CBRE OVERVIEW

TEAM INTRODUCTION

EXECUTION TEAM

HENRY BOSE
Senior Vice President
San Francisco, CA

JAY SHOLL
Senior Vice President
San Francisco, CA

ELENA QUACH
Senior Financial Analyst
San Francisco, CA

DEBT & STRUCTURED FINANCE

CARA LEONARD
Senior Vice President
Los Angeles, CA

CHARLIE RYAN
Senior Production Analyst
Los Angeles, CA

MARKETING/EXECUTION SUPPORT

LORI BURKE
Director, Capital Markets Operations
Atlanta, GA

JEREMY CANTALAMESSA
Client Services Coordinator
Denver, CO
CBRE OVERVIEW

RELEVANT TRANSACTIONS

CAMPBELL DEVELOPMENT SITE
Currently Marketing

1055 MARKET STREET, SAN FRANCISCO
Currently Marketing

SAN JOSE TOP GOLF HOTEL SITE
Sold: July 2019

AETNA SPRINGS RESORT
Sold: December 2018

433 MASON STREET, SAN FRANCISCO
Sold: January 2017

SAN BRUNO CROSSING HOTEL SITE
Sold: August 2012
CBRE HOTELS OVERVIEW
DELIVERING CBRE HOTELS AMERICAS’ PLATFORM

INVESTMENT SALES

22 OFFICES IN THE U.S.

45 U.S. BROKERAGE PROFESSIONALS

$2.6B IN U.S. HOTEL SALES 2018

133 HOTELS SOLD U.S. MARKET LEADER 2018

SIGNIFICANT TRANSACTION EXPERIENCE

DEBT PLACEMENT

$18 BILLION+ IN HOSPITALITY & FINANCING TRANSACTIONS

$1.63 BILLION IN U.S. FINANCING TRANSACTIONS 2018

$287 MILLION LARGEST DEBT TRANSACTION 2018

47 CLOSED DEALS WITH SEPARATE CAPITAL SOURCES 2018

ADVISORY

OUR CAPABILITIES PROVIDE CUSTOMIZED SERVICES WITHIN THE LIFE CYCLE OF AN ASSET

STRATEGY, INVESTMENT & MARKET ADVISORY

VALUATIONS

LITIGATION SUPPORT

ACQUISITION DUE DILIGENCE

DEVELOPMENT & PROJECT MANAGEMENT SERVICES

STRATEGIC RESEARCH

ASSET MANAGEMENT
PRE-MARKETING & DUE DILIGENCE INTRODUCTION
Our exhaustive and precise pre-marketing due diligence is the key to a successful marketing process, allowing us to provide investors a compelling story and comprehensive marketing materials that provide for an efficient and effective marketing campaign.

DEVELOPING THE STORY
We developed the most defensibly aggressive assumptions and crafted a story that clearly optimizes the hotel’s cash flows by incorporating prevailing and projected market trends. As part of the pricing exercise for the hotel, the team completed the following:
• Evaluate multiple scenarios in order to intelligently assist groups that are looking at the opportunity in different ways
• Develop a comprehensive argument for the continued growth of the San Bruno Submarket with Youtube Headquarters Expansion

DEBT QUOTES
Our dedicated Debt & Structured Finance team generated multiple debt quotes to address the various needs of different types of buyers.

INVESTOR LIST
The marketing team worked together to compile a targeted list of qualified investors, hotel developers, and local hotel owners who have the experience, capacity and resources to successfully execute the transaction. These investors must meet the requirements and objectives of ownership. Our recent comparable sales transactions in the San Francisco Bay Area provides valuable market intelligence when developing an investor list for City of San Bruno. We also consulted with our colleagues nationally to leverage every relationship that existed within the organization.

KEYS TO ACHIEVING MAXIMUM VALUE

Conducted wide-reaching national marketing campaign with focused and personal visits to key prospects

Communicated history of the property

Highlighted growth in the market

All tours personally conducted by senior team leaders
MARKETING CAMPAIGN

BEST-IN-CLASS MARKETING MATERIALS

OFFERING MEMORANDUM

CBRE Hotels is known for its compelling, high-quality marketing materials focused on “selling” the future potential, effectively conveying the importance and value of the opportunity, and developing visually clear and persuasive statistics and argument to propel the marketing strategy. Our internal research, analytical and marketing teams, the broker team, and City of San Bruno, managed the process to produce materials that provided strategic business plans and financial directions to investors, allowing them to maximize the value potential of the investment.

CBRE Deal Flow is CBRE’s listing platform for all property and portfolio sales. This all-in-one toolset streamlines the entire disposition process, with full-coverage tracking, a secure virtual deal room and reporting that provides a clear view of how perspective buyers interact with each listing. By collecting investor’s acquisition criteria and exposing the listing to CBRE’s internal broker network, CBRE Deal Flow provides us the opportunity to deploy a more targeted strategy and get our deals in front of the right people, at the right time. Benefits of CBRE Deal Flow include:

- Access to inventory
- Real-time market insight
- Matching deals to capital
- Customized investor preferences

www.cbredealflow.com
## MARKETING CAMPAIGN KEY DATES

**Marketing**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBRE Formally Engaged</td>
<td>April 12, 2019</td>
</tr>
<tr>
<td>Marketing Campaign Launch</td>
<td>May 29, 2019</td>
</tr>
<tr>
<td>NYU International Hospitality Industry Investment Conf:</td>
<td>June 2-4, 2019</td>
</tr>
<tr>
<td>Initial Offer Date</td>
<td>July 18, 2019</td>
</tr>
<tr>
<td>Second Round Offer Date</td>
<td>August 8, 2019</td>
</tr>
<tr>
<td>Best &amp; Final Round Interviews w/City</td>
<td>August 16, 2019</td>
</tr>
</tbody>
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REVIEW OFFERS
DEVELOPER SELECTION CRITERIA

• FINANCIAL TERMS
• QUALITY OF RESPONSE
• TEAM / TRACK RECORD
• CAPITAL SOURCE & STRUCTURE
• PROPOSED OPERATOR / BRANDS
• UNION EXPERIENCE
• DEVELOPMENT PROGRAM & SCHEDULE
• CONCEPT DESIGN & SITE PLAN
• UNDERSTANDING ENTITLEMENT APPROVAL PROCESS
• UNDERSTANDING CITY’S GOALS
• COMMUNITY ENGAGEMENT
• FLEXIBILITY & CREATIVITY
## FINALISTS OFFER MATRIX: SAN BRUNO CROSSING HOTEL DEVELOPMENT SITE

**10/7/2019**

<table>
<thead>
<tr>
<th>Bidder: Company</th>
<th>Hotel Concept</th>
<th>Meeting Space</th>
<th>Parking</th>
<th>Purchase Price</th>
<th>Price Per Key</th>
<th>Due Diligence Days (from execution of PSA)</th>
<th>Closing Days</th>
<th>Initial / Additional Escrow Deposit(s)</th>
<th>Closing Costs</th>
<th>Project Cost (excluding Land)</th>
<th>Stabilized TOT at Year 3 (Room Revenue x 12%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kuber Hotels, Inc</td>
<td>170-room Element Hotel</td>
<td>2,500 SF</td>
<td>Surface, 120-131 stalls</td>
<td>$6,000,000</td>
<td>$35,294</td>
<td>15 days from receiving full approvals from City of San Bruno</td>
<td>60</td>
<td>$250,000 / $250,000</td>
<td>Closing costs are split by buyer and seller</td>
<td>$237,931 per room based on 170 rooms</td>
<td>$1,424,040</td>
</tr>
<tr>
<td>Blackridge LLC</td>
<td>176-room - 180-room Element Hotel</td>
<td>1,000 SF - 1,500 SF</td>
<td>Surface, 139 stalls</td>
<td>$6,000,000</td>
<td>$34,091</td>
<td>30 days after receipt of building permits</td>
<td>TBD</td>
<td>$250,000</td>
<td>TBD</td>
<td>$349,161 per room based on 176 rooms</td>
<td>$1,560,000</td>
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</tbody>
</table>
NEXT STEPS
PRELIMINARY SCHEDULE

➢ October 2019: Short list developer presentations
  • Selection of preferred developer for Exclusive Negotiations

➢ October – February 2020: Negotiate Purchase and Sale Agreement ("PSA")
  • Developer to engage trades/ unions

➢ February/March 2020: Adoption of a fully negotiated PSA
NEXT STEPS
DEVELOPMENT TIMELINE

- 2020-2021: Planning Entitlements
- 2021: Execution of PSA
- 2021: Building Permit Review and Approval
- 2021/2022: Construction begins
- 2023/2024: Hotel Opens