximity to Downtown Manhattan and the excellent access provided by trains, ferries, and the Holland Tunnel. Accordingly, much of the new development activity is clustered in the Downtown area and airport district, which is proximate to northern New Jersey's most frequented transit hubs. The residential and commercial booms that Newark is experiencing suggest that the city's reputation is rapidly improving and will continue to drive demand growth for the area's hotels.

NORTHERN NJ 2023 ECONOMIC SNAPSHOT

\$581.7 billion

Gross Domestic Product

9.3 million

Population

\$88,565

Median Household Income

157 million

Total Office Space

5.2%

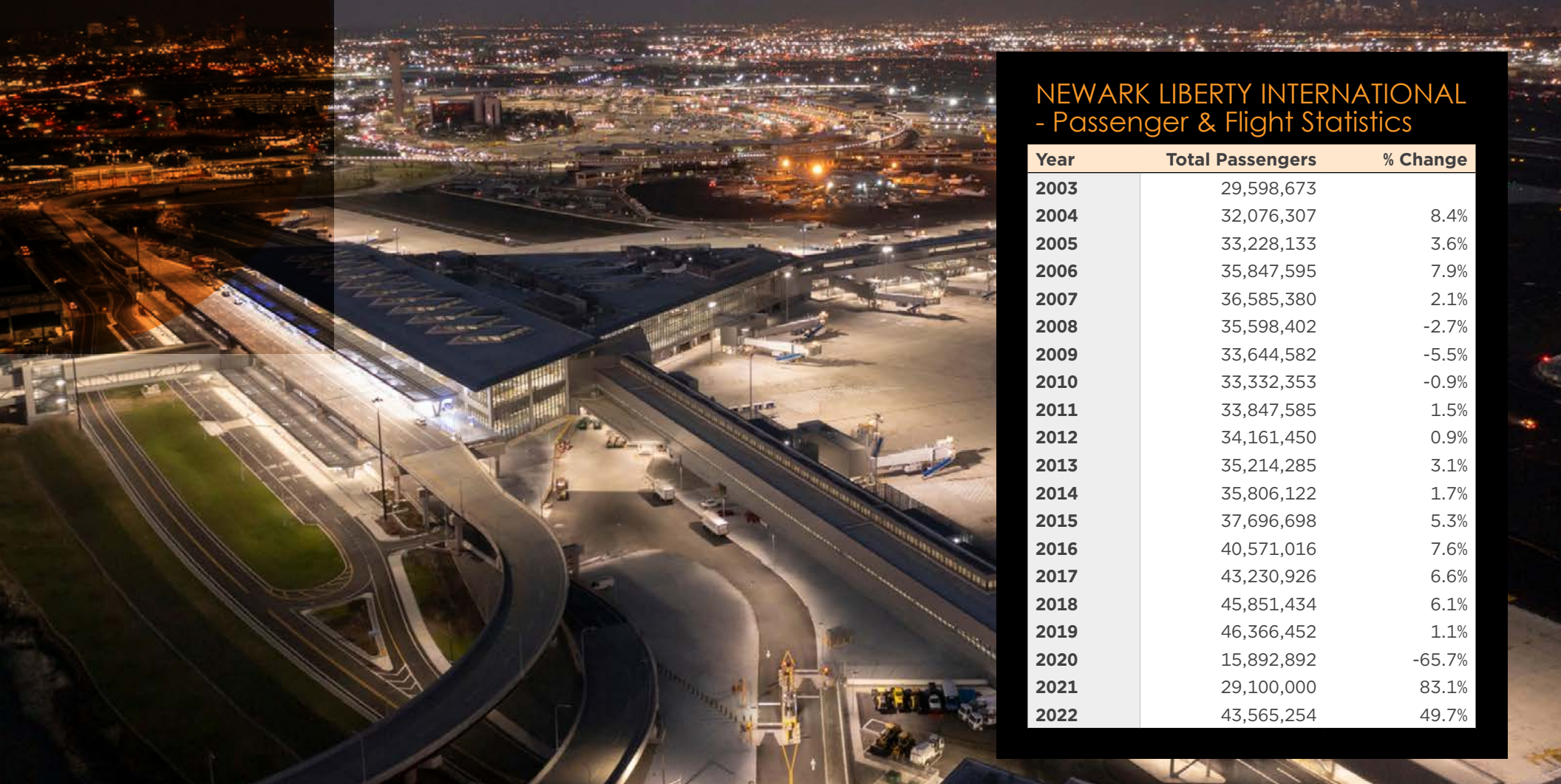
Unemployment

43.5 million

Annual Airport Passenger Traffic



Renaissance Newark Airport Hotel



NEWARK LIBERTY INTERNATIONAL - Passenger & Flight Statistics

Year	Total Passengers	% Change
2003	29,598,673	
2004	32,076,307	8.4%
2005	33,228,133	3.6%
2006	35,847,595	7.9%
2007	36,585,380	2.1%
2008	35,598,402	-2.7%
2009	33,644,582	-5.5%
2010	33,332,353	-0.9%
2011	33,847,585	1.5%
2012	34,161,450	0.9%
2013	35,214,285	3.1%
2014	35,806,122	1.7%
2015	37,696,698	5.3%
2016	40,571,016	7.6%
2017	43,230,926	6.6%
2018	45,851,434	6.1%
2019	46,366,452	1.1%
2020	15,892,892	-65.7%
2021	29,100,000	83.1%
2022	43,565,254	49.7%

EXPANSION SUMMARY

A \$2.7 billion expansion program was recently completed replacing Terminal A, to provide necessary roadway and airside improvements, and to add a new parking garage. The program broke ground in 2017 with construction of three bridges connecting the future Terminal One, as it will be known, to the roadway system.

To further accommodate the growing demand for greater New York and record passenger traffic across all major NYC airports, the Port Authority announced plans to replace the aging AirTrain with a new, \$2.0 billion system. The project is expected to be completed in 2029.

OTHER TRANSPORTATION HUBS

NEWARK PENN STATION

Newark's mass transportation system truly sets it apart from other cities. Newark Penn Station, the largest rail transportation hub in the state, is the primary station in the city and accommodates more than 30,000 travelers each day, making it one of the top 10 busiest stations in the Mid-Atlantic Region. Newark Penn Station is only a 15-minute drive from the Property and provides unparalleled access to a wide range of mass transportation options including train, PATH, light rail, Amtrak and bus lines. Access to New York City is provided by NJ Transit train, PATH and Amtrak in approximately 15 minutes.

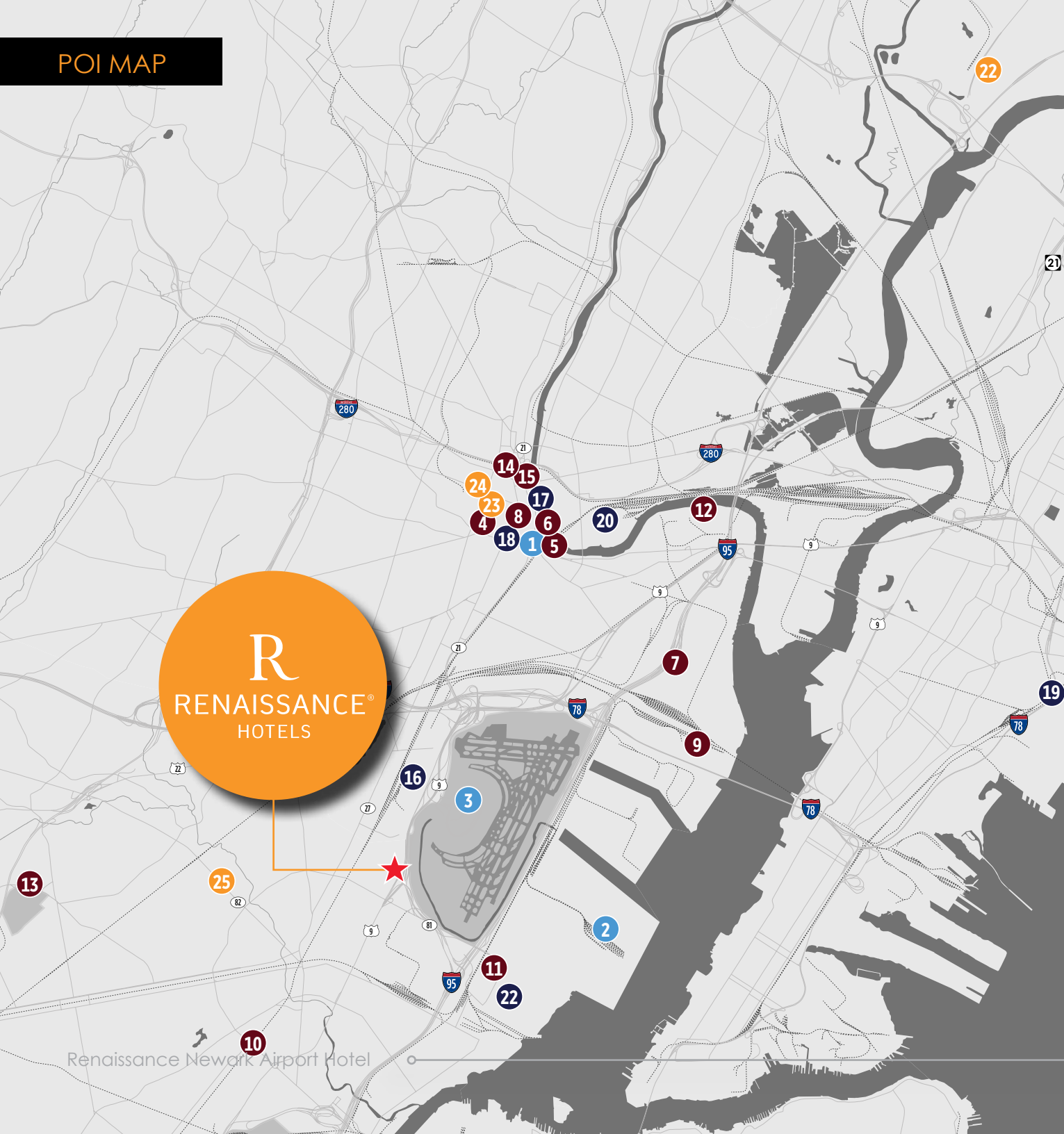
PORT NEWARK

Located just 10 minutes from the Property and situated on roughly 2,100 acres, Port Newark is the largest containerized deep water shipping terminal on the East Coast and the third largest in the Country. As the principal container ship facility for goods entering and leaving the New York Metropolitan area, the Port supports 226,000 jobs and contributes more than \$25 billion annually to the metropolitan area's economy. In preparation for the Panama Canal expansion, the Port Authority of New York and New Jersey is investing more than \$3 billion into the port. With more than 80 million tons of cargo flowing through New Jersey, the Property is ideally positioned to capitalize on increased tenant demand and economic activity.

HIGHLIGHTS

- The Port handled nearly 9.5 million TEUs in 2022 for the first time in its history, up 5.3% from the previous year, accounting for one-third of the East Coast volume
- Over \$3.0 billion has been invested in Port Newark over the past decade, with improvements completed in 2020 that upgraded connectivity and doubled capacity to 2.4 million containers.
- In 2021, The Port of Authority of New York and New Jersey announced a \$44 million roadway improvement plan to help improve and modernize travel access connecting Port Newark to the Elizabeth Port Authority Marine Terminal expected to be completed by 2028.





★ Renaissance Hotel

Transportation Hub

- 1 Newark Penn Station
- 2 Port Newark
- 3 Newark Airport

Corporate Office

- 4 Prudential Insurance
- 5 Horizon Blue Cross Blue Shield
- 6 Panasonic
- 7 Maersk Line
- 8 Public Service Enterprise Group
- 9 SalSon Logistics
- 10 Alpha Wire Corporation
- 11 Allied Beverage Group
- 12 Fabuwood Cabinetry
- 13 Merck & Co
- 14 Audible
- 15 IDT Corporation

Demand Drivers

- 16 Anheuser-Busch
- 17 New Jersey Performing Arts Center
- 18 Prudential Center
- 19 Liberty Science Center
- 20 Red Bull Arena
- 21 Jersey Gardens Outlet

Education

- 22 American Dream Mall
- 23 Rutgers University - Newark Campus
- 24 New Jersey Institute of Technology
- 25 Kean University

Renaissance Newark Airport Hotel

OFFICE MARKET OVERVIEW

Newark is the largest office node in the Northern New Jersey metro and represents the primary business district outside of Manhattan. Downtown Newark is an important Northeast hub with rail (NJ Transit and PATH), air (Newark Liberty International Airport), and shipping/distribution (Port Newark) access. Accordingly, the city is one of the largest office markets in Northern New Jersey, second only to Hudson Waterfront.

Newark has attracted national and international corporations by offering an unparalleled mass transit network, convenient highway access, proximity to Manhattan, tax and UEZ (Urban Enterprise Zone) incentives as well as a deep labor pool. The city is home to many well-known companies including Prudential Insurance, Panasonic, Audible.com, Horizon Blue Cross Blue Shield, IDT Corporation, and PSE&G among others.

With nearly 24.9 MSF of office space in the Newark submarket and more than \$2.0 billion of total on-going investment into the city's downtown, Newark is undergoing a rapid transformation that will continue to attract major Class-A office tenants. For example, Mars Wrigley recently inked a 10-year, 110,000 SF lease in the new Ironside Newark development and Audible (an Amazon company) renewed its 10-year commitment to Newark via the restoration and conversion of an 80,000 SF 1913 church into a new headquarters that will house 400 employees. In 2015, Prudential opened a 750,000 SF, \$444 million office tower to support the existing HQ building, which houses an additional employees 4,700 employees.

TOP-10 EMPLOYERS

Top Employers	# Emp.	SF
Prudential Insurance Company	12,145	1,695,917
PSE&G Services Corporation	5,220	804,274
Horizon Healthcare Services	2,600	612,572
Bed Bath & Beyond	350	344,500
Rutgers Business School	413	294,000
Panasonic Corporation	2,000	281,280
U.S. Customs and Border Protection	850	217,419
IDT Domestic Telecom	400	114,540
New Jersey Office Of The Public Defender	500	101,500
Audible	657	98,600

PRUDENTIAL INSURANCE

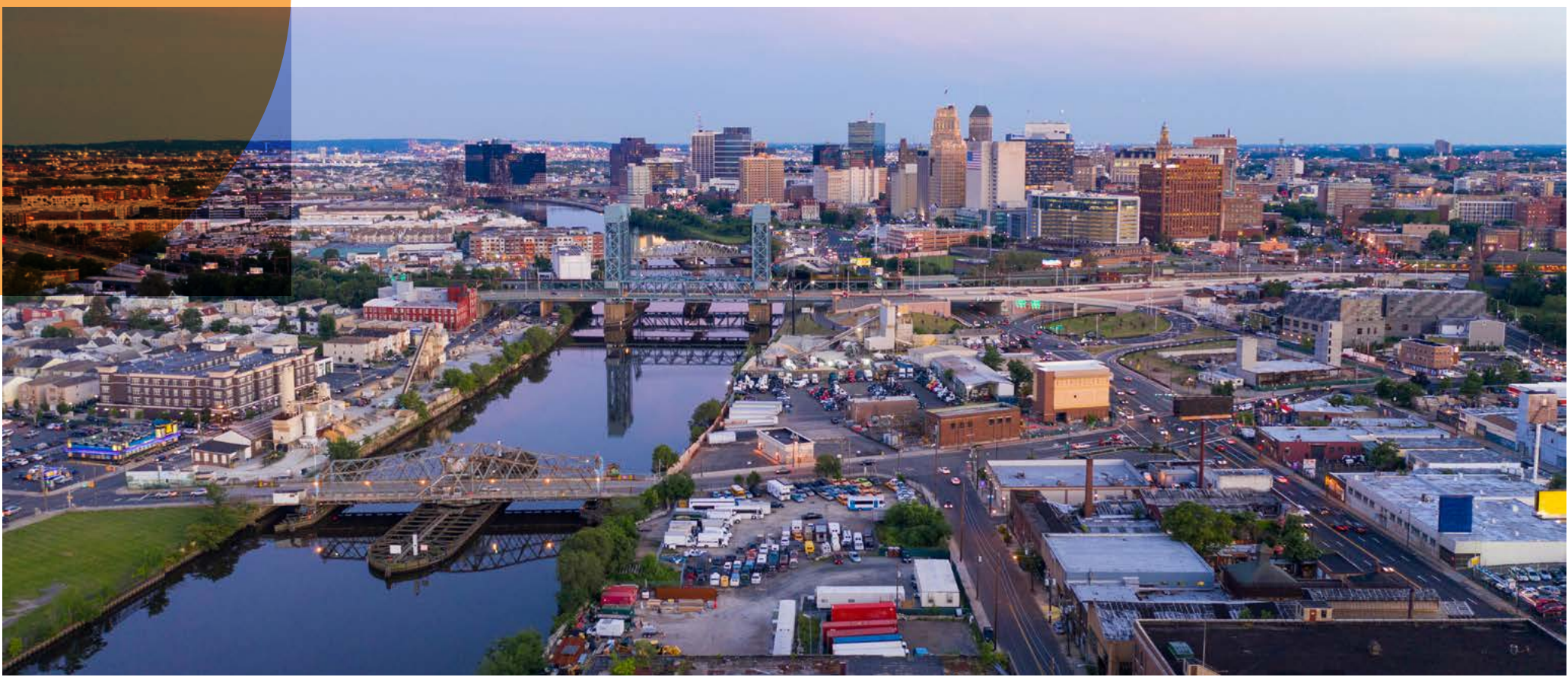
Headquartered in Newark for the company's 147-year life and ranked #55 on the Fortune 500 in 2021, Prudential is the driving force behind the office market growth in Newark. In 2015, Prudential completed a \$444 million office tower at 699 Broad Street in Newark totaling 750,000 SF of class A office space. Prudential's headquarters remains at the 751 Broad Street office, and the 699 Broad Street tower currently houses a staff of approximately 4,700 employees. The office building overlooks the recently rehabilitated Military Park, the Passaic River, and is unobstructed all the way to the Manhattan skyline.

PUBLIC SERVICE ENTERPRISE GROUP

Public Service Enterprise Group (PSE&G), ranked #318 on the Fortune 500 in 2021, has had their headquarters in Newark for over 100 years. In 2012, PSE&G renewed their lease for an additional 15 years, keeping them in the 26-story tower through the year 2030. The 1.0 MSF building is home to nearly 1,700 PSEG employees and contractors, and with nearly \$9.7 billion in revenue, PSE&G is one of the top ten largest electronic companies in the U.S.

PANASONIC

Located at Two Riverfront Plaza, the 340,000 SF, 12-story office tower has been the home to Panasonic's U.S. Headquarters since 2013. With 25 years of representation on the Fortune Global 500 list, Panasonic boasts more than \$72 billion in global revenue and, with more than 2,000 employees situated in Newark, is a major contributor to the rapidly growing corporate landscape within the city's downtown.



NEWARK DEVELOPMENT

Newark is in the midst of a major revitalization, which is rapidly transforming the entire city. Recent years of development and rehabilitation have offset and superseded former periods of stagnation as the long-forecasted renaissance of Newark is coming to fruition. More than a dozen key developments totaling upward of three million square feet and two thousand apartment units are underway, and highly sought-after retail establishments such as Whole Foods, and Barnes & Noble, have recently opened new locations in the city. Transformational projects such as the Penn Station Upgrade, Mulberry Commons, Teachers Village and the Hahne's Department Store redevelopment are changing the way people inhabit and experience the city of Newark.

New multifamily developments include VIBE, a 270-unit apartment complex currently under construction with an expected completion date of spring 2024 and One Theater Square, a planned 25 story apartment tower that will consist of 243-units and ground floor retail. Harrison Commons, across the Passaic River, is an additional multi-family development with over 1,000 planned units. PSE&G recently renewed their lease for 15 years in their 80 Park Plaza headquarters, keeping them there through the year 2030. There are currently over \$2 billion worth of development underway in the city.

GATEWAY CENTER (SHAQ TOWER) (Under Construction)

Led by Boraie Development and Shaquille O'Neal, a group of five investors recently acquired three buildings totaling 1.7 MSF of space for \$335 million. Located at the corner of Market Street and Mulberry Street in the epicenter of downtown Newark, the five-acre site is being transformed into a modern, mixed-use office building that will activate the surrounding streetscape and foster pedestrian activity.

MULBERRY STREET (Phase 2 Proposed)

Located across the street from the Prudential Center, the \$10.0 million Mulberry Commons opened to the public in late 2019. The 3-acre space is a defining development for the downtown area and creates an essential link between Penn Station and the Prudential Center. A second phase of the project will erect a pedestrian bridge crossing over McCarter Highway, connecting the downtown business district to the up-and-coming Ironbound submarket.

VIBE (Under Construction)

Located at Halsey Street and Williams Street, Strategic Development Partners is leading an \$80 million development of a 270-unit luxury rental property. Encompassing more than 300,000 SF, the project will offer resort-style amenities complemented by a pedestrian-friendly streetscape and ground-floor retail.

RIVERFRONT SQUARE (Under Construction)

Located on the site of the former Newark Bears baseball stadium and spearheaded by Lotus Equity Group, Riverfront Square is a 4.8 MSF multi-phase development that will play an integral role in transforming downtown Newark into a connected, vibrant, pedestrian-friendly community with enhanced infrastructure and new residential/retail space. The 12-acre site is approved for up to 2.0 MSF of office space as well as 4,200 apartments and 130,000 square feet of retail and amenity space.



RIVERFRONT PARK (Under Construction)

Originally conceptualized in the early 1990s, the Riverfront Park redevelopment is a multi-phase public improvement project that will transform the vacant parkland along the Passaic River into a sprawling waterfront park comparable to New York City's High Line. With Phase 3 of the project currently underway, the redeveloped park will ultimately be a major component in connecting the up-and-coming Ironbound district to the rest of Downtown Newark.

JOURNAL SQUARE (Under Construction)

Led by Kushner Real Estate Group, Journal Squared is a three-tower luxury residential complex that initially broke ground in October 2014. The complex will include some of the tallest buildings in the city (at 54, 60, and 70 stories each) and yield a total of 1,840 apartments. With the first tower completed in 2017 and the second and third tower breaking ground in 2018 and 2021, respectively, the entire development should be completed by 2024.

THE HALO (Under Construction)

Located at 289-501 Washington Street, the Halo is a three-tower luxury residential complex that broke ground in June 2022. The complex will include 949 units with the tallest tower standing at (38,42, and 46 stories each).

NEW JERSEY PERFORMING ARTS CENTER RIVERFRONT CAMPUS (Under Construction)

The New Jersey Performing Arts Center recently announced a new phase of a \$150 million development project set to transform a portion of downtown Newark's arts and education district. Breaking ground in mid-2022, the project aims to create a "vibrant new neighborhood" of multifamily buildings, retail, restaurants, and cultural space. The phase will include 350 rental residences and 15 condo townhomes all on a portion of NJPAC's riverfront campus.



NEWARK PENN STATION REDEVELOPMENT (Under Construction)

In August 2021, it was announced that Newark Penn Station would be undergoing a \$190 million overhaul aimed at modernizing the existing facilities while maintaining the station's historic integrity. The redevelopment plan calls improving the station's openness and overall commuter and visitor experience by adding dining and shopping to the concourse area. The project is expected to be completed by 2026.

IRONSIDE NEWARK (Recently Completed)

Located one mile south of Riverfront Square at 110 Edison Place, Ironside Newark is an \$80 million, adaptive reuse of a historic warehouse building that created 450,000 SF of Class-A office space. Mars Wrigley recently inked a 10-year, 110,000 SF lease that will establish Newark as its new U.S. HQ, bringing more than 500 jobs to the city by July 2020.

50 RECTOR PARK (Recently Completed)

Developed by Boraie Development in conjunction with Shaquille O'Neal, 50 Rector Park, is an \$80 million, 22-story luxury residential tower in the center of Downtown Newark. The 169-unit project opened in mid-2019 and proceeds proposed plans for a second 370-unit residential tower at 777 McCarter Highway.

INNOVATION CATHEDRAL (Recently Completed)

Formerly a historic cathedral, Audible.com recently completed a \$100 million restoration and conversion of the former Second Presbyterian Church into a modern, 80,000 SF headquarters, dubbed "Innovation Cathedral". As the fastest growing company in Newark, Audible's investment represents a major long-term commitment to the city and a cornerstone of Newark's burgeoning innovation ecosystem that is continuing to drive the next chapter in the Newark renaissance.





CULTURAL & ENTERTAINMENT ATTRACTIONS

Cultural Tourism is one of the most significant trends in Hospitality, as evidenced by cities such as Miami, Austin and San Antonio, which have created destination districts out of neglected neighborhoods through targeted investment around Arts and Cultural attractions to create a vibrant, walkable downtown area.

Newark, which already benefits from a diverse transportation network and a strong base of high-profile corporate tenants, is in the midst of transforming its downtown area into a livable, pedestrian-friendly urban core that will rival other top Manhattan suburbs.

NEW JERSEY PERFORMING ARTS CENTER

4.5 Miles
(14-Minute Drive from Property)

Home to the New Jersey Symphony Orchestra and the New Jersey State Opera, NJPAC is an integral piece of Newark's renaissance. The 250,000 SF event center is one of the largest performing arts centers in the US, attracting more than 6 million visitors since opening in 1997 and hosting over 200 events each year.

PRUDENTIAL CENTER

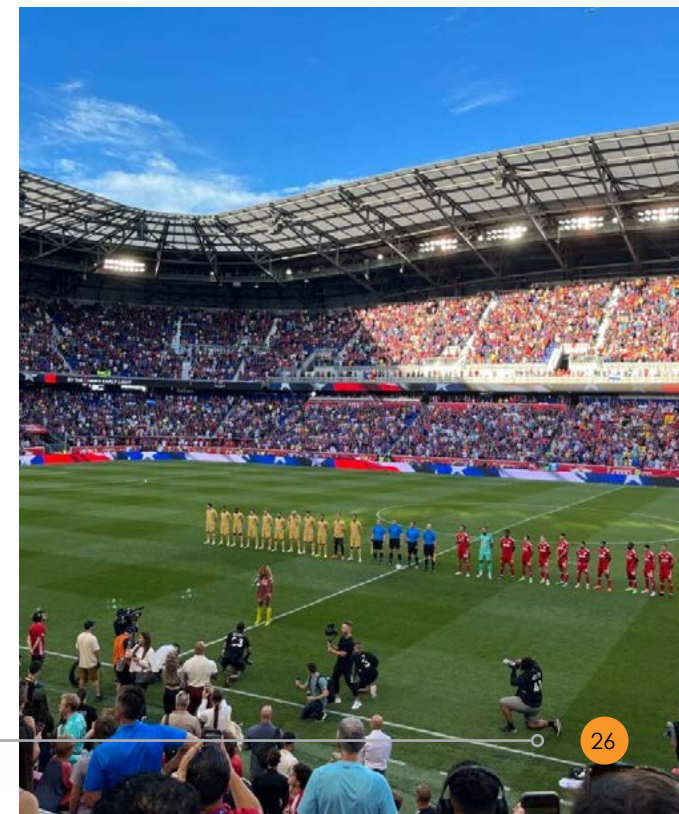
3.8 Miles
(10-Minute Drive from Property)

The 18,700-seat arena was opened in 2007. The state-of-the-art facility is currently the home to the NHL's New Jersey Devils and NCAA's Seton Hall Basketball. Hosting more than 2.0 million guests annually across various sporting events, conventions, concerts, and family-oriented shows, the Prudential Center is a driving force behind the rapid expansion of Downtown Newark. In partnership with L.A. Live, the Prudential Center is home to an 8,200 sf Grammy Museum, representing the 4th Grammy Museum in the United States.

RED BULL ARENA

5.7 Miles
(17-Minute Drive from Property)

Opened in 2010 in the adjacent city of Harrison, the \$200 million arena is home to the New York Red Bulls soccer team. With capacity to seat 25,000 fans, Red Bulls Arena has hosted headline soccer events including Major League Soccer's All-State game versus Manchester United and the United States National men's team.



AMERICAN DREAM MALL

12.6 Miles

(18-Minutes
Drive from Property)

Nearby in East Rutherford, the Meadowlands Sports Complex expanded with the American Dream Meadowlands development, a mixed-use project consisting of a 3,000,000-square-foot shopping/entertainment center, 75+ dining options, 450+ stores, the DreamWorks Waterpark, Nickelodeon Theme Park, the first indoor ski park in North America, Legoland Discovery Center, and a Sea Life aquarium.

ANHEUSER-BUSCH

1.2 Miles

(4-Minutes
Drive from Property)

Anheuser-Busch has grown to become the largest beer company in the world. Opened in 1951, the Newark brewery is the second oldest of the company's 12 major breweries. For over 67 years, the brewery's iconic A&Eagle sign has soared over the city of Newark, New Jersey. Located less than 10 minutes from the Property, the 1.7 MSF facility in Newark produces roughly nine million barrels each year. and is open regularly for tours a.

JERSEY GARDEN OUTLET

3.0 Miles

(8-Minutes
Drive from Property)

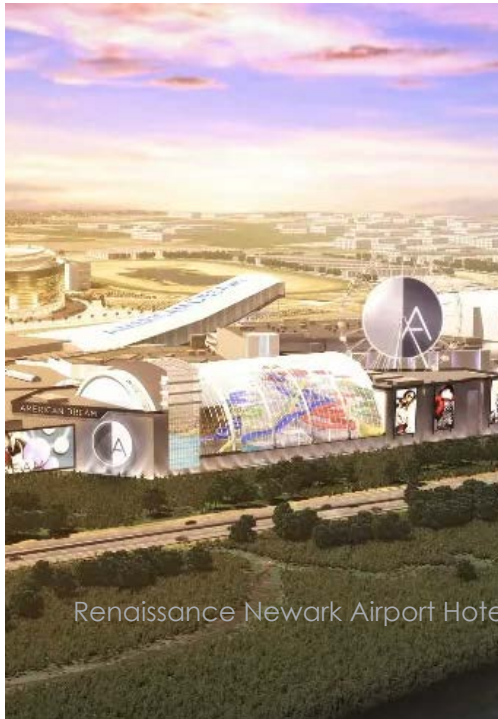
Anchored by major retailers such as Saks Fifth Avenue and Neiman Marcus, Jersey Garden Outlet is New Jersey's largest outlet retail center with over 200 stores. With over 18 million visitors each year, the mall attracts nearly 5 times more people than the Statue of Liberty.

NEWARK IRONBOUND

4.5 Miles

(10-Minutes
Drive from Property)

As one of the city's premier attractions, the Ironbound section of Newark hosts an eclectic array of some of the city's most distinguished restaurants, nightlife and tourist attractions. Predominately influenced by Portuguese, Brazilian, Spanish and South American culture, the area is benefiting from numerous public improvement projects that will ultimately create a seamless connection between Ironbound and Downtown Newark.



EDUCATION

Newark has the largest concentration of higher education institutions in New Jersey with a community of nearly 60,000 students and professionals. Newark based universities include Rutgers' Business School, New Jersey Institute of Technology (NJIT), Seton Hall Law School, Essex Community College, and the former University of Medicine and Dentistry of New Jersey, which has merged with Rutgers University and was the largest teaching hospital in the United States. Rutgers University, the largest of the schools, is the state university of New Jersey and the state's most prominent public institution of higher education. The campus supports over 1,500 full time and part time faculty members and has an enrollment of nearly 13,000 undergraduate and graduate students.

MANHATTAN TOURISM

The Property will significantly benefit from its proximity and accessibility to New York City, which will generate both individual and group corporate demand at the Hotel. New York City is regarded as the financial capital of the world, largely in part due to the presence of 45 Fortune 500 companies and the world's largest financial institutions. With a population over 8.6 million people and 56.7 million visitors in 2022, New York City is more than twice the size of the second largest city in the United States and is the sixth most visited city in the world. The city's approximate 300 square mile area is divided into five boroughs which are interconnected by one of the world's most cohesive public transportation systems, which is also integrated with the Northern New Jersey transit system, providing direct access to the Newark area.



4 | LODGING MARKET

NEWARK LODGING MARKET OVERVIEW

The Newark/Union County lodging market is the strongest hotel submarket in Northern New Jersey due to the area's unparalleled access to major transportation hubs, such as Newark International Airport, Port Newark and Newark Penn Station, and substantial new and existing leisure and business demand generated by the numerous mixed-use developments and public improvement initiatives taking place within Downtown Newark. The Newark/Union County lodging market is composed of approximately 10,600 guestrooms across 77 hotels with a supply pipeline consisting of just three hotels, of which none are competitive to the Property.

With record-breaking passenger traffic anticipated at Newark International Airport and additional flight capacity coming online, as the airport recently completed its \$2.7 billion upgrade to terminal A, the Newark/Union County hotel market is expecting robust lodging performance growth in the near future. Additionally, major public and private investment, such as the Penn Station Redevelopment, Ironside Newark, Riverfront Square, and Mulberry Commons, will continue to support the growing lodging market while providing significant additional compression nights for premium-branded, full-service hotel product.

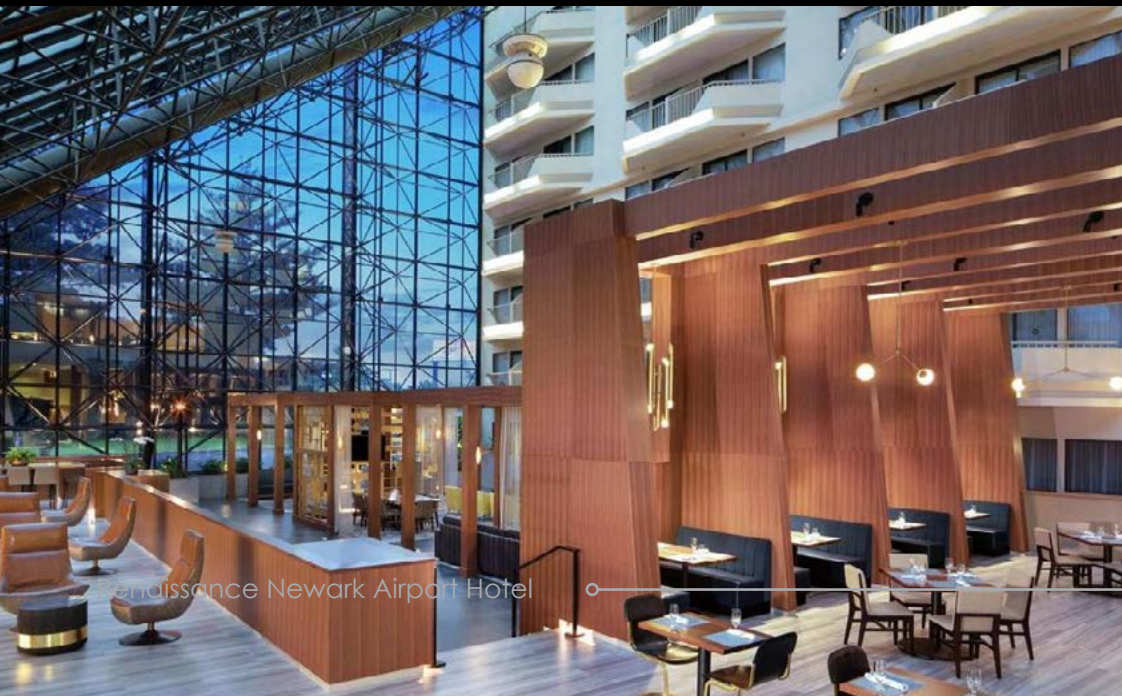
The following table illustrates supply, demand, occupancy, ADR, and RevPAR trends for the Newark lodging market from 2014 through 2023 and forecast 2024:

NEWARK/ UNION COUNTY NJ - HISTORICAL ADR & OCCUPANCY TRENDS

Year	Supply	% Change	Demand	% Change	Occupancy	% Change	ADR	% Change	RevPAR	% Change
2014	3,710,660	1.7%	2,713,043	2.7%	73.11%	1.2%	\$116.51	3.9%	\$85.19	5.0%
2015	3,740,289	0.8%	2,803,969	3.4%	74.97%	2.5%	\$116.80	0.2%	\$87.56	2.8%
2016	3,739,003	0.0%	2,831,933	1.0%	75.74%	1.0%	\$117.94	1.0%	\$89.33	2.0%
2017	3,785,967	1.3%	2,903,970	2.5%	76.70%	1.5%	\$119.95	1.7%	\$92.00	3.0%
2018	3,901,715	3.1%	3,015,958	3.9%	77.30%	0.8%	\$123.47	2.9%	\$95.44	3.7%
2019	4,033,995	3.4%	3,049,726	1.1%	75.60%	-1.8%	\$125.00	1.2%	\$94.50	-1.0%
2020	3,727,081	-7.6%	1,565,411	-48.7%	42.00%	-47.6%	\$98.27	-21.4%	\$40.56	-56.3%
2021	3,631,371	-2.6%	2,199,381	40.5%	60.57%	43.6%	\$110.35	12.3%	\$66.83	61.9%
2022	3,900,199	7.4%	2,631,525	19.6%	67.47%	11.4%	\$134.00	21.4%	\$90.41	35.3%
2023	3,889,141	-0.3%	2,758,610	4.9%	70.93%	5.2%	\$144.46	7.8%	\$102.47	13.3%
2024	3,930,891	1.1%	2,790,170	1.1%	70.98%	0.1%	\$147.68	2.2%	\$104.82	2.3%
% Change (CAGR)										
2014 - 2019		1.7%		2.4%		0.7%		1.4%		2.1%
2014 - 2022		0.6%		-0.4%		-1.0%		1.8%		2.1%
2021 - 2024		2.7%		8.3%		5.4%		10.2%		16.2%

Below are several highlights of the performance within the Union County hotel market:

- The Newark/Union County submarket RevPAR is expected to achieve a 7.4% increase from previous peak levels in 2018 by the end of 2023, driven primarily by higher “flow-through” ADR growth.
- In 2022, the Property’s competitive set boasted a 9.0% and 4.9% ADR and RevPAR premium over greater Union County lodging market, demonstrating the significant compression that benefits centrally located full-service hotel properties proximate to both the airport and Downtown Newark.
- Newark International Airport recently completed a \$2.7 billion replacement of Terminal 1 that will double the terminal’s capacity, while an additional \$2.0 billion in new development is proposed or under construction within Downtown Newark, less than four miles from the Property.
- Newark’s hotel market has historically benefitted from limited hotel supply, represented by a 0.6% CAGR since 2014. There are currently no new competitive hotels under construction.



COMPETITIVE SET

The competitive set for the Renaissance Newark Airport project consists of five branded hotels totaling 2,536 guestrooms within the Newark airport submarket. The hotels included in the competitive set have been selected due to their comparable location adjacent to major demand generators, guestroom inventory, branded nature, and overall product offerings. The competitive properties range from 259 to 591 rooms. One of the five hotels in the competitive set are affiliated with Marriott along with the Renaissance, while the remaining four are affiliated with Hilton and IHG. The Hilton and Holiday Inn are union along with the Renaissance.

RENAISSANCE NEWARK AIRPORT - COMPETITIVE SET OVERVIEW



Property	Renaissance Newark Airport Hotel	DoubleTree by Hilton Hotel Newark Airport	Marriott Newark Liberty International Airport	Hilton Newark Airport	Holiday Inn Newark International Airport - North	Crowne Plaza Newark Airport
Address	1000 Spring St, Elizabeth, NJ 07201	1000 Spring St, Elizabeth, NJ 07201	Newark Liberty International Airport, 1 Hotel Rd, Newark, NJ 07114	1170 Spring St, Elizabeth, NJ 07201	160A Frontage Rd, Newark, NJ 07114	901 Spring St, Elizabeth, NJ 07201
Guestrooms	396	502	591	378	410	259
Labor	Union	Non-Union	Non-Union	Union	Non-Union	Non-Union
Date Opened	June 1975	January 1989	December 1984	August 1988	January 2010	June 1973
Food & Beverage Outlets	Ironbound	Bistro 128, Gateway City Kitchen and Bar	Aviation Grill, The Greatroom	Amelia's, Newarker, Starbucks	Ted's Bar & Grill	TKP Lounge & Grill
Meeting & Event Space (sqft)	16,618	18,780	27,000	11,000	14,000	3,555
Meeting & Event Space per Key	42	37	46	29	34	14
Amenities	Airport Shuttle, Fitness Center, Business Center, Valet Dry-Cleaning	Airport Shuttle, Fitness Center, Business Center, Valet Dry-Cleaning, Executive Lounge	Airport Shuttle, Fitness Center, Car Rental Desk, On-Site Laundry, Valet Dry-Cleaning, Sundry Shop, Business Center	Car Rental Desk, Sundry Shop, Business Center, Airport Shuttle	Fitness Center, Airport Shuttle	Fitness Center, Business Center, Indoor Pool
Parking	Self Parking (Lot): \$22	Self Parking (Lot): \$25	Self Parking (Lot): \$33	Self Parking (Lot): \$26	Self Parking (Lot): \$21	Self Parking (Lot): \$22

COMPETITIVE MAP



**DOUBLETREE BY
HILTON HOTEL
NEWARK AIRPORT**



**MARRIOTT NEWARK
LIBERTY INTERNATIONAL
AIRPORT**



**HILTON
NEWARK AIRPORT**



**HOLIDAY INN NEWARK
INTERNATIONAL
AIRPORT - NORTH**



**CROWNE PLAZA
NEWARK AIRPORT**



COMPETITIVE SET PERFORMANCE COMPARISON

The competitive set generated occupancy above 79% for three consecutive years through 2019, peaking at 84.8% in 2019. ADR increased by over \$6 over the same period, resulting in the comp set's RevPAR achieving a 5.6% compounded annual growth rate to reach \$111.43 in 2019.

The competitive set's occupancy in 2022 was 64.9% and is expected to be 69% in 2023, which is 15.8 percentage points below the pre-pandemic peak. ADR in 2022, however, outperformed previous peak by \$15, and is expected to finish 2023 at \$162, over \$30 above pre-pandemic levels. 2023 RevPAR is forecast to be \$111.78, on par with 2019, and is projected to grow an additional 8.3% in 2024 to \$121.02. This growth is a result of the continued strengthening of the Newark airport market lodging fundamentals, primarily driven by the airport renovation and expansion completed in 2023, as well as the robust growth and ongoing new development in downtown Newark.

The Renaissance Newark has been outperforming the market in occupancy post-pandemic with penetration levels well over 110%, primarily due to its premier location, positioning as the most upscale brand in the market, and strong crew business. Occupancy in 2024 is projected to increase from 76% to 80%, while maintaining its 110% penetration. ADR in 2023 is forecast to be \$140, or \$12 above pre-pandemic levels, and budgeted to increase by 3% in 2024. The Property's resulting 8.3% RevPAR growth is in-line with the projected RevPAR growth of the competitive set.



COMPETITIVE SET PERFORMANCE COMPARISON

Renaissance Newark, Newark, NJ 396 Rooms	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Act/Fcst 2023	Proj. 2024
COMPETITIVE SET						
Renaissance Newark (1)	396	396	396	396	396	396
Crowne Plaza Newark Airport	259	259	259	259	259	259
DoubleTree by Hilton Hotel Newark Airport	502	502	502	502	502	502
Hilton Newark Airport	378	378	378	378	378	378
Holiday Inn Newark Int'l Airport - North	410	410	0	410	410	410
Marriott Newark Liberty International Airport	591	591	591	591	591	591
Totals	2,536	2,536	2,126	2,536	2,536	2,536
<i>Days In Year</i>	365	366	365	365	365	366
Available Rooms	925,640	928,176	775,990	925,640	925,640	928,176
% Chg in Supply	0.0%	0.3%	(16.4%)	19.3%	0.0%	0.3%
Market Occupancy	84.8%	37.0%	64.0%	64.9%	69.0%	71.6%
Total Occupied Rooms	784,951	343,425	496,634	600,740	638,692	664,239
% Chg in Demand	3.1%	(56.2%)	44.6%	21.0%	6.3%	4.0%
Market ADR	\$131.40	\$102.00	\$114.85	\$146.09	\$162.00	\$170.10
% Chg in ADR	0.5%	(22.4%)	12.6%	27.2%	10.9%	5.0%
Market RevPAR	\$111.43	\$37.74	\$73.50	\$94.81	\$111.78	\$121.73
% Chg in RevPAR	3.6%	(66.1%)	94.8%	29.0%	17.9%	8.9%
<i>Property's Fair Share</i>	15.6%	15.6%	18.6%	15.6%	15.6%	15.6%
Property Occupancy	81.7%	39.4%	71.4%	77.1%	76.0%	80.0%
Penetration	96.4%	106.5%	111.5%	118.8%	110.1%	110.3%
Property ADR	\$128.94	\$99.32	\$100.77	\$122.23	\$140.00	\$144.00
Penetration	98.1%	97.4%	87.7%	83.7%	86.4%	89.5%
% Chg in ADR		(23.0%)	1.5%	21.3%	14.5%	8.7%
Property RevPAR	\$105.36	\$39.14	\$71.90	\$94.25	\$106.40	\$115.20
Penetration	94.6%	103.7%	97.8%	99.4%	95.2%	95.2%
% Chg in RevPAR		(62.9%)	83.7%	31.1%	12.9%	8.3%

(1) Over \$6.7M (\$17k per key) in CapEX spent at the Hotel since 2018 with \$6.2M implemented in 2019/2020. Renovation addressed public areas, guestrooms, exterior, and other CapEX items.

4 | FINANCIAL ANALYSIS



FINANCIAL OVERVIEW

The following table summarizes the Property's financial statements from 2019 through 2022, the 2023 Actual/Reforecast, and the preliminary 2024 Budget. Notable highlights and assumptions include:

- The Hotel began operating its Food & Beverage operation in a limited capacity in 2020 in response to pandemic-related suppressed demand. The restaurant is currently operating for all three meals, however, the banquets and events business remains suspended and is assumed to remain suspended in 2024.
- Current Ownership has been implementing a parking lot expansion, with an anticipated completion in early 2024. It is estimated that the expansion will generate an additional \$1.5 million of parking revenue in its first year of operation.
- Management Fee is projected at 3.25% of total revenue per the management agreement.
- FF&E Reserve is projected at 4.0% of total revenue per industry standard underwriting.
- MCR is in the process of appealing the Property Taxes paid in all years since acquisition in October 2018. While still being finalized, the property tax bills are expecting to be decreased from an average of \$1.15 million to approximately \$750,000 per annum historically. Property Taxes are expected to stabilize at \$850,000 in 2024, and to grow at 3% inflation thereafter.
- NOI at the Hotel, which is forecast to be \$1.76 million in 2023, is projected to increase by \$2.65 million in 2024 to \$4.4 million. The increase is primarily due the additional \$1.5 million in parking revenue resulting from the lot expansion, as well as the Hotel's projected 8.3% RevPAR growth.



STATEMENT OF HISTORICAL CASH FLOWS

(\$ in thousands)	2019 ⁽¹⁾		2020 ⁽¹⁾		2021		2022		TTM Oct 22--Set 23		Actual/Budget 2023		Prelim. Budget 2024	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Average Occupancy		81.7%		39.4%		71.4%		77.1%		75.3%		76.0%		80.0%
Average Daily Rate	\$128.94		\$99.32	-23.0%	\$100.77	1.5%	\$122.23	21.3%	\$136.13		\$140.00	14.5%	\$144.00	2.9%
Rooms RevPAR	\$105.36		\$39.14	-62.9%	\$71.90	83.7%	\$94.25	31.1%	\$102.46		\$106.40	12.9%	\$115.20	8.3%
Total RevPAR	\$157.37		\$52.85	-66.4%	\$99.56	88.4%	\$136.48	37.1%	\$132.57		\$131.90	-3.4%	\$142.90	8.3%
No. of rooms	396		396		396		396		396		396		396	
Available Rooms	144,540		144,936		144,540		144,540		144,540		144,540		144,936	
Occupied Rooms	118,107		57,119		103,134		111,449		108,789		109,850		115,949	
Operating Revenue														
Rooms	\$15,229	66.9%	\$5,673	74.1%	\$10,393	72.2%	\$13,622	69.1%	\$14,809	77.3%	\$15,379	80.7%	\$16,651	80.4%
Food & Beverage	6,546	28.8%	1,372	17.9%	2,952	20.5%	4,822	24.4%	2,727	14.2%	1,922	10.1%	578	2.8%
Parking	563	2.5%	318	4.1%	663	4.6%	965	4.9%	1,355	7.1%	1,483	7.8%	3,180	15.4%
Other Operated Departments / Miscellaneous ⁽²⁾	409	1.8%	297	3.9%	382	2.7%	318	1.6%	271	1.4%	280	1.5%	302	1.5%
Total Operating Revenue	22,746	100.0%	7,660	100.0%	14,390	100.0%	19,727	100.0%	19,162	100.0%	19,064	100.0%	20,711	100.0%
Departmental Expenses														
Rooms	6,189	40.6%	4,164	73.4%	4,864	46.8%	6,120	44.9%	5,969	40.3%	6,009	39.1%	6,649	39.9%
Food & Beverage	5,456	83.4%	2,565	186.9%	3,481	117.9%	4,809	99.7%	3,608	132.3%	2,980	155.0%	723	125.0%
Parking	2	0.3%	-	0.0%	-	0.0%	-	0.0%	55	4.1%	90	6.1%	180	5.7%
Other Operated Departments / Miscellaneous ⁽²⁾	42	10.3%	28	9.3%	46	12.1%	64	20.0%	60	22.3%	62	22.3%	67	22.3%
Total Departmental Expenses	11,689	51.4%	6,757	88.2%	8,391	58.3%	10,993	55.7%	9,692	50.6%	9,141	47.9%	7,619	36.8%
Total Department Income	11,057	48.6%	903	11.8%	5,999	41.7%	8,734	44.3%	9,470	49.4%	9,923	52.1%	13,092	63.2%
Undistributed Operating Expenses														
Administrative & General	2,015	8.9%	1,033	13.5%	1,286	8.9%	1,739	8.8%	1,778	9.3%	1,749	9.2%	1,819	8.8%
Franchise Fees	1,658	7.3%	657	8.6%	1,007	7.0%	1,353	6.9%	1,494	7.8%	1,552	8.1%	1,680	8.1%
Sales & Marketing	960	4.2%	503	6.6%	549	3.8%	855	4.3%	572	3.0%	586	3.1%	601	2.9%
Property Operation & Maintenance	1,170	5.1%	787	10.3%	906	6.3%	1,152	5.8%	1,083	5.7%	1,111	5.8%	1,148	5.5%
Utilities	862	3.8%	634	8.3%	775	5.4%	796	4.0%	780	4.1%	800	4.2%	871	4.2%
Total Deductions from Income	6,666	29.3%	3,615	47.2%	4,522	31.4%	5,896	29.9%	5,708	29.8%	5,797	30.4%	6,119	29.5%
Gross Operating Profit	4,392	19.3%	(2,712)	-35.4%	1,477	10.3%	2,838	14.4%	3,763	19.6%	4,127	21.6%	6,973	33.7%
Management Fees ⁽³⁾	739	3.3%	249	3.3%	468	3.3%	641	3.3%	623	3.3%	620	3.3%	673	3.3%
Income Before Non-Operating Income & Expenses	3,652	16.1%	(2,961)	-38.7%	1,009	7.0%	2,197	11.1%	3,140	16.4%	3,507	18.4%	6,300	30.4%
Non-Operating Income & Expenses														
Property & Other Taxes ⁽⁴⁾	750	3.3%	750	9.8%	750	5.2%	750	3.8%	750	3.9%	750	3.9%	826	4.0%
Insurance	133	0.6%	160	2.1%	242	1.7%	129	0.7%	212	1.1%	231	1.2%	231	1.1%
Equipment Rent	22	0.1%	21	0.3%	13	0.1%	7	0.0%	5	0.0%	-	0.0%	-	0.0%
Total Non-Operating Income & Expenses	905	4.0%	932	12.2%	1,006	7.0%	885	4.5%	967	5.0%	981	5.1%	1,057	5.1%
EBITDA	\$2,747	12.1%	\$(3,893)	-50.8%	\$3	0.0%	\$1,312	6.6%	\$2,173	11.3%	\$2,526	13.2%	\$5,242	25.3%
Replacement Reserve ⁽³⁾	910	4.0%	306	4.0%	576	4.0%	789	4.0%	766	4.0%	763	4.0%	828	4.0%
EBITDA Less Replacement Reserve	\$1,837	8.1%	\$(4,199)	-54.8%	\$(572)	-4.0%	\$523	2.6%	\$1,406	7.3%	\$1,763	9.2%	\$4,414	21.3%

(1) Over \$6.7M (\$17k per key) in CapEX spent since 2018 with \$6.2M implemented in 2019/2020. Renovation addressed public areas, guestrooms, exterior, and other CapEX items.

(2) Other Operated Departments / Miscellaneous includes, gift shop, guest communication revenue, attrition, cancellation penalties, interest income and other.

(3) Management Fees and FF&E Reserve calculated at 3.25% and 4.0% of Gross Room Revenue, respectively.

(4) MCR is in the process of appealing the Property Taxes paid in all years since acquisition in October 2018. Property Taxes are expected to stabilize at \$850,000 in 2025, and to grow at 3% inflation thereafter.

EXHIBITS

SPONSORSHIP

MCR INVESTORS

MCR is the 3rd-largest hotel owner-operator in the United States with a \$5.0 billion portfolio of 140 premium-branded hotels containing more than 22,000 guestrooms across 37 states and 106 cities. Founded in 2006, the firm has offices in New York City, Dallas, Chicago and Richmond, Virginia.

MCR has 4,000 team members across the country and operates hotels under 16 Marriott and Hilton brands. MCR is a 3-time recipient of the Marriott Partnership Circle Award, the highest honor Marriott presents to its owner and franchise partners, as well as the Hilton Legacy Award for Top Performer. For the TWA Hotel at New York's JFK Airport, MCR won the Development of the Year (Full Service) Award at The Americas Lodging Investment Summit (ALIS), the Urban Land Institute New York Excellence in Hotel Development Award and the American Institute of Architects national Architecture Award, the highest honor given by the AIA. MCR was also named one of Fast Company's 10 Most Innovative Travel Companies of 2020.

TYLER MORSE, Chairman

Tyler Morse is Chairman and CEO of MCR. Prior to founding MCR in 2006, Mr. Morse was the President of Bliss, the upscale spa and beauty products company. He previously served as Assistant to the Chairman and CEO of Starwood Hotels & Resorts, Barry Sternlicht, and contributed to Starwood's overall corporate investment and development initiatives. Mr. Morse earned his CPA at Ernst & Young LLP and worked as an investment banker at Morgan Stanley in its Financial Sponsors and Mergers and Acquisitions Group.

Mr. Morse serves on the Board of Directors of NYC & Company, the convention and visitor arm of New York City. He is a member of the Marriott International (NASDAQ: MAR) Courtyard by Marriott Advisory Board and the Hilton Worldwide (NYSE: HLT) Distribution Advisory Committee. He serves on the advisory board of New York University's Tisch Center of Hospitality and on the Policy Advisory Board for the Fisher Center for Real Estate and Urban Economics at the University of California, Berkeley, Haas School of Business.

MCR



SUMMARY OF AGREEMENTS AND LEASES

FRANCHISE AGREEMENT

Franchisor	Marriott International Inc.
Franchisee	MCR Newark Airport LLC
Commencement Date	11/1/2018
Term	20 Years
Expiration	11/1/2038
Monthly Fees:	
Franchise Fee	5.0% of Gross Rooms Revenue
Marketing Fund Contribution	1.5% of Gross Rooms Revenue
Liquidated Damages:	Greater of A) Average Hotel Monthly Franchise Fee multiplied by 60 and B) Average System Marketing Fund Contribution multiplied by 60

MANAGEMENT AGREEMENT

Owner	MCR Newark Airport LLC
Manager	MCR Newark Airport Beverage Management LLC
Commencement Date	11/1/2018
Term	10 Years
Expiration	11/1/2028
Renewal	Automatically renewed for 1 year terms unless terminated
Fees:	
Basic Management Fee	3.25% of Total Revenues
Accounting Fee	\$10 per room of the Hotel per month
FF&E Reserve	4.0% of Total Revenues
Termination	Terminable at any time for any reason upon 90 days' written notice

PARKING AGREEMENT

Owner	MCR Newark Airport LLC
Operator	Square Parking LLC
Commencement Date	2/1/2023
Term	1 Year
Expiration	2/1/2024
Renewal	Automatically renewed for 1 year terms unless terminated
Fees:	
Basic Management Fee	\$2,000 base monthly fee increasing 3% annually, plus a monthly incentive fee.
Incentive Fee	Tiered percentage of Net Operating Surplus of 1% up to \$75,000, 2% of \$75,000-\$100,000, and 3% of \$100,000+
Termination	Terminable at any time for any reason upon 30 days' written notice



R

RENAISSANCE®
HOTELS

CONTACTS

STEVE MICHELS

Managing Director
+1 (212) 841-7782
stephen.michels@cushwake.com

JARED KELSO

Executive Managing Director
+1 (212) 841-9205
jared.kelso@cushwake.com

STEVEN VAZQUEZ

Senior Director
+1 (212) 698-5562
steven.vazquez@cushwake.com

JACOB FRISCH

Analyst
+1 (212) 660-7723
jacob.frisch@cushwake.com